NEW ISSUE

Moody's: "Aa3"
Standard & Poor's: "AA-"
(See "Ratings" herein)

DASNY
DORMITORY AUTHORITY STATE OF NEW YORK

DAC Bond®

$691,435,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
NEW YORK UNIVERSITY
REVENUE BONDS, SERIES 2015A

Dated: Date of Delivery **Due: July 1, as shown on the inside cover**

Payment and Security: The New York University Revenue Bonds, Series 2015A (the "Series 2015A Bonds") are special obligations of the Dormitory Authority of the State of New York ("DASNY") payable solely from and secured by a pledge of (i) certain payments to be made under the Loan Agreement (the "Loan Agreement"), dated as of May 28, 2008, between New York University (the "University") and DASNY, and (ii) all funds and accounts (except the Arbitrage Rebate Fund) established under DASNY's New York University Revenue Bond Resolution, adopted May 28, 2008 (the "Resolution"), and the Series 2015A Resolution Authorizing the Issuance of a Series of New York University Revenue Bonds, adopted March 11, 2015 (the "Series 2015A Resolution").

The Loan Agreement is a general, unsecured obligation of the University and requires the University to pay, in addition to the fees and expenses of DASNY and the Trustee, amounts sufficient to pay, when due, the principal, Sinking Fund Installments, if any, Purchase Price and Redemption Price of and interest on all Bonds issued under the Resolution, including the Series 2015A Bonds.

The Series 2015A Bonds will not be a debt of the State of New York nor will the State be liable thereon. DASNY has no taxing power.

Description: The Series 2015A Bonds will be issued as fully registered bonds in denominations of $5,000 or any integral multiple thereof and will bear interest at the rates and will pay interest and mature at the times and in the respective principal amounts shown on the inside cover hereof.

The Series 2015A Bonds will be issued initially under a Book-Entry Only System, registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). Individual purchases of beneficial interests in the Series 2015A Bonds will be made in Book-Entry form (without certificates). So long as DTC or its nominee is the registered owner of the Series 2015A Bonds, payments of the principal and Redemption Price of and interest on such Series 2015A Bonds will be made directly to DTC or its nominee. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC participants. See "PART 3 - THE SERIES 2015A BONDS - Book-Entry Only System" herein.

The Bank of New York Mellon, New York, New York is the Trustee and Paying Agent for the Series 2015A Bonds.

Redemption: *The Series 2015A Bonds are subject to redemption and purchase in lieu of optional redemption prior to maturity as more fully described herein.*

Tax Matters: In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to DASNY ("Bond Counsel"), under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Series 2015A Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Series 2015A Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. In addition, in the opinion of Bond Counsel to DASNY, under existing statutes, interest on the Series 2015A Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "PART 11 – TAX MATTERS" herein regarding certain other considerations.

The Series 2015A Bonds are offered when, as, and if issued and received by the Underwriters. The offer of the Series 2015A Bonds may be subject to prior sale, or withdrawn or modified at any time without notice. The offer is subject to the approval of legality by Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the University by its General Counsel, Terrance Nolan, Esq., and by its special counsel, Ropes & Gray LLP, New York, New York. Certain legal matters will be passed upon for the Underwriters by their co-counsel, Locke Lord LLP (successor by merger to Edwards Wildman Palmer LLP), New York, New York, and The Hardwick Law Firm LLC, New York, New York. DASNY expects to deliver the Series 2015A Bonds in definitive form in New York, New York, on or about April 22, 2015.

Morgan Stanley **J.P. Morgan**

BofA Merrill Lynch **Wells Fargo Securities** **The Williams Capital Group, L.P.**

April 10, 2015

$691,435,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
NEW YORK UNIVERSITY
REVENUE BONDS, SERIES 2015A

Interest Payment Dates: Each January 1 and July 1, commencing January 1, 2016

$366,160,000 Serial Bonds

Due July 1	Amount	Interest Rate	Yield	CUSIP Number[1]	Due July 1	Amount	Interest Rate	Yield	CUSIP Number[1]
2016	$ 990,000	5.000%	0.150%	64990BET6	2024	$18,255,000	5.000%	2.100%	64990BFV0
2017	2,970,000	3.000	0.620	64990BEU3	2025	19,170,000	5.000	2.240	64990BFW8
2018	5,940,000	4.000	0.950	64990BEV1	2026	19,480,000	5.000	2.420*	64990BFB4
2019	7,000,000	3.000	1.220	64990BEW9	2027	20,460,000	2.800	2.770*	64990BFC2
2019	8,230,000	5.000	1.220	64990BFQ1	2028	21,030,000	5.000	2.660*	64990BFD0
2020	7,500,000	4.000	1.400	64990BEX7	2029	7,660,000	3.000	3.050	64990BFF5
2020	8,350,000	5.000	1.400	64990BFR9	2029	14,425,000	5.000	2.750*	64990BFY4
2021	2,890,000	2.000	1.570	64990BEY5	2030	23,030,000	5.000	2.840*	64990BFG3
2021	13,040,000	5.000	1.570	64990BFS7	2031	24,195,000	5.000	2.900*	64990BFH1
2022	3,960,000	4.000	1.770	64990BEZ2	2032	25,395,000	5.000	2.950*	64990BFJ7
2022	12,675,000	5.000	1.770	64990BFT5	2033	26,030,000	5.000	2.990*	64990BFK4
2023	2,530,000	3.000	1.930	64990BFA6	2034	27,340,000	5.000	3.020*	64990BFP3
2023	14,905,000	5.000	1.930	64990BFU2	2035	28,710,000	5.000	3.030*	64990BFL2

$87,080,000 4.000% Term Bond Due July 1, 2038, to Yield 3.510%* CUSIP Number[1] 64990BFM0
$63,850,000 Stepped Coupon Bond[2] Due July 1, 2041, Price 100% CUSIP Number[1] 64990BFX6**
$102,020,000 5.000% Term Bond Due July 1, 2045, to Yield 3.170%* CUSIP Number[1] 64990BFN8
$72,325,000 5.000% Term Bond Due July 1, 2048, to Yield 3.250%* CUSIP Number[1] 64990BFE8

Stepped Coupon Structure:

The Stepped Coupon Bonds maturing on July 1, 2041 will bear interest at: 2.500% per annum from the Date of Delivery through and including June 30, 2020; 3.500% per annum from July 1, 2020 through and including June 30, 2025; 4.500% per annum from July 1, 2025 through and including June 30, 2032; and 5.500% per annum from July 1, 2032 to maturity.

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* Priced at the stated yield to the first optional call date of July 1, 2025 at a redemption price of 100%.

** The Stepped Coupon Bonds are priced to the first optional call date of July 1, 2020 at a redemption price of 100%.

1 CUSIP data herein are provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. CUSIP numbers have been assigned by an independent company not affiliated with DASNY and are included solely for the convenience of the holders of the Series 2015A Bonds. DASNY is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2015A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the Series 2015A Bonds.

2 Stepped Coupon Bonds bear interest at a rate that resets periodically. See "Stepped Coupon Structure" above for the rate structure.

No dealer, broker, salesperson or other person has been authorized by DASNY, the University or the Underwriters to give any information or to make any representations with respect to the Series 2015A Bonds, other than the information and representations contained in this Official Statement. If given or made, any such information or representations must not be relied upon as having been authorized by DASNY, the University or the Underwriters.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor will there be a sale of the Series 2015A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

Certain information in this Official Statement has been supplied by the University and other sources that DASNY believes are reliable. DASNY does not guarantee the accuracy or completeness of such information and such information is not to be construed as a representation of DASNY.

The Underwriters provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The Trustee provided the following sentence for inclusion in this Official Statement. The Trustee has no responsibility for the form and content of this Official Statement and has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom.

The University reviewed the parts of this Official Statement describing the University, the Estimated Sources and Uses of Funds, the Series 2015A Project, the Refunding Plan and Appendix B. It is a condition to the sale and the delivery of the Series 2015A Bonds that the University certify that, as of each such date, such parts do not contain any untrue statements of a material fact and do not omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which the statements are made, not misleading. The University makes no representations as to the accuracy or completeness of any other information included in this Official Statement.

References in this Official Statement to the Act, the Resolution, the Series 2015A Resolution and the Loan Agreement do not purport to be complete. Refer to the Act, the Resolution, the Series 2015A Resolution and the Loan Agreement for full and complete details of their provisions. Copies of the Resolution, the Series 2015A Resolution and the Loan Agreement are on file with DASNY and the Trustee.

The order and placement of material in this Official Statement, including its appendices, are not to be deemed a determination of relevance, materiality or importance, and all material in this Official Statement, including its appendices, must be considered in its entirety.

Under no circumstances will the delivery of this Official Statement or any sale made after its delivery create any implication that the affairs of DASNY or the University have remained unchanged after the date of this Official Statement.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE UNIVERSITY AND THE TERMS OF THE OFFERING INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT AFFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2015A BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2015A BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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DORMITORY AUTHORITY - STATE OF NEW YORK
PAUL T. WILLIAMS, JR. - PRESIDENT
515 BROADWAY, ALBANY, N.Y. 12207
ALFONSO L. CARNEY, JR. - CHAIR

OFFICIAL STATEMENT RELATING TO

$691,435,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
NEW YORK UNIVERSITY
REVENUE BONDS, SERIES 2015A

PART 1 - INTRODUCTION

Purpose of the Official Statement

The purpose of this Official Statement, including the cover page, the inside cover page and appendices, is to provide information about DASNY and the University, in connection with the offering by DASNY of $691,435,000 principal amount of its New York University Revenue Bonds, Series 2015A (the "Series 2015A Bonds").

The following is a brief description of certain information concerning the Series 2015A Bonds, DASNY and the University. A more complete description of such information and additional information that may affect decisions to invest in the Series 2015A Bonds is contained throughout this Official Statement, which should be read in its entirety. Certain terms used in this Official Statement are defined in Appendix A hereto.

Purpose of the Issue

The Series 2015A Bonds are being issued (i) to refund a portion of DASNY's outstanding New York University Insured Revenue Bonds, Series 2007A (the "Series 2007A Bonds"), New York University Revenue Bonds, Series 2008A (the "Series 2008A Bonds"), New York University Revenue Bonds, Series 2008B (the "Series 2008B Bonds"), and New York University Revenue Bonds, Series 2008C (the "Series 2008C Bonds") (such portions of the Series 2007A Bonds, the Series 2008A Bonds, the Series 2008B Bonds and the Series 2008C Bonds to be refunded with the proceeds of the Series 2015A Bonds, collectively referred to herein as the "Refunded Bonds"); and (ii) finance or refinance the cost of acquisition, construction, reconstruction, renovation, repair, furnishing and equipping of the Series 2015A Project (as hereinafter defined). See "PART 4 - ESTIMATED SOURCES AND USES OF FUNDS," "PART 5 – THE SERIES 2015A PROJECT" and "PART 6 - THE REFUNDING PLAN."

Authorization of Issuance

The Series 2015A Bonds will be issued pursuant to the Resolution, the Series 2015A Resolution and the Act. In addition to the Series 2015A Bonds, the Resolution authorizes the issuance of other Series of Bonds (collectively, the "Bonds") to pay other Costs of one or more projects, to pay the Costs of Issuance of such Series of Bonds and to refund all or a portion of Outstanding Bonds or other notes or bonds of DASNY issued on behalf of the University. The Bonds permitted to be issued under the Resolution include Capital Appreciation Bonds, Deferred Income Bonds, Option Bonds and Variable Interest Rate Bonds. All Bonds issued under the Resolution rank on a parity with each other and are secured equally and ratably with each other. There is no limit on the amount of additional Bonds that may be issued under the Resolution, which Bonds may be issued at any time after the scheduled delivery date of the Series 2015A Bonds. See "PART 7 - THE UNIVERSITY - FINANCIAL STATEMENT INFORMATION - Outstanding Long-Term Debt."

The Series 2015A Bonds

The Series 2015A Bonds will be dated their date of delivery and will bear interest from such date (payable January 1, 2016 and on each July 1 and January 1 thereafter) at the rates and will mature at the times and in the principal amounts set forth on the inside cover page of this Official Statement. See "PART 3 - THE SERIES 2015A BONDS - Description of the Series 2015A Bonds."

Payment of the Series 2015A Bonds

The Series 2015A Bonds and all other Bonds which have been and may be issued under the Resolution are special obligations of DASNY payable solely from the Revenues, which consist of certain payments to be made by the University under the Loan Agreement. The Revenues are pledged and assigned to the Trustee. See "PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2015A BONDS - Payment of the Series 2015A Bonds."

Security for the Series 2015A Bonds

The Series 2015A Bonds are secured equally and ratably with all other Bonds which have been and may be issued under the Resolution by the pledge and assignment to the Trustee of the Revenues, the proceeds of the Bonds and, except as otherwise provided in the Resolution, all funds and accounts established under the Resolution (with the exception of the Arbitrage Rebate Fund or any fund or account established for the payment of the purchase price or Redemption Price of Option Bonds tendered for purchase or redemption). See "PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2015A BONDS - Security for the Series 2015A Bonds" and "PART 7 - THE UNIVERSITY - FINANCIAL STATEMENT INFORMATION - Outstanding Long-Term Debt."

The Loan Agreement is a general, unsecured obligation of the University. No security interest in any revenues or assets of the University has been granted by the University to DASNY under the Loan Agreement. However, the University has granted security interests in certain revenues and assets of the University to secure certain of the University's outstanding indebtedness other than the Bonds. In addition, pursuant to the Loan Agreement, the University may incur Debt secured by a lien and pledge of revenues of the University without granting to DASNY any security interest in any revenues to secure the University's obligations under the Loan Agreement. See "PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2015A BONDS - Security for the Series 2015A Bonds" and "PART 7 - THE UNIVERSITY - FINANCIAL STATEMENT INFORMATION - Outstanding Long-Term Debt."

The University

The University is a private, co-educational, non-sectarian, not-for-profit institution of higher education chartered by the Regents of the University of the State of New York and is an organization described in Section 501(c)(3) of the Code. The University's principal facilities are located in New York, New York. See "PART 7 - THE UNIVERSITY" and "APPENDIX B – NEW YORK UNIVERSITY CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED AUGUST 31, 2014 AND 2013, AND REPORT OF INDEPENDENT ACCOUNTANTS."

DASNY

DASNY is a public benefit corporation of the State, created for the purpose of financing and constructing a variety of public-purpose facilities for certain educational, governmental and not-for-profit corporations. See "PART 8 - DASNY."

PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2015A BONDS

Set forth below is a narrative description of certain contractual provisions relating to the source of payment of and security for the Series 2015A Bonds. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Act, the Loan Agreement and the Resolution and the Series 2015A Resolution. Copies of the Loan Agreement, the Resolution and the Series 2015A Resolution are on file with DASNY and the Trustee. See also "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT" and "APPENDIX D - SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION," for a more complete statement of the rights, duties and obligations of the parties thereto.

Payment of the Series 2015A Bonds

The Series 2015A Bonds and all other Bonds which have been and may be issued under the Resolution will be special obligations of DASNY. The principal, Sinking Fund Installments, if any, Purchase Price and Redemption Price of and interest on the Series 2015A Bonds and all other Bonds issued under the Resolution are payable solely from the Revenues, which consist of payments to be made by the University pursuant to the Loan Agreement on account of the principal, Sinking Fund Installments, if any, Purchase Price and Redemption Price of and interest on the Bonds. The Revenues and the right to receive them have been pledged to the Trustee for the benefit of the Bondholders.

The Loan Agreement is a general, unsecured obligation of the University and obligates the University to make payments to satisfy the principal and Sinking Fund Installments, if any, of and interest on Outstanding Bonds. Payments made by the University in respect of interest on fixed-rate Outstanding Bonds are to be made on the fifth Business Day immediately preceding a July 1 and January 1 interest payment date and, in the case of payments in connection with Variable Interest Rate Bonds, three days prior to an interest payment date, in each case in an amount equal to the interest coming due on the next succeeding interest payment date. Payments by the University in respect of principal and Sinking Fund Installments are to be made on the fifth Business Day preceding the date on which such principal becomes due or the date on which a Sinking Fund Installment becomes due. The Loan Agreement also obligates the University to pay, at least 5 Business Days prior to a redemption date of Bonds called for redemption, the amount, if any, required to pay the Redemption Price of such Bonds.

Pursuant to the Loan Agreement, DASNY has directed the University, and the University has agreed, to make such payments directly to the Trustee. Such payments are to be applied by the Trustee to the payment of the principal of and interest on the Outstanding Bonds, including the Series 2015A Bonds.

Security for the Series 2015A Bonds

The Series 2015A Bonds are secured equally with all other Bonds issued under the Resolution by the pledge of the Revenues, the proceeds of the Bonds and, except as otherwise provided in the Resolution, all funds and accounts established by the Resolution and any Series Resolution, other than the Arbitrage Rebate Fund and any fund established for the payment of the Purchase Price of Option Bonds tendered for purchase.

The Series 2015A Bonds will not be a debt of the State nor will the State be liable thereon. DASNY has no taxing power. Neither the State nor DASNY has any responsibility to make payments with respect to the Series 2015A Bonds except for DASNY's responsibility to make payments from money received from the University pursuant to the Loan Agreement and from amounts held in the funds and accounts under the Resolution and pledged therefor.

The Loan Agreement and the obligation of the University to make payments under the Loan Agreement are general, unsecured obligations of the University. The obligations of the University to make payments or cause the same to be made under the Loan Agreement are absolute and unconditional and the amount, manner and time of making such payments are not to be decreased, abated, postponed or delayed for any cause or by reason of the happening or non-happening of any event, irrespective of any defense or any right of set-off, recoupment or counterclaim which the University may otherwise have against DASNY, the Trustee or any Bondholder for any cause whatsoever.

No security interest in any revenues or assets of the University has been granted by the University to DASNY under the Loan Agreement. However, the University has granted security interests in certain revenues and assets of the University to secure certain of the University's outstanding indebtedness other than the Bonds. See "PART 7 - THE UNIVERSITY - FINANCIAL STATEMENT INFORMATION - Outstanding Long-Term Debt," for a description of such indebtedness of the University secured by certain pledged revenues. In the event of a default under any debt instrument secured by such pledged revenues, the holder or trustee under such debt instrument (including DASNY as the holder of such other debt) will have the right to collect a portion or all of such pledged revenues, and apply the revenues so collected to the payment of amounts due under such debt instrument. Any revenues so collected and applied will not be available for satisfying any of the University's obligations under the Loan Agreement.

Events of Default and Acceleration

The following are events of default under the Resolution: (i) a default by DASNY in the payment of the principal, Sinking Fund Installment, Purchase Price or Redemption Price of or interest on any Bond; (ii) a default by DASNY in the due and punctual performance of any covenants, conditions, agreements or provisions contained in the Bonds or in the Resolution which continues for 30 days after written notice thereof is given to DASNY by the Trustee (such notice to be given in the Trustee's discretion or at the written request of the Holders of not less than 25% in principal amount of Outstanding Bonds); (iii) a default by DASNY in the due and punctual performance of any covenant or agreement contained in a Series Resolution authorizing the issuance of a Series of Bonds to comply with the provisions of the Code necessary to maintain the exclusion of interest on such Bonds from gross income for purposes of federal income taxation; or (iv) an "Event of Default," as defined in the Loan Agreement, has occurred and is continuing and all sums payable by the University under the Loan Agreement have been declared immediately due and payable (unless such declaration has been annulled). Unless all sums payable by the University under the Loan Agreement are declared immediately due and payable, an event of default under the Loan Agreement is not an event of default under the Resolution.

The Resolution provides that, if an event of default (other than as described in clause (iii) of the preceding paragraph) occurs and continues, the Trustee, upon the written request of Holders of not less than 25% in principal amount of the Outstanding Bonds by written notice to DASNY, is to declare the principal of and interest on all the Outstanding Bonds to be due and payable. At the expiration of 30 days from the giving of such notice, such principal and interest will become due and payable. The Trustee may, with the written consent of the Holders of not less than 25% in principal amount of Bonds not yet due by their terms and then Outstanding, annul such declaration and its consequences under the terms and conditions specified in the Resolution with respect to such annulment.

Notwithstanding any other provision of the Resolution to the contrary, upon DASNY's failure to observe, or refusal to comply with, the covenant described in clause (iii) of the first paragraph under this subheading, upon the direction of the Holders of not less than 25% in principal amount of the Outstanding Bonds of the Series affected thereby, the Trustee is to exercise the rights and remedies provided to the Holders of the Bonds under the Resolution. However, the Resolution provides that in no event may the Trustee, whether or not it is acting at the direction of the Holders of 25% or more in principal amount of the Outstanding Bonds of the Series affected thereby, declare the principal of a Series of Bonds, and the interest accrued thereon, to be due and payable immediately as a result of DASNY's failure or refusal to observe or comply with such covenant.

The Resolution provides that the Trustee is to give notice in accordance with the Resolution of each event of default known to the Trustee to each Facility Provider as soon as practicable, to the University within five days and to the Holders within 30 days, in each case after obtaining knowledge of the occurrence thereof, unless such default has been remedied or cured before the giving of such notice. However, except in the case of default in the payment of principal, Sinking Fund Installment, Purchase Price or Redemption Price of or interest on any of the Bonds, the Trustee will be protected in withholding such notice thereof to the Holders if the Trustee in good faith determines that the withholding of such notice is in the best interests of the Holders of the Bonds.

Issuance of Additional Bonds

In addition to the Outstanding Bonds and the Series 2015A Bonds, the Resolution authorizes the issuance of other Series of Bonds to finance one or more projects and for other specified purposes, including to refund

Outstanding Bonds or other notes or bonds of DASNY issued on behalf of the University. The Bonds which may be issued include Capital Appreciation Bonds, Deferred Income Bonds, Option Bonds and Variable Interest Rate Bonds. All Bonds issued under the Resolution will rank on a parity with each other and will be secured equally and ratably with each other. There is no limit on the amount of additional Bonds that may be issued under the Resolution. Additional Bonds may be issued at any time on or after the scheduled delivery date of the Series 2015A Bonds.

General

The Series 2015A Bonds will not be a debt of the State and the State will not be liable on the Series 2015A Bonds. DASNY has no taxing power. DASNY has never defaulted in the timely payment of principal of or interest on its bonds or notes. See "PART 8 - DASNY."

PART 3 - THE SERIES 2015A BONDS

Set forth below is a narrative description of certain provisions relating to the Series 2015A Bonds. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Resolution, the Series 2015A Resolution and the Loan Agreement, copies of which are on file with DASNY and the Trustee. See also "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT" AND "APPENDIX D - SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION" for a more complete description of certain provisions of the Series 2015A Bonds.

Description of the Series 2015A Bonds

The Series 2015A Bonds will be issued pursuant to the Resolution and the Series 2015A Resolution, will be dated their date of delivery, will bear interest from such date (payable January 1, 2016 and on each July 1 and January 1 thereafter) at the rates, and will mature at the times set forth on the inside cover page of this Official Statement.

The Series 2015A Bonds will be issued as fully registered bonds in denominations of $5,000 or any integral multiple thereof ("Authorized Denominations"). The Series 2015A Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), pursuant to DTC's Book-Entry Only System. Purchasers of beneficial interests in the Series 2015A Bonds will be made in book-entry form, without certificates. If at any time the Book-Entry Only System is discontinued for the Series 2015A Bonds, the Series 2015A Bonds will be exchangeable for other fully registered Series 2015A Bonds in any other Authorized Denominations of the same maturity and interest rate, if applicable, without charge except the payment of any tax, fee or other governmental charge to be paid with respect to such exchange, subject to the conditions and restrictions set forth in the Resolution. See "Book-Entry Only System" herein and "APPENDIX D - SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION."

Interest on the Series 2015A Bonds will accrue based upon a 360-day year of twelve 30-day months.

Interest on the Series 2015A Bonds will be payable by check or draft mailed to the registered owners or, at the option of the registered owner of at least $1,000,000 of Series 2015A Bonds, by wire transfer to the wire transfer address within the continental United States to which the registered owner has instructed the Trustee to make such payment at least five Business Days prior to the Record Date. If the Series 2015A Bonds are not registered in the name of DTC or its nominee, Cede & Co., the principal and Redemption Price of such Bonds will be payable at the principal corporate trust office of The Bank of New York, New York, New York, the Trustee and Paying Agent. The principal, Redemption Price and purchase price of and interest on the Series 2015A Bonds is payable in lawful money of the United States of America.

Redemption Provisions

The Series 2015A Bonds are subject to optional, mandatory and special redemption as described below.

Optional Redemption

The Series 2015A Bonds maturing on or before July 1, 2025 are not subject to optional redemption prior to maturity. The Series 2015A Bonds maturing after July 1, 2025, other than the Stepped Coupon Bonds (as hereinafter defined), are subject to redemption prior to maturity, at the election of DASNY, on or after July 1, 2025, in any order, in whole or in part at any time, at a Redemption Price equal to 100% of the principal amount thereof, plus accrued interest to the date of redemption.

The Series 2015A Bonds maturing on July 1, 2041 in the aggregate principal amount of $63,850,000 (the "Stepped Coupon Bonds"), are subject to redemption prior to maturity, at the election of DASNY, on or after July 1, 2020, in any order of sinking fund installment as directed by DASNY, in whole or in part at any time, at the Redemption Price equal to 100% of the principal amount thereof, plus accrued interest to the date of redemption.

Special Redemption

The Series 2015A Bonds are also subject to special redemption prior to maturity in any order at the option of DASNY, in whole or in part on any interest payment date, at a Redemption Price of 100% of the principal amount of Series 2015A Bonds to be redeemed, plus accrued interest to the redemption date. The Series 2015A Bonds are subject to special redemption from (i) the proceeds of a condemnation or insurance award not used to repair, restore or replace the Series 2015A Project, and (ii) any unexpended proceeds of the Series 2015A Bonds upon abandonment or all or a portion of the Series 2015A Project due to a legal or regulatory impediment.

Mandatory Redemption

The Series 2015A Bonds maturing on July 1, 2038, July 1, 2045 and July 1, 2048 are also subject to redemption, in part, on each July 1 of the years and in the respective principal amounts set forth below, at a Redemption Price equal to 100% of the principal amount thereof to be redeemed from mandatory Sinking Fund Installments, plus accrued interest to the date of redemption, which are required to be made in amounts sufficient to redeem on July 1 of each year the principal amount of the Series 2015A Bonds specified for each of the years shown below:

Series 2015A Bonds Maturing on July l, 2038		Series 2015A Bonds Maturing on July l, 2045		Series 2015A Bonds Maturing on July l, 2048	
Year	**Principal Amount**	**Year**	**Principal Amount**	**Year**	**Principal Amount**
2036	$30,135,000	2042	$23,670,000	2046	$22,955,000
2037	31,395,000	2043	24,850,000	2047	24,095,000
2038†	25,550,000	2044	26,100,000	2048†	25,275,000
		2045†	27,400,000		

† Final maturity.

The Stepped Coupon Bonds are also subject to redemption, in part, on each July 1 of the years and in the respective principal amounts set forth below, at a Redemption Price equal to 100% of the principal amount thereof to be redeemed from mandatory Sinking Fund Installments, plus accrued interest to the date of redemption, which are required to be made in amounts sufficient to redeem on July 1 of each year the principal amount of the Stepped Coupon Bonds specified for each of the years shown below:

Stepped Coupon Bonds
Maturing on July l, 2041

Year	**Principal Amount**
2039	$20,150,000
2040	21,270,000
2041†	22,430,000

† Final maturity.

There will be credited against and in satisfaction of all or a portion of a Sinking Fund Installment payable on any date, the principal amount of Series 2015A Bonds entitled to such Sinking Fund Installment (A) purchased with money in the Debt Service Fund pursuant to the Resolution, (B) redeemed at the option of DASNY, (C) purchased by the University or DASNY and delivered to the Trustee for cancellation or (D) deemed to have been paid in accordance with the Resolution. Series 2015A Bonds purchased with money in the Debt Service Fund will be applied against and in fulfillment of the Sinking Fund Installment of the Series 2015A Bonds so purchased payable on the next succeeding July 1. Series 2015A Bonds redeemed at the option of DASNY, purchased by DASNY or the University (other than from amounts on deposit in the Debt Service Fund) and delivered to the Trustee for cancellation or deemed to have been paid in accordance with the Resolution will be applied in satisfaction, in whole or in part, of one or more Sinking Fund Installments as DASNY may direct in its discretion. To the extent DASNY's obligation to make Sinking Fund Installments in a particular year is so satisfied, the likelihood of redemption through mandatory Sinking Fund Installments of a Bondholder's Series 2015A Bonds of the maturity entitled to such Sinking Fund Installment will be reduced for such year.

Selection of Series 2015A Bonds to be Redeemed

In the case of redemptions of less than all of the Series 2015A Bonds other than through mandatory Sinking Fund Installments, DASNY will select the maturities and, if applicable, the interest rates, of such Series 2015A Bonds to be redeemed. The Series 2015A Bonds to be redeemed in part will be selected by the Trustee, by lot, using such method of selection as the Trustee considers proper in its discretion.

Notice of Redemption and its Effect

Notice of the redemption of the Series 2015A Bonds will be given by the Trustee in the name of DASNY to the registered owners of the Series 2015A Bonds to be redeemed by first-class mail, postage prepaid, not less than 30 days nor more than 45 days prior to the redemption date, but the failure of any registered owners to receive notice mailed in accordance with the Resolution will not affect the validity of the proceedings for the redemption of the Series 2015A Bonds. Any such notice may contain conditions to DASNY's obligation to redeem the Series 2015A Bonds. See "APPENDIX D - SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION."

DASNY's obligation to optionally redeem a Series 2015A Bond may be conditioned upon the availability of sufficient money to pay the Redemption Price for all of the Series 2015A Bonds to be redeemed on the redemption date. If sufficient money is available on the redemption date to pay the Redemption Price and if notice has been mailed and the conditions, if any, to such redemption have been satisfied or waived by DASNY, then interest on the Series 2015A Bonds called for redemption will cease to accrue from and after the redemption date and such Series 2015A Bonds will no longer be considered to be Outstanding under the Resolution.

Purchase in Lieu of Optional Redemption

The Series 2015A Bonds, other than the Stepped Coupon Bonds, are also subject to purchase prior to maturity, at the election of DASNY upon direction from the University, at the time that such Series 2015A Bonds are subject to optional redemption, in any order, in whole or in part at any time, at a purchase price equal to 100% of the principal amount of the Series 2015A Bonds to be purchased (the "Purchase Price"), plus accrued interest to the date of purchase (the "Purchase Date").

Notice of Purchase and its Effect

Notice of purchase of the Series 2015A Bonds will be given in the name of DASNY to the registered owners of the Series 2015A Bonds to be purchased by first-class mail, postage prepaid, not less than 30 days nor more than 45 days prior to the Purchase Date specified in such notice. The Series 2015A Bonds to be purchased are required to be tendered on the Purchase Date to the Trustee. Series 2015A Bonds to be purchased that are not so tendered will be deemed to have been properly tendered for purchase. Such purchase will not operate to extinguish the indebtedness of DASNY evidenced thereby or modify the terms of the Series 2015A Bonds and such Series 2015A Bonds need not be cancelled, but will remain Outstanding under the Resolution and continue to bear interest.

DASNY's obligation to purchase a Series 2015A Bond may be conditioned upon the availability of sufficient money to pay the Purchase Price for all of the Series 2015A Bonds to be purchased on the Purchase Date. If sufficient money is available on the Purchase Date to pay the Purchase Price of the Series 2015A Bonds to be purchased, the former registered owners of such Series 2015A Bonds will have no claim thereunder or under the Resolution or otherwise for payment of any amount other than the Purchase Price. If sufficient money is not available on the Purchase Date for payment of the Purchase Price, the Series 2015A Bonds tendered or deemed tendered for purchase will continue to be registered in the name of the registered owners on the Purchase Date, who will be entitled to the payment of the principal of and interest on such Series 2015A Bonds in accordance with their respective terms.

If not all of the Outstanding Series 2015A Bonds of a maturity and, if applicable, interest rate, are to be purchased, the Series 2015A Bonds of such maturity and interest rate to be purchased will be selected in the same manner as Series 2015A Bonds of a maturity and interest rate to be optionally redeemed in part are to be selected.

For a more complete description of the redemption and other provisions relating to the Series 2015A Bonds, see "APPENDIX D - SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION." Also, see "Book-Entry Only System" below for a description of the notices of redemption to be given to Beneficial Owners of the Series 2015A Bonds when the Book-Entry Only System is in effect.

Book-Entry Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2015A Bonds. The Series 2015A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2015A Bond certificate will be issued for each Series and maturity of the Series 2015A Bonds, totaling in the aggregate the principal amount of the Series 2015A Bonds, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2015A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2015A Bonds on DTC's records. The ownership interest of each actual purchaser of a Series 2015A Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2015A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2015A Bonds, except in the event that use of the book-entry system for such Series 2015A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2015A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2015A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2015A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2015A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2015A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2015A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of the Series 2015A Bonds may wish to ascertain that the nominee holding the Series 2015A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Series 2015A Bonds within a particular maturity of the Series 2015A Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2015A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to DASNY as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2015A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2015A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from DASNY or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or DASNY, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of DASNY or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2015A Bonds at any time by giving reasonable notice to DASNY or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, the Series 2015A Bond certificates are required to be printed and delivered.

DASNY may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, the Series 2015A Bond certificates will be printed and delivered to DTC.

The information herein concerning DTC and DTC's book-entry-only system has been obtained from sources that DASNY believes to be reliable, but DASNY takes no responsibility for the accuracy thereof.

Each person for whom a Direct Participant or Indirect Participant acquires an interest in the Series 2015A Bonds, as nominee, may desire to make arrangements with such Direct Participant or Indirect Participant to receive a credit balance in the records of such Direct Participant or Indirect Participant, and may desire to make arrangements with such Direct Participant or Indirect Participant to have all notices of redemption or other communications to DTC, which may affect such persons, to be forwarded in writing by such Direct Participant or Indirect Participant and to have notification made of all interest payments. NEITHER DASNY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT OR INDIRECT PARTICIPANT OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2015A BONDS.

So long as Cede & Co. is the registered owner of the Series 2015A Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the Series 2015A Bonds (other than under "PART 11 - TAX MATTERS" herein) mean Cede & Co., as aforesaid, and do not mean the Beneficial Owners of the Series 2015A Bonds.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference will only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they will be sent by the Trustee to DTC only.

For every transfer and exchange of Series 2015A Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

DASNY, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Series 2015A Bonds if DASNY determines that (i) DTC is unable to discharge its responsibilities with respect to the Series 2015A Bonds, or (ii) a continuation of the requirement that all of the Outstanding Bonds be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, is not in the best interests of the Beneficial Owners. In the event that no substitute securities depository is found by DASNY or restricted registration is no longer in effect, Series 2015A Bond certificates will be delivered as described in the Resolution.

NEITHER DASNY, THE UNIVERSITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT, (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SERIES 2015A BONDS UNDER THE RESOLUTIONS; (III) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OR PURCHASE IN LIEU OF REDEMPTION OF THE SERIES 2015A BONDS; (IV) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE

SERIES 2015A BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE SERIES 2015A BONDS; OR (VI) ANY OTHER MATTER.

Principal and Interest Requirements

The following table sets forth the amounts, after giving effect to the issuance of the Series 2015A Bonds, together with the issuance by the University of its Taxable Series 2015 Bonds expected to be issued on April 16, 2015 (the "Taxable Series 2015 Bonds"), required to be paid by the University during each twelve month period ending August 31 of the years shown for the payment of debt service on the outstanding indebtedness of the University, the principal of and interest on the Series 2015A Bonds and the Taxable Series 2015 Bonds, and the total debt service on all indebtedness of the University (exclusive of debt service on the Refunded Bonds and the University's lines of credit), including the Series 2015A Bonds and the Taxable Series 2015 Bonds. For a discussion of the University's outstanding indebtedness and additional borrowing plans, see "PART 7 - THE UNIVERSITY - FINANCIAL STATEMENT INFORMATION - Outstanding Long-Term Debt" and "- Additional Borrowing Plans."

		Series 2015A Bonds				
12 Month Period Ending August 31	Debt Service on Outstanding Indebtedness [1]	Principal and Sinking Fund Installments	Interest Payments	Total Debt Service on the Series 2015A Bonds [2]	Total Debt Service on the Taxable Series 2015 Bonds	Total Debt Service on all Outstanding Indebtedness [1, 2]
2015	$144,133,126	$ -	$ -	$ -	$ -	$144,133,126
2016	119,096,911	990,000	36,930,560	37,920,560	16,207,381	173,224,853
2017	123,394,715	2,970,000	30,941,180	33,911,180	16,215,736	173,521,631
2018	119,817,849	5,940,000	30,852,080	36,792,080	16,953,864	173,563,793
2019	110,418,306	15,230,000	30,614,480	45,844,480	17,497,741	173,760,526
2020	112,113,154	15,850,000	29,992,980	45,842,980	17,490,461	175,446,595
2021	112,132,661	15,930,000	29,913,980	45,843,980	17,499,520	175,476,161
2022	108,847,452	16,635,000	29,204,180	45,839,180	17,500,216	172,186,848
2023	108,859,178	17,435,000	28,412,030	45,847,030	17,494,983	172,201,191
2024	108,845,873	18,255,000	27,590,880	45,845,880	17,508,188	172,199,941
2025	108,847,372	19,170,000	26,678,130	45,848,130	17,490,324	172,185,826
2026	108,844,894	19,480,000	26,358,130	45,838,130	17,495,702	172,178,726
2027	108,848,540	20,460,000	25,384,130	45,844,130	17,482,660	172,175,329
2028	90,516,405	21,030,000	24,811,250	45,841,250	17,485,162	153,842,817
2029	89,253,068	22,085,000	23,759,750	45,844,750	17,480,957	152,578,775
2030	89,321,974	23,030,000	22,808,700	45,838,700	17,481,343	152,642,017
2031	89,321,564	24,195,000	21,657,200	45,852,200	17,493,090	152,666,854
2032	90,035,544	25,395,000	20,447,450	45,842,450	12,914,956	148,792,950
2033	85,817,999	26,030,000	19,816,200	45,846,200	12,916,229	144,580,428
2034	85,811,446	27,340,000	18,514,700	45,854,700	12,909,247	144,575,393
2035	81,543,063	28,710,000	17,147,700	45,857,700	12,908,805	140,309,567
2036	81,540,425	30,135,000	15,712,200	45,847,200	12,914,072	140,301,697
2037	81,525,813	31,395,000	14,506,800	45,901,800	12,929,221	140,356,833
2038	81,516,650	25,550,000	13,251,000	38,801,000	11,033,216	131,350,866
2039	74,502,788	20,150,000	12,229,000	32,379,000	10,639,548	117,521,336
2040	34,868,050	21,270,000	11,120,750	32,390,750	10,638,573	77,897,373
2041	26,610,763	22,430,000	9,950,900	32,380,900	10,629,136	69,620,799
2042	17,421,225	23,670,000	8,717,250	32,387,250	10,631,031	60,439,506
2043	9,405,563	24,850,000	7,533,750	32,383,750	10,628,221	52,417,533
2044	-	26,100,000	6,291,250	32,391,250	10,625,293	43,016,543
2045	-	27,400,000	4,986,250	32,386,250	10,631,626	43,017,876
2046	-	22,955,000	3,616,250	26,571,250	1,626,183	28,197,433
2047	-	24,095,000	2,468,500	26,563,500	1,626,538	28,190,038
2048	-	25,275,000	1,263,750	26,538,750	1,619,408	28,158,158

[1] Excludes (a) debt service on the Refunded Bonds (see "PART 6 – THE REFUNDING PLAN"), with the exception of accrued interest on the Refunded Bonds for the period January 1, 2015 through July 1, 2015, which is included in the debt service on outstanding bonds, and (b) debt service related to a five-year term loan. The Refunded Bonds and such term loan are expected to be defeased or refinanced prior to or upon issuance of the Series 2015A Bonds. Also excludes debt service related to the University's lines of credit.

[2] Amounts may not total due to rounding.

PART 4 - ESTIMATED SOURCES AND USES OF FUNDS

Estimated sources and uses of funds are as follows:

Sources of Funds	
Principal Amount of the Series 2015A Bonds	$691,435,000
Plus: Net Original Issue Premium	93,953,019
Other Sources	20,014,263
Total Sources of Funds	$805,402,282
Uses of Funds	
Deposit to Construction Fund	$105,060,856
Refunding Escrows	697,208,380
Costs of Issuance[(1)]	3,133,046
Total Uses of Funds	$805,402,282

(1) Costs of issuance related to the Series 2015A Bonds, including an Underwriters' fee in the amount of $2,547,320.33, will be paid by the University from other sources of University funds.

PART 5 - THE SERIES 2015A PROJECT

A portion of the proceeds of the Series 2015A Bonds will be used to finance or refinance costs incurred in connection with the acquiring, constructing, reconstructing, renovating, equipping, repairing, purchasing, or otherwise providing for the project described below (the "Series 2015A Project"). The Series 2015A Project is owned and operated by the University and is located in The City of New York.

The Series 2015A Project includes: (i) the refinancing of a commercial bank loan, the proceeds of which were applied by the University to acquire a building located at 60 Fifth Avenue; (ii) pre-renovation site preparation for portions of a building located at 370 Jay Street, Brooklyn, New York; and (iii) a program of reconstruction, renovation, deferred maintenance, and purchase of equipment and information systems, including improvements to heating ventilation and air conditioning systems, roofs, interior modernizations, building system improvements, and façade improvements, of and for various existing University buildings.

PART 6 - THE REFUNDING PLAN

A portion of the proceeds of the Series 2015A Bonds, together with other available monies, will be used to provide for the payment of the Refunded Bonds.

Simultaneously with the issuance and delivery of the Series 2015A Bonds, such proceeds will be deposited with the respective trustees for the Refunded Bonds, and together with other available funds, will used to purchase investment securities permitted for the defeasance of bonds by the respective resolutions under which the Refunded Bonds were issued (the "Defeasance Securities"), the principal of and interest on which, when due, together with any uninvested cash, will provide moneys sufficient to pay the principal or redemption price of and interest due on the applicable Refunded Bonds to their respective maturity or redemption dates. See "PART 16 - VERIFICATION OF MATHEMATICAL COMPUTATIONS." At the time of such deposit, the Authority will give such trustees irrevocable instructions to give notices of the defeasance and redemption of the Refunded Bonds and to apply the maturing principal of and interest on the Defeasance Securities, together with any uninvested cash, to the payment of the principal or redemption price of and interest coming due on the applicable Refunded Bonds to their respective maturity or redemption dates.

PART 7 - THE UNIVERSITY

GENERAL INFORMATION

Introduction

New York University (the “University” or “NYU”) is a private, not-for-profit institution of higher education and is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. It was founded in 1831 by a group of private citizens and is recognized both nationally and internationally as a leader in scholarship and education.

The University is one of the largest private institutions of higher education in the United States. The University has over 5,000 full-time faculty – a number of whom have been the recipients of Nobel Prizes, Abel Prizes, National Medals of Science, Technology, the Arts, and the Humanities, Pulitzers and other top honors – and approximately 26,200 undergraduate and 24,200 graduate and professional students worldwide.

The University includes 18 schools, colleges, and divisions at seven major locations in New York City: the Washington Square campus in Greenwich Village; the Institute of Fine Arts at 1 East 78th Street near the Metropolitan Museum of Art; the School of Continuing and Professional Studies at the Midtown Center at 11 West 42nd Street and the Woolworth Building located at 15 Barclay Street (as well as at Washington Square); the College of Dentistry on First Avenue between East 24th and 25th Streets; the School of Medicine on First Avenue between 30th and 34th Streets; the Institute for the Study of the Ancient World at 15 East 84th Street; and the downtown Brooklyn area, where the NYU Polytechnic School of Engineering (the “School of Engineering”) and the Center for Urban Science and Progress (“CUSP”) are located. Certain of the University’s research facilities, notably the Institute of Environmental Medicine, are located in Sterling Forest, near Tuxedo, New York. Although overall the University is large, the divisions are small to moderate sized units - each with its own traditions, programs and faculty. Enrollment in the undergraduate divisions ranges between approximately 100 and 7,500 students. More than 4,600 courses are offered, leading to approximately 40 different degrees and certificates.

NYU is distinguished by its significant global network – an integrated system that permits faculty and students to move easily among NYU sites throughout the world in pursuit of their scholarly interests and education. In addition to the University’s historic campus in New York’s Greenwich Village neighborhood, the network includes a comprehensive, degree-granting, liberal arts and science university in Abu Dhabi (“NYU Abu Dhabi”); a comprehensive, degree-granting liberal arts and science university in Shanghai (“NYU Shanghai”), which opened in Fall 2013; and 11 other global academic sites on six continents where students may study away for a semester or more. The University’s global network was recently recognized with the Sen. Paul Simon Award for Campus Internationalization by NAFSA: Association of International Educators. In 2014, NYU was ranked as a top 40 world university by US News and World Report, the Times Higher Ed ranking, and the Shanghai Jiao Tong University ranking.

As a private university, the University is governed by a board of trustees. It derives its income from tuition, room and board, endowment, grants from private foundations and government, gifts from friends, alumni, corporations and other private philanthropic sources, and revenue from patient care through faculty group practices.

The University is committed to a policy of equal treatment in every aspect of its relations with faculty, students and staff members, without regard to age, citizenship status, color, disability, marital or parental status, national origin, race, ethnicity, religion, sex or sexual orientation, gender and/or gender identity, or veteran or military status.

The University is a member of the Association of American Universities and is accredited by the Middle States Association of Colleges and Schools.

Governance

The University is governed by a self-perpetuating board of trustees (the “Board”), which is responsible for directing the affairs of the University. There are currently 65 Voting Trustees and 24 Life (non-voting) Trustees. The following is a list of the members of the Board:

Officers of the Board

Name	Board Position	Affiliation
Martin Lipton	Chair	Partner Wachtell, Lipton, Rosen & Katz
William R. Berkley	Chair Designee[*]	Chairman of the Board & Chief Executive Officer W. R. Berkley Corporation
Phyllis Putter Barasch	Vice Chair	
Laurence D. Fink	Vice Chair	Chairman & Chief Executive Officer BlackRock, Inc.
Kenneth G. Langone[**]	Vice Chair	Chairman & Chief Executive Officer Invemed Associates, LLC
Constance Silver	Vice Chair	
Daniel R. Tisch	Vice Chair	Partner, Mentor Partners
Anthony Welters	Vice Chair	Executive Chairman, BlackIvy Group, LLC and Senior Advisor to the CEO UnitedHealth Group
Leonard A. Wilf	Vice Chair	President Garden Homes, Inc.
Shelby White	Vice Chair	Trustee The Leon Levy Foundation
Thomas S. Murphy[**]	Honorary Vice Chair	Retired Chairman and Chief Executive Officer Capital Cities/ABC, Inc.
Larry A. Silverstein[**]	Honorary Vice Chair	President & Chief Executive Officer Silverstein Properties, Inc.

[*] Elected as Chair Designee by the Board in anticipation of the end of the current Chair's term in October 2015, after which it is expected that Mr. Berkley will be elected Chair.

[**] Indicates the Officer is a Life Trustee. All other Officers are Voting Trustees.

[1] Firm is a participant in the Series 2015 Transaction team.

[2] Firm is a participant in the Series 2015 Transaction team.

Administration

The President of the University is appointed by the Board and, as chief executive officer, is principally responsible for administration of the University. The Officers of the University are nominated by the President and appointed by the Board; other principal executives are appointed by the President. On March 18, 2015, NYU announced the appointment of the University's next President, Andrew D. Hamilton. Andrew Hamilton has been Vice Chancellor of the University of Oxford since 2009. Prior to that, he was the Provost of Yale, where he was also the Benjamin Silliman Professor of Chemistry and Professor of Molecular Biophysics and Biochemistry. He is expected to take office in January 2016 after a period of transition with the current President. The Officers of the University and key leadership members of the University are listed below:

Officers and Key Leadership of the University

Name	**Position**
John Sexton, B.A., M.A., Ph.D., J.D.	President and Chancellor
David McLaughlin, B.S., M.S., Ph.D.	Provost
Robert Berne, B.S., M.B.A., Ph.D.	Executive Vice President for Health
Terrance Nolan, B.A., J.D., LL.M	General Counsel & Secretary
Martin Dorph, B.S., M.B.A., J.D.	Chief Financial Officer and Executive Vice President, Finance and Information Technology
Alison Leary, B.S.[3]	Executive Vice President for Operations

John Sexton, B.A., M.A., Ph.D., J.D.

John Sexton, the fifteenth President of New York University, is also the Benjamin Butler Professor of Law and NYU School of Law's Dean Emeritus. He joined the School of Law's faculty in 1981, was named the School's Dean in 1988, and was designated the University's President in 2001. Prior to joining the University, President Sexton served as Law Clerk to Chief Justice Warren Burger of the United States Supreme Court (1980-1981), and to Judges David Bazelon and Harold Leventhal of the United States Court of Appeals (1979-1980). For ten years (1983-1993), he served as Special Master Supervising Pretrial Proceedings in the Love Canal Litigation. From 1966 - 1975, he was a Professor of Religion at Saint Francis College in Brooklyn, where he was Department Chair from 1970-1975. President Sexton received a B.A. in History from Fordham College; an M.A. in Comparative Religion and a Ph.D. in History of American Religion from Fordham University; and a J.D. magna cum laude from Harvard Law School. President Sexton has announced he will retire as President in 2016.

David McLaughlin, B.S., M.S., Ph.D.

David W. McLaughlin is Provost at New York University. In this capacity, and since 2002, he serves as the chief academic officer of the University who is responsible for setting the University's academic strategy and academic priorities, allocating financial resources in accordance with academic priorities, and overseeing the schools and all academic support units. He serves as a member and academic leader of the faculty and representative of its academic priorities; and as a member (with the President, the Executive Vice President for Health, the Executive Vice President for Operations, the Executive Vice President for Finance and Information Technology, the Vice Chancellor for Strategic Planning, and the Chief of Staff and Deputy to the President) of the Senior Administration of the University. Provost McLaughlin is also Professor of Mathematics and Neural Science Professor at NYU's

[3] A principal executive but not an Officer of the University.

Courant Institute of Mathematical Sciences, where he earlier served as its Director. He received a B.S from Creighton University, and an M.S. and Ph.D. in Physics from Indiana University.

Robert Berne, B.S., M.B.A, Ph.D.

As Executive Vice President for Health, Robert Berne is responsible for working with deans and other University leaders on long-term academic, financial, and operational strategies for the wide range of health activities at the University including the NYU Langone Medical Center (NYU School of Medicine and NYU Hospitals Center), College of Dentistry, College of Nursing, and the NYU Global Institute of Public Health. A scholar of public education policy and financing, he furnished critical expert analysis and testimony in the landmark school finance case, CFE v. The State of New York. His books and studies include: The Measurement of Equity in School Finance (Johns Hopkins University Press, 1984), co-authored with Professor Leanna Stiefel of NYU's Wagner School; co-authorship of Hard Lessons: Public Schools and Privatization (Twentieth Century Fund Press, 1996) with Carol Ascher and Norm Fruchter of NYU's Institute for Education and Social Policy; The Relationships Between Financial Reporting and the Measurement of Financial Condition, for the Government Accounting Standards Board in 1992; and co-authorship of The Financial Analysis of Governments (Prentice-Hall, 1986) with Richard Schramm. He has published in numerous journals, including The Journal of Policy Analysis and Management, Policy Analysis, Policy Science, and Public Administration Review, among others. Dr. Berne received his B.S. (with distinction), his M.B.A., and his Ph.D. from Cornell University.

Terrance Nolan¸ B.A., J.D., LL.M

Terrance Nolan received his B.A. in Political Science from St. Francis College, his J.D. from St. John's University School of Law and LL.M (in Labor Law) from New York University School of Law. Prior to joining NYU in 1980, Mr. Nolan was a litigation attorney in the Office of General Counsel of the New York City Transit Authority and was Assistant to the Director of Labor Relations of PepsiCo, Inc. Mr. Nolan is a member of a number of professional organizations including: the New York State Bar Association and its Section on Labor and Employment Law, of which he is a charter member, the Association of Corporate Counsel and the National Association of College and University Attorneys (he is former Co-Chair of its Section on Litigation and Alternative Dispute Resolution). He is a certified mediator for the Alternative Dispute Resolution program of the United States District Courts for the Southern and Eastern Districts of New York and is a member of the Panel of Arbitrators for the Financial Industry Regulatory Authority. Mr. Nolan is an adjunct faculty member in the Steinhardt School, teaching the graduate course Higher Education and the Law, and also is a frequent speaker on labor and employment issues before higher education organizations.

Martin Dorph, B.S., M.B.A., J.D.

As Chief Financial Officer and Executive Vice President, Finance and Information Technology, Martin Dorph is responsible for all aspects of the University's fiscal strategy, financial operations, and information technology. Mr. Dorph provides oversight to the following units: Office of Budget and Financial Planning, Treasury, Controller, University Investment Office, Internal Audit, Public Resource Administration, and Information Technology Services. Prior to joining NYU in 2007, Mr. Dorph served as Vice President, Chief Financial Officer and Treasurer of Temple University for eleven years. He also held positions as the Director of Finance and Administration for the Delaware River Port Authority, the Deputy Director of Finance for the City of Philadelphia, and in investment banking. Mr. Dorph received his B.S. from Case Western Reserve University and his M.B.A. and J.D. from University of Pennsylvania.

Alison Leary, B.S.

As Executive Vice President for Operations, Alison Leary is responsible for planning, designing, constructing and maintaining the University's physical plant and operating many of its support services, including public safety, human resources, faculty housing, dining and catering, bookstores and emergency planning and response. Ms. Leary provides oversight to the following units: University Human Resources, Public Safety, Office of Faculty Housing & Residential Services, Campus Services, and Facilities & Construction Management. Prior to joining NYU, Ms. Leary was vice president for Global Design & Construction at JPMorgan Chase Bank for six years, and held various positions at GTE with nationwide responsibility while based in Dallas, Texas and Honolulu, Hawaii. Ms. Leary received her Bachelor of Science degree in Mechanical Engineering from the University of Hawaii.

Academic Programs

The Faculty of Arts and Science comprises the College of Arts and Science, the Graduate School of Arts and Science, and Liberal Studies. The College of Arts and Science offers the Bachelor of Science degree in certain departments. Joint programs of study currently involve NYU's Robert F. Wagner Graduate School of Public Service, Graduate School of Arts and Science, Steinhardt School of Culture, Education and Human Development, Silver School of Social Work, Tisch School of the Arts, Leonard N. Stern School of Business, College of Dentistry, and the Global Institute of Public Health as well as the School of Engineering.

The Graduate School of Arts and Science (GSAS) offers the degrees of Master of Arts, Master of Science, Master of Fine Arts, and Ph.D. in most areas of the humanities, social sciences and natural sciences. Several advanced certificate programs also are offered. In addition to New York, GSAS offers M.A. programs based in centers in Paris, Madrid, London, and Florence. Dual degree programs of study currently involve the School of Law, the School of Medicine, the Steinhardt School of Culture, Education and Human Development, the Leonard N. Stern School of Business and the Robert F. Wagner Graduate School of Public Service.

Liberal Studies, an administrative division within of Arts and Science, offers a two-year Core Program designed for students who will complete their education in one of the University's other undergraduate schools. It also offers a four-year Bachelor of Arts degree in Global Liberal Studies.

The School of Law is one of the oldest law schools in the United States. It offers a comprehensive professional program leading to the degree of Juris Doctor and a graduate curriculum leading to the degrees of Masters of Laws and Doctor of Juridical Science. Dual degree programs are offered with the Graduate School of Arts and Science, Leonard N. Stern School of Business, Robert F. Wagner Graduate School of Public Service, Silver School of Social Work, Harvard University John F. Kennedy School of Government, National University of Singapore, Princeton University Woodrow Wilson School of Public and International Affairs and University of Melbourne, Melbourne Law School.

The NYU School of Medicine (the "SOM") includes 29 academic departments in the clinical and basic sciences, and more than 50 divisions, programs, and centers. The SOM students provide care to New York City's diverse population at inpatient and outpatient locations in the heart of Manhattan and throughout the New York City area including NYU Langone Medical Center's flagship acute-care facility Tisch Hospital, Rusk Rehabilitation Program, ranked as one of the top ten rehabilitation programs in the country by U.S. News and World Report, the Hospital for Joint Diseases, a dedicated inpatient orthopedic hospital, Hassenfeld Children's Hospital, Center for Musculoskeletal Care, NYU Ambulatory Care Center, Joan H. Tisch Center for Women's Health, and the Preston Robert Tisch Center for Men's Health. The SOM maintains affiliations with area hospitals, including Bellevue Hospital, the nation's oldest public hospital, Woodhull Medical Center in Brooklyn, Gouverneur Health in Manhattan, and the VA NY Harbor Healthcare System. In addition to the medical degree, the SOM collaborates with NYU to offer dual master's degrees in public administration, public health, clinical investigation, and bioethics. The SOM also sponsor's residency and fellowship training programs, as well as postgraduate medical education courses for practicing physicians. The SOM offers three-, four-, and five-year pathways to the MD degree. The Sackler Institute at the SOM, a division of the Graduate School of Arts and Science, offers programs in the basic medical sciences, leading to a Ph.D. and, in coordination with the Medical Scientists Training Program, a combined MD/Ph.D. The SOM also includes the Clinical and Translational Science Institute, Joan and Joel Smilow Research Center, Laura and Isaac Perlmutter Cancer Center, Neuroscience Institute, and Skirball Institute of Biomolecular Medicine.

The College of Dentistry is the third oldest and the largest private dental school in the United States. It offers a predoctoral program leading to the Doctor of Dental Surgery degree, as well as advanced education programs in the dental specialties and an undergraduate allied health program in dental hygiene. The College also offers B.S. and M.S. degree programs. Located within the College of Dentistry is the College of Nursing. The College of Nursing offers Bachelor of Science, Master of Science, Ph.D. and DNP (Doctor of Nursing Practice) degree programs, as well as a B.S./M.S. dual degree program and an M.S./MPH dual degree program with the Global Institute of Public Health.

The Steinhardt School of Culture, Education, and Human Development offers a broad range of undergraduate pre-professional and professional programs and advanced graduate study in education, health, communications and the arts professions. Undergraduate programs lead to the Bachelor of Science, Bachelor of Music and Bachelor of Fine Arts degree. Graduate students may enroll in masters, advanced certificate and doctoral programs in a wide variety of disciplines.

The Leonard N. Stern School of Business offers Bachelor of Science (in business or business and political economy) in its undergraduate programs and Master of Business Administration and Ph.D. degrees in its graduate programs. Doctoral students must specialize in accounting, economics, finance, information systems, management, marketing, operations management, or statistics. Enrollment in the graduate program may be full or part time. Joint and dual graduate-level programs are offered with the School of Law, the SOM, the Graduate School of Arts and Science, the Tisch School of the Arts, the Robert F. Wagner Graduate School of Public Service, the Courant Institute of Mathematical Sciences, Hong Kong University of Science and Technology, London School of Economics and HEC School of Management, Paris.

The School of Professional Studies ("SPS") offers approximately 2,000 noncredit classes each semester in business and marketing, entertainment, technology and digital arts, international studies, real estate and construction and hospitality. SPS also offers degree programs, including associate's and bachelor's degrees, 16 master's degree programs and 15 graduate certificates. Classes meet at the Washington Square campus, as well as the University's Midtown Center and the Woolworth Building in downtown Manhattan.

The Robert F. Wagner Graduate School of Public Service offers curricula covering domestic and international issues including nonprofit management, financial management, public policy analysis, urban public policy studies, urban planning and health policy and management. Master's and doctoral degree programs are offered on both a full-time and part-time basis. The Advanced Professional Certificate Programs and the Executive Master of Public Administration (EMPA) offer career development opportunities for experienced professionals. Joint and dual degree programs are available with the College of Arts and Science, Graduate School of Arts and Science, the Leonard N. Stern School of Business, the School of Law, the SOM, the Silver School of Social Work, and the Global Institute of Public Health. Undergraduate minors are available with the College of Arts and Science, the Silver School of Social Work, and the Leonard N. Stern School of Business.

The Silver School of Social Work offers Bachelor of Science, Master of Social Work, Doctor of Philosophy, and Doctorate in Clinical Social Work degrees. The bachelor's program prepares students for beginning social work practice immediately upon graduation and for admission to graduate programs with advanced standing. The master's program prepares students for the core mission of social work and provides an advanced concentration in clinical social work. The doctoral program prepares graduates to assume leadership positions as researchers, advanced practitioners and educators. The School also offers Post-Master's Certificate Programs.

The Tisch School of the Arts offers the Bachelor of Arts, Bachelor of Fine Arts, Master of Fine Arts, Master of Professional Studies (Interactive Telecommunications), Master of Arts (arts politics), Master of Arts (moving image archiving and preservation) and, through the Graduate School of Arts and Science, the Master of Arts and Ph.D. degrees in performance studies or cinema studies. Departments and programs offering professional training are acting, dance, design for stage and film, drama, performance studies, film and television, cinema studies, photography and imaging, dramatic writing, musical theatre writing, recorded music, interactive telecommunications, art and public policy/arts politics and moving image archiving and preservation.

The Gallatin School of Individualized Study offers Bachelor of Arts and Master of Arts degrees in individualized programs of study. Gallatin provides an innovative and student-centered liberal arts education in which students create and hone their own plans of study under the mentorship of faculty advisers.

The University's Institute of Fine Arts, located within Manhattan's famous "museum mile," focuses on the study of art history, archaeology, and conservation and the technology of works of art. It offers curricula leading to the M.A. and Ph.D. in art history as well as the Advanced Certificate in Conservation. Doctoral candidates may specialize in a range of studies including classical art and archaeology, combined studies in Near Eastern art and archaeology or curatorial studies.

The Courant Institute comprises NYU's Departments of Mathematics and Computer Science and a variety of sponsored research activities. The Institute offers Master of Science and Ph.D. programs in both mathematics and computer science. The Courant Institute also is responsible for the University's undergraduate programs in computer science and mathematics.

The NYU Global Institute of Public Health ("GIPH") delivers interdisciplinary public health education and draws from resources across NYU's schools including the College of Dentistry, College of Nursing, Courant Institute of Mathematical Sciences, Graduate School of Arts of Science, School of Engineering, SOM, Silver School of Social Work, School of Law, Steinhardt School of Culture, Education and Human Development, Stern School of Business, and Wagner Graduate School of Public Service. Master of Public Health ("MPH") students concentrate in one of the following three areas: Community and International Health, Global Health Leadership, or Public Health Nutrition. The NYU MPH program also offers five dual degree opportunities through the Global Health Leadership concentration. Doctoral students apply to one of four concentrations: Biological Basis of Public Health, Health Systems and Services Research, Population and Community Health, or Socio-behavioral Health. Undergraduate students may choose a course of study which is a combination of public health and a discipline housed in another one of NYU's schools (GIPH is not a stand-alone major).

The University established the Institute for the Study of the Ancient World ("ISAW"), a center for advanced scholarly research and graduate education intended to cultivate comparative and connective investigations of the ancient world from Europe and the Mediterranean basin to Central and East Asia. ISAW features doctoral and postdoctoral programs that aim to create a new generation of scholars whose study of the ancient world crosses customary disciplinary boundaries.

The Center for Urban Science and Progress, a unique public-private research center, uses New York City as its laboratory and classroom to focus on applying the tools of modern data analysis and advanced imaging to improve understanding of operations of and interactions among urban infrastructure, the urban environment, and urban populations. CUSP offers an M.S. in Applied Urban Science and Informatics. An Advanced Certificate in Applied Urban Science and Informatics also is offered for those who are enrolled concurrently in a graduate program at NYU, the School of Engineering, and CUSP's university partners (Carnegie Mellon University, The City University of New York, Indian Institute of Technology Bombay, The University of Toronto, and The University of Warwick). It is expected that in the future CUSP will offer additional M.S. programs, an executive M.S. degree, a Ph.D. program, and short-term (one-week and less) intensive executive education courses and corporate training in areas related to the CUSP educational and research program. The University's agreement with the New York City Economic Development Corporation and The City of New York, through which CUSP was established, provides for the University to lease a building in downtown Brooklyn for a term of 99 years at a nominal cost, and for the University to develop for CUSP's use approximately 190,000 square feet in that building. Development of the space is expected to commence in Spring 2015.

The flagship of NYU Libraries' 11-library, 5.9 million-volume system is the Elmer Holmes Bobst Library, which receives 2.6 million visits annually. Other libraries include the Courant Institute of Mathematical Sciences Library, the Stephen Chan Library of Fine Arts at the Institute of Fine Arts, the Jack Brause Library at SPS Midtown, the Institute for the Study of the Ancient World Library, the School of Medicine's Ehrman Medical Library, the College of Dentistry's Waldmann Memorial Dental Library, the NYU Law Library, the Bern Dibner Library at the School of Engineering, the NYU Abu Dhabi Library, and the NYU Shanghai Library. The Libraries' online catalog, which was accessed 4.6 million times last year, provides access to 1.1 million e-books, more than 1,300 databases, and more than 120,000 e-journals.

The University offers students various study-away and global exchange programs. In addition to portal campuses in Abu Dhabi and Shanghai, the University has centers in Accra, Berlin, Buenos Aires, Florence, London, Madrid, Paris, Prague, Sydney, Tel Aviv, and Washington, DC.

In 2007, the University entered into an agreement with the Government of Abu Dhabi to develop a research and degree-granting campus of the University in Abu Dhabi. At the heart of NYU Abu Dhabi is an undergraduate college, but it also includes several other components: The NYU Abu Dhabi Institute, which sponsors public programs, conferences, and major research initiatives, began operation in 2008; the Sheikh Mohamed bin Zayed Scholars program, a fellowship for outstanding Emirati university students, was also launched in 2008; the undergraduate college opened in September 2010 from temporary offices in downtown Abu Dhabi and since academic year 2014-2015 operates from a new, permanent campus designed for 2600 undergraduate and graduate students on Saadiyat Island; and the Summer Academy for outstanding Emirati high school students began in Summer 2011. Select graduate and executive education programs will be introduced in the future. A distinctive element of NYU Abu Dhabi is a robust research environment, one that supports the disciplinary areas of the curriculum, creates collaborations in new interdisciplinary fields, nurtures the development of graduate programs, and supports research on topics of importance and relevance to Abu Dhabi and to the world today. The faculty is recruited globally and includes full-time standing members of the NYU Abu Dhabi faculty, faculty from NYU in New York who teach in Abu Dhabi on recurring, short-term appointments, and professors from other universities on recurring appointments. Currently, there are approximately 20 faculty members from New York who have significant laboratory activities in Abu Dhabi. The campus is being developed and operated to the academic excellence standards applicable at the University. The Government of Abu Dhabi has committed to provide land, funding and financing for the development, construction, equipping, maintenance and operation of NYU Abu Dhabi. In total, NYU Abu Dhabi's first four classes were comprised of approximately 450 students, with a new class of approximately 260 students that enrolled in Fall 2014.

In 2011, the University entered into an agreement with the Shanghai Municipal Education Commission, Pudong New Area, and East China Normal University ("ECNU") to create NYU Shanghai, a comprehensive research university with a liberal arts and science undergraduate college at its core. NYU Shanghai is operated through an entity over which the University has 50% control, although the University maintains full control over NYU Shanghai's academics and academic support operations. NYU Shanghai opened in the Fall 2013. Today, NYU Shanghai has approximately 600 undergraduate students. Research at NYU Shanghai will be conducted in part through a joint research institute being established by NYU Shanghai and ECNU. Select graduate and executive education programs will be introduced in the future. NYU Shanghai is being developed and operated to the academic excellence standards applicable at the University. The faculty includes members from NYU in New York who teach in Shanghai on short-term assignments, globally recruited faculty members who are appointed as full-time standing members of the NYU Shanghai faculty, and professors from other universities. In fall 2014, NYU Shanghai moved its campus from ECNU to a new, permanent campus in the Pudong district of Shanghai that was built with the support of the Pudong New Area government.

The Polytechnic University of New York University ("NYU-Poly") merged with and into the University on January 1, 2014. As of such date, NYU-Poly ceased to exist as a separate legal entity and the University succeeded to all the rights, privileges, powers, and property of NYU-Poly and assumed all of its debts and obligations. NYU-Poly is now known as the NYU Polytechnic School of Engineering (the "School of Engineering"). The School of Engineering holds the distinction of being the nation's second-oldest private engineering school. It is presently a comprehensive school of education and research in engineering and applied sciences, rooted in a 160-year tradition of invention, innovation, and entrepreneurship. It extends the benefits of science, engineering, management, and liberal studies to critical real-world opportunities and challenges, especially those linked to urban systems, health and wellness, and the global information economy. As of Fall 2014, the School of Engineering enrolled 2,307 undergraduate students and 2,738 graduate students. The School of Engineering offers the Bachelor of Science degree in engineering disciplines such as chemical and bio-molecular engineering, civil engineering, and mechanical engineering. At the graduate level, the School of Engineering offers Advanced Certificates, Master of Science, Master of Engineering, and Ph.D. degrees.

Campus

The primary location for undergraduate and graduate study is at the Washington Square campus in Greenwich Village, New York, NY. University apartment buildings provide housing for approximately 2,940 Washington Square faculty members, staff and graduate students. SOM houses approximately 1,250 faculty members, staff and students near SOM. The University's student residence hall system accommodates approximately 11,700 undergraduate and graduate students.

The University offers multiple sports and recreational facilities to University students, faculty, staff, and alumni. These facilities accommodate a wide range of individual and group sports and recreational activities, in addition to serving as home for the University's intercollegiate teams.

NYU Langone Medical Center

The SOM, a division of the University, operates with NYU Hospitals Center (the "Hospital" or "NYUHC") as an integrated academic medical center. The Hospital is a 501(c)(3) entity whose sole member as of April 1, 2015 is NYU Langone Health System, whose sole member is the University, as further described below. The Hospital is not obligated with respect to any of the University's indebtedness and the University has no responsibility or liability for the indebtedness or other obligations of the Hospital. The Hospital is a separate legal entity but its financial statements are consolidated with those of the University in accordance with accounting standards. On April 1, 2015, the Hospital consummated an affiliation agreement with Lutheran Medical Center pursuant to which a health system comprising the Hospital and Lutheran Medical Center came under the common control of NYU Langone Health System (the "System"), a newly formed entity of which the University is the sole member. As is the case with the Hospital, each of the System and Lutheran Medical Center is a separate legal entity from the University and neither such entity is obligated with respect to any of the University's indebtedness and the University has no responsibility or liability for the indebtedness or other obligations of either such entity. It is expected that their financial statements will be consolidated with those of the University in accordance with accounting standards.

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OPERATING INFORMATION

Student Admissions

The following table sets forth the number of applicants who have applied for full-time freshman admission to the University's undergraduate schools, the number of those applicants accepted, and the number of such successful applicants who enrolled for the current and most recent five academic years.

UNDERGRADUATE ADMISSION STATISTICS

Academic Year	Applicants	Acceptances	% Accepted	New Enrollment	Matriculation Yield
2014 – 2015	52,624	18,520	35.2%	6,461	34.9%
2013 – 2014	48,727	15,369	31.5%	5,675	36.9%
2012 – 2013	45,276	15,206	33.6%	5,291	34.8%
2011 – 2012	42,274	13,682	32.2%	5,045	36.9%
2010 – 2011	38,024	11,377	29.9%	3,852	33.9%
2009 – 2010	36,944	10,851	29.4%	3,541	32.6%

Note: Academic Years 2014-2015, 2013-2014, 2012-2013, and 2011-2012 reflect data applicable to the Fall semester's entering freshmen bachelor's degree candidates and two-year programs' candidates reported in the most recently filed U.S. Department of Education Integrated Postsecondary Education Data System ("IPEDS") Report. The two-year Liberal Studies Program was discontinued and revised to a traditional bachelor's degree program in Academic Year 2011-2012. Academic Year 2010-2011 and prior reflect data applicable to the Fall's entering freshman traditional bachelor's degree candidates and exclude candidates entering certain non-traditional bachelor's degree programs, the two-year Liberal Studies Program, and other two-year programs which were reported in IPEDS filed in those years. This data includes NYU Abu Dhabi, which enrolled its first class in the Fall 2010, and NYU Shanghai, which enrolled its first class in Fall 2013. NYU Abu Dhabi and NYU Shanghai are not reported in IPEDS because IPEDS excludes any branch campus located in a foreign country. The School of Engineering is reported for the first time in the 2014-2015 academic year numbers. For 2014-2015, the School of Engineering had 4,447 students apply and 2,837 admitted for the entering freshman Class of 2018.

Historically, the number of undergraduate applicants seeking admission to the University has substantially exceeded that of acceptances. For graduate studies at the University, applicant counts have also historically exceeded acceptances.

Student Enrollment

The following table, based on Fall registrations, shows the University's total enrollment (including NYU Abu Dhabi and NYU Shanghai) for the current and the most recent five academic years.

ENROLLMENT SUMMARY

	Full-Time (FT)				Part-Time (PT)					
Academic Year	Undergrad	Grad & Prof	Non-Degree Candidate	Total FT	Undergrad	Grad & Prof	Non-Degree Candidate	Total PT	Grand Total	FT Equivalent
2014 – 2015	25,017	16,183	33	41,233	1,270	8,106	7,938	17,314	58,547	45,535
2013 – 2014	22,266	13,731	18	36,015	1,250	8,253	8,243	17,746	53,761	40,943
2012 – 2013	21,685	13,717	24	35,426	1,260	8,301	9,131	18,692	54,118	39,070
2011 – 2012	21,327	13,173	53	34,553	1,276	8,458	10,824	20,558	55,111	38,827
2010 – 2011	20,965	13,066	40	34,071	1,318	8,707	11,130	21,155	55,226	37,879
2009 – 2010	20,281	12,860	48	33,189	1,357	8,906	11,467	21,730	54,919	37,079

Note: International students comprised 15% of total undergraduates as of Fall 2014.

The following table shows the actual enrollment by school (including NYU Abu Dhabi and NYU Shanghai) for Fall 2014 academic term.

ENROLLMENT BY SCHOOL
Fall 2014

	Full-Time	Part-Time	Total
Undergraduate			
College of Arts and Science	7,069	261	7,330
Liberal Studies Program	2,420	10	2,430
Steinhardt School of Culture, Education, and Human Development	2,513	46	2,559
Leonard N. Stern School of Business – Undergraduate College	2,503	40	2,543
School of Continuing and Professional Studies – Degree Credit Programs	951	402	1,353
Tisch School of the Arts	3,301	88	3,389
Gallatin School of Individualized Study	1,446	63	1,509
Silver School of Social Work	128	1	129
College of Dentistry	110	74	184
College of Nursing	830	35	865
Polytechnic School of Engineering	2,179	85	2,264
University Programs/Study Abroad Visiting	265	165	430
NYU Abu Dhabi	726	0	726
NYU Shanghai	576	0	576
Total Undergraduate Students	**25,017**	**1,270**	**26,287**
Graduate (excluding Professional enrollment)			
Graduate School of Arts & Science	2,761	819	3,580
Institute of Fine Arts	110	22	132
Steinhardt School of Culture, Education, and Human Development	2,128	1,212	3,340
Polytechnic School of Engineering	2,107	631	2,738
Leonard N. Stern School of Business – Graduate Division	1,011	2,035	3,046
Robert F. Wagner Graduate School of Public Service	542	427	969
Silver School of Social Work	779	342	1,121
Tisch School of the Arts	699	15	714
Gallatin School of Individualized Study	70	66	136
School of Continuing and Professional Studies	1,505	1,483	2,988
Master's Program in Global Public Health	132	74	206
College of Nursing	49	677	726
College of Dentistry	258	11	269
School of Law	456	251	707
School of Medicine	6	6	12
Center for Urban Science and Progress	54	10	64
Total Graduate Students	**12,667**	**8,081**	**20,748**
Professional			
School of Law	1,405	20	1,425
School of Medicine	656	5	661
College of Dentistry	1,455	0	1,455
Total Professional Students	**3,516**	**25**	**3,541**
Total Credit	**41,200**	**9376**	**50,576**
Non-Credit			
College of Dentistry	0	84	84
School of Continuing and Professional Studies	33	7,854	7,887
Total Non-Credit	**33**	**7,938**	**7,971**
GRAND TOTAL	**41,233**	**17,314**	**58,547**

Degrees Conferred

The following table sets forth the number of degrees granted by the University (including NYU Abu Dhabi and NYU Shanghai) for the past five academic years:

DEGREES CONFERRED

Academic Year	Undergraduate	Graduate & Professional	Total
2013 – 2014	6,664	9,811	16,475
2012 – 2013	6,584	8,710	15,294
2011 – 2012	6,253	8,357	14,610
2010 – 2011	7,023	8,112	15,135
2009 – 2010	6,565	7,993	14,558

Tuition and Fees

As indicated in the following table of charges for selected major divisions by academic years, tuition and fees vary from one division of the University to another. In most schools, there is a flat rate for a full-time program and a per point rate for courses constituting less or more than a full program.

TUITION & FEE CHARGES

	2014 – 2015	2013 – 2014	2012 – 2013	2011 – 2012	2010 – 2011
Undergraduate Tuition and Fees	$46,170 - $50,696	$44,848 - $49,242	$43,204 - $47,432	$41,606 - $45,675	$40,082 - $43,998
Undergraduate Tuition and Fees Per Point	1,354 – 1,575	1,315 - 1,530	1,267 - 1,474	1,221 - 1,420	1,176 - 1,367
Graduate Tuition and Fees (GSAS) Per Point	1,619	1,558	1,500	1,443	1,389
College of Dentistry[1]	67,403	64,811	62,318	59,921	57,204
School of Law	56,636	54,480	52,407	50,148	48,025
School of Medicine	52,600	55,020	53,520	52,371	51,128
Leonard N. Stern School of Business – Graduate Tuition and Fees	63,168	59,844	55,154	50,582	46,616
Average Dormitory Charges	12,006	12,008	11,675	10,876	10,508
Average Board Charges	4,776	4,614	4,458	4,306	4,160

[1] Tuition Only

The University's tuition and fees have increased at an average annual rate of 3% over the last 5 years. The dollar amount of NYU's undergraduate tuition and fees, as well as the annual percentage increase, has been at or below the mean and median of the 25 private institutions which the University considers to be its peers. While the University's rate of increase for room and board has also been at or below the mean and median, the absolute dollar amount of room and board charges has driven total student charges to the top of the peer group due to the high costs of housing in New York City.

Tuition and fee charges, net of financial aid, as a percent of total operating revenues for the University, excluding the School of Medicine, were approximately 56.9% in the fiscal year ended August 31, 2014 and approximately 55.9% in the fiscal year ended August 31, 2013. Auxiliary enterprise revenues, which include dormitory and board charges, as a percent of total operating revenues for the University were approximately 14.5% in the fiscal year ended August 31, 2014 and approximately 13.9% in fiscal year ended August 31, 2013.

Student Financial Aid

The University's admissions and financial aid programs are designed to enable qualified students to attend the University regardless of their financial circumstances. Undergraduate and graduate students receive financial aid from loans, employment, government and private sources and University funds. Financial aid provided from the Federal and State governments is an important source of funds for students who otherwise might not be able to attend the University because of insufficient financial means. The following table sets forth the sources of financial aid for students at the University (including NYU Abu Dhabi and NYU Shanghai) for the past five academic years:

SOURCES OF FINANCIAL AID
($ in thousands)

Academic Year	# of Students	NYU Aid [1]	State Aid	Federal Aid [2]	External Grants [3]	External Loans	Total
2013 – 2014[3]	32,187	435,877	9,021	647,156	35,160	63,823	1,191,037
2012 – 2013	31,037	397,808	11,002	660,911	32,949	65,505	1,168,174
2011 – 2012	32,074	367,269	11,052	675,827	29,869	60,448	1,144,465
2010 – 2011	30,581	331,234	9,387	656,453	2,553	61,203	1,060,831
2009 – 2010	30,927	315,935	11,085	606,327	2,108	88,237	1,023,692

1. Federal Aid includes grants, student and parent loans, and federal College Work-Study Program.
2. Prior to Academic Year 2011 – 2012, External Grants were not captured in the University's Financial Aid Data Systems which has been replaced. The large increase in External Grants is a result of moving to a new Student Information System where External Grants are tracked in a much more comprehensive manner.
3. NYU completed its merger with the School of Engineering on January 1, 2014. However, student financial aid systems were not fully integrated until the summer term of the 2013-2014 academic year. The figures shown here for Academic Year 2013-2014 only include School of Engineering headcount and financial aid awards as they relate to the summer term.

As a part of the Federal Aid program for the fiscal year ended on August 31, 2014, approximately 3,613 students participated in the federal College Work-Study Program with income totaling approximately $6.2 million and held part-time employment on and off campus to help meet their costs of education.

State Aid to the University

The University benefits from a State program under which State aid is allocated to independent post-secondary institutions based on the number of certain academic degrees conferred in the preceding year. Specified dollar amounts are received for each bachelor degree, master degree and doctoral degree awarded. The University uses these funds to support the student aid budget. Future payments by the State are dependent on the enactment of annual appropriations and the ability of the State to pay the sums appropriated. The following table sets forth the State aid received for the past five New York State fiscal years which ended on March 31st:

STATE AID
($ in millions – excluding the School of Medicine)

NY State Fiscal Years	Amount
2013 – 2014	$3.9
2012 – 2013	3.9
2011 – 2012	3.9
2010 – 2011	4.3
2009 – 2010	4.9

In addition to the State aid that the University has specifically used to support the student financial aid budget, there are several Economic Development Grant Programs, administered by DASNY, for which the University has qualified and received aid. Two notable programs from which the University has historically received aid are (1) the New York State Capital Assistance Program (NYS CAP), for which DASNY in 2008 began to administer grants to fund certain economic development, university development, community development, homeland security, environmental, infrastructure, utility, health care facility, public recreation facility, and arts and cultural facility projects and (2) Higher Education Capital Matching Grant Program ("HECap"), which since 2005 has helped independent higher education institutions finance, construct and equip critical academic, student life, and economic development projects on or near their campuses. HECap Grants are allocated to each eligible recipient by a formula that includes a base grant amount, an allocation based on enrollment and an allocation based on Tuition Assistance Program participation. In the fiscal year ended August 31, 2014, the University received over $600,000 in economic development grant reimbursements from New York State. In comparison, for the fiscal year ended August 31, 2013, the University received approximately $1.09 million in grant reimbursements.

Faculty

The University has full-time tenure term faculty, full-time non-tenure term faculty, and part-time faculty. Salaries and fringe benefits are competitive with those offered by comparable institutions both regionally and nationally. The following table sets forth the faculty profile at the University (including NYU Abu Dhabi and NYU Shanghai) for the most recent five academic years:

FACULTY PROFILE

Fiscal Year	Full-time Faculty	Part-time Faculty [1]	Total Faculty	Full-time Equivalent Faculty	Percent of Total Faculty Tenured
2014 – 2015	5,028	4,461	9,431	6,496	17%
2013 – 2014	4,758	4,311	9,069	6,195	16%
2012 – 2013	4,535	4,473	9,008	6,026	17%
2011 – 2012	4,238	4,082	8,320	5,598	17%
2010 – 2011	3,949	4,366	8,315	5,343	17%

[1] Salaried only. Part-time unsalaried faculty or graduate students are excluded.

Labor Relations

The University has had a history of satisfactory labor relations for over 60 years. A contract with Local 810, International Brotherhood of Teamsters, covering skilled maintenance employees will expire on June 30, 2019. A contract with Local 32BJ Service Employees International Union (SEIU), AFL-CIO, covering employees working in several academic buildings, will expire on December 31, 2015. A contract with Local 3882, New York State United Teachers, AFT, AFL-CIO, covering office, clerical and technical employees will expire on October 31, 2017. A contract with 1199, National Health and Human Services Employees Union SEIU, AFL-CIO, covering technical and professional employees, will expire on September 30, 2018. A contract with the UAW (United Automobile, Aerospace and Agricultural Implement Workers of America), covering certain adjunct faculty, will expire on August 31, 2016. A contract with Local One Security Officers Union will expire on June 30, 2018. A contract with International Union of Operating Engineers Local 30, covering maintenance workers at the School of Engineering, expires on June 30, 2015. A contract with Office and Professional Employee International Union Local 153, AFL-CIO, covering clerical and technical employees at the School of Engineering, that expired on December 31, 2014, has been extended through April 16, 2015. Local 153 and the University are currently engaged in contract negotiations. The University and College Union (UCU) in Great Britain and NYU London have an agreement covering the administrative and academic staff of NYU London. On December 11, 2013, the American Arbitration Association conducted an election in which certain graduate student employees chose to be represented in collective bargaining by a unit of the International Union, UAW. On March 10, 2015, the University and the UAW reached an agreement, subject to union membership ratification, on a contract to expire on August 31, 2020.

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FINANCIAL STATEMENT INFORMATION

University Finances

The University's Board of Trustees reviews and approves the University's budget for each academic year and generally requires that the University have a balanced operating budget. Capital budgets also are prepared annually with the requirement that all capital spending be covered either by current receipts, gifts and pledges, or by approved borrowing sources.

The University's financial statements are prepared in accordance with generally accepted accounting principles and the University's consolidated audited financial statements as of August 31, 2014 are included as Appendix B to this Official Statement. Because the University has a controlling interest in NYUHC, accounting standards require that the financial statements of the University and NYUHC be presented on a consolidated basis. See "INTRODUCTION - The University" and Note 1 in "APPENDIX B - NEW YORK UNIVERSITY CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED AUGUST 31, 2014 AND 2013, AND REPORT OF INDEPENDENT ACCOUNTANTS." Supplemental Schedules to the audited Consolidated Financial Statements set forth information about each component consolidated entity, and the information in the Supplemental Schedules in the columns entitled "University" and "School of Medicine" represents the financial information with respect to the University. Only the University is obligated under the Resolution to make payments with respect to the Series 2015 Bonds. NYUHC is not liable for any obligations of the University, and the University is not liable for any obligations of NYUHC.

The following tables summarize the unrestricted revenues and expenditures and other changes in net assets and the balance sheets for the University for the past five completed fiscal years. The information in the tables for the fiscal years ended on August 31, 2010, 2011, 2012, 2013, and 2014 was derived from the consolidating information in the columns entitled "University" and "School of Medicine" included in the Supplemental Schedules to the audited Consolidated Financial Statements in Appendix B and therefore excludes financial results of NYUHC. The University's audited Consolidated Financial Statements should be read in conjunction with the Supplemental Schedules.

Substantially all University employees are covered by retirement programs. These plans include various defined contribution plans and multi-employer defined benefit plans, and two University-sponsored defined benefit plans. The University also provides certain health care and life insurance benefits for eligible retired employees. See Notes 13 and 14 in "APPENDIX B - NEW YORK UNIVERSITY CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED AUGUST 31, 2014 AND 2013, AND REPORT OF INDEPENDENT ACCOUNTANTS."

The performance of the University's investments as of August 31, 2014 is described under "Investments" below.

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Balance Sheet (University)
Fiscal years ended August 31
(in thousands – including School of Medicine)

	2014[1]	2013[1]	2012	2011	2010
Assets					
Cash and cash equivalents	$ 919,231	$ 912,140	$ 879,485	$ 823,111	$ 725,294
Short-term investments	3,436	28,680	33,568	48,474	86,824
Accounts and loans receivable, net	338,741	322,663	332,426	291,822	298,430
Patient accounts receivable, net[1]	62,551	57,782	59,383	54,984	46,987
Contributions receivable, net	404,050	344,638	346,733	291,186	302,411
Other assets	197,901	191,186	149,876	134,750	151,945
Assets limited as to use – disaster recovery	2,168	-	-	-	-
Disaster-related receivable	350,645	76,692	-	-	-
Deposits with trustees	86,554	102,701	113,784	119,676	225,137
Collateral for securities loaned	-	-	6,023	4,965	3,963
Long-term investments	3,466,639	3,124,980	2,825,649	2,749,036	2,434,213
Land, buildings, and equipment, net	4,195,616	4,007,965	3,605,859	3,506,965	3,181,205
Total Assets	10,027,532	9,169,697	8,352,786	8,024,969	7,456,409
Liabilities and Net Assets					
Liabilities:					
Accounts payable and accrued expenses	585,321	509,950	477,964	419,117	431,656
Disaster-related accounts payable and accrued expenses	20,634	59,246			
Deferred revenue	807,587	825,266	811,579	799,365	603,235
Deferred revenue – disaster related	2,168	-	-	-	-
Security loan agreements payable	-	-	6,023	4,965	3,963
Bonds and notes payable	2,452,590	2,408,655	2,169,356	2,161,279	2,128,498
Other leasing obligations	122,208	86,990			
Federal grants refundable	80,117	77,361	72,186	71,340	70,039
Accrued benefit obligation	93,881	80,076	155,048	81,061	104,009
Accrued postretirement obligation	449,383	398,090	459,850	346,346	336,849
Asset retirement obligation	167,178	139,974	123,087	120,622	115,719
Total liabilities	4,781,067	4,585,608	4,275,093	4,004,095	3,793,968
Net Assets:					
Unrestricted	2,225,627	2,238,511	2,019,241	2,078,962	2,062,945
Temporarily restricted	1,349,426	762,112	649,306	628,944	356,454
Permanently restricted	1,671,412	1,583,466	1,409,146	1,312,968	1,243,042
Total net assets	5,246,465	4,584,089	4,077,693	4,020,874	3,662,441
Total liabilities and Net Assets	10,027,532	9,169,697	$ 8,352,786	$ 8,024,969	$ 7,456,409

[1] Includes the School of Engineering.

Statement of Activities (University)
Fiscal years ended August 31 (in thousands – including School of Medicine)

	2014[1]	2013[1]	2012	2011	2010
Changes in unrestricted net assets					
Operating revenues					
Tuition and fees (net of financial aid awards of $474,491 in 2014, $437,049 in 2013, $360,915 in 2012, $330,448 in 2011, and $306,773 in 2010)	$ 1,581,523	$ 1,529,550	$ 1,392,374	$ 1,324,229	$ 1,257,854
Grants and contracts	693,979	641,185	585,206	534,572	473,635
Patient care	797,329	629,235	597,874	508,273	431,237
Hospital affiliations	276,000	275,364	245,439	240,020	222,632
New York State appropriation	-	-	12,146	7,036	10,707
Contributions	137,103	132,799	124,065	108,942	126,425
Endowment distribution	125,581	119,441	114,761	107,177	75,797
Return on short term investments	5,617	5,811	6,924	4,680	3,524
Auxiliary enterprises	408,108	386,577	377,460	363,908	358,538
Program fees and other	232,629	223,326	180,122	114,948	116,566
Commercial insurance-disaster recovery	1,768	15,882	-	-	-
Disaster recovery reimbursement	36,799	145,495	-	-	-
Net assets released from restrictions	86,071	114,657	100,480	93,727	94,959
Total operating revenues	4,382,507	4,219,322	3,736,851	3,407,512	3,171,874
Operating expenses:					
Instruction and other academic programs	1,466,385	1,354,904	1,207,331	1,142,839	1,079,553
Research and other sponsored programs	810,884	730,194	644,027	565,615	506,135
Patient care	791,774	684,535	605,541	505,579	461,970
Hospital affiliations	272,070	264,074	242,457	229,475	205,055
Libraries	75,516	71,837	69,092	66,623	60,867
Student services	118,299	121,235	100,399	104,871	99,735
Institutional services	469,384	448,259	348,083	340,192	286,926
Auxiliary enterprises	460,536	439,078	417,524	414,808	398,611
Disaster-related expenses	56,351	133,002	-	-	-
Total operating expenses	4,521,199	4,247,118	3,634,454	3,370,002	3,098,852
(Deficiency) excess of operating revenues over operating expenses	(138,692)	(27,796)	102,397	37,510	73,022
Non-operating activities:					
Investment return	148,537	93,393	33,045	134,457	173,994
Appropriation of endowment distribution	(41,499)	(47,602)	(47,431)	(45,323)	(75,797)
Disaster recovery reimbursement for capital	21,174	-	-	-	-
Loss on disaster-related disposals and impairment of property, plant, and equipment	(501)	(32,177)	-	-	-
Other	25,257	10,101	(3,173)	3,099	53,212
Transfer of equity	-	-	-	3,925	3,250
Mission based payment	30,000	35,735	37,813	45,000	-
Net assets released from restrictions for capital purposes	2,713	701	3,726	10,455	5,052
Net assets released from restrictions for hazard mitigation	267	-	-	-	-
Changes in pension and postretirement benefits obligations	(60,140)	189,162	(186,098)	18,292	(87,679)
(Dec)/Inc in unrestricted net assets before effect of change in accounting principle	(12,884)	221,517	(59,721)	207,415	145,054
Cumulative effect of change in accounting principle	-	-	-	(191,398)	-
(Dec)/Inc in unrestricted net assets after effect of change in accounting principle	(12,884)	221,517	(59,721)	16,017	145,054
Changes in temporarily restricted net assets:					
Contributions	231,223	132,178	153,011	79,773	95,099
Investment return, net	236,856	157,775	40,716	170,551	(554)
Appropriation of endowment distribution	(84,083)	(71,839)	(67,330)	(61,854)	-
Disaster award for mitigation	317,495	-	-	-	-
Other	(25,126)	754	(1,829)	(3,196)	(10,388)
Net assets released from restrictions for hazard mitigation	(267)	-	-	-	-
Net assets released from restrictions	(88,784)	(115,358)	(104,206)	(104,182)	(100,011)
Inc/(Dec) in temporarily restricted net assets before effect of change in accounting principle	587,314	103,510	20,362	81,092	(15,854)
Cumulative effect of change in accounting principle	-	-	-	191,398	-
Inc/(Dec) in temporarily net assets after effect of change in accounting principle	587,314	103,510	20,362	272,490	(15,854)
Changes in permanently restricted net assets:					
Contributions	92,852	94,557	101,503	64,279	59,380
Other	(4,906)	(1,659)	(5,325)	5,647	10,603
Increase in permanently restricted net assets	87,946	92,898	96,178	69,926	69,983
Change in net assets	$ 662,376	$ 417,925	$ 56,819	$ 358,433	$ 199,183

[1] Includes the School of Engineering.

Contributions

Contributions (which include the net change in present value of collectible pledges receivable) for the fiscal years ended August 31, 2014, 2013, 2012, 2011, and 2010 were reflected in the Statements of Activities (in accordance with Generally Accepted Accounting Principles in the United States of America) as follows:

Contributions
(in thousands)

	2014[1]	2013[1]	2012	2011	2010
Unrestricted net assets	$ 137,103	$ 132,799	$ 124,065	$ 108,942	$ 126,425
Temporarily restricted net assets	231,223	132,178	153,011	79,773	95,099
Permanently restricted net assets	92,852	94,557	101,503	64,279	59,380
Total	$ 461,178[1]	$ 359,534[1]	$ 378,579	$ 252,994	$ 280,904

[1] Includes the School of Engineering.

Grants and Contracts

The University has long been a center of research and training programs. Government grants and contracts provide most of the funds for sponsored programs although additional amounts come from industry, foundations and interested individuals. For the fiscal year ended August 31, 2014, approximately $694 million was provided to the University for research and other sponsored programs, including $358 million (unaudited) from Federal, State and City government grants and contracts. See Note 15 in "APPENDIX B - NEW YORK UNIVERSITY CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED AUGUST 31, 2014 AND 2013, AND REPORT OF INDEPENDENT ACCOUNTANTS." In comparison, for the fiscal year ended August 31, 2013, approximately $641 million was provided to the University for research and other sponsored programs, including $349 million (unaudited) from Federal, State and City government grants and contracts.

Fundraising and Development (Unaudited – NYUHC is included)

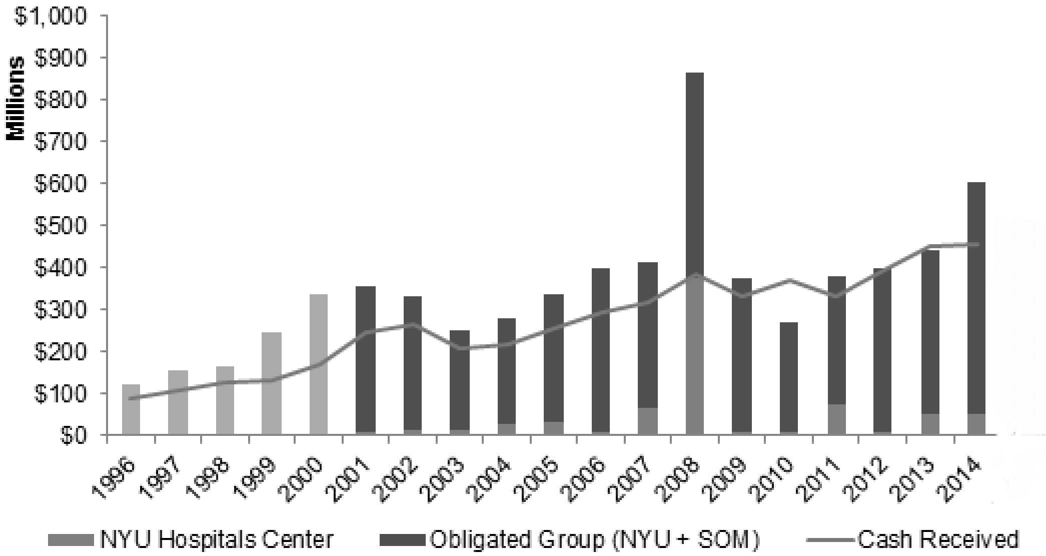
In fiscal year 2013, the schools and units of the University raised $444.0 million in total cash and pledges, 11% more than in the previous year. In fiscal year 2014, the schools and units of the University completed a fourth consecutive year of double digit increases in dollars raised when they achieved the second highest fundraising year in its history, reaching $604.6 million in total cash and pledges, 36% more than the previous year.

The Fund for NYU (Annual Fund) exceeded its fiscal year 2013 goal by more than $858,000 raising more than $32.7 million. The Fund for NYU raised over $33.8 million in fiscal year 2014, exceeding its goal for the third consecutive year.

On October 19, 2013, at NYU Alumni Day, the University formally launched the Momentum Campaign to raise $1 billion for scholarships and fellowships before August 31, 2017. With fundraising efforts initiated in 2012, the six-year effort will focus on graduate and undergraduate financial aid, endowment and expendable funds to support the neediest and most deserving students at the University. The effort raised $142.7 million in gifts and pledges in fiscal year 2014, and raised over $370.5 million from fiscal year 2012 to fiscal year end 2014.

Individual schools and colleges have set goals for this effort in addition to goals for other fundraising initiatives such as faculty support, programmatic and capital needs.

Cash and Pledges, by Fiscal Year (1996-2014) (in millions)[1,2,3]
(Unaudited)



[1]As of August 31, 2014. Figures above represent gross pledges and are unaudited. Years 1996-2000 represent data from the consolidated NYU entity (NYU, SOM and NYUHC). Funds raised for NYUHC are not available to pay obligations of the University.
[2] SOM also includes the NYU MedGrowth Fund (FY'05-FY'08).
[3] The gifts and pledges to NYUHC are not available to pay obligations of the University.

Investment in Plant

The University's physical plant includes approximately 15 million gross square feet. The book value of the University's investment in plant, net of accumulated depreciation, was approximately $4.2 billion at August 31, 2014. The following is a summary of the University's investment in plant at the end of each of the last five fiscal years:

Property, Plant, and Equipment
As of August 31
(in thousands – net of accumulated depreciation)

2014	$ 4,195,616
2013	4,007,965
2012	3,605,859
2011	3,506,965
2010	3,181,205

The University carries all-risk property insurance coverage on its buildings and their contents, excluding land. Such insurance presently provides coverage of $4.5 billion for any one occurrence and has no co-insurance clause. The deductible amount currently is $250,000 for each occurrence at the University locations in Brooklyn and Manhattan, and $100,000 at the SOM campus. Also, the University carries general liability insurance coverage in the amount of $500 million with a self-insured retention of $500,000 per claim, which the University's management believes to be sufficient for its operations. The University also purchases statutory Worker's Compensation insurance. This program is a guaranteed cost risk transfer product which removes Worker's Compensation liability directly to the insurer for 100% of all losses.

Investments

The University maintains investments in a long-term pool (the investments primarily being Endowment Funds) and in short-term investments (the investments primarily being working capital).

Long-Term Investments

The following table summarizes the market value of the University's long-term investments broken down by restriction at August 31, 2014:

Long-Term Investments at August 31, 2014
(in thousands)

	Market Value
Permanently Restricted	$2,131,948
Temporarily Restricted	31,587
Unrestricted – Designated for Investment	1,303,104
Total	$ 3,466,639

As of August 31, 2014, approximately $3.4 billion of the long-term investments were invested in Endowment Funds.

Endowment Funds

Endowment funds comprise gifts to the University that are not wholly expendable on a current basis as well as funds that have been designated and approved by the University as endowment funds or for specific projects. Management of the endowment funds historically has attempted to achieve a return at least equal to inflation plus the University's spending policy rate, while incurring an acceptable level of risk. At August 31, 2014, endowment funds were distributed across 132 discrete investment accounts with 89 different managers, with no single manager accounting for more than 6.4% of the total. The University's Board of Trustees has authorized an investment policy designed to allow asset growth while providing a predictable flow of return to support operations. This policy permits the use of total return on the endowment as operating revenues at approved spending rates (approximately 5% in fiscal years 2010, 2011, 2012, 2013 and 2014). Distributions are calculated using the prior year distribution adjusted for the change in the New York Metro Area Consumer Price Index (CPI). To preserve the endowment's purchasing power, caps further limit spending as follows: (1) the distribution of endowment return to support operations may not exceed the prior year's distribution by more than 10%, unless the increase was the result of new gifts to the endowment, and (2) if the results of using only the average market value of either the final four quarters alone or the final eight quarters alone would be a decline in the distribution from the prior year's distribution, then the distribution may not exceed the previous year's level.

Asset Allocation Policy targets were updated in February 2014 and expected ranges for investment are currently 40 - 60% for equity, 30 – 60% for other (including 0 - 10% for real assets, and 15 – 30% for opportunistic and credit) and 5 – 15% for fixed income and cash.*

Summary by Asset Class
(Unaudited – excluding the School of Law)

Type	August 31, 2014
Equity	54 %
Real Assets	10
Opportunistic and Credit	24
Fixed Income	9
Other	3
Total	100.0 %

* Because the Asset Allocation Policy is based on targeted percentages and not actuals, these ranges may not sum to 100%.

At August 31, 2014 unfunded capital commitments were approximately $383 million. For the 12 months then ended, the University funded capital calls of approximately $120 million (unaudited) and received approximately $171 million (unaudited) of capital distributions.

The table below summarizes the market value and total return of the University's endowment funds for each of the last six fiscal years ended August 31 (unaudited):

Changes in Endowment Funds[1]
(in millions)
(Unaudited – excluding the School of Law)

Fiscal Year Ending August 31	Beginning Market Value	Gifts & Additions	Chg. in Value of Investments	Spending Policy	Liquidations & Transfers[2]	Ending Market Value
2014	$ 3,004.6	$ 255.0	$ 423.0	$ (122.0)	$ (71.0)	$ 3,490.0
2013	2,824.5	249.7	255.7	(117.2)	(208.1)	3,004.6
2012	2,749.0	175.0	79.1	(115.9)	(62.6)	2,824.5
2011	2,432.8	135.9	316.2	(108.3)	(27.3)	2,749.3
2010	2,195.9	143.2	195.0	(76.5)	(24.9)	2,432.8

1. NYUHC's endowment funds are pooled with those of the University for all periods and accounted for approximately $28 million of the Ending Market Value at 8/31/2014 and approximately $0.3 million of Liquidations and Transfers. The investments of NYUHC are not available to pay obligations of the University.
2. Liquidations and Transfers are defined as funds distributed from endowment funds for designated uses.

For the 12 months ended August 31, 2014 the endowment funds returned approximately +13.7% (unaudited).
For the 12 months ended June 30, 2014 the endowment funds returned approximately +13.4% (unaudited).
For the 12 months ended August 31, 2013 the endowment funds returned approximately +9.1% (unaudited).

Liquidity and Short-Term Investments

The University's short-term investments for the last three fiscal years typically fluctuated from a low of approximately $250 million (unaudited) immediately prior to the start of the academic year to a high of approximately $900 million (unaudited) after tuition was collected. Working capital is invested primarily in short-term bank deposits that can be liquidated in less than 30 days.

The University is party to contractual loan agreements or lines of credit with three banks. The Bank of America, N.A. facility has maximum availability of $300 million and expires in fiscal year 2015. The J.P.Morgan Chase Bank facility has maximum availability of $200 million and expires in fiscal year 2016. The Wells Fargo Bank facility was established in late 2014. It has maximum availability of $200 million and expires in fiscal year 2017.

As of August 31, 2014, approximately $114 million was owed under the Bank of America, N.A. facility. No funds were owed under the J.P. Morgan Chase Bank facility or the Wells Fargo Bank facility.

Outstanding Long-Term Debt

At August 31, 2014, the long-term debt of the University was $2.453 billion. All of the indebtedness is a general obligation of the University and unsecured except as described below. See Note 10 in "APPENDIX B - NEW YORK UNIVERSITY CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED AUGUST 31, 2014 AND 2013, AND REPORT OF INDEPENDENT ACCOUNTANTS."

At August 31, 2014, the University's indebtedness to DASNY on outstanding DASNY bonds was approximately $2.019 billion.

The University is indebted to DASNY for loans made to the University from the proceeds of DASNY's bonds. The various agreements between the University and DASNY entered into in connection with the loans obligate the University to make payments in amounts and at times sufficient to make timely payment of the principal of and interest on the bonds issued by DASNY to finance the loans. All of the University's outstanding indebtedness to DASNY issued prior to the Series 2008 Bonds, totaling $479.4 million as of August 31, 2014, is secured by a pledge of tuition and fees for academic instruction. The Series 2014A, Series 2013A, Series 2013B, Series 2012A, Series 2012B, Series 2009A, Series 2009B, Series 2008A, Series 2008B, Series 2008C, and Taxable Series 2012C issued by DASNY are general obligations of the University to DASNY. Taxable Series 2010 and Taxable Series 2009 Bonds issued by the University are general obligations of the University.

At August 31, 2014, the University's outstanding long-term indebtedness to institutions other than DASNY and to other investors totaled approximately $433.2 million.

Additional Borrowing Plans

In addition to the Series 2015A Bonds to be issued by DASNY, the University expects to issue, on April 16, 2015, its Taxable Series 2015 Bonds in the principal amount of $272,285,000, for corporate purposes of the University, including funding capital expenditures and refinancing outstanding indebtedness of the University.

After the Series 2015A Bonds and Taxable Series 2015 Bonds issuances, the University projects spending of approximately $300 million on various long-term academic and infrastructure projects through the end of its fiscal year 2016. This will partially be funded with the aforementioned credit facilities and/or future long-term debt. The financing of these projects is subject to satisfactory progress on these projects and market conditions at the time of sale. The University continues in the ordinary course to consider additional borrowings in support of its programs, the needs of its students, and its other educational and charitable activities.

Future Development Plan

On July 25, 2012, the New York City Council approved the University's Uniform Land Use Review Procedure (ULURP) application for the development of four new buildings (and the removal of three existing buildings) on two superblocks owned by NYU at the Washington Square "core" campus. The project is known as the "NYU Core Plan." As approved, the four buildings would comprise approximately 1.92 million square feet of predominantly academic space (resulting in a net increase of approximately 1.60 million square feet of space on the superblocks, after accounting for the removal of three existing buildings). A substantial portion of the new space will be below-grade. The two superblocks are comprised of: (i) the North Block bounded by West 3rd Street and Bleecker Street to the north/south and Mercer Street and LaGuardia Place to the east/west, and (ii) the South Block bounded by Bleecker Street and W. Houston Street to the north/south and Mercer Street and LaGuardia Place to the east/west.

Building construction would start first on the South Block. Construction of the new buildings on the North Block will follow construction on the South Block and is not expected to commence before 2022, at the earliest. In addition to the new buildings, the project includes site enhancements and improvements to open space, and community-dedicated spaces, including a possible public school in one of the new buildings on the South Block. Financing for the NYU Core Plan will be brought before the NYU Board for approval on a building-by-building basis, after detailed design plans and design-based construction-cost estimates are developed for a specific building. The University is currently in the pre-construction planning stages, including early enhancements to existing buildings and open spaces. In December 2014, the NYU Board authorized financing of $136 million for mobilization, demolition, planning and design of a new building to be constructed on the site of the Coles Sports Facility.

Two lawsuits were commenced by opponents of the NYU Core Plan. The first action (WSV Green Neighbors, Inc., et al. v. New York University, Index No. 155507/12 (N.Y. County)) was brought by certain rent-stabilized tenants residing in the Washington Square Village buildings on the North Block, and an allegedly affiliated corporate entity. The plaintiffs alleged that potential changes to the interior courtyard between the two Washington Square Village buildings would deprive them of allegedly required ancillary services in violation of the Rent Stabilization Law. On March 14, 2013, the Supreme Court for New York County granted the University's motion to dismiss this suit without prejudice, holding that the issues raised by the plaintiffs should first be brought before the relevant State agency, the Division of Housing and Community Renewal. On March 26, 2013, the plaintiffs filed a notice of appeal. The time by which the plaintiffs were required to perfect their appeal has expired.

The second lawsuit, an Article 78 proceeding (Glick et al. v. Harvey, et al., Index No. 103844/12 (N.Y. County)), was commenced by various community groups, certain University faculty members and others to overturn the City Council's approval of the NYU Core Plan, and to overturn the alleged authorization of the NYU Core Plan by DASNY and the New York State Office of Parks, Recreation and Historic Preservation. The petitioners alleged, among other things, that the Environmental Impact Statement was deficient, the City's approval process was flawed and that certain parcels of City-owned land that abut the superblocks are parkland and cannot be substantially interfered with in connection with the NYU Core Plan without approval of the New York State Legislature (the "Parkland Claim"). Petitioners' motion for discovery was denied. The Article 78 petition and the respondent's motion to dismiss were argued before Justice Mills of the New York State Supreme Court for New York County on July 18, 2013. On January 7, 2014, Justice Mills dismissed five of the six claims brought by the petitioners including claims related to the sufficiency of the Environmental Impact Statement and the City's approval process. The claim upon which the petitioners were partly successful was the Parkland Claim pursuant to which the Court held in favor of NYU and the City with respect to two of the parcels and found for the petitioners with respect to three parcels. The Court also issued an injunction enjoining NYU from beginning any construction (including prolonged construction staging) that would result in alienation of any of the three parcels that it found to be parkland unless and until the State legislature authorizes their alienation. The opinion did not preclude NYU from otherwise moving forward with the Core Plan. NYU and the City appealed the Court decision with respect to the three parcels found to be parkland and petitioners cross-appealed. The appeal was argued in the Appellate Division, First Department, on September 24, 2014. On October 14, 2014, the Appellate Division ruled unanimously in favor of NYU, granting NYU's cross-motion to dismiss petitioner's Parkland Claim in its entirety, vacating the declaratory and injunctive relief granted by the Supreme Court and denying and dismissing the petition in all respects. On November 12, 2014, petitioners moved for leave to appeal the Appellate Division's decision to the New York State Court of Appeals. NYU opposed petitioner's motion for leave to appeal. On February 24, 2015, the Court of Appeals granted leave and argument is scheduled to be heard in June 2015.

LITIGATION AND CONTINGENT LIABILITIES

Funds expended by the University under government grants and contracts are subject to audit and claims for reimbursement by governmental agencies. The University also is a defendant in various legal actions arising out of the normal course of its operations. Although the outcome of any such claims or actions cannot be currently determined, the University's administration is of the opinion that the eventual liability therefrom, if any, will not have a material effect on the financial position of the University or on its ability to make required debt service payments.

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PART 8 – DASNY

Background, Purposes and Powers

DASNY is a body corporate and politic constituting a public benefit corporation. DASNY was created in 1944 to finance and build dormitories at State teachers' colleges to provide housing for the large influx of students returning to college on the G.I. Bill following World War II. Over the years, the State Legislature has expanded DASNY's scope of responsibilities. Today, pursuant to the Dormitory Authority Act, DASNY is authorized to finance, design, construct or rehabilitate facilities for use by a variety of public and private not-for-profit entities.

DASNY provides financing services to its clients in three major areas: public facilities; not-for-profit healthcare; and independent higher education and other not-for-profit institutions. DASNY issues State-supported debt, including State Personal Income Tax Revenue Bonds and State Sales Tax Revenue Bonds, on behalf of public clients such as The State University of New York, The City University of New York, the Departments of Health and Education of the State, the Office of Mental Health, the Office of People with Developmental Disabilities, the Office of Alcoholism and Substance Abuse Services, the Office of General Services, and the Office of General Services of the State on behalf of the Department of Audit and Control. Other public clients for whom DASNY issues debt include Boards of Cooperative Educational Services ("BOCES"), State University of New York, the Workers' Compensation Board, school districts across the State and certain cities and counties that have accessed DASNY for the purpose of providing court facilities. DASNY's private clients include independent colleges and universities, private hospitals, certain private secondary schools, special education schools, facilities for the aged, primary care facilities, libraries, museums, research centers and government-supported voluntary agencies, among others.

To carry out its programs, DASNY is authorized to issue and sell negotiable bonds and notes to finance the construction of facilities for such institutions, to issue bonds or notes to refund outstanding bonds or notes and to lend funds to such institutions. At March 31, 2015, DASNY had approximately $45.7 billion aggregate principal amount of bonds and notes outstanding. DASNY also is authorized to make tax-exempt leases, with its Tax-Exempt Leasing Program (TELP). As part of its operating activities, DASNY also administers a wide variety of grants authorized by the State for economic development, education and community improvement and payable to both public and private grantees from proceeds of State Personal Income Tax Revenue Bonds issued by DASNY.

DASNY is a conduit debt issuer. Under existing law, and assuming continuing compliance with tax law, interest on most bonds and notes issued by DASNY has been determined to be excludable from gross income for federal tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. All of DASNY's outstanding bonds and notes, both fixed and variable rate, are special obligations of DASNY payable solely from payments required to be made by or for the account of the client institution for which the particular special obligations were issued. DASNY has no obligation to pay its special obligations other than from such payments. DASNY has always paid the principal of and interest on all of its obligations on time and in full; however, as a conduit debt issuer, payments on DASNY's special obligations are solely dependent upon payments made by DASNY's client for which the particular special obligations were issued and the security provisions relating thereto.

DASNY also offers a variety of construction services to certain educational, governmental and not-for-profit institutions in the areas of project planning, design and construction, monitoring project construction, purchasing of furnishings and equipment for projects, interior design of projects and designing and managing projects to rehabilitate older facilities.

In connection with the powers described above, DASNY has the general power to acquire real and personal property, give mortgages, make contracts, operate certain facilities and fix and collect rentals or other charges for their use, contract with the holders of its bonds and notes as to such rentals and charges, borrow money and adopt a program of self-insurance.

DASNY has a staff of approximately 490 employees located in three main offices (Albany, New York City and Buffalo) and at approximately 48 field sites across the State.

Governance

DASNY is governed by an eleven-member board. Board members include the Commissioner of Education of the State, the Commissioner of Health of the State, the State Comptroller or one member appointed by him or her who serves until his or her successor is appointed, the Director of the Budget of the State, one member appointed by the Temporary President of the State Senate, one member appointed by the Speaker of the State Assembly and five members appointed by the Governor, with the advice and consent of the Senate, for terms of three years. The Commissioner of Education of the State, the Commissioner of Health of the State and the Director of the Budget of the State each may appoint a representative to attend and vote at DASNY meetings. The members of DASNY serve without compensation, but are entitled to reimbursement of expenses incurred in the performance of their duties. One of the appointments to the Board by the Governor is currently vacant.

The Governor of the State appoints a Chair from the members appointed by him or her and the members of DASNY annually choose the following officers, of which the first two must be members of DASNY: Vice-Chair, Secretary, Treasurer, Assistant Secretaries and Assistant Treasurers.

The current members of DASNY are as follows:

ALFONSO L. CARNEY, JR., *Chair*, New York.

Alfonso L. Carney, Jr. was reappointed as a Member of DASNY by the Governor on June 19, 2013. Mr. Carney is a principal of Rockwood Partners, LLC, which provides medical consulting services in New York City. He has served as Acting Chief Operating Officer and Corporate Secretary for the Goldman Sachs Foundation in New York where, working with the President of the Foundation, he managed the staff of the Foundation, provided strategic oversight of the administration, communications and legal affairs teams, and developed selected Foundation program initiatives. Mr. Carney has held senior level legal positions with Altria Group Inc., Philip Morris Companies Inc., Philip Morris Management Corporation, Kraft Foods, Inc. and General Foods Corporation. Mr. Carney holds a Bachelor's degree in philosophy from Trinity College and a Juris Doctor degree from the University of Virginia School of Law. His current term expires on March 31, 2016.

JOHN B. JOHNSON, JR., *Vice-Chair,* Watertown.

John B. Johnson, Jr. was reappointed as a Member of DASNY by the Governor on June 19, 2013. Mr. Johnson is Chairman of the Board of the Johnson Newspaper Corporation, which publishes the Watertown Daily Times, Batavia Daily News, Malone Telegram, Catskill Daily Mail, Hudson Register Star, Ogdensburg Journal, Massena-Potsdam Courier Observer, seven weekly newspapers and three shopping newspapers. He holds a Bachelor's degree from Vanderbilt University, and Master's degrees in Journalism and Business Administration from the Columbia University Graduate School of Journalism and Business. Mr. Johnson was awarded an Honorary Doctor of Science degree from Clarkson University. Mr. Johnson's term expires on March 31, 2016.

SANDRA M. SHAPARD, *Secretary*, Delmar.

Sandra M. Shapard was appointed as a Member of DASNY by the State Comptroller on January 21, 2003. Ms. Shapard served as Deputy Comptroller for the Office of the State Comptroller from 1995 until her retirement in 2001, during which time she headed the Office of Fiscal Research and Policy Analysis and twice served as Acting First Deputy Comptroller. Previously, Ms. Shapard held the positions of Deputy Director and First Deputy Director for the New York State Division of the Budget from 1991 to 1994. She began her career in New York State government with the Assembly where she held the positions of Staff Director of the Office of Counsel to the Majority, Special Assistant to the Speaker, and Deputy Director of Budget Studies for the Committee on Ways and Means. A graduate of Mississippi University for Women, Ms. Shapard received a Masters of Public Administration from Harvard University, John F. Kennedy School of Government, where she has served as visiting lecturer, and has completed graduate work at Vanderbilt University.

JONATHAN H. GARDNER, Esq., Buffalo.

Jonathan H. Gardner was appointed as a Member of DASNY by the Governor on June 17, 2014. Mr. Gardner is a partner of the law firm Kavinoky Cook, LLP in Buffalo, New York. His practice areas include corporate and securities law, commercial transactions, private placements, venture capital financing and business combinations representing private and public companies. Mr. Gardner is also an adjunct professor at the University of Buffalo Law School. He holds a Bachelor of Arts degree from Brown University and a Juris Doctor degree from the University of Chicago Law School. Mr. Gardner's term expired on March 31, 2015 and by law he continues to serve until a successor shall be chosen and qualified.

BERYL L. SNYDER, J.D., New York.

Beryl L. Snyder was reappointed as a member of DASNY by the Governor on June 19, 2013. Ms. Snyder is a principal in HBJ Investments, LLC, an investment company where her duties include evaluation and analysis of a wide variety of investments in, among other areas: fixed income, equities, alternative investments and early stage companies. She holds a Bachelor of Arts degree in History from Vassar College and a Juris Doctor degree from Rutgers University. Her current term expires on August 31, 2016.

GERARD ROMSKI, Esq., Mount Kisco.

Gerard Romski was reappointed as a Member of DASNY by the Temporary President of the State Senate on June 21, 2012. He is Counsel and Project Executive for "Arverne by the Sea," where he is responsible for advancing and overseeing all facets of "Arverne by the Sea," one of New York City's largest mixed-use developments located in Queens, New York. Mr. Romski is also of counsel to the New York City law firm of Rich, Intelisano & Katz, LLP. Mr. Romski holds a Bachelor of Arts degree from the New York Institute of Technology and a Juris Doctor degree from Brooklyn Law School.

ROMAN B. HEDGES, Ph.D., Delmar.

Roman B. Hedges was appointed as a Member of DASNY by the Speaker of the State Assembly on February 24, 2003. Dr. Hedges serves on the Legislative Advisory Task Force on Demographic Research and Reapportionment. He is the former Deputy Secretary of the New York State Assembly Committee on Ways and Means. He was an Associate Professor of Political Science and Public Policy at the State University of New York at Albany where he taught graduate and undergraduate courses in American politics, research methodology, and public policy. Dr. Hedges previously served as the Director of Fiscal Studies of the Assembly Committee on Ways and Means. Dr. Hedges holds a Doctor of Philosophy and a Master of Arts degree from the University of Rochester and a Bachelor of Arts degree from Knox College.

ELIZABETH BERLIN, *Acting Commissioner of Education of the State of New York, Bethlehem*; *ex-officio.*

Elizabeth Berlin was appointed by the Board of Regents to serve as Acting Commissioner of Education on January 3, 2015. As Acting Commissioner of Education, Ms. Berlin serves as Executive Deputy Commissioner of the State Education Department, part of the University of the State of New York, which is comprised of public and non-public elementary and secondary schools, public and independent colleges and universities, libraries, museums, broadcasting facilities, historical repositories, proprietary schools and services for children and adults with disabilities. Formerly, Ms. Berlin served as the Executive Deputy Commissioner of the New York State Office of Temporary and Disability Assistance. Prior thereto she served as Commissioner of the Albany County Department of Social Services. Ms. Berlin holds a Bachelor of Arts degree from Siena College.

HOWARD A. ZUCKER, M.D., J.D., *Acting Commissioner of Health of the State of New York*, Albany; *ex-officio*.

Howard A. Zucker, M.D., J.D., was appointed Acting Commissioner of Health on May 5, 2014. Prior to his appointment he served as First Deputy Commissioner leading the state Department of Health's preparedness and response initiatives in natural disasters and emergencies. Before joining the state Department of Health, Dr. Zucker was professor of Clinical Anesthesiology at Albert Einstein College of Medicine of Yeshiva University and a pediatric cardiac anesthesiologist at Montefiore Medical Center. He was also an adjunct professor at Georgetown University Law School where he taught biosecurity law. Dr. Zucker earned his medical degree from George Washington University School of Medicine. He also holds a J.D. from Fordham University School of Law and a LL.M. from Columbia Law School.

MARY BETH LABATE, *Budget Director of the State of New York,* Albany*; ex-officio.*

Mary Beth Labate was appointed Budget Director on January 16, 2015. She is responsible for the overall development and management of the State's fiscal policy, including overseeing the preparation of budget recommendations for all State agencies and programs, economic and revenue forecasting, tax policy, fiscal planning, capital financing and management of the State's debt portfolio. Ms. Labate previously served as First Deputy Budget Director where she was responsible for managing the day to day operations of the Division of the Budget and playing a lead role in negotiating, establishing and executing the State Budget. Prior thereto, she held leadership positions at the Division of the Budget, the New York State Office of Parks, Recreation and Historic Preservation, and the New York State Division of Housing and Community Renewal. Ms. Labate holds a Bachelor of Arts degree from the University of Notre Dame and a Master's degree in Public Administration from the Rockefeller School of Public Affairs.

The principal staff of DASNY is as follows:

PAUL T. WILLIAMS, JR. is the President and chief executive officer of DASNY. Mr. Williams is responsible for the overall management of DASNY's administration and operations. Prior to joining DASNY, Mr. Williams spent the majority of his career in law including 15 years as a founding partner in Wood, Williams, Rafalsky & Harris, where he helped to develop a national bond counsel practice, then as a partner in Bryan Cave LLP, where he counseled corporate clients in a range of areas. Mr. Williams later left the practice of law to help to establish a boutique Wall Street investment banking company where he served as president for several years. Throughout his career, Mr. Williams has made significant efforts to support diversity and promote equal opportunity, including his past service as president of One Hundred Black Men, Inc. and chairman of the Eagle Academy Foundation. Mr. Williams is licensed to practice law in the State of New York and holds a Bachelor's degree from Yale University and a Juris Doctor degree from Columbia University School of Law.

MICHAEL T. CORRIGAN is the Vice President of DASNY, and assists the President in the administration and operation of DASNY. Mr. Corrigan came to DASNY in 1995 as Budget Director, and served as Deputy Chief Financial Officer from 2000 until 2003. He began his government service career in 1983 as a budget analyst for Rensselaer County and served as the County's Budget Director from 1986 to 1995. Immediately before coming to DASNY, he served as the appointed Rensselaer County Executive for a short period. Mr. Corrigan holds a Bachelor's degree in Economics from the State University of New York at Plattsburgh and a Master's degree in Business Administration from the University of Massachusetts.

PORTIA LEE is the Managing Director of Public Finance and Portfolio Monitoring. She is responsible for supervising and directing DASNY bond issuance in the capital markets, implementing and overseeing financing programs, overseeing DASNY's compliance with continuing disclosure requirements and monitoring the financial condition of existing DASNY clients. Ms. Lee previously served as Senior Investment Officer at the New York State Comptroller's Office where she was responsible for assisting in the administration of the long-term fixed income portfolio of the New York State Common Retirement Fund, as well as the short-term portfolio, and the Securities Lending Program. From 1995 to 2005, Ms. Lee worked at Moody's Investors Service where she most recently served as Vice President and Senior Credit Officer in the Public Finance Housing Group. She holds a Bachelor's degree from the State University of New York at Albany.

LINDA H. BUTTON is the Acting Chief Financial Officer and Treasurer of DASNY. Ms. Button oversees and directs the activities of the Office of Finance. She is responsible for supervising DASNY's investment program, general accounting, accounts payable, accounts receivable and financial reporting functions, as well as the development and implementation of financial policies, financial management systems and internal controls for financial reporting. Ms. Button has served in various capacities at DASNY over a long career, most recently as

Director, Financial Management in the Office of Finance. She holds a Bachelor of Business Administration degree in Accounting from Siena College.

MICHAEL E. CUSACK is General Counsel to DASNY. Mr. Cusack is responsible for all legal services including legislation, litigation, contract matters and the legal aspects of all DASNY financings. He is licensed to practice law in the State of New York and the Commonwealth of Massachusetts, as well as the United States District Court for the Northern District of New York. Mr. Cusack has over twenty years of combined legal experience, including management of an in-house legal department and external counsel teams (and budgets) across a five-state region. He most recently served as of counsel to the Albany, New York law firm of Young/Sommer, LLC, where his practice included representation of upstate New York municipalities, telecommunications service providers in the siting of public utility/personal wireless service facilities and other private sector clients. He holds a Bachelor of Science degree from Siena College and a Juris Doctor degree from Albany Law School of Union University.

STEPHEN D. CURRO, P.E. is the Managing Director of Construction. Mr. Curro is responsible for DASNY's construction groups, including design, project management, purchasing, contract administration, interior design, and engineering and other technology services. Mr. Curro joined DASNY in 2001 as Director of Technical Services, and most recently served as Director of Construction Support Services. He is a registered Professional Engineer in New York and has worked in the construction industry for more than 30 years. He holds a Bachelor of Science in Civil Engineering from the University of Rhode Island, a Master of Engineering in Structural Engineering from Rensselaer Polytechnic Institute and a Master of Business Administration from Rensselaer Polytechnic Institute's Lally School of Management.

Claims and Litigation

Although certain claims and litigation have been asserted or commenced against DASNY, DASNY believes that such claims and litigation either are covered by insurance or by bonds filed with DASNY, or that DASNY has sufficient funds available or the legal power and ability to seek sufficient funds to meet any such claims or judgments resulting from such matters.

Other Matters

New York State Public Authorities Control Board

The New York State Public Authorities Control Board (the "PACB") has authority to approve the financing and construction of any new or reactivated projects proposed by DASNY and certain other public authorities of the State. The PACB approves the proposed new projects only upon its determination that there are commitments of funds sufficient to finance the acquisition and construction of the projects. DASNY obtains the approval of the PACB for the issuance of all of its bonds and notes.

Legislation

From time to time, bills are introduced into the State Legislature which, if enacted into law, would affect DASNY and its operations. DASNY is not able to represent whether such bills will be introduced or become law in the future. In addition, the State undertakes periodic studies of public authorities in the State (including DASNY) and their financing programs. Any of such periodic studies could result in proposed legislation which, if adopted, would affect DASNY and its operations.

Environmental Quality Review

DASNY complies with the New York State Environmental Quality Review Act and with the New York State Historic Preservation Act of 1980, and the respective regulations promulgated thereunder to the extent such acts and regulations are applicable.

Independent Auditors

The accounting firm of KPMG LLP audited the financial statements of DASNY for the fiscal year ended March 31, 2014. Copies of the most recent audited financial statements are available upon request at the offices of DASNY.

PART 9 - LEGALITY OF THE SERIES 2015A BONDS FOR INVESTMENT AND DEPOSIT

Under New York State law, the Series 2015A Bonds are securities in which all public officers and bodies of the State and all municipalities and municipal subdivisions, all insurance companies and associations, all savings banks and savings institutions, including savings and loan associations, administrators, guardians, executors, trustees, committees, conservators and other fiduciaries in the State may properly and legally invest funds in their control.

The Series 2015A Bonds may be deposited with the State Comptroller to secure deposits of State money in banks, trust companies and industrial banks.

PART 10 - NEGOTIABLE INSTRUMENTS

The Series 2015A Bonds are negotiable instruments as provided in the Act, subject to the provisions for registration and transfer contained in the Resolution and in the Series 2015A Bonds.

PART 11 - TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to DASNY, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Series 2015A Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Series 2015A Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. In rendering such opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by, as applicable, DASNY, the University and others in connection with the Series 2015A Bonds, and Bond Counsel has assumed compliance by, as applicable, DASNY and the University with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Series 2015A Bonds from gross income under Section 103 of the Code. In addition, in rendering such opinion, Bond Counsel has relied on the opinion of the University's general counsel regarding, among other matters, the current qualifications of the University as an organization described in Section 501(c)(3) of the Code.

In addition, in the opinion of Bond Counsel, under existing statutes, interest on the Series 2015A Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Bond Counsel expresses no opinion regarding any other Federal or state tax consequences with respect to the Series 2015A Bonds. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to its attention, or changes in law or in interpretations thereof that may hereafter occur, or for any other reason. Bond Counsel expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the 2015A Bonds, or the exemption from personal income taxes of interest on the Bonds under state and local tax law.

Reference is made to Appendix E hereto for the proposed form of opinion, in substantially final form, expected to be rendered by Hawkins Delafield & Wood LLP, Bond Counsel to DASNY, in connection with the issuance of the Series 2015A Bonds.

Certain Ongoing Federal Tax Requirements and Covenants

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Series 2015A Bonds in order that interest on the Series 2015A Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Series 2015A Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the Federal government. Noncompliance with such requirements may cause interest on the Series 2015A Bonds to become included in gross income for Federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. DASNY and the University have covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Series 2015A Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral Federal income tax matters with respect to the Series 2015A Bonds. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner of a Series 2015A Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of owning and disposing of the Series 2015A Bonds.

Prospective owners of the Series 2015A Bonds should be aware that the ownership of such obligations may result in collateral Federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for Federal income tax purposes. Interest on the Series 2015A Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

"Original issue discount" ("OID") is the excess of the sum of all amounts payable at the stated maturity of a Series 2015A Bond (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity means the first price at which a substantial amount of the Series 2015A Bonds of that maturity was sold (excluding sales to bond houses, brokers, or similar persons acting in the capacity as underwriters, placement agents, or wholesalers). In general, the issue price for each maturity of Series 2015A Bonds is expected to be the initial public offering price set forth on the cover page of the Official Statement. Bond Counsel is further of the opinion that, for any Series 2015A Bonds having OID (a "Discount Bond"), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for Federal income tax purposes to the same extent as other interest on the Series 2015A Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner's adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds should consult their own tax advisors with respect to the treatment of OID for Federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

Bond Premium

In general, if an owner acquires a Series 2015A Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Series 2015A Bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that Series 2015A Bond (a "Premium Bond"). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium Bond determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for Federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Stepped Coupon Bonds

The coupon rate on the Series 2015A Bonds maturing July 1, 2041 (the "Stepped Coupon Bonds") is subject to increase on the dates (each a "Rate Step Date"), and in each case to the respective coupon rate, set forth on the inside cover of this Official Statement. The Treasury Department has issued regulations under Section 1271 through 1275 of the Code (the "OID Regulations"). Pursuant to the OID Regulations, a stepped coupon bond such as the Stepped Coupon Bonds can be treated as issued with OID; however, pursuant to Section 1.1272-1(c)(5) of the OID Regulations, it is presumed that the Stepped Coupon Bonds will be called on the applicable Rate Step Date, and that, accordingly, the amount of OID with respect to the Stepped Coupon Bonds is treated as zero. In the event the Stepped Coupon Bonds are not redeemed on the applicable Rate Step Date, the Stepped Coupon Bonds will be considered to be reissued, solely for purposes of determining original issue discount, on such Rate Step Date at an adjusted issue price.

Any future step-up in the interest rate of the Stepped Coupon Bonds will be similarly analyzed as of the applicable Rate Step Date for purposes of determining whether such increase(s) in the interest rate may be disregarded for purposes of characterizing the additional interest as OID. Holders are advised to consult with their own tax advisors for specific treatment of interest on the Stepped Coupon Bonds resulting from such Holder's ownership of the Stepped Coupon Bonds at the stepped interest rate(s).

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Series 2015A Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Series 2015A Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2015A Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Series 2015A Bonds under Federal or state law or otherwise prevent beneficial owners of the Series 2015A Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Series 2015A Bonds. For example, the Fiscal Year 2016 Budget proposed by the Obama Administration recommended a 28% limitation on "all itemized deductions, as well as other tax benefits" including "tax-exempt interest." The net effect of such a proposal, if enacted into law, would be that an owner of a tax-exempt bond with a marginal tax rate in excess of 28% would pay some amount of Federal income tax with respect to the interest on such tax-exempt bond, regardless of issue date.

Prospective purchasers of the Series 2015A Bonds should consult their own tax advisors regarding the foregoing matters.

PART 12 - STATE NOT LIABLE ON THE SERIES 2015A BONDS

The Act provides that notes and bonds of DASNY are not a debt of the State, that the State is not liable on them and that such notes or bonds are not payable out of any funds other than those of DASNY. The Resolution specifically provides that the Series 2015A Bonds are not a debt of the State and that the State is not liable on them.

PART 13 - COVENANT BY THE STATE

The Act states that the State pledges and agrees with the holders of DASNY's notes and bonds that the State will not limit or alter the rights vested in DASNY to provide projects, to establish and collect rentals therefrom and to fulfill agreements with the holders of DASNY's notes and bonds or in any way impair the rights and remedies of the holders of such notes or bonds until such notes or bonds and interest thereon and all costs and expenses in connection with any action or proceeding by or on behalf of the holders of such notes or bonds are fully met and discharged. Notwithstanding the State's pledges and agreements contained in the Act, the State may in the exercise of its sovereign power enact or amend its laws which, if determined to be both reasonable and necessary to serve an important public purpose, could have the effect of impairing these pledges and agreements with DASNY and with the holders of DASNY's notes or bonds.

PART 14 - LEGAL MATTERS

Certain legal matters incidental to the authorization and issuance of the Series 2015A Bonds by DASNY are subject to the approval of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to DASNY, whose approving opinion will be delivered with the Series 2015A Bonds. The proposed form of Bond Counsel's opinion is set forth in Appendix E hereto.

Certain legal matters will be passed upon for the University by its General Counsel, Terrance Nolan, Esq., and its special counsel, Ropes & Gray LLP, New York, New York. Certain legal matters will be passed upon for the Underwriters by their co-counsel, Locke Lord LLP (successor by merger to Edwards Wildman Palmer LLP), New York, New York and The Hardwick Law Firm, New York, New York.

There is not now pending any litigation restraining or enjoining the issuance or delivery of the Series 2015A Bonds or questioning or affecting the validity of the Series 2015A Bonds or the proceedings and authority under which they are to be issued.

PART 15 - UNDERWRITING

Morgan Stanley & Co. LLC, as representative of the Underwriters, have jointly and severally agreed, subject to certain conditions, to purchase the Series 2015A Bonds from DASNY and to make an initial public offering of Series 2015A Bonds at prices that are not in excess of the public offering prices stated on the inside cover page of this Official Statement. The purchase price for the Series 2015A Bonds shall be $785,388,018.90 (which reflects a par amount of $691,435,000.00, plus the net original issue premium of $93,953,018.90). Additionally, the University will pay the Underwriters a fee in the amount of $2,547,320.33 in connection with the offering and sale of the Series 2015A Bonds. The Underwriters will be obligated to purchase all such Series 2015A Bonds if any are purchased.

The Series 2015A Bonds may be offered and sold to certain dealers (including the Underwriters) at prices lower than such initial public offering prices, and such initial public offering prices may be changed, from time to time, by the Underwriters.

Morgan Stanley, parent company of Morgan Stanley & Co. LLC, one of the Underwriters of the Series 2015A Bonds, has entered into a retail distribution with Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series 2015A Bonds.

J.P. Morgan Securities LLC ("JPMS"), one of the Underwriters of the Series 2015A Bonds, has entered into negotiated dealer agreements (each, a "JPMS Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each JPMS Dealer Agreement (if applicable to this transaction), each of CS&Co. and LPL will purchase Series 2015A Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Series 2015A Bonds that such firm sells.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association. Wells Fargo Bank, National Association ("WFBNA"), one of the underwriters of the Series 2015A Bonds, has entered into an agreement (the "Distribution Agreement") with its affiliate, Wells Fargo Advisors, LLC ("WFA"), for the distribution of certain municipal securities offerings, including the Series 2015A Bonds. Pursuant to the Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Series 2015A Bonds with WFA. WFBNA also utilizes the distribution capabilities of its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the Series 2015A Bonds. In connection with utilizing the distribution capabilities of WFSLLC, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriters and their respective affiliates may have, from time to time, performed and may in the future perform, various investment banking services for the University, for which they may have received or will receive customary fees and expenses. In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the University.

PART 16 – VERIFICATION OF MATHEMATICAL COMPUTATIONS

Causey Demgen & Moore P.C. ("Causey"), a firm of independent public accountants, will deliver to DASNY, on or before the date of issuance of the Series 2015A Bonds, its verification report prepared in accordance with standards established by the American Institute of Certified Public Accountants, indicating that it has verified certain information provided by DASNY and the Underwriters with respect to the Refunded Bonds and the Series 2015A Bonds. Included in the scope of Causey's procedures will be a verification of the mathematical accuracy of (a) the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the Defeasance Securities (as defined in the Resolution) deposited with the trustee under the resolutions pursuant to which the Refunded Bonds were issued, to pay, when due, the maturing principal of, interest on and related call premium requirements, if any, of the Refunded Bonds; and (b) the mathematical computations supporting the conclusion of Bond Counsel that the Series 2015A Bonds are not "arbitrage bonds" under the Code and the regulations promulgated thereunder.

The verification performed by Causey will be solely based upon data, information and documents that DASNY and the Underwriters caused to be provided to Causey, and Causey will express no opinion as to the reasonableness of the assumptions provided to them, the likelihood that the principal of and interest on the Series 2015A Bonds will be paid as described in the schedules provided to them, or the exclusion of the interest on the Series 2015A Bonds from gross income for federal income tax purposes.

PART 17 - CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the University has undertaken in a written agreement (the "Continuing Disclosure Agreement") for the benefit of the Holders of the Series 2015A Bonds to provide to Digital Assurance Certification LLC ("DAC"), as disclosure dissemination agent, on or before 120 days after the end of each fiscal year, commencing with the Fiscal Year of the University ending August 31, 2015, for filing by DAC with the Municipal Securities Rulemaking Board (the "MSRB") and its Electronic Municipal Market Access System for municipal securities disclosure on an annual basis, operating data and financial information of the type hereinafter described which is included in this Official Statement (the "Annual Information"), together with the University's annual consolidated financial statements certified by an independent auditor as prepared in accordance with generally accepted accounting principles; provided, however, that if audited consolidated financial statements are not then available, unaudited consolidated financial statements shall be provided and audited consolidated financial statements, when available, shall be delivered to DAC for delivery to the MSRB.

If, and only if, and to the extent that it receives the Annual Information and annual consolidated financial statements described above from the University, DAC has undertaken in the Continuing Disclosure Agreement to promptly file such information and financial statements with the MSRB.

The University also will undertake in the Continuing Disclosure Agreement to provide to DASNY, the Trustee and DAC, in a timely manner not in excess of ten (10) Business Days after the occurrence of a Notice Event (as hereinafter defined), the notices required to be provided by Rule 15c2-12 and described below (the "Notices"). Upon receipt of Notices from the University, the Trustee or DASNY, DAC will file the Notices with the MSRB in a timely manner. With respect to the Series 2015A Bonds, DAC has only the duties specifically set forth in the Continuing Disclosure Agreement. DAC's obligation to deliver the information at the times and with the contents described in the Continuing Disclosure Agreement is limited to the extent it has been provided such information pursuant to the Continuing Disclosure Agreement. DAC has no duty with respect to the content of any disclosure or Notices made pursuant to the terms of the Continuing Disclosure Agreement and DAC has no duty or obligation to review or verify any information contained in the Annual Information, audited consolidated financial statements, Notices or any other information, disclosures or notices provided to it by the University, the Trustee or DASNY and shall not be deemed to be acting in any fiduciary capacity for DASNY, the University, the Trustee, the Holders of the Series 2015A Bonds or any other party. DAC has no responsibility for the failure of the University, DASNY or the Trustee to provide to DAC a Notice required by the Continuing Disclosure Agreement or duty to determine the materiality thereof. DAC has no duty to determine or liability for failing to determine whether the University, the

Trustee or DASNY has complied with the Continuing Disclosure Agreement and DAC may conclusively rely upon certifications of the University, DASNY and the Trustee with respect to their respective obligations under the Continuing Disclosure Agreement. In the event that the obligations of DAC as DASNY's disclosure dissemination agent terminate, DASNY will either appoint a successor disclosure dissemination agent or, alternatively, assume all responsibilities of the disclosure dissemination agent for the benefit of the Bondholders.

Neither DASNY nor the Trustee have undertaken any responsibility, and neither shall be required to undertake any responsibility, with respect to any reports, notices or disclosures required by or provided pursuant to the Continuing Disclosure Agreement and neither shall have any liability to any person, including any Holder of the Series 2015A Bonds, with respect to any such reports, notices or disclosures. DASNY as conduit issuer is not, for purposes of and within the meaning of Rule 15c-12, (i) committed by contract or other arrangement to support payment of all, or part of, the obligations on the Series 2015A Bonds, or (ii) a person for whom annual financial information and notices of material events will be provided.

The Annual Information will consist of (a) operating data and financial information of the type included in this Official Statement as described in "PART 7 - THE UNIVERSITY" under the headings "Operating Information" and "Financial Statement Information" relating to: (1) *student admissions*, similar to that set forth in the table entitled "UNDERGRADUATE ADMISSION STATISTICS;" (2) *student enrollment*, similar to that set forth in the tables entitled "ENROLLMENT SUMMARY," "ENROLLMENT BY SCHOOL," and "DEGREES CONFERRED;" (3) *tuition and fees*, similar to that set forth in the table entitled "TUITION AND FEE CHARGES;" (4) *financial aid*, similar to that set forth under the subheading "STUDENT FINANCIAL AID;" (5) *faculty*, similar to that set forth in the table entitled "FACULTY PROFILE;" (6) *employee relations*, including material information about union contracts and, unless such information is included in the Audited Financial Statements of the University, retirement plans; (7) *restricted and designated net assets*, unless such information is included in the Audited Financial Statements of the University; (8) *fundraising*, similar to that set forth in the table entitled "FUNDRAISING AND DEVELOPMENT: CASH AND PLEDGES;" (9) *University investment in plant*, unless such information is included in the Audited Financial Statements of the University; and (10) *outstanding long-term indebtedness*, unless such information is included in the audited financial statements of the University; together with (b) a narrative explanation as may be necessary to avoid misunderstanding regarding the presentation of financial and operating data concerning the University.

The Notices include notice of any of the following events with respect to the Series 2015A Bonds (each, a "Notice Event"): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices and determinations with respect to the tax status of the Series 2015A Bonds or other material events affecting the tax status of the Series 2015A Bonds; (7) modifications to the rights of Holders of the Series 2015A Bonds, if material; (8) bond calls, if material; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Series 2015A Bonds, if material; (11) rating changes; (12) tender offers; (13) bankruptcy, insolvency, receivership or similar event of the University; (14) consummation of a merger, consolidation or acquisition involving the University or the sale of all or substantially all of the assets of the University, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (15) appointment of a successor or additional trustee, or the change of name of a trustee, if material. In addition, DAC will undertake to provide to the MSRB, in a timely manner, notice of any failure by the University to provide the Annual Information and annual consolidated financial statements by the date required in the University's undertaking described above.

The sole and exclusive remedy for the failure of any party to comply with any provision of the Continuing Disclosure Agreement is an action to compel performance of such party's obligation and no person, including any Holder of the Series 2015A Bonds, may recover monetary damages under any circumstances. A breach or default under the Continuing Disclosure Agreement will not constitute an Event of Default under the Resolution, the Series 2015A Resolution or the Loan Agreement. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any reason, then the information required to be provided under the Continuing Disclosure Agreement, insofar as the provision of Rule 15c2-12 no longer in effect required the providing of such information, will no longer be required to be provided.

The foregoing undertaking is intended to set forth a general description of the type of financial information and operating data that will be provided. The description is not intended to state more than general categories of financial information and operating data; and where an undertaking calls for information that no longer can be generated or is no longer relevant because the operations to which it related have been materially changed or discontinued, a statement to that effect will be provided. The Continuing Disclosure Agreement, however, may be amended or modified without consent of the Holders of the Series 2015A Bonds under certain circumstances set forth therein. Copies of the Continuing Disclosure Agreement when executed by the parties thereto upon the delivery of the Series 2015A Bonds will be on file at the principal office of DASNY.

PART 18 - RATINGS

Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "Aa3" to the Series 2015A Bonds and Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc. ("Standard & Poor's") has assigned a rating of "AA-" to the Series 2015A Bonds. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agencies at the following addresses: Moody's, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007; and Standard & Poor's, 55 Water Street, New York, New York 10041. There is no assurance that such ratings will prevail for any given period of time or that they will not be revised downward or withdrawn entirely by any or both of such rating agencies if, in the judgment of any or both of them, circumstances so warrant. Any such downward revision or withdrawal of such rating or ratings may have an adverse effect on the market price of the Series 2015A Bonds.

PART 19 - MISCELLANEOUS

Reference in this Official Statement to the Act, the Resolution, the Series 2015A Resolution and the Loan Agreement do not purport to be complete. Refer to the Act, the Resolution, the Series 2015A Resolution and the Loan Agreement for full and complete details of their provisions. Copies of the Resolution, the Series 2015A Resolution and the Loan Agreement are on file with DASNY and the Trustee.

The agreements of DASNY with the Holders of the Bonds are fully set forth in the Resolution. Neither any advertisement of the Series 2015A Bonds nor this Official Statement is to be construed as a contract with purchasers of the Series 2015A Bonds.

Any statements in this Official Statement involving matters of opinion, whether or not expressly stated, are intended merely as expressions of opinion and not as representations of fact.

The information regarding the University was supplied by the University. DASNY believes that this information is reliable, but DASNY makes no representations or warranties whatsoever as to the accuracy or completeness of this information.

The information regarding DTC and DTC's book-entry only system has been furnished by DTC. DASNY believes that this information is reliable, but makes no representations or warranties whatsoever as to the accuracy or completeness of this information.

"APPENDIX A - CERTAIN DEFINITIONS," "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT," "APPENDIX D - SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION," and "APPENDIX E - FORM OF APPROVING OPINION OF BOND COUNSEL" have been prepared by Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to DASNY.

"APPENDIX B - NEW YORK UNIVERSITY CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED AUGUST 31, 2014 AND 2013, AND REPORT OF INDEPENDENT

ACCOUNTANTS" contains the audited financial statements of the University as of and for the years ended August 31, 2014 and 2013, which have been audited by PricewaterhouseCoopers LLP, independent accountants, as stated in their report appearing in Appendix B. The preliminary financial data for any period or date after August 31, 2014 included in this Official Statement has been prepared by, and is the responsibility of, the University's management. PricewaterhouseCoopers LLP has not audited, reviewed, compiled or performed any procedures with respect to the accompanying preliminary financial data. Accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto.

The University has reviewed the parts of this Official Statement describing the University, the Estimated Sources and Uses of Funds, the Series 2015A Project, the Refunding Plan and Appendix B. The University, as a condition to issuance of the Series 2015A Bonds, is required to certify that as of the date of this Official Statement, such parts do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which the statements are made, not misleading.

The execution and delivery of this Official Statement by an Authorized Officer have been duly authorized by DASNY.

DORMITORY AUTHORITY OF
THE STATE OF NEW YORK

By: /s/ Paul T. Williams, Jr.
Authorized Officer

CERTAIN DEFINITIONS

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CERTAIN DEFINITIONS

The following are definitions of certain of the terms defined in the Resolution or the Loan Agreement and used in this Official Statement:

Accreted Value means with respect to any Capital Appreciation Bond (i) as of any Valuation Date, the amount set forth for such date in the Series Resolution authorizing such Capital Appreciation Bond or the Bond Series Certificate relating thereto and (ii) as of any date other than a Valuation Date, the sum of (a) the Accreted Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, calculated based on the assumption that Accreted Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve (12) thirty–day months, and (2) the difference between the Accreted Values for such Valuation Dates.

Act means the Dormitory Authority Act being Title 4 of Article 8 of the Public Authorities Law of the State, as amended, including without limitation by the Health Care Financing Construction Act, being Title 4–B of Article 8 of the Public Authorities Law of the State.

Additional Bonds means the Bonds, other than the Authorized Bonds, authorized and issued under the Resolution by Series Resolutions, adopted by the Authority on September 11, 2013.

Annual Administrative Fee means the fee payable during each Bond Year for the general administrative and supervisory expenses of the Authority in an amount more particularly described in Schedule A to the Resolution, which is made a part of the Resolution.

Appreciated Value means with respect to any Deferred Income Bond (i) as of any Valuation Date, the amount set forth for such date in the Series Resolution authorizing such Deferred Income Bond or the Bond Series Certificate relating thereto and (ii) as of any date other than a Valuation Date, the sum of (a) the Appreciated Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, calculated based on the assumption that Appreciated Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve (12) thirty–day months, and (2) the difference between the Appreciated Values for such Valuation Dates, and (iii) as of any date of computation on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date.

Arbitrage Rebate Fund means the fund so designated, created and established pursuant to the Resolution.

Auction Date shall have the meaning given to such term in the Resolution.

Auction Rate Bond shall have the meaning given to such term in the Resolution.

Authority means the Dormitory Authority of the State of New York, a body corporate and politic constituting a public benefit corporation of the State created by the Act, or any body, agency or instrumentality of the State which shall hereafter succeed to the rights, powers, duties and functions of the Authority.

Authorized Bonds means the Dormitory Authority of the State of New York New York University Revenue Bonds, Series 2015A.

Authorized Newspaper means The Bond Buyer or any other newspaper of general circulation printed in the English language and customarily published at least once a day for at least five (5) days (other than legal holidays) in each calendar week in the Borough of Manhattan, City and State of New York, designated by the Authority.

Authorized Officer means (i) in the case of the Authority, the Chair, the Vice–Chair, the Treasurer, an Assistant Treasurer, the Secretary, an Assistant Secretary, the Executive Director, the Deputy Executive Director, the Chief Financial Officer, the Managing Director of Public Finance, the Managing Director of Construction, the Managing Director of Policy and Program Development, the Deputy Chief Financial Officer, the Assistant Director, Financial Management, the General Counsel and the Deputy General Counsel, and when used with reference to any act or document also means any other person authorized by a resolution or the by–laws of the Authority to perform such act or execute such document; (ii) in the case of the University, when used with reference to any act or document, means the person or persons authorized by a resolution or the by–laws of the University to perform such act or execute such document; and (iii) in the case of the Trustee, the President, a Vice President, an Assistant Vice President, a Corporate Trust Officer, an Authorized Signatory, an Assistant Corporate Trust Officer, a Trust Officer or an Assistant Trust Officer of the Trustee, and when used with reference to any act or document also means any other person authorized to perform any act or sign any document by or pursuant to a resolution of the Board of Directors of the Trustee or the by–laws of the Trustee.

Bond or Bonds means any of the bonds of the Authority authorized and issued pursuant to the Resolution and to a Series Resolution.

Bond Counsel means Hawkins Delafield & Wood LLP, or an attorney or other law firm appointed by the Authority, having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds.

Bond Series Certificate means the certificate of an Authorized Officer of the Authority fixing terms, conditions and other details of Bonds in accordance with the delegation of power to do so under the Resolution or under a Series Resolution.

Bond Year means a period of twelve (12) consecutive months beginning July 1 in any calendar year and ending on June 30 of the succeeding calendar year.

Bondholder, Holder of Bonds or Holder or any similar term, when used with reference to a Bond or Bonds, means the registered owner of any Bond.

Book Entry Bond means a Bond authorized to be issued, and issued to and registered in the name of, a Depository for the participants in such Depository or the beneficial owner of such Bond.

Business Day means, unless otherwise defined in connection with Bonds of a particular Series, any day which is not a Saturday, Sunday or a day on which the Trustee or banking institutions chartered by the State or the United States of America are legally authorized to close in The City of New York.

Capital Appreciation Bond means any Bond as to which interest is compounded on each Valuation Date for such Bond and is payable only at the maturity or prior redemption thereof.

Code means the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

Construction Fund means the fund so designated, created and established for a Project pursuant to the Resolution.

Cost or **Costs of Issuance** means the items of expense incurred in connection with the authorization, sale and issuance of the Bonds, which items of expenses shall include, but not be limited to, document printing and reproduction costs, filing and recording fees, costs of credit ratings, initial fees and charges of the Trustee or a Depository, legal fees and charges, professional consultants' fees, fees and charges for execution, transportation and safekeeping of Bonds, premiums, fees and charges for insurance on Bonds, commitment fees or similar charges relating to a Credit Facility, a Liquidity Facility, an Interest Rate Exchange Agreement or a Remarketing Agent, costs and expenses in connection with the refunding of Bonds or other bonds or notes of the Authority, costs and expenses incurred pursuant to a remarketing agreement and other costs, charges and fees, including those of the Authority, in connection with the foregoing.

Cost or **Costs of the Project** means when used in relation to a Project the costs and expenses or the refinancing of costs and expenses determined by the Authority to be necessarily or appropriately incurred in connection with the Project, including, but not limited to, (i) costs and expenses of the acquisition of the title to or other interest in real property, including easements, rights–of–way and licenses, (ii) costs and expenses incurred for labor and materials and payments to contractors, builders and materialmen, for the acquisition, construction, reconstruction, rehabilitation, repair and improvement of the Project, (iii) the cost of surety bonds and insurance of all kinds, including premiums and other charges in connection with obtaining title insurance, that may be required or necessary prior to completion of the Project, which is not paid by a contractor or otherwise provided for, (iv) the costs and expenses for design, environmental inspections and assessments, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction of the Project, (v) costs and expenses required for the acquisition and installation of equipment or machinery, (vi) all other costs which the University shall be required to pay or cause to be paid for the acquisition, construction, reconstruction, rehabilitation, repair, improvement and equipping of the Project, (vii) any sums required to reimburse the University or the Authority for advances made by them for any of the above items or for other costs incurred and for work done by them in connection with the Project (including interest on money borrowed from parties other than the University), (viii) interest on the Bonds, bonds, notes or other obligations of the Authority issued to finance Costs of the Project that accrued prior to, during and for a reasonable period after completion of the acquisition, construction, reconstruction, rehabilitation, repair, improvement or equipping of the Project, and (ix) fees, expenses and liabilities of the Authority incurred in connection with the Project or pursuant to the Resolution or to the Loan Agreement, a Credit Facility, a Liquidity Facility or a Remarketing Agreement in connection with Option Bonds or Variable Interest Rate Bonds.

Credit Facility means an irrevocable letter of credit, surety bond, loan agreement, or other agreement, facility or insurance or guaranty arrangement pursuant to which the Authority is entitled to obtain money to pay the principal and Sinking Fund Installments of and interest on particular Bonds whether or not the Authority is in default under the Resolution, which is issued or provided by:

(i) a bank, a trust company, a national banking association, an organization subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank or a saving and loan association;

(ii) an insurance company or association chartered or organized under the laws of any state of the United States of America

(iii) the Government National Mortgage Association or any successor thereto;

(iv) the Federal National Mortgage Association or any successor thereto; or

(v) any other federal agency or instrumentality approved by the Authority.

Any such Credit Facility may also constitute a Liquidity Facility if it also meets the requirements of the definition of a Liquidity Facility contained below in Appendix A.

Debt Service Fund means the fund so designated, created and established pursuant to the Resolution.

Defeasance Security means:

(i) a Government Obligation of the type described in clauses (i), (ii), (iii) or (iv) of the definition of Government Obligations;

(ii) a Federal Agency Obligation described in clauses (i) or (ii) of the definition of Federal Agency Obligations; and

(iii) an Exempt Obligation, provided such Exempt Obligation (i) is not subject to redemption prior to maturity other than at the option of the holder thereof or as to which irrevocable instructions have been given to the trustee of such Exempt Obligation by the obligor thereof to give due notice of redemption and to call such Exempt Obligation for redemption on the date or dates specified in such instructions and such Exempt Obligation is not otherwise subject to redemption prior to such specified date other than at the option of the holder thereof, (ii) is secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or Government Obligations, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such Exempt Obligation on the maturity date thereof or the redemption date specified in the irrevocable instructions referred to in clause (i) above, (iii) as to which the principal of and interest on the direct obligations of the United States of America which have been deposited in such fund, along with any cash on deposit in such fund, are sufficient to pay the principal of and interest and redemption premium, if any, on such Exempt Obligation on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (i) above, and (iv) is rated by at least two Rating Services in the highest rating category for such Exempt Obligation;

provided, however, that (1) such term shall not include any interest in a unit investment trust or mutual fund or (2) any obligation that is subject to redemption prior to maturity other than at the option of the holder thereof.

Deferred Income Bond means any Bond as to which interest accruing thereon prior to the Interest Commencement Date of such Bond is compounded on each Valuation Date for such Deferred Income Bond, and as to which interest accruing after the Interest Commencement Date is payable semiannually on July 1 and January 1 of each Bond Year.

Depository means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State, or its nominee, or any other person, firm, association or corporation designated in the Series Resolution authorizing a Series of Bonds or a Bond Series Certificate relating to a Series of Bonds to serve as securities depository for the Bonds of such Series.

Exempt Obligation means:

(i) an obligation of any state or territory of the United States of America, any political subdivision of any state or territory of the United States of America, or any agency, authority, public benefit corporation or instrumentality of such state, territory or political subdivision, the interest on which is excludable from gross income under Section 103 of the Code, which is not a “specified private activity bond” within the meaning of Section 57(a)(5) of the Code and which, at the time an investment therein is made or such obligation is deposited in any fund or account under the Resolution, is rated, without regard to qualification of such rating by symbols such as “+” or “–” and numerical notation, no lower than in the second highest rating category for such obligation by at least two Rating Services;

(ii) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on any of the foregoing; and

(iii) a share or interest in a mutual fund, partnership or other fund wholly comprised of any of the foregoing obligations and whose objective is to maintain a constant share value of one dollar ($1.00).

Federal Agency Obligation means:

(i) an obligation issued, or fully insured or guaranteed as to payment by any agency or instrumentality of the United States of America, which, at the time an investment therein is made or such obligation is deposited in any fund or account under the Resolution, is rated, without regard to qualification of such rating by symbols such as “+” or “–” and numerical notation, no lower than in the second highest rating category for such obligation by at least two Rating Services;

(ii) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on, any of the foregoing obligations; and

(iii) a share or interest in a mutual fund, partnership or other fund wholly comprised of any of the foregoing obligations and whose objective is to maintain a constant share value of one dollar ($1.00).

Governing Body means the University's board of directors, board of trustees, or other board or group of individuals by, or under the authority of which, corporate powers of the University are exercised.

Government Obligation means:

(i) a direct obligation of the United States of America;

(ii) an obligation fully insured or guaranteed as to payment by the United States of America;

(iii) an obligation to which the full faith and credit of the United States of America are pledged;

(iv) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on, any of the foregoing; and

(v) a share or interest in a mutual fund, partnership or other fund wholly comprised of any of the foregoing obligations and whose objective is to maintain a constant share value of one dollar ($1.00).

Governmental Requirements means any present and future laws, rules, orders, ordinances, regulations, statutes, requirements and executive orders applicable to a Project, of the United States, the State and any political subdivision thereof, and any agency, department, commission, board, bureau or instrumentality of any of them, now existing or hereafter created, and having or asserting jurisdiction over a Project or any part of either.

Interest Commencement Date means, with respect to any particular Deferred Income Bond, the date prior to the maturity date thereof specified in the Series Resolution authorizing such Bond or the Bond Series Certificate relating to such Bond, after which interest accruing on such Bond shall be payable on the interest payment date immediately succeeding such Interest Commencement Date and semiannually thereafter on July 1 and January 1 of each Bond Year.

Interest Rate Exchange Agreement means (i) an agreement entered into by the Authority or the University in connection with the issuance of or which relates to Bonds of one or more Series which provides that during the term of such agreement the Authority or the University is to pay to the counterparty thereto interest accruing at a fixed or variable rate per annum on an amount equal to a principal amount of such Bonds and that such counterparty is to pay to the Authority or the University an amount based on the interest accruing on a principal amount equal to the same principal amount of such Bonds at a fixed or variable rate per annum, in each case computed according to a formula set forth in such agreement, or that one shall pay to the other any net amount due under such agreement or (ii) interest rate cap agreements, interest rate floor agreements, interest rate collar agreements and any other interest rate related hedge agreements or arrangements.

Investment Agreement means a repurchase agreement or other agreement for the investment of money with a Qualified Financial Institution.

Liquidity Facility means an irrevocable letter of credit, a surety bond, a loan agreement, a Standby Purchase Agreement, a line of credit or other agreement or arrangement pursuant to which money may be obtained upon the terms and conditions contained therein for the purchase of Bonds tendered for purchase accordance with the terms of the Series Resolution authorizing such Bonds or the Bond Series Certificate relating to such Bonds, which is issued or provided by:

(i) a bank, a trust company, a national banking association, an organization subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a savings bank, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank or a savings and loan association;

(ii) an insurance company or association chartered or organized under the laws of any state of the United States of America;

(iii) the Government National Mortgage Association or any successor thereto;

(iv) the Federal National Mortgage Association or any successor thereto; or

(v) any other federal agency or instrumentality approved by the Authority.

Loan Agreement means the Loan Agreement, dated as of May 28, 2008, by and between the Authority and the University in connection with the issuance of Bonds, as the same from time to time shall have been amended, supplemented or otherwise modified as permitted by the Resolution and by the Loan Agreement.

Maximum Interest Rate means, with respect to any particular Variable Interest Rate Bond, the numerical rate of interest, if any, set forth in the Series Resolution authorizing such Bond or the Bond Series Certificate relating to such Bond as the maximum rate at which such Bond may bear interest at any time;

Minimum Interest Rate means, with respect to any particular Variable Interest Rate Bond, a numerical rate of interest, if any, set forth in the Series Resolution authorizing such Bond or the Bond Series Certificate relating to such Bonds as the minimum rate at which such Bond may bear interest at any time.

Moody's means Moody's Investor Service, Inc. or its successors or assigns.

Official Statement means an official statement, offering memorandum, offering or reoffering circular, or other offering document relating to and in connection with the offering, reoffering, sale and issuance of Bonds.

Option Bond means any Bond which by its terms may be or is required to be tendered by and at the option of the Holder thereof for redemption by the Authority prior to the stated maturity thereof or for purchase by the Authority prior to the stated maturity thereof or the maturity of which may be extended by and at the option of the Holder thereof in accordance with the Series Resolution authorizing such Bonds or the Bond Series Certificate related to such Bonds.

Outstanding, when used in reference to Bonds, means, as of a particular date, all Bonds authenticated and delivered under the Resolution and under any applicable Series Resolution except:

(i) any Bond canceled by the Trustee at or before such date;

(ii) any Bond deemed to have been paid in accordance with the Resolution;

(iii) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to the Resolution; and

(iv) any Option Bond tendered or deemed tendered in accordance with the provisions of the Series Resolution authorizing such Bond or the Bond Series Certificate relating to such Bond on the applicable adjustment or conversion date, if interest thereon shall have been paid through such applicable date and the purchase price thereof shall have been paid or amounts are available for such payment as provided in the Resolution and in the Series Resolution authorizing such Bond or the Bond Series Certificate relating to such Bond.

Paying Agent means, with respect to the Bonds of any Series, the Trustee and any other bank or trust company and its successor or successors, appointed pursuant to the provisions of the Resolution or of a Series Resolution, a Bond Series Certificate or any other resolution of the Authority adopted prior to authentication and delivery of the Series of Bonds for which such Paying Agent or Paying Agents shall be so appointed.

Permitted Collateral means:

(i) Government Obligations described in clauses (i), (ii) or (iii) of the definition of Government Obligation:

(ii) Federal Agency Obligations described in clause (i) of the definition of Federal Agency Obligation;

(iii) commercial paper that (a) matures within two hundred seventy (270) days after its date of issuance, (b) is rated in the highest short term rating category by at least one Rating Service and (c) is issued by a domestic corporation whose unsecured senior debt is rated by at least one Rating Service no lower than in the second highest rating category; or

(iv) financial guaranty agreements, surety or other similar bonds or other instruments of an insurance company that has an equity capital of at least $125,000,000 and is rated by Bests Insurance Guide or a Rating Service in the highest rating category.

Permitted Investments means any of the following:

(i) Government Obligations;

(ii) Federal Agency Obligations;

(iii) Exempt Obligations;

(iv) uncollateralized certificates of deposit that are fully insured by the Federal Deposit Insurance Corporation and issued by a banking organization authorized to do business in the State;

(v) collateralized certificates of deposit that are (a) issued by a banking organization authorized to do business in the State that has an equity capital of not less than $125,000,000, whose unsecured senior debt, or debt obligations fully secured by a letter or credit, contract, agreement or surety bond issued by it, are, at the time an investment therein is made or the same is deposited in any fund or account under the Resolution, rated by at least one Rating Services in at least the second highest rating category, and (b) are fully collateralized by Permitted Collateral;

(vi) Investment Agreements that are fully collateralized by Permitted Collateral; and

(vii) to the extent any of the following constitute permitted investments under the "Investment Policy and Guidelines" of the Authority in effect at the time an investment is made:

(1) commercial paper that (a) matures within two hundred seventy (270) days after its date of issuance, (b) at the time an investment therein is made or the same is deposited in any fund or account under the Resolution, is rated in the highest short term rating category by at least two Rating Services and (c) is issued by a domestic corporation whose unsecured senior debt is rated by at least two Rating Service no lower than in the second highest rating category;

(2) an uncollateralized, unsecured certificate of deposit, time deposit or bankers' acceptance that (A) has a maturity of not more than three hundred sixty–five (365) days and (B) is issued by, or are of or with, a bank the short term obligations of which are, at the time an investment in such certificate of deposit, time deposit or bankers' acceptance is made or the same is deposited in any fund or account under the Resolution, rated "A–1" by Standard & Poor's Rating Services and "P–1" by Moody's Investors Service, Inc.; and

(3) shares or an interest in any other mutual fund, partnership or other fund whose objective is to maintain a constant share value of one dollar ($1.00) and that, at the time an investment therein is made or the same is deposited in any fund or account under the Resolution, are rated at least "AAm" or "AAm–G" by Standard & Poor's Rating Services and "Aa1" by Moody's Investors Service, Inc.

Project means a "dormitory" as defined in the Act, which may include more than one part, financed in whole or in part from the proceeds of the sale of Bonds, as more particularly described in the Resolution, in or pursuant to a Series Resolution or in or pursuant to a Bond Series Certificate.

Provider means the issuer or provider of a Credit Facility or a Liquidity Facility.

Provider Payments means the amount, certified by a Provider to the Trustee, payable to such Provider by the University on account of amounts advanced by it under a Credit Facility or a Liquidity Facility, including interest on amounts advanced and fees and charges with respect thereto.

Qualified Financial Institution means any of the following entities that has an equity capital of at least $125,000,000 or whose obligations are unconditionally guaranteed by an affiliate or parent having an equity capital of at least $125,000,000:

(i) a securities dealer, the liquidation of which is subject to the Securities Investors Protection Corporation or other similar corporation, and (a) that is on the Federal Reserve Bank of New York list of primary government securities dealers and (b) whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one Rating Service no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one Rating Service no lower than in the highest rating category for such short term debt; ***provided, however,*** that no short term rating may be utilized to determine whether an entity qualifies as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Service or credit criteria of an entity that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds;

(ii) a bank, a trust company, a national banking association, a corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a savings and loan association, an insurance company or association chartered or organized under the laws of the United States of America, any state of the United States of America or any foreign nation, whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one Rating Service no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one Rating Service no lower than in the highest rating category for such short term debt; ***provided, however,*** that no short term rating may be utilized to determine whether an entity qualifies as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Service or credit criteria of an entity that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds;

(iii) a corporation affiliated with or which is a subsidiary of any entity described in (i) or (ii) above or which is affiliated with or a subsidiary of a corporation which controls or wholly owns any such entity, whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one Rating Service no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one Rating Service no lower than in the highest rating category for such short term debt; ***provided, however,*** that no short term rating may be utilized to determine whether an entity qualifies as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Service or credit criteria of an entity that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds;

(iv) the Government National Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other federal agency or instrumentality approved by the Authority; or

(v) a corporation whose obligations, including any investments of any money held under the Resolution purchased from such corporation, are insured by an insurer that meets the applicable rating requirements set forth above.

Rating Service means each of Moody's Investors Service, Inc., Standard & Poor's Rating Services, and Fitch, Inc., which in each case has assigned a rating to Outstanding Bonds at the request of the Authority or the University, or their respective successors and assigns.

Record Date means, unless the Series Resolution authorizing Variable Interest Rate Bonds or Option Bonds or the Bond Series Certificate relating thereto provides otherwise with respect to such Variable Rate Bonds or Option Bonds, the fifteenth (15th) day (whether or not a Business Day) of the calendar month next preceding an interest payment date.

Redemption Price, when used with respect to a Bond, means the principal amount of such Bond plus the applicable premium, if any, payable upon redemption prior to maturity thereof pursuant to the Resolution or to the applicable Series Resolution or Bond Series Certificate.

Refunding Bonds means all Bonds, whether issued in one or more Series of Bonds, authenticated and delivered on original issuance pursuant to the Resolution, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Resolution.

Related Agreements means each Remarketing Agreement, Interest Rate Exchange Agreement and agreement entered into in connection with a Credit Facility or Liquidity Facility, to which the University is a party.

Remarketing Agent means the person appointed by or pursuant to a Series Resolution authorizing the issuance of Option Bonds to remarket such Option Bonds tendered or deemed to have been tendered for purchase in accordance with such Series Resolution or the Bond Series Certificate relating to such Option Bonds.

Remarketing Agreement means, with respect to Option Bonds of a Series, an agreement either between the Authority and the Remarketing Agent, or among the Authority, the University and the Remarketing Agent, relating to the remarketing of such Bonds.

Resolution means the New York University Revenue Bond Resolution, adopted by the Authority May 28, 2008, as from time to time amended or supplemented by Supplemental Resolutions or Series Resolutions in accordance with the terms and provisions of the Resolution.

Revenues means all payments received or receivable by the Authority that pursuant to the Loan Agreement are required to be paid to the Trustee (except payments to the Trustee for the administrative costs and expenses or fees of the Trustee and payments to the Trustee for deposit to the Arbitrage Rebate Fund).

Serial Bonds means the Bonds so designated in a Series Resolution or a Bond Series Certificate.

Series means all of the Bonds authenticated and delivered on original issuance and pursuant to the Resolution and to the Series Resolution authorizing such Bonds as a separate Series of Bonds or a Bond Series Certificate, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Resolution, regardless of variations in maturity, interest rate, Sinking Fund Installments or other provisions.

Series Resolution means a resolution of the Authority authorizing the issuance of a Series of Bonds adopted by the Authority pursuant to the Resolution.

Sinking Fund Installment means, as of any date of calculation:

(i) when used with respect to any Bonds of a Series, other than Option Bonds or Variable Interest Rate Bonds, so long as any such Bonds are Outstanding, the amount of money required by the Resolution or by the Series Resolution pursuant to which such Bonds were issued or by the Bond Series Certificate relating thereto to be paid on a single future July 1 for the retirement of any Outstanding Bonds of said Series which mature after said future July 1, but does not include any amount payable by the Authority by reason only of the maturity of a Bond, and said future July 1 is deemed to be the date when a Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Bonds are deemed to be Bonds entitled to such Sinking Fund Installment; and

(ii) when used with respect to Option Bonds or Variable Interest Rate Bonds of a Series, so long as such Bonds are Outstanding, the amount of money required by the Series Resolution pursuant to which such Bonds were issued or by the Bond Series Certificate relating thereto to be paid on a single future date for the retirement of any Outstanding Bonds of said Series which mature after said future date, but does not include any amount payable by the Authority by reason only of the maturity of a Bond, and said future date is deemed to be the date when a Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Option Bonds or Variable Interest Rate Bonds of such Series are deemed to be Bonds entitled to such Sinking Fund Installment.

Standby Purchase Agreement means an agreement by and between the Authority and another person or by and among the Authority, the University and another person, pursuant to which such person is obligated to purchase an Option Bond or a Variable Interest Rate Bond tendered for purchase.

State means the State of New York.

Supplemental Resolution means any resolution of the Authority amending or supplementing the Resolution, any Series Resolution or any Supplemental Resolution adopted and becoming effective in accordance with the terms and provisions of the Resolution.

Tax Certificate means a certificate executed by an Authorized Officer of the Authority, including the appendices, schedules and exhibits thereto, executed in connection with the issuance of the Authorized Bonds in which the Authority makes representations and agreements as to arbitrage compliance with the provisions of Section 141 through 150, inclusive, of the Code, or any similar certificate, agreement or other instrument made, executed and delivered in lieu of said certificate, in each case as the same may be amended or supplemented.

Term Bonds means the Bonds so designated in a Series Resolution or a Bond Series Certificate and payable from Sinking Fund Installments.

Trustee means the bank or trust company appointed as Trustee for the Bonds pursuant to the Resolution and having the duties, responsibilities and rights provided for in the Resolution, and its successor or successors and any other bank or trust company which may at any time be substituted in its place pursuant to the Resolution.

University means New York University, a corporation duly organized and existing under the laws of the State, which is an institution for higher education located in the State and authorized to confer degrees by law or by the Board of Regents of the State, or any successor thereto.

Valuation Date means (i) with respect to any Capital Appreciation Bond, each date set forth in the Series Resolution authorizing such Capital Appreciation Bond or in the Bond Series Certificate relating to such Bond on which a specific Accreted Value is assigned to such Capital Appreciation Bond, and (ii) with respect to any Deferred Income Bond, the date or dates prior to the Interest Commencement Date and the Interest Commencement Date set forth in the Series Resolution authorizing such Bond or in the Bond Series Certificate relating to such Bond on which specific Appreciated Values are assigned to such Deferred Income Bond.

Variable Interest Rate means the rate or rates of interest to be borne by a Series of Bonds or any one or more maturities within a Series of Bonds which is or may be varied from time to time in accordance with the method of computing such interest rate or rates specified in the Series Resolution authorizing such Bonds or the Bond Series Certificate relating to such Bonds and which shall be based on:

(i) a percentage or percentages or other function of an objectively determinable interest rate or rates (e.g., a prime lending rate) which may be in effect from time to time or at a particular time or times; or

(ii) a stated interest rate that may be changed from time to time as provided in such Series Resolution or Bond Series Certificate;

provided, however, that in each case such variable interest rate may be subject to a Maximum Interest Rate and a Minimum Interest Rate as provided in the Series Resolution authorizing such Bonds or the Bond Series Certificate relating thereto, and that Series Resolution or Bond Series Certificate shall also specify either (x) the particular period or periods of time or manner of determining such period or periods of time for which each variable interest rate shall remain in effect or (y) the time or times at which any change in such variable interest rate shall become effective or the manner of determining such time or times.

Variable Interest Rate Bond means any Bond which bears a Variable Interest Rate; ***provided, however,*** that a Bond the interest rate on which shall have been fixed for the remainder of the term thereof shall no longer be a Variable Interest Rate Bond.

Winning Bid Rate shall have the meaning given to such term in Section 7.11 of the Resolution.

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NEW YORK UNIVERSITY CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED AUGUST 31, 2014 AND 2013, AND REPORT OF INDEPENDENT ACCOUNTANTS

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New York University

Consolidated Financial Statements
August 31, 2014 and 2013

New York University
Index
August 31, 2014 and 2013

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Independent Auditor's Report

To the Board of Trustees of
New York University

We have audited the accompanying consolidated financial statements of New York University ("NYU"), which comprise the consolidated balance sheets as of August 31, 2014 and 2013, and the related consolidated statements of activities and cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to NYU's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NYU's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of NYU at August 31, 2014 and 2013, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information on pages 46 through 53 in Appendix A – Supplemental Schedules is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual companies and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the balance sheets and statement of activities of the individual companies.

PricewaterhouseCoopers LLP

December 19, 2014

PricewaterhouseCoopers LLP, PricewaterhouseCoopers Center, 300 Madison Avenue, New York, NY 10017
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New York University
Consolidated Balance Sheets
August 31, 2014 and 2013

(in thousands of dollars)

	2014	2013
Assets		
Cash and cash equivalents	$ 1,242,690	$ 1,095,001
Short-term investments (Note 4)	58,948	28,680
Accounts and loans receivable, net (Note 5)	378,877	360,179
Patient accounts receivable, net	366,030	316,182
Contributions receivable, net (Note 6)	578,125	519,290
Other assets (Note 7)	320,356	290,412
Assets limited as to use - disaster recovery (Note 20)	67,054	-
Disaster-related receivable (Note 20)	480,383	90,021
Deposits with trustees (Note 8)	166,905	202,203
Long-term investments (Note 4)	3,950,958	3,619,637
Assets held by insurance captive (CCC550) (Note 12)	274,296	255,247
Land, buildings, and equipment, net (Note 9)	6,153,963	5,481,727
Total assets	$ 14,038,585	$ 12,258,579
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 1,048,714	$ 924,835
Disaster-related accounts payable and accrued expenses (Note 20)	62,800	79,858
Deferred revenue	831,296	842,883
Deferred revenue - disaster related (Note 20)	67,054	-
Outstanding losses and loss adjustment expenses (Note 12)	233,239	215,972
Bonds and notes payable (Notes 10 and 11)	3,890,152	3,607,614
Other leasing obligations (Note 11)	122,208	86,990
Federal grants refundable (Note 5)	80,117	77,361
Accrued benefit obligation (Note 13)	190,475	165,985
Accrued postretirement obligation (Note 14)	523,945	457,109
Asset retirement obligation	181,285	162,561
Total liabilities	7,231,285	6,621,168
Net assets		
Unrestricted	3,256,992	2,996,591
Temporarily restricted (Note 18)	1,865,851	1,044,316
Permanently restricted (Note 18)	1,684,457	1,596,504
Total net assets	6,807,300	5,637,411
Total liabilities and net assets	$ 14,038,585	$ 12,258,579

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

New York University
Consolidated Statements of Activities
Years Ended August 31, 2014 and 2013

(in thousands of dollars)

	2014	2013
Changes in unrestricted net assets		
Operating revenues		
Tuition and fees (net of financial aid awards of $481,090 and $442,318)	$ 1,581,523	$ 1,529,550
Grants and contracts (Note 15)	694,562	641,948
Patient care (net of provision for bad debt $46,244 and $68,469) (Note 3)	2,659,471	2,173,003
Hospital affiliations (Note 16)	292,078	291,381
Insurance premiums earned	39,356	33,497
Contributions	143,293	136,166
Endowment distribution (Note 4)	126,661	120,496
Return on short-term investments (Note 4)	25,731	7,816
Auxiliary enterprises	408,108	386,577
Program fees and other	193,046	214,491
Commercial insurance-disaster recovery (Note 20)	11,000	70,000
Disaster recovery reimbursement (Note 20)	133,897	252,915
Net assets released from restrictions	109,115	117,124
Total operating revenues	6,417,841	5,974,964
Expenses (Note 17)		
Instruction and other academic programs	1,466,385	1,354,904
Research and other sponsored programs	810,884	730,194
Patient care	2,294,478	1,916,792
Hospital affiliations (Note 16)	272,070	264,074
Libraries	75,516	71,837
Student services	118,299	121,235
Auxiliary enterprises	460,536	439,078
Institutional services	765,084	808,762
Disaster-related expenses (Note 20)	78,490	248,076
Total expenses	6,341,742	5,954,952
Excess of operating revenues over expenses	76,099	20,012
Nonoperating activities		
Investment return (Note 4)	156,601	85,884
Appropriation of endowment distribution (Note 4)	(41,540)	(47,643)
Disaster recovery reimbursement for capital (Note 20)	94,548	-
Gain (loss) on disaster-related disposal of property, plant, and equipment	2,039	(61,134)
Other	25,628	5,460
Net assets released from restrictions for capital purposes	17,753	73,359
Net assets released from restrictions for hazard mitigation	12,267	-
Changes in pension and postretirement obligations (Notes 13 and 14)	(82,994)	285,600
Increase in unrestricted net assets	260,401	361,538
Changes in temporarily restricted net assets		
Contributions	300,372	296,867
Investment return (Note 4)	239,797	159,653
Appropriation of endowment distribution (Note 4)	(85,121)	(72,853)
Disaster award for mitigation	530,748	-
Other	(25,126)	754
Net assets released from restrictions for hazard mitigation	(12,267)	-
Net assets released from restrictions	(126,868)	(190,483)
Increase in temporarily restricted net assets	821,535	193,938
Changes in permanently restricted net assets		
Contributions	92,859	94,584
Other	(4,906)	(1,659)
Increase in permanently restricted net assets	87,953	92,925
Increase in net assets	$ 1,169,889	$ 648,401

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

New York University
Consolidated Statements of Cash Flows
August 31, 2014 and 2013

(in thousands of dollars)

		2014		2013
Cash flows from operating activities				
Change in net assets	$	1,169,889	$	648,401
Adjustments to reconcile change in net assets to net cash provided by operating activities				
Depreciation and amortization		405,344		351,511
(Gains) losses on disposal of property, plant, and equipment		(6,425)		5,385
Impairment of property, plant and equipment		99		61,134
Net gain on investments and deposits with trustees		(367,476)		(205,012)
Bad debt expense		84,947		99,612
Gain on extinguishment of debt		(4,272)		-
Loss on sale of real estate		-		904
Pension and postretirement obligation change		82,994		(285,600)
Contributions received for permanent investment and capital		(142,016)		(143,589)
Proceeds from disaster recovery award for future mitigation		(137,870)		-
Changes in operating assets and liabilities				
Increase in accounts and loans receivable, net		(22,130)		(5,975)
Increase in disaster recovery receivable		(399,000)		(83,521)
Increase in patient accounts receivable		(96,092)		(80,232)
Increase in nonendowment and noncapital contributions receivable		(95,319)		(99,330)
Increase in other assets		(32,680)		(51,850)
Increase in asset retirement obligation		(3,703)		(13,946)
Increase (decrease) in accounts payable and accrued expenses		100,565		(39,408)
(Decrease) increase in disaster-related accounts payable and accrued expenses		(21,256)		58,994
Increase in outstanding losses and adjustment expenses		17,267		27,010
(Decrease) increase in deferred revenue		(106,135)		17,358
(Decrease) increase in accrued pension obligation		(4,175)		38,309
Increase in accrued postretirement obligation		12,507		26,596
Net cash provided by operating activities		435,063		326,751
Cash flows from investing activities				
Purchases of investments		(1,499,446)		(2,823,564)
Sales and maturities of investments		1,481,247		2,376,772
Proceeds from sale of real estate		-		9,456
(Increase) decrease in deposits held with captive		(9,969)		5,197
Drawdowns of unexpended bond proceeds		197,096		59,442
Additions to land, buildings, and equipment, net of disposals		(954,982)		(794,020)
Proceeds from commercial insurance or disaster recovery for capital		103,186		-
Net cash used in investing activities		(682,868)		(1,166,717)
Cash flows from financing activities				
Contributions restricted for permanent investment and capital		142,016		143,589
Proceeds from disaster recovery award for future mitigation		137,870		-
Proceeds from short-term borrowings		225,346		333,000
Proceeds from long-term borrowings		150,000		348,562
Principal payments on short-term borrowings		(132,623)		(228,400)
Principal payments on bonds and notes payable		(140,570)		(82,877)
Payments of deferred financing costs		(1,314)		(981)
Increase in federal grants refundable		2,756		1,696
Decrease in deposits with bond trustees		12,013		2,731
Net cash provided by financing activities		395,494		517,320
Net increase (decrease) in cash		147,689		(322,646)
Cash				
Beginning of year		1,095,001		1,417,647
End of year	$	1,242,690	$	1,095,001
Supplemental disclosure of cash flow information				
Bond proceeds	$	158,805	$	-
Other leasing obligations		35,218		86,990
Interest paid		175,735		154,302
Non-cash acquisitions of land, buildings, and equipment		44,327		105,116
Assets acquired under capital leases		31,336		48,707

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

(in thousands of dollars)

1. Description of New York University

Founded in 1831, New York University (NYU) is a private institution of higher education, research, and patient care located primarily in New York City. NYU is recognized both nationally and internationally as a leader in scholarship and is a member of the distinguished Association of American Universities.

The consolidated reporting entities for NYU consist of the University and the NYU Langone Medical Center (Medical Center), which represents the consolidation of the NYU Hospitals Center (the Hospitals Center), the NYU School of Medicine (NYUSoM) and CCC550 as described below. Consolidating balance sheets and statements of activities for the University and the NYU Langone Medical Center are presented in Appendix A.

NYU's balance sheets and statements of activities presented in Appendix A include balances for NYU's affiliates such as the Institute for Fine Arts Foundation, NYU Imaging, Inc., NYU School of Business Foundation and NYU School of Law Foundation.

The University
The University includes nineteen colleges and divisions each with its own traditions, programs and faculty. The schools, in order of founding date, are the College of Arts and Science, School of Law, NYU School of Medicine (reported with the Hospitals Center as a part of NYU Langone Medical Center), College of Dentistry, Graduate School of Arts and Science, Steinhardt School of Culture, Education and Human Development, Leonard N. Stern School of Business, Courant Institute of Mathematical Sciences, School of Continuing and Professional Studies, Institute of Fine Arts, Robert F. Wagner Graduate School of Public Service, Post-Graduate Medical School, Silver School of Social Work, Tisch School of the Arts, Gallatin School of Individualized Study, College of Nursing, the Institute for the Study of the Ancient World, NYU Abu Dhabi, and NYU Polytechnic School of Engineering. The University also operates academic program sites and research programs in other parts of the United States and abroad.

In addition to the colleges and divisions, NYU began operating NYU Shanghai in fall 2013, which grants NYU degrees, as a joint venture with East China Normal University. The NY-based activities of NYU Shanghai are reported as a receivable in the University's balance sheet.

NYU Langone Medical Center
NYU is the sole member of the Hospitals Center. The NYU Board of Trustees appoints the members of the Hospitals Center Board, who are also appointed as members of the New York University School of Medicine Advisory Board. The Hospitals Center and the NYU School of Medicine are referred to collectively as the NYU Langone Medical Center and share a common management. The University has not assumed any responsibility or liability for the financial obligations of the Hospitals Center.

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 the following: 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; NYU Hospital for Joint Diseases, a 190-bed acute care facility specializing in orthopedic, neurologic, and rheumatologic services; and several ambulatory facilities including the Laura and Isaac Perlmutter Cancer Center, the Ambulatory Care Center, the Center for Musculoskeletal Care and Hassenfeld Children's Center. In October, 2012, The Rusk Institute of Rehabilitation Medicine relocated its services to other areas of the Medical Center in order for the

(in thousands of dollars)

building to be demolished in preparation for the construction of a new 374-bed clinical facility to be known as the Kimmel Pavilion. CCC550 is solely owned by the Hospitals Center and provides hospital professional liability and hospital general liability insurance to the Hospitals Center and professional liability insurance to voluntary attending physicians affiliated with the Hospitals Center. CCC550 is subject to taxation in accordance with section 29 of the Exempt Insurance Act in Barbados.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements of NYU have, in all material respects, been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements include the accounts of NYU, as well as its separately incorporated affiliates. NYU and, generally, all of its affiliates are exempt from federal income taxes under the provisions of Section 501(c) (3) of the Internal Revenue Code.

NYU prepares its consolidated financial statements in accordance with the provisions of Accounting Standards Codification (ASC), Topic 958. This standard 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' uses 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 purposes, in accordance with donor provisions.

Temporarily Restricted net assets include contributions and investment return that can be expended when donor or legal restrictions have 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 NYU that fulfill the restrictions or both.

Unrestricted net assets are the remaining net assets of NYU that are used to carry out its missions of education, research and patient care which are not subject to donor restrictions.

Operations

Tuition and fees are derived from degree programs as well as executive and continuing education programs. Tuition and fee revenue is recognized as operating income in the period in which it is earned. Tuition and fee receipts received in advance are recorded as deferred revenue. Net tuition and fees are computed after deducting certain scholarships and fellowships awarded to students. Revenues and expenses related to conducting programmatic activities and provision of services by NYU are classified as operating in the consolidated statement of activities. Investment return relating to board-designated endowment funds and the related endowment appropriation, as well as changes in pension and postretirement obligations and unusual or nonrecurring activity, are classified as nonoperating in the consolidated statement of activities.

(in thousands of dollars)

Contributions
Contributions, including unconditional promises to give, are recognized as revenue in the period received at their fair value. Contributions receivable are reported at their discounted present value, using an estimated interest rate for the year in which the promise was received and considering market and credit risk as applicable (1.9% in 2014 and 3.5% in 2013). Amortization of the discount is recorded as additional contribution revenue. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Allowances are recorded for estimated uncollectible contributions based upon management's judgment and analysis of the creditworthiness of the donors, past collection experience and other relevant factors.

Uncompensated Care
As a matter of policy, the Hospitals 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.

The Hospitals 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 reported at cost. Since payment of this difference is not sought, charity care allowances are not reported as revenue. Total forgone charges for charity care totaled $24,274 and $15,838 for fiscal year 2014 and 2013, respectively. This equated to an approximate cost of $7,587 and $6,088 for the years ended August 31, 2014 and 2013, which is based on a ratio of cost to charges during the year.

New York State regulations provide for the distribution of funds from an indigent care pool, which is intended to partially offset the cost of bad debts and services provided to the uninsured. The funds are distributed to the Hospitals Center based on each hospital's level of bad debt and charity care in relation to all other hospitals. Subsidy payments recognized as revenue amounted to approximately $8,496 and $9,588 for 2014 and 2013, respectively, and are included in net patient service revenue in the accompanying consolidated statement of activities.

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 $46,244 and $68,469 for the years ended August 31, 2014 and 2013, respectively.

Cash and Cash Equivalents
Cash and cash equivalents include cash and all highly-liquid debt instruments with original maturities of three months or less when purchased. This does not include pooled investments with less than three months to maturity held within the long-term investment portfolio. The carrying amount of cash and cash equivalents approximates fair value due to the short-term maturity of the instruments.

Land, Buildings, and Equipment
Land, buildings, and equipment are carried at their acquisition or construction cost. If donated, these assets are recorded at their fair value on the date of the gift. Buildings and equipment are depreciated over their estimated useful lives (buildings and building improvements 10-55 years, equipment 3-10 years) using the straight-line method.

(in thousands of dollars)

Collections
The University does not assign a value to collection items. Collection items are generally held for educational purposes and are not disposed of for financial gain or otherwise encumbered in any manner.

Asset Retirement Obligation
NYU recognizes asset retirement obligations on future events, such as the abatement of asbestos, and removal of lead-based paint and petroleum bulk storage tanks from buildings. The fair value of the liability for a conditional asset retirement obligation is recognized in the period in which it occurred, provided that it can be reasonably estimated. Corresponding asset retirement costs (net of accumulated depreciation) have been included in land, buildings, and equipment.

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

Reclassifications
Certain amounts in the 2013 consolidated financial statements have been reclassified to conform to the current year's presentation.

3. Patient Care Revenue

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

Patient care services rendered are recorded 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. Patient care revenue for the Medical Center is reported at the estimated net realizable amounts due from patients, third-party payers and others for services rendered and includes estimated retroactive revenue adjustments due to ongoing and future audits, reviews and investigations. 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 Medical Center's allowance for uncollectible accounts has remained consistent as a percentage of accounts receivables net of contractual allowances as of both August 31, 2014 and 2013.

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 collectability of receivables based on the payor classification and the

(in thousands of dollars)

period for which the receivables have been outstanding. Past due balances over 90 days from the date of billing and in excess of a specified amount are considered delinquent and are reviewed for collectability. Account balances are written off against the allowance when management feels it is probable the receivable will not be recovered. Historical collection and payor 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 collectability 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. The Medical Center's allowance for uncollectible accounts has remained consistent as a percentage of accounts receivables net of contractual allowances as of both August 31, 2014 and 2013.

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 a substantial portion of the provision for bad debts. Patient service revenue for the Medical Center, net of contractual allowances and discounts, is as follows for the years ended August 31, 2014 and 2013:

	2014	2013
Gross charges	$ 8,927,364	$ 6,524,475
Allowances	(6,262,860)	(4,327,280)
Patient service revenue, net of contractual allowances	2,664,504	2,197,195
Bad debt	(46,244)	(68,469)
Total net patient service revenue	$ 2,618,260	$ 2,128,726

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 years' payment rates, based on industry-wide and Medical Center-specific data. The net amounts due to third party payers at August 31, 2014 and 2013 are $73,759 and $97,994, respectively. 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 may be realized.

The Hospitals Center's Medicare cost reports have been audited through December 31, 2009. In addition, the cost reports through December 31, 2002, and the cost report for the year ended December 31, 2009 have been finalized. Cost reports for the years 2003 through 2008 have yet to be finalized. The audits of cost reports for years 2010 through 2013 have not been performed.

(in thousands of dollars)

The Medical 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 patient service revenue, net of contractual allowances from patients and third party payers for the years ended August 31, 2014 and 2013 are as follows:

	2014		2013	
	NYUHC	**NYUSoM**	**NYUHC**	**NYUSoM**
Medicare	17 %	17 %	16 %	12 %
Medicaid	1	1	1	1
Medicare and Medicaid managed care	11	8	11	3
Blue Cross	24	17	23	17
Managed care and other	47	57	49	67
	100 %	100 %	100 %	100 %

The mix of receivables (net of contractual allowances) from patients and third party payers at August 31, 2014 and 2013 are as follows:

	2014		2013	
	NYUHC	**NYUSoM**	**NYUHC**	**NYUSoM**
Medicare	12 %	15 %	12 %	18 %
Medicaid	1	1	1	3
Medicare and Medicaid managed care	17	11	17	5
Blue Cross	21	15	19	17
Managed care and other	49	58	51	57
	100 %	100 %	100 %	100 %

4. Investments

Fair Value Measurements
Authoritative guidance of fair value measurements, ASC Topic 820, *Fair Value Measurements and Disclosures*, *Fair Value Measurements*, establishes a hierarchy of valuation methodologies based on the extent to which asset valuations are observable in the marketplace. The following describes the hierarchy of methodologies used to measure fair value of investments:

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

Fair value for Level 2 is based on quoted prices for instruments similar to those held by NYU in actively traded markets, quoted prices for identical instruments held by NYU in markets that are not actively traded and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data. Inputs are obtained from various sources including market participants, dealers and brokers.

Fair value for Level 3 is based on valuation techniques used to assess prices that are unobservable as the assets trade infrequently or not at all.

Investments included in Level 3 primarily consist of NYU's ownership in alternative investments (principally limited partnership interests in Fixed Income, Equity, Opportunistic & Credit, Real

(in thousands of dollars)

Assets and other similar funds). The net asset value (NAV) of the securities held by limited partnerships that do not have readily determinable fair values are determined by the general partner and are based on appraisals or other estimates that require varying degrees of judgment. If no public market exists for the investment securities, the fair value is determined by the general partner taking into consideration, among other things, the cost of the securities, prices of recent significant placements of securities of the same issuer and subsequent developments concerning the companies to which the securities relate. NYU has performed due diligence around these investments to ensure NAV is an appropriate measure of fair value as of August 31, 2014 and 2013.

Asset Classes
Investments held by NYU's investment pool are categorized as follows:

NYU invests across a broad range of asset classes, including Equity, Real Assets, Opportunistic & Credit, and Fixed Income. NYU may invest directly in the securities of these asset classes, or indirectly through interests in funds and limited partnerships. Securities held directly by NYU are valued at their observable market prices. The value of holdings in funds and limited partnerships are in accordance with the valuations provided by their investment managers. Funds and limited partnerships may make investments in securities that are publicly traded, which are generally valued based on observable market prices, unless a restriction exists. Managers of investment funds and limited partnerships value those investments based upon the best information available for a given circumstance and may incorporate assumptions that are the investment manager's best estimates after consideration of a variety of internal and external factors. If no public market exists for the investments, the fair value is determined by the investment manager taking into consideration, among other things, the cost of the investment, prices of recent significant placements of similar investments of the same issuer and subsequent developments concerning the companies to which the investments relate. If NYU has the ability to redeem from an alternative investment up to 90 days beyond the measurement date at NAV, the alternative investment is generally categorized as Level 2. If the redemption period extends beyond 90 days, the investment is categorized as Level 3. Funds that NYU does not have discretion for timing of withdrawals are categorized as Level 3.

Equity
Equity consists of public equity (which may include passive index exposure) and alternative equity strategies including long/short equity and private equity. Included in this asset class are $269,151 and $275,564 of private equity funds as of August 31, 2014 and 2013, respectively.

Real Assets
Real Assets includes public and private investments in real estate and natural resources. Included in this asset class are $131,415 and $115,479 of private investments as of August 31, 2014 and 2013, respectively.

Opportunistic & Credit
Opportunistic & Credit includes a diverse range of strategies which includes: credit, distressed situations, opportunistic value, macro, event driven, relative value, risk arbitrage and special situations.

Fixed Income
Fixed Income includes investments in cash and cash equivalents, U.S. and foreign bonds, and corporate and asset-backed securities.

Other Long-Term Investments
Other Long-Term Investments is predominantly comprised of liquidating investments (valued at NAV as determined by the general partner).

(in thousands of dollars)

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

The following table summarizes the fair value of financial instruments at August 31:

	2014			
	Active Markets (Level 1)	**Observable Inputs (Level 2)**	**Unobservable Inputs (Level 3)**	**Total**
Long-term investments				
Equity	$ 459,366	$ 794,856	$ 629,885	$ 1,884,107
Real assets	76,909	113,783	150,380	341,072
Opportunistic & credit	-	255,055	624,914	879,969
Fixed income	124,074	202,914	-	326,988
Other	-	6,629	24,086	30,715
Subtotal investment pool	660,349	1,373,237	1,429,265	3,462,851
Equity	36,580	3,316	-	39,896
Fixed income	438,074	1,763	-	439,837
Other	1,171	-	7,203	8,374
Subtotal other long-term investments	475,825	5,079	7,203	488,107
Total long-term investments	1,136,174	1,378,316	1,436,468	3,950,958
Short-term investments				
Working capital	58,948	-	-	58,948
Total short-term investments	58,948	-	-	58,948
Other financial instruments				
Split-interest agreements (Note 7)	-	-	8,504	8,504
Deposits with trustees (Note 8)	112,167	54,738	-	166,905
Assets held by CCC550	22,984	251,312	-	274,296
Total	$ 1,330,273	$ 1,684,366	$ 1,444,972	$ 4,459,611

(in thousands of dollars)

	2013			
	Active Markets (Level 1)	**Observable Inputs (Level 2)**	**Unobservable Inputs (Level 3)**	**Total**
Long-term investments				
Equity	$ 306,474	$ 737,020	$ 523,175	$ 1,566,669
Real assets	83,358	107,084	169,151	359,593
Opportunistic & credit	-	278,124	527,152	805,276
Fixed income	159,172	188,152	-	347,324
Other	10,631	6,262	25,298	42,191
Subtotal investment pool	559,635	1,316,642	1,244,776	3,121,053
Equity	18,316	3,218	-	21,534
Fixed income	468,918	1,265	-	470,183
Other	842	-	6,025	6,867
Subtotal other long-term investments	488,076	4,483	6,025	498,584
Total long-term investments	1,047,711	1,321,125	1,250,801	3,619,637
Short-term investments				
Working capital	28,680	-	-	28,680
Total short-term investments	28,680	-	-	28,680
Other financial instruments				
Split-interest agreements (Note 7)	-	-	6,737	6,737
Deposits with trustees (Note 8)	172,484	29,719	-	202,203
Assets held by CCC550	30,238	225,009	-	255,247
Total	$ 1,279,113	$ 1,575,853	$ 1,257,538	$ 4,112,504

The following table provides the changes in the amounts reported in the consolidated balance sheets for financial instruments classified by NYU within Level 3 of the fair value hierarchy defined above:

	2014							
	Equity	**Real Assets**	**Opportunistic & Credit**	**Fixed Income**	**CCC550**	**Split-interest agreements**	**Other**	**Total Investments**
Fair value, August 31, 2013	$ 523,175	$ 169,151	$ 527,152	$ -	$ -	$ 6,737	$ 31,323	$ 1,257,538
Realized gains (losses)	33,552	3,678	42,856	-	-	-	371	80,457
Unrealized gains (losses)	81,187	2,528	(18,852)	-	-	632	6,299	71,794
Purchases	85,642	46,133	171,446	-	-	1,135	300	304,656
Sales	(83,886)	(80,895)	(97,688)	-	-	-	(7,004)	(269,473)
Transfers (out) in	(9,785)	9,785	-	-	-	-	-	-
Fair value, August 31, 2014	$ 629,885	$ 150,380	$ 624,914	$ -	$ -	$ 8,504	$ 31,289	$ 1,444,972

(in thousands of dollars)

	2013							
	Equity	Real Assets	Opportunistic & Credit	Fixed Income	CCC550	Split-interest agreements	Other	Total Investments
Fair value, August 31, 2012	$ 570,259	$ 100,198	$ 582,978	$ 132,366	$ 262,628	$ 6,784	$ 34,842	$ 1,690,055
Realized gains (losses)	76,718	14,980	39,036	8,155	-	-	(489)	138,400
Unrealized (losses) gains	(6,188)	(17,967)	40,185	(9,188)	-	(47)	3,629	10,424
Purchases	68,315	108,929	82,828	-	-	-	4,000	264,072
Sales	(144,544)	(36,989)	(217,875)	(131,333)	-	-	(10,659)	(541,400)
Transfers out	(41,385)	-	-	-	(262,628)	-	-	(304,013)
Fair value, August 31, 2013	$ 523,175	$ 169,151	$ 527,152	$ -	$ -	$ 6,737	$ 31,323	$ 1,257,538

. At August 31, 2014, NYU's unfunded commitments are as follows:

	Unfunded Commitments	Remaining Life	Timing to Draw Commitments
Equity	$ 152,000	Up to 10 years	7 to 30 days
Opportunistic & credit	106,000	Up to 10 years	7 to 30 days
Real assets	125,000	Up to 15 years	7 to 30 days
	$ 383,000		

NYU records purchases and sales of securities on a trade-date basis. NYU has included receivables for securities sold of $276 and $7,213 at August 31, 2014 and 2013, respectively, and liabilities for securities purchased of $25,537 and $10,265 at August 31, 2014 and 2013, respectively, in long-term investments.

Total investment return for the years ended August 31, 2014 and 2013 is as follows:

	2014	2013
Dividends and interest	$ 71,830	$ 53,080
Realized and unrealized gains, net	360,496	208,816
Investment expenses	(10,197)	(8,543)
Total investment return, net	$ 422,129	$ 253,353
Endowment distribution approved for spending	$ 126,661	$ 120,496
Return on short-term investments	25,731	7,816
Unrestricted investment return, net of spending	115,061	38,241
Temporarily restricted investment return, net of spending	154,676	86,800
Total investment return, net	$ 422,129	$ 253,353

(in thousands of dollars)

NYU maintains an investment pool for its long-term investments which include its endowment and similar funds. The pool is managed to achieve the maximum long-term return given prudent risk parameters. NYU's Board of Trustees has authorized a spending policy designed to allow asset growth while providing a predictable flow of return to support operations. Distributions from endowment to support operations (approximately 5% in 2014 and 2013) are calculated using the prior year distribution adjusted for the change in the New York Metro Area Consumer Price Index (CPI). To preserve the endowment's purchasing power, caps further limit spending as follows: 1) the distribution of endowment return to support operations may not exceed the prior year's distribution by more than 10%, unless the increase was the result of new gifts to the endowments, and 2) if the results of using only the average market value of either the final four quarters alone or the final eight quarters alone would be a decline in the distribution from the prior year's distribution, then the distribution may not exceed the previous year's level.

NYU relies on a total return strategy, the objective of which is to achieve a long-term rate of return consisting of a combination of current income and capital appreciation, recognizing that changes in market conditions and interest rates will result in varying strategies in an attempt to optimize results. Investment return (realized and unrealized net gains or losses, interest and dividends) and the appropriation for the approved endowment distribution for board-designated endowment funds are reported as nonoperating activities in the consolidated statement of activities. Investment return and the appropriation for the approved endowment distribution for true endowment funds are reported as temporarily restricted activities in the consolidated statement of activities.

5. Accounts and Loans Receivable, net

Accounts and loans receivable, net consist of the following at August 31, 2014 and 2013:

	2014	2013
Students and other	$ 107,533	$ 118,176
Grants and contracts	84,578	62,709
Student loans	123,825	118,894
Housing loans and other loans to employees	71,416	71,568
Insurance premiums (CCC550)	42,405	37,251
	429,757	408,598
Allowance for uncollectible amounts	(50,880)	(48,419)
Accounts and loans receivable, net	$ 378,877	$ 360,179

The allowance for uncollectible amounts at August 31, 2014 and 2013 consists of the following:

	2014	2013
Students and other	$ (22,888)	$ (24,642)
Grants and contracts	(19,761)	(15,808)
Student loans	(7,509)	(7,078)
Housing loans and other loans to employees	(722)	(891)
Total allowance for uncollectible amounts	$ (50,880)	$ (48,419)

(in thousands of dollars)

A reasonable estimate of the fair value of loans receivable from students under government loan programs could not be made because the notes cannot be sold and can only be assigned to the U.S. Government or its designees. The fair value of loans receivable from students under NYU's loan programs approximates carrying value.

Student loans consist primarily of Federal advances to the University under Perkins and other Federal Loan Programs which totaled $80,117 and $77,361 at August 31, 2014 and 2013, respectively. NYU records a liability on its consolidated balance sheet for these advances.

Management regularly assesses the adequacy of the allowance for credit losses by performing ongoing evaluation of the accounts and loans receivable portfolios.

Housing loans and other loans to employees are secured by an interest in the underlying property or continued employment.

6. Contributions Receivable

Contributions receivable consist of the following at August 31, 2014 and 2013:

	2014	2013
Amounts expected to be collected in:		
Less than one year	$ 135,687	$ 173,738
One to five years	421,191	348,849
More than five years	131,154	118,460
	688,032	641,047
Discount	(47,676)	(65,913)
Allowance for uncollectible amounts	(62,231)	(55,844)
Contributions receivable, net	$ 578,125	$ 519,290

(in thousands of dollars)

Contributions receivable activity for the years ended August 31, 2014 and 2013 is as follows:

	2014	2013
Contributions receivable, beginning of year, net	$ 519,290	$ 442,864
Add discount and allowance for uncollectible amounts	121,757	120,036
Contributions receivable, beginning of year, gross	641,047	562,900
New pledges received	320,735	353,478
Adjustments and write-offs	(31,518)	(23,177)
Pledge payments received	(242,232)	(252,154)
Subtotal	688,032	641,047
Deduct discount and allowance for uncollectible amounts	(109,907)	(121,757)
Contributions receivable, end of year, net	$ 578,125	$ 519,290

Conditional promises to give, not included in these financial statements, are $503,828 and $435,321 at August 31, 2014 and 2013, respectively.

Expenses related to fundraising activities are $46,399 and $40,431 for the years ended August 31, 2014 and 2013, respectively.

7. Other Assets

Other assets consist of the following at August 31, 2014 and 2013:

	2014	2013
Prepaid expenses and deferred charges	$ 115,559	$ 92,029
NYC MTA escrow	28,618	34,010
NYPD escrow	5,700	10,002
Unamortized bond issuance costs	38,608	44,004
Inventory	40,590	38,441
Split-interest agreements	8,504	6,737
Third-party payer receivables	31,938	11,285
Donated royalty	8,000	10,225
Collateral for securities loaned	1,301	2,634
Other	41,538	41,045
Other assets	$ 320,356	$ 290,412

NYC MTA and NYPD escrow accounts represent funds held by NYU for the remediation of a building. As the MTA and NYPD complete steps in the remediation process, the funds are released to the respective entities.

(in thousands of dollars)

8. Deposits with Trustees

Deposits with trustees consist of the following at August 31, 2014 and 2013:

	2014	2013
Unexpended bond proceeds		
Construction funds	$ 73,255	$ 103,563
Debt service funds	6,516	5,674
Debt service reserve funds	62,549	67,716
Capitalized interest funds	-	2,267
Other	391	511
Perpetual trust	24,194	22,472
Deposits with trustees	$ 166,905	$ 202,203

NYU is the income beneficiary of a perpetual trust. The income from this trust must be used for the support, maintenance and utilization of Villa La Pietra and the Acton Collection located in Florence, Italy. The trust income is also to be used for the education, benefit and assistance of faculty and students of the arts and crafts, architecture, literature, music, history of the arts and all other arts either in the United States or abroad.

9. Land, Buildings, and Equipment

Land, buildings, and equipment consist of the following at August 31, 2014 and 2013:

	2014	2013
Land	$ 205,445	$ 205,445
Buildings and building improvements	6,900,776	6,388,880
Equipment	1,145,253	1,128,834
Construction in progress	1,364,380	914,358
	9,615,854	8,637,517
Less: Accumulated depreciation	(3,461,891)	(3,155,790)
Land, buildings, and equipment, net	$ 6,153,963	$ 5,481,727

Depreciation expense is $399,953 and $346,600 for the years ended August 31, 2014 and 2013, respectively.

Capitalized software totaled $25,570 and $60,197 for the years ended August 31, 2014 and 2013, respectively.

10. Bonds and Notes Payable

NYU has various bond issues outstanding, primarily issued through the Dormitory Authority of the State of New York (DASNY). The University and NYUSoM are considered the legally obligated group for certain borrowings presented below as the “Total Obligated Group”.

(in thousands of dollars)

Bonds and notes payable consist of the following at August 31, 2014 and 2013:

	2014				
	University	School of Medicine	Total Obligated Group	Hospitals Center	Consolidated NYU
Issuer					
Dormitory Authority of the State of New York (DASNY)	$ 1,812,371	$ 206,973	$ 2,019,344	$ 435,999	$ 2,455,343
New York City Industrial Development Agency (NYCIDA)	98,650	-	98,650	-	98,650
New York University (NYU)	41,868	86,432	128,300	-	128,300
NYU Hospitals Center	-	-	-	597,647	597,647
Other bonds and notes payable	149,109	57,187	206,296	403,916	610,212
Bonds and notes payable	$ 2,101,998	$ 350,592	$ 2,452,590	$ 1,437,562	$ 3,890,152

	2013				
	University	School of Medicine	Total Obligated Group	Hospitals Center	Consolidated NYU
Issuer					
Dormitory Authority of the State of New York (DASNY)	$ 1,696,946	$ 210,446	$ 1,907,392	$ 489,952	$ 2,397,344
New York City Industrial Development Agency (NYCIDA)	101,031	-	101,031	-	101,031
New York University (NYU)	41,868	86,432	128,300	-	128,300
NYU Hospitals Center	-	-	-	597,564	597,564
Other bonds and notes payable	228,261	43,671	271,932	111,443	383,375
Bonds and notes payable	$ 2,068,106	$ 340,549	$ 2,408,655	$ 1,198,959	$ 3,607,614

In October 2013, DASNY issued $126,525 of revenue bonds (Series 2013A) on behalf of the Obligated Group with interest rates ranging from 2.0% to 5.0%. The Series 2013A Bonds mature serially from July 2014 through July 2033, as well as in July 2037 and July 2043. The Series 2013A Bonds maturing in 2037 and 2043 are payable in annual sinking fund installments from July 2034 and July 2038, respectively, to maturity. The proceeds from the Series 2013A bonds will be used to refinance indebtedness incurred in connection with the construction and acquisition of certain Washington Square and School of Medicine buildings.

In October 2013, DASNY issued $32,280 of taxable revenue bonds (Series 2013B) on behalf of the Obligated Group with interest rates ranging from 0.4% to 5.3%. The Series 2013B Bonds mature serially from July 2014 through July 2028, as well as in July 2033 and July 2043. The Series 2013B Bonds maturing in 2033 and 2043 are payable in annual sinking fund installments from July 2029 and July 2034, respectively, to maturity. The proceeds from the Series 2013B bonds will be used to refinance indebtedness incurred in connection with the construction and acquisition of certain buildings, including facilities located in Brooklyn and Washington, D.C.

In 2013, the Hospitals Center issued Series 2013A taxable bonds totaling $350,000. The Series 2013A bonds require annual interest payments through July 2043 at a fixed rate of 5.75%.

(in thousands of dollars)

Principal on the bonds is payable in full in 2043. The proceeds of the Series 2013A bonds will be used to pay the costs of various construction, renovation and equipment projects, repay certain outstanding lines of credit and for working capital and other eligible corporate purposes.

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 has been subsequently renewed on several occasions with the latest amendment extending for a period of 3 years and maturing on January 1, 2014. Interest was reset at an interest rate based on a 30-day LIBOR. In November 2013, the Hospitals Center cash defeased the remaining obligation outstanding.

The principal amounts outstanding for bonds and notes payable consist of the following at August 31, 2014 and 2013:

	2014				
	University	School of Medicine	Total Obligated Group	Hospitals Center	Consolidated NYU
DASNY					
Series 1998A bonds, with interest rates ranging from 5.75% to 6.00%, maturing serially through July 2020, payable thereafter in annual sinking fund installments to maturity in 2027 (including premium of $6,000)	$ 170,270	$ -	$ 170,270	$ -	$ 170,270
Series 2001A bonds, with an interest rate of 5.75%, maturing serially to maturity in July 2015 (including premiums of $38 and $27)	7,562	623	8,185	-	8,185
2001 Series 1 bonds, with an interest rate of 5.50%, maturing serially through July 2025, payable thereafter in annual sinking fund installments to maturities in July 2031 and July 2040 (including premiums of $2,798 and $2,753)	64,828	53,504	118,332	-	118,332
Series 2004A bonds, with interest rates ranging from 3.50% to 5.00%, maturing serially from July 2014 through July 2024, payable thereafter in annual sinking fund installments to maturities in July 2029 and July 2034 (including premium of $690)	53,890	-	53,890	-	53,890
Series 2006A bonds, with an interest rate of 4.80%, maturing serially from July 2013 through July 2016, payable thereafter in annual sinking fund installments to maturities in July 2020 and July 2026 (including premium of $1,618)	-	-	-	86,058	86,058
Series 2007A bonds, with an interest rate of 5.00%, maturing serially through July 2016, payable thereafter in annual sinking fund installments to maturities in July 2022, July 2026 and July 2036 (including premium of $3,255)	-	-	-	144,880	144,880
Series 2007A bonds, with interest rates ranging from 4.25% to 5.00%, maturing serially from July 2017 through July 2027, payable thereafter in annual sinking fund installments to maturities in July 2032 and July 2037 (including premium of $2,612)	128,757	-	128,757	-	128,757

(in thousands of dollars)

	2014				
	University	School of Medicine	Total Obligated Group	Hospitals Center	Consolidated NYU
DASNY, continued					
Series 2007B bonds, with a fixed interest rate of 5.6% payable in annual sinking fund installments from July 2009 and July 2025, to maturities in July 2024 and July 2037 (including discount of $2,201)	-	-	-	81,579	81,579
Series 2008A bonds, with interest rates ranging from 4.00% to 5.25%, maturing serially from July 2013 through July 2023, payable thereafter in annual sinking fund installments to maturities in July 2029, July 2038 and July 2048 (including premium of $4,174)	280,734	-	280,734	-	280,734
Series 2008B bonds, with interest rates ranging from 4.00% to 5.25%, maturing serially through July 2023, payable thereafter in annual sinking fund installments to maturities in July 2029, July 2038 and July 2048 (including premium of $2,953)	217,568	-	217,568	-	217,568
Series 2008C bonds, with interest rates ranging from 4.00% to 5.00%, maturing serially through July 2023, payable thereafter in annual sinking fund installments to maturities in July 2029 and July 2038 (including premium of $682)	89,887	-	89,887	-	89,887
Series 2009A bonds, with interest rates ranging from 3.10% to 5.25%, maturing serially from July 2015 through July 2029, payable thereafter in annual sinking fund installments to maturities in July 2034 and July 2039 (including net premiums of $12,104 and $1,315)	378,704	37,095	415,799	-	415,799
Series 2009B bonds, with an interest rate of 5.00%, payable in annual sinking fund installments from July 2030 and July 2034, respectively, to maturities in July 2034 and July 2039 (including premium of $912)	-	65,172	65,172	-	65,172
Series 2011A bonds, with interest rates ranging from 2.00% to 6.00%, maturing serially from July 2011 through July 2026, payable thereafter in annual sinking fund installments to maturities in July 2031 and July 2040 (including discount of $1,723)	-	-	-	123,482	123,482
Series 2012A bonds, with interest rates ranging from 2.00% to 5.00%, maturing serially from July 2013 through July 2032, payable thereafter in annual sinking fund installments to maturities in July 2037 and July 2042 (including net premiums of $15,558 and $4,939)	167,259	50,579	217,838	-	217,838
Series 2012B bonds, with interest rates ranging from 4.00% to 5.00%, maturing serially from July 2027 through July 2032, payable thereafter in annual sinking fund installments to maturities in July 2037 and July 2042 (including premium of $5,156)	60,190	-	60,190	-	60,190
Series 2012C taxable bonds, with interest rates ranging from 0.72% to 3.62%, maturing serially from July 2013 to maturity in July 2027	27,380	-	27,380	-	27,380

(in thousands of dollars)

	2014				
	University	School of Medicine	Total Obligated Group	Hospitals Center	Consolidated NYU
DASNY, continued					
Series 2013A bonds, with interest rates ranging from 2.00% to 5.00%, maturing serially from July 2014 through July 2033, payable thereafter in annual sinking fund installments to maturities in July 2037 and, July 2043 (including net premiums of $8,883)	133,912	-	133,912	-	133,912
Series 2013B taxable bonds, with interest rates ranging from 0.44% to 5.25%, maturing serially from July 2014 through July 2028, payable thereafter in annual sinking fund installments to maturities in July 2033 and, July 2043	31,430	-	31,430	-	31,430
Subtotal of DASNY bonds	1,812,371	206,973	2,019,344	435,999	2,455,343
NYCIDA					
NYCIDA Series 2007 bonds, with interest rates ranging from 4.35% to 5.25%, maturing serially from November 2011 to maturity in November 2037 (including premium of $1,091)	98,650	-	98,650	-	98,650
Subtotal of NYCIDA	98,650	-	98,650	-	98,650
NYU					
Series 2009 taxable bonds, with an interest rate of 5.24%, maturing in July 2032, payable in annual sinking fund installments from July 2015 to maturity	16,568	86,432	103,000	-	103,000
Series 2010 taxable bonds, with an interest rate of 4.96%, maturing in July 2032, payable in annual sinking fund installments from July 2015 to maturity	25,300	-	25,300	-	25,300
Subtotal of NYU Bonds	41,868	86,432	128,300	-	128,300
NYU Hospitals Center					
Series 2012 taxable bonds, with an interest rate of 4.40%, maturing in July 2042 (including discount of $967)	-	-	-	249,033	249,033
Series 2013 taxable bonds, with an interest rate of 5.75%, maturing in July 2043 (including discount of $1,386)	-	-	-	348,614	348,614
Subtotal of NYU Hospitals Center bonds	-	-	-	597,647	597,647
Other bonds and notes payable (Note 11)					
Various with interest rates ranging from 3.00% to 5.25%, due through November 2017	-	-	-	148,750	148,750
Promissory note with an interest rate of 3.2%, maturing in July 2015	55,029	-	55,029	-	55,029
Lines of credit	88,000	26,000	114,000	200,000	314,000
Capital leases	6,080	31,187	37,267	55,166	92,433
Subtotal of other bonds and notes payable	149,109	57,187	206,296	403,916	610,212
Total amounts outstanding	$ 2,101,998	$ 350,592	$ 2,452,590	$ 1,437,562	$ 3,890,152

(in thousands of dollars)

	2013				
	University	School of Medicine	Total Obligated Group	Hospitals Center	Consolidated NYU
DASNY					
Series 1998A bonds, with interest rates ranging from 5.75% to 6.00%, maturing serially through July 2020, payable thereafter in annual sinking fund installments to maturity in 2027 (including premium of $10,824)	$ 183,409	$ -	$ 183,409	$ -	$ 183,409
Series 2000D bonds, with interest rates ranging from 1.50% to 6.80%, maturing serially through July 2026, payable in annual sinking fund installments to maturities in July 2025 and July 2026	-	-	-	41,300	41,300
Series 2001A bonds, with an interest rate of 5.75%, maturing serially to maturity in July 2015 (including premiums of $672 and $53)	19,330	1,531	20,861	-	20,861
2001 Series 1 bonds, with an interest rate of 5.50%, maturing serially through July 2025, payable thereafter in annual sinking fund installments to maturities in July 2031 and July 2040 (including premiums of $3,498 and $2,860)	66,597	54,486	121,083	-	121,083
Series 2004A bonds, with interest rates ranging from 3.50% to 5.00%, maturing serially from July 2014 through July 2024, payable thereafter in annual sinking fund installments to maturities in July 2029 and July 2034 (including premium of $891)	55,676	-	55,676	-	55,676
Series 2006A bonds, with an interest rate of 4.80%, maturing serially from July 2013 through July 2016, payable thereafter in annual sinking fund installments to maturities in July 2020 and July 2026 (including premium of $1,755)	-	-	-	92,215	92,215
Series 2007A bonds, with an interest rate of 5.00%, maturing serially through July 2016, payable thereafter in annual sinking fund installments to maturities in July 2022, July 2026 and July 2036 (including premium of $3,404)	-	-	-	148,924	148,924
Series 2007A bonds, with interest rates ranging from 4.25% to 5.00%, maturing serially from July 2017 through July 2027, payable thereafter in annual sinking fund installments to maturities in July 2032 and July 2037 (including premium of $3,084)	129,229	-	129,229	-	129,229
Series 2007B bonds, with a fixed interest rate of 5.6% payable in annual sinking fund installments from July 2009 and July 2025, to maturities in July 2024 and July 2037 (including discount of $2,358)	-	-	-	83,382	83,382
Series 2008A bonds, with interest rates ranging from 4.00% to 5.25%, maturing serially from July 2013 through July 2023, payable thereafter in annual sinking fund installments to maturities in July 2029, July 2038 and July 2048 (including premium of $4,643)	284,369	-	284,369	-	284,369
Series 2008B bonds, with interest rates ranging from 4.00% to 5.25%, maturing serially through July 2023, payable thereafter in annual sinking fund installments to maturities in July 2029, July 2038 and July 2048 (including premium of $3,441)	220,647	-	220,647	-	220,647
Series 2008C bonds, with interest rates ranging from 4.00% to 5.00%, maturing serially through July 2023, payable thereafter in annual sinking fund installments to maturities in July 2029 and July 2038 (including premium of $856)	92,116	-	92,116	-	92,116

(in thousands of dollars)

	2013				
	University	School of Medicine	Total Obligated Group	Hospitals Center	Consolidated NYU
DASNY, continued					
Series 2009A bonds, with interest rates ranging from 3.10% to 5.25%, maturing serially from July 2015 through July 2029, payable thereafter in annual sinking fund installments to maturities in July 2034 and July 2039 (including net premiums of $14,624 and $1,368)	381,224	37,148	418,372	-	418,372
Series 2009B bonds, with an interest rate of 5.00%, payable in annual sinking fund installments from July 2030 and July 2034, respectively, to maturities in July 2034 and July 2039 (including premium of $948)	-	65,208	65,208	-	65,208
Series 2011A bonds, with interest rates ranging from 2.00% to 6.00%, maturing serially from July 2011 through July 2026, payable thereafter in annual sinking fund installments to maturities in July 2031 and July 2040 (including discount of $1,789)	-	-	-	124,131	124,131
Series 2012A bonds, with interest rates ranging from 2.00% to 5.00%, maturing serially from July 2013 through July 2032, payable thereafter in annual sinking fund installments to maturities in July 2037 and July 2042 (including net premiums of $18,061 and $5,115)	174,142	52,073	226,215	-	226,215
Series 2012B bonds, with interest rates ranging from 4.00% to 5.00%, maturing serially from July 2027 through July 2032, payable thereafter in annual sinking fund installments to maturities in July 2037 and July 2042 (including premium of $5,923)	60,957	-	60,957	-	60,957
Series 2012C taxable bonds, with interest rates ranging from 0.72% to 3.62%, maturing serially from July 2013 to maturity in July 2027	29,250	-	29,250	-	29,250
Subtotal of DASNY bonds	1,696,946	210,446	1,907,392	489,952	2,397,344
NYCIDA					
NYCIDA Series 2007 bonds, with interest rates ranging from 4.35% to 5.25%, maturing serially from November 2011 to maturity in November 2037 (including premium of $1,391)	101,031	-	101,031	-	101,031
Subtotal of NYCIDA	101,031	-	101,031	-	101,031
NYU					
Series 2009 taxable bonds, with an interest rate of 5.24%, maturing in July 2032, payable in annual sinking fund installments from July 2015 to maturity	16,568	86,432	103,000	-	103,000
Series 2010 taxable bonds, with an interest rate of 4.96%, maturing in July 2032, payable in annual sinking fund installments from July 2015 to maturity	25,300	-	25,300	-	25,300
Subtotal of NYU Bonds	41,868	86,432	128,300	-	128,300
NYU Hospitals Center					
Series 2012 taxable bonds, with an interest rate of 4.40%, maturing in July 2042 (including discount of $1,036)	-	-	-	248,999	248,999
Series 2013 taxable bonds, with an interest rate of 5.75%, maturing in July 2043 (including discount of $1,435)	-	-	-	348,565	348,565
Subtotal of NYU Hospitals Center bonds	-	-	-	597,564	597,564
Other bonds and notes payable (Note 11)					
Various with interest rates ranging from 3.00% to 5.25%, due through November 2017	9,901	-	9,901	11,048	20,949
Promissory note with an interest reate of 3.2%, maturing in July 2015	57,639	-	57,639	-	57,639
Lines of credit	138,000	16,600	154,600	50,000	204,600
Capital leases	22,721	27,071	49,792	50,395	100,187
Subtotal of other bonds and notes payable	228,261	43,671	271,932	111,443	383,375
Total amounts outstanding	$ 2,068,106	$ 340,549	$ 2,408,655	$ 1,198,959	$ 3,607,614

(in thousands of dollars)

The fair value of NYU's bonds and notes payable is estimated based on either the quoted market prices for the same or similar issues or NYU's current incremental borrowing rates for similar types of borrowing arrangements, and is $4,217,000 and $3,615,000 at August 31, 2014 and 2013, respectively. The fair value of NYU's bonds and notes payable of approximately $3,607,000 and $3,231,000, respectively, is classified as Level 2 as defined in Note 4. The fair value of NYU's other bonds and notes payable of approximately $610,000 and $384,000, respectively, is classified as Level 3 as defined in Note 4.

Interest expense on long-term debt totaled $151,497 and $136,871 for the years ended August 31, 2014 and 2013, respectively. This excludes $21,744 and $16,728 of capitalized interest (net of income earned on deposits with bond trustees) for the years ended August 31, 2014 and 2013, respectively, which is included in land, buildings, and equipment, net.

In conjunction with the current debt agreements, various security agreements were executed by the Hospitals Center. The agreements include pledging, as collateral, a security interest in the Hospitals Center's property, plant and equipment, and gross receipts and also place limitations on the use of certain assets.

Other agreements include covenants requiring that the Hospitals Center maintain certain financial ratios. At August 31, 2014 and 2013, NYU is compliant with all financial and administrative covenants.

Future Principal Payments
The aggregate required principal payments on all bonds and notes payable for each of the next five fiscal years, and thereafter to maturity, are as follows:

Year Ending August 31,	
2015	$ 365,777
2016	122,560
2017	100,635
2018	95,292
2019	212,331
Thereafter	2,922,581
Total principal payments	3,819,176
Unamortized premiums and discounts, net	70,976
	$ 3,890,152

11. Obligations With Financial Institutions & Other Leasing Obligation

At August 31, 2014 and 2013, the Obligated Group's contractually committed bank credit agreements totaled $500,000. A $300,000 agreement extends through August 2015. A $200,000 agreement extends through June 2016. The interest is accrued for both lines of credit at a rate based on LIBOR. The combined amounts outstanding under these agreements are $114,000 and $154,600 as of August 31, 2014 and 2013, respectively.

In May 2014, the Hospitals Center entered into a loan agreement with a bank totaling $150,000. The loan requires fixed monthly principal, and interest payments at variable rate equal to the Prime Rate in effect through May 2019. The rate for this loan at August 31, 2014 was 0.95%, and debt outstanding was $148,750. The proceeds of the loan are to be used to finance capital and other general corporate purposes.

(in thousands of dollars)

The Hospitals Center has four unsecured lines of credit totaling $500,000 (Commitments 1, 2, 3 and 4). Commitment no.1 has a total capacity of $200,000, and expires in September 2015. Commitment no. 2 has a total capacity of $100,000, and expires in March 2016. Commitment no. 3 has a total capacity of $100,000 and expires in September 2015. Commitment no. 4 has a total capacity of $100,000 and expires April 2016. As of August 31, 2014, the Hospitals Center has drawn $200,000 from these lines of credit.

In August 2009, the Hospitals Center entered into a lease agreement with DASNY under its tax exempt leasing program (TELP). The lease line, totaling $46,000, provides financing to the Hospitals Center for various capital equipment. In December 2013, the Hospitals Center repaid the remaining outstanding obligation due on this lease.

Other Leasing Obligation

In June 2013, NYUSoM entered into a lease agreement for four floors in a building which is currently under construction. NYUSoM plans to perform additional construction on these floors to complete certain structural elements and to customize them for use as laboratory and vivarium spaces. These activities and the cap on the construction allowances from the landlord resulted in NYUSoM being considered the accounting owner of these four floors.

NYUSoM has capitalized the total cost to construct the four floors as construction in progress and a related liability totaling $122,208 and $86,990 has been recorded as other leasing obligations on the consolidated balance sheet as of August 31, 2014 and 2013, respectively.

(in thousands of dollars)

12. Self-Insured Professional Liabilities

As described in Note 1, the Hospitals Center is self-insured for professional liability, primarily through a wholly-owned segregated cell captive company, CCC550. 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 investment assets of $274,296 and $255,247 at August 31, 2014 and 2013, respectively, to fund related obligations. CCC550 has total obligations for insurance exposure of $233,239 and $215,972 as of August 31, 2014 and 2013, respectively. 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.

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

13. Retirement Plans

Substantially all NYU employees are covered by retirement plans. These plans include various defined contribution plans, multi-employer defined benefit plans and three NYU-sponsored defined benefit plans. NYU contributes to its defined contribution and multi-employer defined benefit plans based on rates required by union or other contractual arrangements. Expenses related to NYU's defined contribution plans are $145,380 and $129,987 in 2014 and 2013, 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 three 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 three plans are based on participants' final average compensation levels and years of service.

(in thousands of dollars)

The following tables provide information with respect to the defined benefit plans for the years ended August 31:

Plans' Funded Status:

	2014	2013
Change in benefit obligation		
Benefit obligation, beginning of year	$ 783,842	$ 874,181
Service cost	14,492	18,361
Interest cost	37,931	33,869
Actuarial loss (gain)	109,143	(117,167)
Benefits paid	(29,533)	(25,010)
Administrative expense	(327)	(392)
Benefit obligation, end of year	915,548	783,842
Change in fair value of plan assets		
Fair value of plan assets, beginning of year	617,857	577,293
Actual return on plan assets	101,756	52,566
Employer contributions	35,320	13,400
Benefits paid	(29,533)	(25,010)
Administrative expense	(327)	(392)
Fair value of plan assets, end of year	725,073	617,857
Accrued benefit obligation	$ 190,475	$ 165,985
Benefit obligation weighted average assumptions as of August 31		
Discount rate	4.00% - 4.25%	4.75% - 5.00%
Rate of increase in compensation levels	3.50% - 4.00%	3.50% - 4.00%

(in thousands of dollars)

Net Periodic Benefit Cost:

	2014	2013
Components of net periodic benefit cost		
Service cost	$ 14,492	$ 18,361
Interest cost	37,931	33,869
Expected return on plan assets	(40,596)	(34,541)
Amortization of prior service cost	2	2
Amortization of actuarial loss	19,317	33,989
Net periodic benefit cost	$ 31,146	$ 51,680
Other changes recognized in unrestricted net assets		
Actuarial net loss (gain) arising during period	$ 47,983	$ (135,191)
Amortization of prior service cost	(2)	(2)
Amortization of actuarial loss	(19,317)	(33,989)
Total recognized in nonoperating activities	$ 28,664	$ (169,182)
Amounts not yet reflected in net periodic benefit cost and included in unrestricted net asset		
Prior service cost	$ 13	$ 15
Accumulated loss	262,954	234,288
Amounts in unrestricted net assets, end of year	$ 262,967	$ 234,303
Amounts in unrestricted net assets expected to be recognized in net periodic pension cost in fiscal 2015		
Actuarial loss	$ 25,386	$ 19,317
Prior service cost	2	2
Net periodic benefit cost weighted average assumptions		
Discount rate	4.75% - 5.00%	3.75% - 4.00%
Rate of increase in compensation levels	3.50% - 4.00%	3.50% - 4.00%
Expected long-term rate of return on plan assets	6.00% - 7.00%	6.00%

The accumulated benefit obligation for the pension plans is $854,933 and $734,781 at August 31, 2014 and 2013, respectively.

(in thousands of dollars)

Plan Assets:

The following table presents the fair value of the defined benefit plan investments (according to the hierarchy defined in Note 4) at August 31:

	2014			
	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Cash equivalents	$ 6,249	$ -	$ -	$ 6,249
Fixed income	154,799	71,667	-	226,466
Equity	378,192	102,606	-	480,798
Real estate	-	11,560	-	11,560
Total	$ 539,240	$ 185,833	$ -	$ 725,073

	2013			
	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Cash equivalents	$ 3,966	$ -	$ -	$ 3,966
Fixed income	139,096	57,634	-	196,730
Equity	320,205	87,140	-	407,345
Real estate	-	9,816	-	9,816
Total	$ 463,267	$ 154,590	$ -	$ 617,857

The pension assets seek to (1) provide retirement benefits to its eligible participants and beneficiaries and (2) achieve full funding of the pension liability, in such a timeframe and in such a way that risk and contribution levels are manageable for the sponsor, and maintain it thereafter. The pension liability growth rate together with the desire to achieve and maintain a fully-funded level (100%) implies a minimum absolute rate of return to be met through either (1) sponsor contributions, (2) pension assets growth, or (3) a combination thereof. The pension assets attempt to achieve, after taking into account the sponsor's budgeted contributions, a return sufficient to meet the desired funded level over a reasonable timeline, while incurring an acceptable level of risk.

The strategy for achieving and maintaining a fully funded pension liability may vary with the prevailing funded level and other parameters related to the overall goal. Therefore, the asset allocation process is designed to be dynamic and employ a liability-driven investment philosophy, which reframes risk and performance relative to the pension liability. This approach is expected to enable pension assets to more reliably track the value of the pension liability, with less funded level volatility, than would a static total-return investment. At low funding levels, the pension assets will focus on generating return, subject to risk tolerance and contribution policy; as the funding level rises, the objective of the pension assets will move gradually toward managing funded level volatility. Target allocations at the funded level are 34% equity, 2% real estate, 4% opportunistic and credit, and 60% fixed income and cash. The expected long-term rate of return assumption is determined by adding expected inflation to expected long-term real returns of various asset classes, weighing the asset class returns by the plans'

(in thousands of dollars)

investment in each class, and taking into account expected volatility and correlation between the returns of various asset classes. NYU management believes 6%-7% is a reasonable estimate of long-term rates of return on plan assets for 2014 and will continue to evaluate the actuarial assumptions and adjust them as necessary.

Contributions:
Annual contributions are determined by NYU based upon calculations prepared by the plans' actuaries. Expected contributions for the 2015 fiscal year are $13,400.

Benefit Payments:
The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid in the following years:

Year Ending August 31	
2015	$ 34,199
2016	37,249
2017	40,099
2018	42,835
2019	45,433
Thereafter	255,866

Multi-employer Benefit Plans:
NYU participates in multi-employer defined benefit pension plans. NYU makes cash contributions to these plans under the terms of collective-bargaining agreements that cover its union employees based on a fixed rate and hours of service per week worked by the covered employees. The risks of participating in these multi-employer plans are different from other single-employer plans in the following aspects: (1) assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers; (2) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers; and (3) if NYU chooses to stop participating in some of its multi-employer plans, NYU may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability. NYU has contributed cash and recorded expenses for the multi-employer plans noted in the table below. The measurement dates for the following plans are as of August 31 and December 31, as applicable.

	2014	**2013**
Pension Fund		
1199 SEIU Health Care Employees Health & Welfare Fund	$ 63,936	$ 56,631
1199 SEIU Health Care Employees Pension Fund	26,565	20,400
Local 810 Health & Welfare Fund	2,215	3,337
United Wire, Metal & Machine Pension Fund	1,120	1,096
Local 810 Pension Fund	883	797
Building Service 32BJ Pension Fund	113	175
	$ 94,832	$ 82,436

(in thousands of dollars)

NYU's contributions to the Building Service 32BJ Pension Fund and the 1199 SEIU Health Care Employees Pension Fund represent less than 5% of total plan contributions. In addition, the Local 810 Pension Fund's contributions are insignificant. The Health & Welfare Plans provide medical benefits (health, dental, prescription, vision) for active employees and retirees. Eligibility for benefit coverage level and type is dependent upon their status as an active employee or retiree.

The following table includes additional disclosure information related to the Pension Funds:

Plan Name	EIN/Pension Plan Number	Pension Protection Act Zone Status 2014	Pension Protection Act Zone Status 2013	FIP/RP Status Pending/ Implemented	Surcharge Imposed	Expiration Date of Collective-Bargaining Agreement
1199 Pension Fund	13-3604862/001	N/A	Green	N/A	No	September 2018

The Pension Protection Act zone status indicates the plan's funded status of either at least 80% funded (green) or less than 80% funded (yellow or red). A zone status of red requires the plan sponsor to implement a Funding Improvement Plan (FIP) or Rehabilitation Plan (RP).

(in thousands of dollars)

14. Other Postretirement Benefits

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

The following tables provide information with respect to the other postretirement plans for the years ended August 31:

Plans' Funded Status:

	2014	2013
Change in benefit obligation		
Benefit obligation, beginning of year	$ 524,998	$ 604,446
Service cost	18,219	22,576
Interest cost	24,450	22,928
Plan changes	3,643	2,492
Actuarial loss (gain)	55,451	(114,315)
Participants' contributions	3,919	4,147
Retiree drug subsidy receipts	1,524	1,213
Benefits paid	(20,190)	(18,489)
Benefit obligation, end of year	612,014	524,998
Change in fair value of plan assets		
Fair value of plan assets, beginning of year	67,889	57,546
Actual return on plan assets	10,678	1,073
Employer contributions	24,249	22,399
Plan participants' contributions	3,919	4,147
Retiree drug subsidy receipts	1,524	1,213
Benefits paid	(20,190)	(18,489)
Fair value of plan assets, end of year	88,069	67,889
Accrued postretirement benefit obligation	$ 523,945	$ 457,109

Weighted average assumptions to determine benefit obligations and net cost as of August 31		
Discount rate	4.00% - 4.25%	4.00% - 5.00%
Expected long-term rate of return	6.00% - 7.00%	6.00% - 8.50%
Ultimate retiree health-care cost trend	4.50%	4.50% - 5.00%
Year ultimate trend rate is achieved	2023 - 2027	2021 - 2027

(in thousands of dollars)

Net Periodic Benefit Cost:

	2014	2013
Components of net periodic benefit cost		
Service cost	$ 18,219	$ 22,576
Interest cost	24,450	22,928
Expected return on plan assets	(4,073)	(3,453)
Amortization of transition obligation	-	21
Amortization of plan service credit	(6,376)	(8,936)
Amortization of actuarial loss	4,800	15,891
Net periodic benefit cost	$ 37,020	$ 49,027
Other changes recognized in unrestricted net assets		
Amortization of actuarial net loss	$ (4,800)	$ (15,891)
Actuarial net loss (gain) arising during period	49,110	(111,935)
Amortization of prior service credit	6,376	8,936
Prior service cost arising during period	3,644	2,493
Amortization of transition obligation	-	(21)
Total recognized in nonoperating activities	$ 54,330	$ (116,418)
Amounts not yet reflected in net periodic benefit cost and included in unrestricted net assets		
Prior service credit	(17,318)	(27,337)
Accumulated loss	165,477	121,432
Amounts in unrestricted net assets, end of year	$ 148,159	$ 94,095
Amounts in unrestricted net assets expected to be recognized in net periodic pension cost in fiscal 2015		
Actuarial loss	$ (9,052)	$ (5,908)
Prior service credit	5,323	6,897

In 2014 and 2013, the effect of a 1% change in the health care cost trend rate is as follows:

	2014		2013	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Effect on net periodic benefit cost	$ 7,835	$ (6,276)	$ 9,376	$ (7,126)
Effect on postretirement benefit obligation	102,165	(80,900)	80,862	(66,236)

Contributions:
Expected contributions for the 2015 fiscal year are $9,739.

(in thousands of dollars)

Plan Assets:
The following table presents the fair value of the postretirement plan investments (according to the hierarchy defined in Note 4) at August 31:

	2014			
	Active Markets (Level 1)	**Observable Inputs (Level 2)**	**Unobservable Inputs (Level 3)**	**Total**
Cash equivalents	$ 123	$ -	$ -	$ 123
Equity funds	-	61,158	-	61,158
Fixed income	-	26,788	-	26,788
Total	$ 123	$ 87,946	$ -	$ 88,069

	2013			
	Active Markets (Level 1)	**Observable Inputs (Level 2)**	**Unobservable Inputs (Level 3)**	**Total**
Cash equivalents	$ 47	$ -	$ -	$ 47
Equity funds	-	44,382	-	44,382
Fixed income	-	23,460	-	23,460
Total	$ 47	$ 67,842	$ -	$ 67,889

The plans' investment objectives seek a positive long-term total rate of return after inflation to meet NYU's current and future plan obligations. The 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, taking into account expected volatility and correlation between the returns of various asset classes. NYU management believes that 6%-7% is a reasonable range of long-term rates of return on plan assets for 2014 and will continue to evaluate the actuarial assumptions and adjust them as necessary.

Benefit Payments:
The following benefit payments (net of retiree contributions), which reflect the effects of the Medicare Act and expected future service, as appropriate, are expected to be paid in:

Year Ending August 31,	
2015	$ 18,970
2016	20,627
2017	22,121
2018	23,981
2019	25,893
Thereafter	162,333

(in thousands of dollars)

15. Grants and Contracts

Grant and contract revenues represent reimbursements of costs incurred in direct support of research and other sponsored activities. Additionally, such sponsored grants and contracts generally provide for the recovery of indirect costs supporting these activities. Indirect costs, included in grant and contract revenues, are recovered at rates established in advance by NYU through negotiations with the federal government and other private sponsors and amount to $127,445 and $115,541 for the years ended August 31, 2014 and 2013, respectively.

16. Hospital Affiliations

NYUSoM has three affiliation agreements with the New York City Health and Hospitals Corporation to provide general care and mental health services. The first two agreements are with Woodhull Medical and Mental Health Center and Cumberland Diagnostic and Treatment Center, and Bellevue Medical Center and Gouverneur Diagnostic and Treatment Center and were effective for July 1, 2011 through June 30, 2014. Extension agreements cover the period from July 1, 2014 through June 30, 2015 for both affiliations. The third agreement is with Coler Hospital and Nursing Facility and the Goldwater Hospital and Nursing Facility and was effective for July 1, 2012 to June 30, 2014. An extension agreement covers the period July 1, 2014 to June 30, 2015. New multi-year affiliation agreements with an effective date of July 1, 2015 are currently being negotiated with each of these facilities.

17. Allocated Expenses

Certain expenses incurred by NYU are allocated to specific program and support service activities on the basis of utilization of the underlying assets. Expenses included in this allocation are operation and maintenance of plant, interest on indebtedness, and depreciation and amortization. These expenses, which are included in total operating expenses for the years ended August 31, 2014 and 2013, are presented below:

	2014			
	Operation and Maintenance of Plant	**Interest on Indebtedness**	**Depreciation and Amortization**	**Total**
Instruction and other academic programs	$ 65,615	$ 46,139	$ 91,982	$ 203,736
Research and other sponsored programs	57,460	6,265	24,923	88,648
Patient care	62,587	1,708	105,396	169,691
Libraries	6,651	492	9,127	16,270
Student services	13,122	3,667	18,300	35,089
Institutional services	150,504	55,056	53,444	259,004
Auxiliary enterprises	83,140	38,170	102,172	223,482
Total	$ 439,079	$ 151,497	$ 405,344	$ 995,920

(in thousands of dollars)

	2013			
	Operation and Maintenance of Plant	**Interest on Indebtedness**	**Depreciation and Amortization**	**Total**
Instruction and other academic programs	$ 64,269	$ 33,324	$ 82,593	$ 180,186
Research and other sponsored programs	58,216	7,194	24,623	90,033
Patient care	61,291	29,450	89,699	180,440
Libraries	7,619	1,287	9,208	18,114
Student services	14,023	3,731	16,396	34,150
Institutional services	117,414	14,429	44,388	176,231
Auxiliary enterprises	72,485	47,456	84,604	204,545
Total	$ 395,317	$ 136,871	$ 351,511	$ 883,699

18. Components of Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at August 31, 2014 and 2013:

	2014	**2013**
Contributions and earnings for operating purposes	$ 950,438	$ 690,320
Contributions for buildings and equipment	224,864	218,399
Disaster recovery award for mitigation	518,481	-
Annuity trust agreements	32,713	29,037
Scholarships and fellowships	139,355	106,560
Total	$ 1,865,851	$ 1,044,316

Permanently restricted net assets at August 31, 2014 and 2013 are retained in perpetuity to support the following activities:

	2014	**2013**
Program support	$ 432,880	$ 415,034
Faculty and staff salaries	745,816	724,484
Scholarships and fellowships	446,448	400,645
Library books	13,564	13,541
Research and sponsored programs	38,624	35,915
Buildings and equipment	4,490	4,308
Student loans	2,635	2,577
Total	$ 1,684,457	$ 1,596,504

(in thousands of dollars)

NYU's investment pools include individual endowed funds established for a variety of purposes. Pooled assets include both donor restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

NYU classifies as permanently restricted net assets: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment required by the applicable donor gift instrument. Accumulated unspent earnings from the permanently restricted endowments are classified as temporarily restricted net assets. Board-designated endowments, as well as any accumulated losses on any individual permanently restricted endowment (underwater endowment), are classified as unrestricted net assets.

NYU defines the appropriation of endowment net assets for expenditure as the authorization of its investment spending rate as approved annually by the Board of Trustees (see Note 4). However, when donors have expressly stipulated the payout percentage of earnings on endowments that differs from NYU policies, the donors' intent prevails. In making a determination to appropriate or accumulate, NYU adheres to the standard of prudence prescribed by New York Prudent Management of Institutional Funds Act (NYPMIFA) and considers the following factors: the duration and preservation of the endowment fund; NYU's mission and the purpose of 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 NYU; where appropriate and circumstances would otherwise warrant, alternatives to expenditures of the endowment fund giving due consideration to the effect that such alternatives may have on NYU; and the investment policy of NYU.

The following table represents the net asset classes of NYU's endowment funds as of August 31:

	2014			
	Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Donor-restricted endowment	$ -	$ 523,814	$ 1,615,713	$ 2,139,527
Board-designated endowment	1,336,350	-	-	1,336,350
Underwater endowment	(13,026)	-	-	(13,026)
Total	$ 1,323,324	$ 523,814	$ 1,615,713	$ 3,462,851

(in thousands of dollars)

	2013			
	Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Donor-restricted endowment	$ -	$ 369,405	$ 1,516,466	$ 1,885,871
Board-designated endowment	1,255,650	-	-	1,255,650
Underwater endowment	(20,468)	-	-	(20,468)
Total	$ 1,235,182	$ 369,405	$ 1,516,466	$ 3,121,053

The following table provides the changes in the net asset classes of NYU's endowment funds at August 31:

	2014			
	Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Investment pool net assets, beginning of year	$ 1,235,182	$ 369,405	$ 1,516,466	$ 3,121,053
Contributions	57,838	-	99,446	157,284
Investment return	148,891	239,530	-	388,421
Endowment distribution	(41,540)	(85,121)	-	(126,661)
Liquidations	(77,095)	-	-	(77,095)
Reclassification of net assets	48	-	(199)	(151)
Investment pool net assets, end of year	$ 1,323,324	$ 523,814	$ 1,615,713	$ 3,462,851

	2013			
	Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Investment pool net assets, beginning of year	$ 1,208,473	$ 285,174	$ 1,440,858	$ 2,934,505
Contributions	76,035	-	76,525	152,560
Investment return	104,169	157,084	-	261,253
Endowment distribution	(47,643)	(72,853)	-	(120,496)
Liquidations	(106,153)	-	-	(106,153)
Reclassification of net assets	301	-	(917)	(616)
Investment pool net assets, end of year	$ 1,235,182	$ 369,405	$ 1,516,466	$ 3,121,053

(in thousands of dollars)

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original value of the gift donated to the permanent endowment. In accordance with accounting principles generally accepted in the United States of America, deficits of this nature are reported as a reduction of unrestricted net assets. These deficits resulted from unfavorable market fluctuations that eroded accumulated gains for the permanently restricted endowments as well as the continued appropriation of certain programs which was deemed prudent by the University's Board of Trustees. Current and future gains will be classified as increases in unrestricted net assets until the shortfalls previously charged to unrestricted net assets have been eliminated and the individual endowment funds are returned to their required levels as stipulated by donors.

As of August 31, 2014 and 2013, there were a total of 89 and 151 individual endowment funds, respectively, within the permanently restricted net asset category with a market value less than their historical corpus value. The aggregate deficit of underwater endowment funds at August 31, 2014 and 2013 totaled approximately $13,026 and $20,468, respectively.

19. Commitments and Contingencies

In the normal course of business, NYU leases facilities under operating leases. Minimum rental payments under these agreements over the next five years and thereafter are as follows:

		Rental Lease Payments
Year Ending August 31,		
2015	$	188,624
2016		163,810
2017		145,607
2018		127,997
2019		122,062
Thereafter		950,261

Rent expense is $182,256 and $177,272 for the years ended August 31, 2014 and 2013, respectively.

The Hospitals Center is self-insured for workers' compensation benefits. In connection with being self-insured, the Hospitals Center has maintained stand-by letters of credit aggregating approximately $25,210 and $22,935 at August 31, 2014 and 2013, respectively. Cash and marketable securities collateralize the letters of credit.

NYU is a defendant in various legal actions arising from the normal course of its operations and amounts expended under government grants and contracts are subject to audit by governmental agencies. In addition, amounts received for patient care from Medicare and Medicaid are subject to audit. Although the final outcome of such actions and audits cannot be determined, management believes that eventual liability, if any, will not have a material effect on NYU's consolidated financial position.

(in thousands of dollars)

20. Superstorm Sandy

On October 29, 2012, Superstorm Sandy struck New York City causing widespread damage to properties throughout the region, including lower Manhattan. The main campus facilities of the Medical Center were impacted, including the Hospitals Center inpatient and outpatient facilities and the NYUSoM research, faculty group clinical practice, and education facilities all of which were temporarily closed. The Medical Center restored all of its operations during 2013 with the exception of the emergency department ("ED") which was reopened on April 22, 2014. During the period that the ED was out of service, the Hospitals Center operated an Urgent Care Center that provided care to a material portion of the patient volume formerly treated in the ED. The Medical Center incurred business interruption losses during the period that these facilities were shut down or being repaired. In addition, the Medical Center incurred significant disaster related operating costs to replace, repair, and remediate damage to its properties and to demolish and remove damaged improvements and contents. Projects to replace major equipment and infrastructure and to reconstruct damaged facilities were started immediately after the storm subsided and remain underway.

The following is a summary of the commercial insurance and federal disaster recovery reimbursement revenues recognized by the Medical Center and reflected in the consolidated financial statements for the years ended August 31, 2014 and August 31, 2013:

	Federal Disaster Recovery					
	FEMA Capped Grant Program	FEMA Emergency & Temporary Funding	Social Services Block Grant	Total	Commercial Insurance	
Estimated eligible costs	$ 1,130,073	$ 199,327	$ 22,000	$ 1,351,400		
Federal cost share	90%	90%				
Total awarded	1,017,066	179,394	22,000	1,218,460	89,638	
Additional eligible costs incurred	-	65,505	-	65,505	-	
Total	$ 1,017,066	$ 244,899	$ 22,000	$ 1,283,965	$ 89,638	
2013 Financial Statements						
Operating revenue	$ -	$ 252,915	$ -	$ 252,915	$ 70,000	
Non-operating revenue	-	-	-	-	6,500	**(b)**
2013 total unrestricted revenues	-	252,915	-	252,915	76,500	
2013 cash received	-	(179,394)	-	(179,394)	(60,000)	
Receivable at August 31, 2013	$ -	$ 73,521	$ -	$ 73,521	$ 16,500	
2014 Financial Statements						
Operating revenue	119,913	(8,016)	22,000	133,897	11,000	
Non-operating revenue	94,548	-	-	94,548	2,138	**(b)**
2014 total unrestricted revenues	214,461	(8,016)	22,000	228,445	13,138	
2014 temporarily restricted revenues	530,748	-	-	530,748	-	
2014 total revenues	745,209	(8,016)	22,000	759,193	13,138	
2014 cash received	(419,385)	-	-	(419,385)	(29,638)	
Receivable at August 31, 2014	$ 325,824	$ 65,505	$ 22,000	$ 413,329	$ -	
Balance sheet classification of 2014 receivable						
Disaster recovery receivable	$ 392,878	$ 65,505	$ 22,000	$ 480,383	$ -	
Deferred revenue- disaster recovery	(67,054)	-	-	(67,054)	-	
	$ 325,824	$ 65,505	$ 22,000	$ 413,329	$ -	

(b) Netted against disaster-related impairment of property, plant and equipment (see table on page 44).

(in thousands of dollars)

Federal Disaster Recovery Assistance

The Federal Emergency Management Agency (FEMA) committed significant aid to the Medical Center to assist in the recovery process and to mitigate losses which may occur as a result of future storms. On July 29, 2014, a letter of undertaking was executed by FEMA, the State of New York, New York University and the Medical Center agreeing to the terms of a fixed, capped Public Assistance Grant ("the Capped Grant") in the amount of $1,130,073 under the alternative procedures authorized under Section 428 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act. The Medical Center will receive 90% of the awarded amount for the performance of an agreed upon scope of work less amounts received from commercial insurance as may be required to avoid a duplication of benefits. This agreed upon scope of work is for the repair and replacement of eligible damage totaling $540,353 and for approved hazard mitigation projects totaling $589,720 for Medical Center properties. Of the $540,353 related to repairs and replacement, the Medical Center recognized revenue of $214,461 which represents 90% of eligible costs incurred through August 31, 2014. Of the $589,720 related to hazard mitigation projects, the Medical Center has recognized 90% of this total (or $530,748) as a temporarily restricted disaster recovery award for future mitigation that will be released from restriction as these related costs are incurred.

In August 2014, the Medical Center received the initial disbursement from the Capped Grant totaling $419,385 based on the committed disaster related amounts spent or committed to be spent in the initial twelve month period pursuant to the terms of the funding agreement. This initial disbursement is comprised of $281,515 for repairs and replacement of eligible damage and $137,870 for hazard mitigation projects. As of August 31, 2014, the unspent portion of the amounts received for repairs and replacement totaling $67,054 is recorded on the consolidated balance sheet in assets limited as to use-disaster recovery and deferred revenue. The revenues will be recognized as the allowable costs are incurred.

In addition to the Capped Grant award, FEMA continues to work with the Medical Center to finalize additional awards related to eligible disaster related emergency and non-permanent expenses that are not included in the Capped Grant. Revenue recognized is net of applicable insurance proceeds.

The Medical Center has received awards from federal agencies other than FEMA to assist in the recovery of certain disaster related costs. The Hospitals Center received a Social Services Block Grant (SSBG) totaling $22,000 to assist in the recovery of certain disaster related costs. The full amount covered by the SSBG award was expended in 2014 and the entire award amount was recognized in revenue and recorded in disaster recovery receivable as of August 31, 2014.

Additionally, in 2014, NYUSoM received $128,586 of NIH Disaster Recovery Appropriation Awards (NIH – DRAA) to restore lost research and to rebuild research space damaged as a result of the Storm. NYUSoM had total expenditures of NIH – DRAA awards of $37,531 during the year ended August 31, 2014, which were recognized as grants and sponsored program revenue.

Commercial Insurance

The Medical Center had insurance policies in effect at the time of Superstorm Sandy for business interruption, property, casualty, and other insurance coverage subject to various limitations and deductibles.

Commercial insurance recoveries-unallocated of $70,000 was recorded in the year ended August 31, 2013 of which $60,000 was collected in 2013 and the balance was collected as of August 31, 2014. No allocation of these recoveries between business interruption, property casualty, and other insurance coverage has been or is expected to be made by the insurers.

(in thousands of dollars)

In 2014, the Medical Center received $11,000 from commercial insurance as an advance payment for losses attributed to service interruption.

The Medical Center recognized commercial insurance recoveries specifically attributed to property losses totaling $2,138 and $6,500 in 2014 and 2013, respectively. These amounts, collected during 2014, have been recorded as a reduction to the disaster-related impairment of property, plant and equipment within the consolidated statements of activities.

Additional commercial insurance recoveries are expected and are being pursued but the ultimate outcome cannot be determined at this time and therefore, no additional revenue has been recorded for such expected recoveries through August 31, 2014.

Disaster-related Costs
The following is a summary of the disaster-related costs reflected in the consolidated financial statements for the years ended August 31, 2014 and 2013:

	2014	2013
Disaster-related operating expenses (a)	$ 78,490	$ 248,076
Gross disaster-related impairment of property, plant, and equipment	99	67,634
Less: Anticipated insurance recoveries solely attributed to property, plant and equipment	(2,138)	(6,500)
(Gain) Loss on Disaster-related disposal of property, plant and equipment (b)	$ (2,039)	$ 61,134
Disaster-related capital expenditures (c)	$ 102,020	$ 18,864

(a) Disaster-related operating expenses
Remediation of building and grounds include environmental clean-up, emergency stabilization, and temporary repairs. Other disaster-related operating costs include temporary facilities, replacement of lost medical, surgical, pharmaceutical and research supplies, and other miscellaneous items.

(b) (Gain) Loss disaster-related disposal of property, plant and equipment
Property, plant and equipment identified as impaired or destroyed was written off at the recorded net book value. The impairment amount is reported net of anticipated insurance recoveries specifically attributed to property losses.

(c) Disaster-related capital expenditures
Capital expenses incurred for hazard mitigation and the repair/restoration for eligible damages to the main campus and offsite facilities.

(in thousands of dollars)

21. Subsequent Events

NYU has performed an evaluation of subsequent events through December 19, 2014, which is the issuance date of the consolidated financial statements.

In October 2014, the Obligated Group defeased the remaining obligation of the Series 2004A bonds in the amount of $53,200.

In October 2014, DASNY issued $55,000 of revenue bonds (Series 2014A) on behalf of the Obligated Group with an interest rate of 2.59%. The Series 2014A bonds maturing in 2034 are payable in annual sinking fund installments from July 2017 to maturity. The proceeds from the Series 2014A bonds will be used to refinance indebtedness incurred in connection with the acquisition of certain Washington Square and School of Medicine buildings.

In September 2014, the Hospitals Center made repayments totaling $150,000 on its lines of credit. In November 2014, the Hospitals Center repaid the remaining $50,000 of the total $200,000 outstanding on these lines of credit as of August 31, 2014.

In November 2014, the Hospitals Center issued $300,000 of taxable bonds (Hospitals Center Series 2014A) with an interest rate of 4.78%. The Hospitals Center Series 2014A bonds mature in 2044 and are payable semi-annually on January 1 and July 1 of each year from July 2015 to maturity. The proceeds from the Hospitals Center Series 2014A bonds will be used to fund the costs of various construction, renovation and equipping projects, repay certain outstanding lines of credit and fund other eligible corporate purposes.

In December 2014, DASNY issued $77,700 of revenue bonds (Hospitals Center Series 2014B) on behalf of the Hospitals Center. The Hospitals Center Series 2014B bonds are payable at varying dates from August 2015 to final maturity in July 2036, at fixed rates from 2.0%-5.0%. The proceeds from the Hospitals Center Series 2014B bonds will be used to advance refund the outstanding Hospitals Center DASNY Series 2007B revenue bonds.

In October 2014, the University purchased a building for $157,500 which will house various activities including a temporary fitness center while a new athletic and recreation center is under construction.

In October 2014, the Hospitals Center commenced providing Emergency Department (ED) services at the site of the former Long Island College Hospital ED pursuant to an agreement with the State University of New York (SUNY) and a real estate development company (the Company). Pursuant to the agreement with SUNY and the Company, following demolition and remediation of adjacent premises, SUNY will deed the cleared site to the Hospitals Center at no cost and the Hospitals Center will construct on the site a four-story medical services building including a freestanding ED and other medical services.

The Hospitals Center has entered into a non-binding letter agreement with Lutheran Medical Center (Lutheran) concerning a potential affiliation transaction and is working actively towards the finalization of the proposed transaction. The governing boards of NYU, the Hospitals Center, and Lutheran have approved the proposed affiliation. Lutheran, an acute care hospital licensed to operate 450 beds, is located in the Sunset Park section of Brooklyn, with a number of health care affiliates, including a federally qualified health center with multiple sites (collectively, the Lutheran System). The Hospitals Center's affiliation with the Lutheran System is expected to expand the Hospitals Center's clinically integrated network, primarily with respect to the Hospitals Center's ambulatory base in the borough of Brooklyn. Completion of the proposed affiliation with the Lutheran System is subject to various regulatory approvals. There can be no assurance that such negotiations will be completed or that all necessary regulatory approvals will be obtained.

Appendix A

Supplemental Schedules to the Consolidated Financial Statements

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Balance Sheet for NYU - Summary)
August 31, 2014

(in thousands of dollars)

	2014			
	University	NYU Langone Medical Center	Eliminations	Consolidated NYU
Assets				
Cash and cash equivalents	$ 667,787	$ 574,903	$ -	$ 1,242,690
Short-term investments (Note 4)	3,436	55,512	-	58,948
Accounts and loans receivable, net (Note 5)	428,782	102,566	(152,471)	378,877
Patient accounts receivable, net	2,847	363,183	-	366,030
Contributions receivable, net (Note 6)	357,603	220,522	-	578,125
Other assets (Note 7)	164,096	156,260	-	320,356
Assets limited as to use - disaster recovery (Note 20)	-	67,054	-	67,054
Disaster-related receivable (Note 20)	-	480,383	-	480,383
Deposits with trustees (Note 8)	85,925	80,980	-	166,905
Long-term investments (Note 4)	2,699,552	1,251,406	-	3,950,958
Assets held by insurance captive (CCC550) (Note 12)	-	274,296	-	274,296
Land, buildings, and equipment, net (Note 9)	3,235,364	2,918,599	-	6,153,963
Total assets	$ 7,645,392	$ 6,545,664	$ (152,471)	$ 14,038,585
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued expenses	$ 223,646	$ 977,539	$ (152,471)	$ 1,048,714
Disaster-related accounts payable and accrued expenses (Note 20)	-	62,800	-	62,800
Deferred revenue	774,754	56,542	-	831,296
Deferred revenue - disaster related (Note 20)	-	67,054	-	67,054
Outstanding losses and loss adjustment expenses (Note 12)	-	233,239	-	233,239
Bonds and notes payable (Notes 10 and 11)	2,101,998	1,788,154	-	3,890,152
Other leasing obligations (Note 11)	-	122,208	-	122,208
Federal grants refundable (Note 5)	77,999	2,118	-	80,117
Accrued benefit obligation (Note 13)	51,191	139,284	-	190,475
Accrued postretirement obligation (Note 14)	356,515	167,430	-	523,945
Asset retirement obligation	146,643	34,642	-	181,285
Total liabilities	3,732,746	3,651,010	(152,471)	7,231,285
Net assets				
Unrestricted	1,878,311	1,378,681	-	3,256,992
Temporarily restricted (Note 18)	703,181	1,162,670	-	1,865,851
Permanently restricted (Note 18)	1,331,154	353,303	-	1,684,457
Total net assets	3,912,646	2,894,654	-	6,807,300
Total liabilities and net assets	$ 7,645,392	$ 6,545,664	$ (152,471)	$ 14,038,585

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Balance Sheet for NYU - Summary)
August 31, 2013

(in thousands of dollars)

	2013			
	University	NYU Langone Medical Center	Eliminations	Consolidated NYU
Assets				
Cash and cash equivalents	$ 707,125	$ 387,876	$ -	$ 1,095,001
Short-term investments (Note 4)	28,680	-	-	28,680
Accounts and loans receivable, net (Note 5)	414,350	79,276	(133,447)	360,179
Patient accounts receivable, net	2,985	313,197	-	316,182
Contributions receivable, net (Note 6)	300,213	219,077	-	519,290
Other assets (Note 7)	156,837	133,575	-	290,412
Disaster-related receivable (Note 20)	-	90,021	-	90,021
Deposits with trustees (Note 8)	101,161	101,042	-	202,203
Long-term investments (Note 4)	2,404,612	1,215,025	-	3,619,637
Assets held by insurance captive (CCC550) (Note 12)	-	255,247	-	255,247
Land, buildings, and equipment, net (Note 9)	3,180,744	2,300,983	-	5,481,727
Total assets	$ 7,296,707	$ 5,095,319	$ (133,447)	$ 12,258,579
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued expenses	$ 196,936	$ 861,346	$ (133,447)	$ 924,835
Disaster-related accounts payable and accrued expenses (Note 20)	-	79,858	-	79,858
Deferred revenue	795,671	47,212	-	842,883
Outstanding losses and loss adjustment expenses (Note 12)	-	215,972	-	215,972
Bonds and notes payable (Notes 10 and 11)	2,068,106	1,539,508	-	3,607,614
Other leasing obligations (Note 11)	-	86,990	-	86,990
Federal grants refundable	75,803	1,558	-	77,361
Accrued benefit obligation (Note 13)	38,175	127,810	-	165,985
Accrued postretirement obligation (Note 14)	316,852	140,257	-	457,109
Asset retirement obligation	124,022	38,539	-	162,561
Total liabilities	3,615,565	3,139,050	(133,447)	6,621,168
Net assets				
Unrestricted	1,890,488	1,106,103	-	2,996,591
Temporarily restricted (Note 18)	510,833	533,483	-	1,044,316
Permanently restricted (Note 18)	1,279,821	316,683	-	1,596,504
Total net assets	3,681,142	1,956,269	-	5,637,411
Total liabilities and net assets	$ 7,296,707	$ 5,095,319	$ (133,447)	$ 12,258,579

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Balance Sheet for NYU - Detail)
August 31, 2014

(in thousands of dollars)

	2014							
	University	School of Medicine	Eliminations	Subtotal	Hospitals Center	CCC550	Eliminations	Total Consolidated NYU
Assets								
Cash and cash equivalents	$ 667,787	$ 251,444	$ -	$ 919,231	$ 323,459	$ -	$ -	$ 1,242,690
Short-term investments (Note 4)	3,436	-	-	3,436	55,512	-	-	58,948
Accounts and loans receivable, net (Note 5)	428,782	62,051	(152,092)	338,741	-	77,115	(36,979)	378,877
Patient accounts receivable, net	2,847	59,704	-	62,551	303,479	-	-	366,030
Contributions receivable, net (Note 6)	357,603	46,447	-	404,050	174,075	-	-	578,125
Other assets (Note 7)	164,096	33,805	-	197,901	183,864	2,362	(63,771)	320,356
Assets limited as to use - disaster recovery (Note 20)	-	2,168	-	2,168	64,886	-	-	67,054
Disaster-related receivable (Note 20)	-	350,645	-	350,645	129,738	-	-	480,383
Deposits with trustees (Note 8)	85,925	629	-	86,554	80,351	-	-	166,905
Long-term investments (Note 4)	2,699,552	767,087	-	3,466,639	484,319	-	-	3,950,958
Assets held by insurance captive (CCC550) (Note 12)	-	-	-	-	-	274,296	-	274,296
Land, buildings, and equipment, net (Note 9)	3,235,364	960,252	-	4,195,616	1,958,347	-	-	6,153,963
Total assets	$ 7,645,392	$ 2,534,232	$ (152,092)	$ 10,027,532	$ 3,758,030	$ 353,773	$ (100,750)	$ 14,038,585
Liabilities and Net Assets								
Liabilities								
Accounts payable and accrued expenses	$ 223,646	$ 513,767	$ (152,092)	$ 585,321	$ 465,457	$ 13,503	$ (15,567)	$ 1,048,714
Diaster-related accounts payable and accrued expenses (Note 20)	-	20,634	-	20,634	42,166	-	-	62,800
Deferred revenue	774,754	32,833	-	807,587	1,861	56,558	(34,710)	831,296
Deferred revenue - disaster related (Note 20)	-	2,168	-	2,168	64,886	-	-	67,054
Outstanding losses and loss adjustment expenses (Note 12)	-	-	-	-	-	233,239	-	233,239
Bonds and notes payable (Notes 10 and 11)	2,101,998	350,592	-	2,452,590	1,437,562	-	-	3,890,152
Other leasing obligations (Note 11)	-	122,208	-	122,208	-	-	-	122,208
Federal grants refundable (Note 5)	77,999	2,118	-	80,117	-	-	-	80,117
Accrued benefit obligation (Note 13)	51,191	42,690	-	93,881	96,594	-	-	190,475
Accrued postretirement obligation (Note 14)	356,515	92,868	-	449,383	74,562	-	-	523,945
Asset retirement obligation	146,643	20,535	-	167,178	14,107	-	-	181,285
Total liabilities	3,732,746	1,200,413	(152,092)	4,781,067	2,197,195	303,300	(50,277)	7,231,285
Net assets								
Unrestricted	1,878,311	347,316	-	2,225,627	1,031,365	50,473	(50,473)	3,256,992
Temporarily restricted (Note 18)	703,181	646,245	-	1,349,426	516,425	-	-	1,865,851
Permanently restricted (Note 18)	1,331,154	340,258	-	1,671,412	13,045	-	-	1,684,457
Total net assets	3,912,646	1,333,819	-	5,246,465	1,560,835	50,473	(50,473)	6,807,300
Total liabilities and net assets	$ 7,645,392	$ 2,534,232	$ (152,092)	$ 10,027,532	$ 3,758,030	$ 353,773	$ (100,750)	$ 14,038,585

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Balance Sheet for NYU - Detail)
August 31, 2013

(in thousands of dollars)

	2013							
	University	School of Medicine	Eliminations	Subtotal	Hospitals Center	CCC550	Eliminations	Total Consolidated NYU
Assets								
Cash and cash equivalents	$ 707,125	$ 205,015	$ -	$ 912,140	$ 182,861	$ -	$ -	$ 1,095,001
Short-term investments (Note 4)	28,680	-	-	28,680	-	-	-	28,680
Accounts and loans receivable, net (Note 5)	414,350	41,760	(133,447)	322,663	3,161	70,981	(36,626)	360,179
Patient accounts receivable, net	2,985	54,797	-	57,782	258,400	-	-	316,182
Contributions receivable, net (Note 6)	300,213	44,425	-	344,638	174,652	-	-	519,290
Other assets (Note 7)	156,837	34,349	-	191,186	150,864	1,445	(53,083)	290,412
Disaster-related receivable (Note 20)	-	76,962	-	76,962	13,059	-	-	90,021
Deposits with trustees (Note 8)	101,161	1,540	-	102,701	99,502	-	-	202,203
Long-term investments (Note 4)	2,404,612	720,368	-	3,124,980	494,657	-	-	3,619,637
Assets held by insurance captive (CCC550) (Note 12)	-	-	-	-	-	255,247	-	255,247
Land, buildings, and equipment, net (Note 9)	3,180,744	827,221	-	4,007,965	1,473,762	-	-	5,481,727
Total assets	$ 7,296,707	$ 2,006,437	$ (133,447)	$ 9,169,697	$ 2,850,918	$ 327,673	$ (89,709)	$ 12,258,579
Liabilities and Net Assets								
Liabilities								
Accounts payable and accrued expenses	$ 196,936	$ 446,461	$ (133,447)	$ 509,950	$ 410,510	$ 25,919	$ (21,544)	$ 924,835
Diaster-related accounts payable and accrued expenses (Note 20)	-	59,246	-	59,246	20,612	-	-	79,858
Deferred revenue	795,671	29,595	-	825,266	-	51,347	(33,730)	842,883
Outstanding losses and loss adjustment expenses (Note 12)	-	-	-	-	-	215,972	-	215,972
Bonds and notes payable (Notes 10 and 11)	2,068,106	340,549	-	2,408,655	1,198,959	-	-	3,607,614
Other leasing obligations (Note 11)	-	86,990	-	86,990	-	-	-	86,990
Federal grants refundable	75,803	1,558	-	77,361	-	-	-	77,361
Accrued benefit obligation (Note 13)	38,175	41,901	-	80,076	85,909	-	-	165,985
Accrued postretirement obligation (Note 14)	316,852	81,238	-	398,090	59,019	-	-	457,109
Asset retirement obligation	124,022	15,952	-	139,974	22,587	-	-	162,561
Total liabilities	3,615,565	1,103,490	(133,447)	4,585,608	1,797,596	293,238	(55,274)	6,621,168
Net assets								
Unrestricted	1,890,488	348,023	-	2,238,511	758,080	34,435	(34,435)	2,996,591
Temporarily restricted (Note 18)	510,833	251,279	-	762,112	282,204	-	-	1,044,316
Permanently restricted (Note 18)	1,279,821	303,645	-	1,583,466	13,038	-	-	1,596,504
Total net assets	3,681,142	902,947	-	4,584,089	1,053,322	34,435	(34,435)	5,637,411
Total liabilities and net assets	$ 7,296,707	$ 2,006,437	$ (133,447)	$ 9,169,697	$ 2,850,918	$ 327,673	$ (89,709)	$ 12,258,579

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Statement of Activities for NYU - Summary)
Year Ended August 31, 2014

(in thousands of dollars)

	2014			
	University	NYU Langone Medical Center	Eliminations	Consolidated NYU
Changes in unrestricted net assets				
Operating revenues				
Tuition and fees (net of financial aid awards of $474,491 University; $6,599 NYU Langone Medical Center)	$ 1,532,863	$ 48,660	$ -	$ 1,581,523
Grants and contracts (Note 15)	410,212	285,046	(696)	694,562
Patient care (net of provision for bad debts $46,244 NYU Langone Medical Center) (Note 3)	41,211	2,618,260	-	2,659,471
Hospital affiliations (Note 16)	-	292,078	-	292,078
Insurance premiums earned	-	39,356	-	39,356
Contributions	93,531	49,762	-	143,293
Endowment distribution (Note 4)	97,571	29,090	-	126,661
Return on short-term investments (Note 4)	5,598	20,133	-	25,731
Auxiliary enterprises	390,961	22,277	(5,130)	408,108
Program fees and other	76,733	123,179	(6,866)	193,046
Commercial insurance-disaster recovery (Note 20)	-	11,000	-	11,000
Disaster recovery reimbursement (Note 20)	-	133,897	-	133,897
Net assets released from restrictions	43,383	65,732	-	109,115
Total operating revenues	2,692,063	3,738,470	(12,692)	6,417,841
Expenses (Note 17)				
Instruction and other academic programs	1,401,319	65,066	-	1,466,385
Research and other sponsored programs	373,132	438,448	(696)	810,884
Patient care	41,477	2,253,001	-	2,294,478
Hospital affiliations (Note 16)	-	272,070	-	272,070
Libraries	67,919	7,597	-	75,516
Student services	109,410	8,889	-	118,299
Auxiliary enterprises	412,572	53,094	(5,130)	460,536
Institutional services	350,892	421,058	(6,866)	765,084
Disaster-related expenses (Note 20)	-	78,490	-	78,490
Total expenses	2,756,721	3,597,713	(12,692)	6,341,742
(Deficiency) excess of operating revenues over expenses	(64,658)	140,757	-	76,099
Nonoperating activities				
Investment return (Note 4)	114,539	42,062	-	156,601
Appropriation of endowment distribution (Note 4)	(30,545)	(10,995)	-	(41,540)
Disaster recovery reimbursement for capital (Note 20)	-	94,548	-	94,548
Gain on disaster-related disposal of property, plant, and equipment	-	2,039	-	2,039
Other	16,543	9,085	-	25,628
Net assets released from restrictions for capital purposes	2,713	15,040	-	17,753
Net assets released from restrictions for hazard mitigation	-	12,267	-	12,267
Changes in pension and postretirement obligations (Notes 13 and 14)	(50,769)	(32,225)	-	(82,994)
(Decrease) increase in unrestricted net assets	(12,177)	272,578	-	260,401
Changes in temporarily restricted net assets				
Contributions	145,824	154,548	-	300,372
Investment return (Note 4)	184,772	55,025	-	239,797
Appropriation of endowment distribution (Note 4)	(67,026)	(18,095)	-	(85,121)
Disaster award for mitigation	-	530,748	-	530,748
Other	(25,126)	-	-	(25,126)
Net assets released from restrictions for hazard mitigation	-	(12,267)	-	(12,267)
Net assets released from restrictions	(46,096)	(80,772)	-	(126,868)
Increase in temporarily restricted net assets	192,348	629,187	-	821,535
Changes in permanently restricted net assets				
Contributions	56,239	36,620	-	92,859
Other	(4,906)	-	-	(4,906)
Increase in permanently restricted net assets	51,333	36,620	-	87,953
Increase in net assets	$ 231,504	$ 938,385	$ -	$ 1,169,889

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Statement of Activities for NYU - Summary)
Year Ended August 31, 2013

(in thousands of dollars)

	2013			
	University	**NYU Langone Medical Center**	**Eliminations**	**Consolidated NYU**
Changes in unrestricted net assets				
Operating revenues				
Tuition and fees (net of financial aid awards of $437,049 University; $5,269 NYU Langone Medical Center)	$ 1,483,290	$ 46,260	$ -	$ 1,529,550
Grants and contracts (Note 15)	392,249	250,619	(920)	641,948
Patient care (net of provision for bad debts $68,469 NYU Langone Medical Center) (Note 3)	44,277	2,128,726	-	2,173,003
Hospital affiliations (Note 16)	-	291,381	-	291,381
Insurance premiums earned	-	33,497	-	33,497
Contributions	95,545	40,621	-	136,166
Endowment distribution (Note 4)	86,053	34,443	-	120,496
Return on short-term investments (Note 4)	5,737	2,079	-	7,816
Auxiliary enterprises	369,758	22,041	(5,222)	386,577
Program fees and other	115,607	105,387	(6,503)	214,491
Commercial insurance-disaster recovery (Note 20)	-	70,000	-	70,000
Federal grant-disaster recovery (Note 20)	-	252,915	-	252,915
Net assets released from restrictions	61,295	55,829	-	117,124
Total operating revenues	2,653,811	3,333,798	(12,645)	5,974,964
Expenses (Note 17)				
Instruction and other academic programs	1,299,366	55,538	-	1,354,904
Research and other sponsored programs	347,619	383,495	(920)	730,194
Patient care	48,043	1,868,749	-	1,916,792
Hospital affiliations (Note 16)	-	264,074	-	264,074
Libraries	62,883	8,954	-	71,837
Student services	111,889	9,346	-	121,235
Auxiliary enterprises	394,807	49,493	(5,222)	439,078
Institutional services	344,887	470,378	(6,503)	808,762
Disaster-related expenses (Note 20)	-	248,076	-	248,076
Total expenses	2,609,494	3,358,103	(12,645)	5,954,952
Excess (deficiency) of operating revenues over expenses	44,317	(24,305)	-	20,012
Nonoperating activities				
Investment return (Note 4)	79,866	6,018	-	85,884
Appropriation of endowment distribution (Note 4)	(29,528)	(18,115)	-	(47,643)
Disaster-related impairment of property, plant, and equipment (Note 20)	-	(61,134)	-	(61,134)
Other	2,719	2,741	-	5,460
Net assets released from restrictions for capital purposes	201	73,158	-	73,359
Changes in pension and postretirement obligations (Notes 13 and 14)	101,902	183,698	-	285,600
Increase in unrestricted net assets	199,477	162,061	-	361,538
Changes in temporarily restricted net assets				
Contributions	46,031	250,836	-	296,867
Investment return (Note 4)	126,569	33,084	-	159,653
Appropriation of endowment distribution (Note 4)	(56,525)	(16,328)	-	(72,853)
Other	754	-	-	754
Net assets released from restrictions	(61,496)	(128,987)	-	(190,483)
Increase in temporarily restricted net assets	55,333	138,605	-	193,938
Changes in permanently restricted net assets				
Contributions	94,440	144	-	94,584
Other	(1,659)	-	-	(1,659)
Increase in permanently restricted net assets	92,781	144	-	92,925
Increase in net assets	$ 347,591	$ 300,810	$ -	$ 648,401

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Statement of Activities for NYU - Detail)
Year Ended August 31, 2014

(in thousands of dollars)

	2014							
	University	School of Medicine	Eliminations	Subtotal	Hospitals Center	CCC550	Eliminations	Total Consolidated NYU
Changes in unrestricted net assets								
Operating revenues								
Tuition and fees (net of financial aid awards of $474,491 University; and $6,599 NYU Langone Medical Center)	$ 1,532,863	$ 48,660	$ -	$ 1,581,523	$ -	$ -	$ -	$ 1,581,523
Grants and contracts (Note 15)	410,212	284,463	(696)	693,979	583	-	-	694,562
Patient care (net of provision for bad debts $46,244 NYU Langone Medical Center) (Note 3)	41,211	756,118	-	797,329	2,039,503	-	(177,361)	2,659,471
Hospital affiliations (Note 16)	-	276,000	-	276,000	16,078	-	-	292,078
Insurance premiums earned	-	-	-	-	-	63,869	(24,513)	39,356
Contributions	93,531	43,572	-	137,103	6,190	-	-	143,293
Endowment distribution (Note 4)	97,571	28,010	-	125,581	1,080	-	-	126,661
Return on short-term investments (Note 4)	5,598	19	-	5,617	11,034	9,080	-	25,731
Auxiliary enterprises	390,961	22,277	(5,130)	408,108	-	-	-	408,108
Program fees and other	76,733	162,762	(6,866)	232,629	130,213	-	(169,796)	193,046
Commercial insurance-disaster recovery (Note 20)	-	1,768	-	1,768	9,232	-	-	11,000
Disaster recovery reimbursement (Note 20)	-	36,799	-	36,799	97,098	-	-	133,897
Net assets released from restrictions	43,383	42,688	-	86,071	23,044	-	-	109,115
Total operating revenues	2,692,063	1,703,136	(12,692)	4,382,507	2,334,055	72,949	(371,670)	6,417,841
Expenses (Note 17)								
Instruction and other academic programs	1,401,319	65,066	-	1,466,385	-	-	-	1,466,385
Research and other sponsored programs	373,132	438,448	(696)	810,884	-	-	-	810,884
Patient care	41,477	750,297	-	791,774	1,680,065	-	(177,361)	2,294,478
Hospital affiliations (Note 16)	-	272,070	-	272,070	-	-	-	272,070
Libraries	67,919	7,597	-	75,516	-	-	-	75,516
Student services	109,410	8,889	-	118,299	-	-	-	118,299
Auxiliary enterprises	412,572	53,094	(5,130)	460,536	-	-	-	460,536
Institutional services	350,892	125,358	(6,866)	469,384	417,060	36,911	(158,271)	765,084
Disaster-related expenses (Note 20)	-	56,351	-	56,351	22,139	-	-	78,490
Total expenses	2,756,721	1,777,170	(12,692)	4,521,199	2,119,264	36,911	(335,632)	6,341,742
(Deficiency) excess of operating revenues over expenses	(64,658)	(74,034)	-	(138,692)	214,791	36,038	(36,038)	76,099
Nonoperating activities								
Investment return (Note 4)	114,539	33,998	-	148,537	8,064	-	-	156,601
Appropriation of endowment distribution (Note 4)	(30,545)	(10,954)	-	(41,499)	(41)	-	-	(41,540)
Disaster recover reimbursement for capital (Note 20)	-	21,174	-	21,174	73,374	-	-	94,548
(Loss) gain on disaster-related disposal of property, plant, and equipment	-	(501)	-	(501)	2,540	-	-	2,039
Other	16,543	8,714	-	25,257	371	-	-	25,628
Mission based payment	-	30,000	-	30,000	(30,000)	-	-	-
Net assets released from restrictions for capital purposes	2,713	-	-	2,713	15,040	-	-	17,753
Net assets released from restrictions for hazard mitigation	-	267	-	267	12,000	-	-	12,267
Changes in pension and postretirement obligations (Notes 13 and 14)	(50,769)	(9,371)	-	(60,140)	(22,854)	-	-	(82,994)
(Decrease) increase in unrestricted net assets	(12,177)	(707)	-	(12,884)	273,285	36,038	(36,038)	260,401
Changes in temporarily restricted net assets								
Contributions	145,824	85,399	-	231,223	69,149	-	-	300,372
Investment return (Note 4)	184,772	52,084	-	236,856	2,941	-	-	239,797
Appropriation of endowment distribution (Note 4)	(67,026)	(17,057)	-	(84,083)	(1,038)	-	-	(85,121)
Disaster award for mitigation	-	317,495	-	317,495	213,253	-	-	530,748
Other	(25,126)	-	-	(25,126)	-	-	-	(25,126)
Net assets released from restrictions for			-					
hazard mitigation	-	(267)	-	(267)	(12,000)	-	-	(12,267)
Net assets released from restrictions	(46,096)	(42,688)	-	(88,784)	(38,084)	-	-	(126,868)
Increase in temporarily restricted net assets	192,348	394,966	-	587,314	234,221	-	-	821,535
Changes in permanently restricted net assets								
Contributions	56,239	36,613	-	92,852	7	-	-	92,859
Other	(4,906)	-	-	(4,906)	-	-	-	(4,906)
Increase in permanently restricted net assets	51,333	36,613	-	87,946	7	-	-	87,953
Increase (decrease) in net assets	$ 231,504	$ 430,872	$ -	$ 662,376	$ 507,513	$ 36,038	$ (36,038)	$ 1,169,889

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Statement of Activities for NYU - Detail)
Year Ended August 31, 2013

(in thousands of dollars)

	2013							
	University	School of Medicine	Eliminations	Subtotal	Hospitals Center	CCC550	Eliminations	Total Consolidated NYU
Changes in unrestricted net assets								
Operating revenues								
Tuition and fees (net of financial aid awards of $437,049 University; and $5,269 NYU Langone Medical Center)	$ 1,483,290	$ 46,260	$ -	$ 1,529,550	$ -	$ -	$ -	$ 1,529,550
Grants and contracts (Note 15)	392,249	249,856	(920)	641,185	763	-	-	641,948
Patient care (net of provision for bad debts $68,469 NYU Langone Medical Center) (Note 3)	44,277	584,958	-	629,235	1,662,617	-	(118,849)	2,173,003
Hospital affiliations (Note 16)	-	275,364	-	275,364	16,017	-	-	291,381
Insurance premiums earned	-	-	-	-	-	59,222	(25,725)	33,497
Contributions	95,545	37,254	-	132,799	3,367	-	-	136,166
Endowment distribution (Note 4)	86,053	33,388	-	119,441	1,055	-	-	120,496
Return on short-term investments (Note 4)	5,737	74	-	5,811	4,189	(2,184)	-	7,816
Auxiliary enterprises	369,758	22,041	(5,222)	386,577	-	-	-	386,577
Program fees and other	115,607	114,222	(6,503)	223,326	79,930	-	(88,765)	214,491
Commercial insurance-disaster recovery (Note 20)	-	15,882	-	15,882	54,118	-	-	70,000
Federal grant-disaster recovery (Note 20)	-	145,495	-	145,495	107,420	-	-	252,915
Net assets released from restrictions	61,295	53,362	-	114,657	2,467	-	-	117,124
Total operating revenues	2,653,811	1,578,156	(12,645)	4,219,322	1,931,943	57,038	(233,339)	5,974,964
Expenses (Note 17)								
Instruction and other academic programs	1,299,366	55,538	-	1,354,904	-	-	-	1,354,904
Research and other sponsored programs	347,619	383,495	(920)	730,194	-	-	-	730,194
Patient care	48,043	636,492	-	684,535	1,351,106	-	(118,849)	1,916,792
Hospital affiliations (Note 16)	-	264,074	-	264,074	-	-	-	264,074
Libraries	62,883	8,954	-	71,837	-	-	-	71,837
Student services	111,889	9,346	-	121,235	-	-	-	121,235
Auxiliary enterprises	394,807	49,493	(5,222)	439,078	-	-	-	439,078
Institutional services	344,887	109,875	(6,503)	448,259	417,955	42,062	(99,514)	808,762
Disaster-related expenses (Note 20)	-	133,002	-	133,002	115,074	-	-	248,076
Total expenses	2,609,494	1,650,269	(12,645)	4,247,118	1,884,135	42,062	(218,363)	5,954,952
Excess (deficiency) of operating revenues over expenses	44,317	(72,113)	-	(27,796)	47,808	14,976	(14,976)	20,012
Nonoperating activities								
Investment return (Note 4)	79,866	13,527	-	93,393	(7,509)	-	-	85,884
Appropriation of endowment distribution (Note 4)	(29,528)	(18,074)	-	(47,602)	(41)	-	-	(47,643)
Disaster-related impairment of property, plant, and equipment (Note 20)	-	(32,177)	-	(32,177)	(28,957)	-	-	(61,134)
Other	2,719	7,382	-	10,101	(4,641)	-	-	5,460
Mission based payment	-	35,735	-	35,735	(35,735)	-	-	-
Net assets released from restrictions for capital purposes	201	500	-	701	72,658	-	-	73,359
Changes in pension and postretirement obligations (Notes 13 and 14)	101,902	87,260	-	189,162	96,438	-	-	285,600
Increase (decrease) in unrestricted net assets	199,477	22,040	-	221,517	140,021	14,976	(14,976)	361,538
Changes in temporarily restricted net assets								
Contributions	46,031	86,147	-	132,178	164,689	-	-	296,867
Investment return (Note 4)	126,569	31,206	-	157,775	1,878	-	-	159,653
Appropriation of endowment distribution (Note 4)	(56,525)	(15,314)	-	(71,839)	(1,014)	-	-	(72,853)
Other	754	-	-	754	-	-	-	754
Net assets released from restrictions	(61,496)	(53,862)	-	(115,358)	(75,125)	-	-	(190,483)
Increase in temporarily restricted net assets	55,333	48,177	-	103,510	90,428	-	-	193,938
Changes in permanently restricted net assets								
Contributions	94,440	117	-	94,557	27	-	-	94,584
Other	(1,659)	-	-	(1,659)	-	-	-	(1,659)
Increase in permanently restricted net assets	92,781	117	-	92,898	27	-	-	92,925
Increase (decrease) in net assets	$ 347,591	$ 70,334	$ -	$ 417,925	$ 230,476	$ 14,976	$ (14,976)	$ 648,401

SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

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SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

The following is a brief summary of certain provisions of the Loan Agreement pertaining to the Bonds and the Project. Such summary does not purport to be complete and reference is made to the Loan Agreement for full and complete statements of such and all provisions. Defined terms used herein shall have the meanings ascribed to them in Appendix A.

Construction of Projects

The University agrees that, whether or not there is sufficient money available to it under the provisions of the Resolution and under the Loan Agreement, the University shall complete the acquisition, design, construction, reconstruction, rehabilitation and improving or otherwise providing and furnishing and equipping of each Project, substantially in accordance with the Contract Documents relating thereto. Subject to the conditions of the Loan Agreement, the Authority will, to the extent of money available in the applicable Construction Fund, cause the University to be reimbursed for, or pay, any costs and expenses incurred by the University which constitute Costs of the Project, provided such costs and expenses are approved by an Authorized Officer of the Authority.

(Section 5)

Amendment of a Project; Cost Increases; Additional Bonds

A Project may be amended by the University with the prior written consent of an Authorized Officer of the Authority, which consent will not be unreasonably withheld, to decrease, increase or otherwise modify the scope thereof. Any such increase may provide for the addition of any further acquisition, design, construction, reconstruction, rehabilitation, renovation, improving, or otherwise providing furnishing and equipping of a Project which the Authority is authorized to undertake.

(Section 6)

Financial Obligations of the University; General and Unconditional Obligation; Voluntary Payments

Except to the extent that money is available therefor under the Resolution or the Loan Agreement, including money in the Debt Service Fund (other than money required to pay the Redemption Price or purchase price of Outstanding Bonds theretofore called for redemption or contracted to be purchased, plus interest accrued to the date of redemption or purchase), and excluding interest accrued but unpaid on investments held in the Debt Service Fund, the University pursuant to the Loan Agreement unconditionally agrees to pay, so long as Bonds are Outstanding, to or upon the order of the Authority, from its general funds or any other moneys legally available to it:

(a) On or before the date of delivery of the Bonds of a Series, the Authority Fee agreed to by the Authority and the University in connection with issuance of the Bonds of such Series;

(b) On or before the date of delivery of Bonds of a Series, such amount, if any, as is required, in addition to the proceeds of such Bonds available therefor, to pay the Costs of Issuance of such Bonds, and other costs in connection with the issuance of such Bonds;

(c) Three days (or the preceding Business Day if such day is not a Business Day) prior to an interest payment date on Outstanding Variable Interest Rate Bonds, the interest coming due on such Variable Interest Rate Bonds on such interest payment date, assuming that such Bonds will, from and after the next succeeding date on which the rates at which such Bonds bear interest are to be determined, bear interest at a rate per annum equal to the rate per annum for such Bonds on the immediately preceding Business Day, plus one percent (1%) per annum;

(d) On the fifth Business Day immediately preceding the July 1 and January 1 on which interest becomes due on Outstanding Bonds, other than Variable Interest Rate Bonds, the interest becoming due on such July 1 or January 1 interest payment date for such Bonds;

(e) On the fifth Business Day immediately preceding the date on which the principal or Sinking Fund Installments on any Outstanding Bonds becomes due, the principal and Sinking Fund Installments on the Bonds coming due on date;

(f) At least five Business Days prior to any date on which the Redemption Price or purchase price of Bonds previously called for redemption or to be purchased is to be paid, the amount required to pay the Redemption Price or purchase price of such Bonds;

(g) On December 10 of each Bond Year, one-half (1/2) of the Annual Administrative Fee payable during such Bond Year in connection with each Series of Bonds, and on June 10 of each Bond Year the balance of the Annual Administrative Fee payable during such Bond Year; *provided, however*, that the Annual Administrative Fee with respect to a Series of Bonds payable during the Bond Year during which such Annual Administrative Fee became effective shall be equal to the Annual Administrative Fee with respect to such Series of Bonds multiplied by a fraction the numerator of which is the number of calendar months or parts thereof remaining in such Bond Year and the denominator of which is twelve (12);

(h) Promptly after notice from the Authority, but in any event not later than fifteen (15) days after such notice is given, the amount set forth in such notice as payable to the Authority (i) for the Authority Fee then unpaid, (ii) to reimburse the Authority for payments made by it pursuant to the Loan Agreement and any expenses or liabilities incurred by the Authority pursuant to the Loan Agreement, (iii) to reimburse the Authority for any external costs or expenses incurred by it attributable to the issuance of a Series of Bonds or the financing or construction of a Project, including but not limited to any fees or other amounts payable under a remarketing agreement, a Credit Facility or a Liquidity Facility; (iv) for the costs and expenses incurred to compel full and punctual performance by the University of all the provisions of the Loan Agreement or the Resolution in accordance with the terms thereof, and (v) for the fees and expenses of the Trustee and any Paying Agent in connection with performance of their duties under the Resolution;

(i) Promptly upon demand by an Authorized Officer of the Authority (a copy of which shall be furnished to the Trustee), all amounts required to be paid by the University as a result of an acceleration pursuant to the Loan Agreement;

(j) Promptly upon demand by an Authorized Officer of the Authority, the difference between the amount on deposit in the Arbitrage Rebate Fund available to be rebated in connection with the Bonds of a Series or otherwise available therefor under the Resolution and the amount required to be rebated to the Department of the Treasury of the United States of America in accordance with the Code in connection with the Bonds of such Series;

(k) By 5:00 P.M., New York City time, on the date Option Bonds are tendered for purchase by the Holders thereof or on the date Variable Rate Bonds are subject to mandatory tender for purchase, as the case may be, the amount, in immediately available funds, required to pay the purchase price of Option Bonds or Variable Rate Bonds tendered for purchase and not remarketed or remarketed at less than the principal amount thereof and which is not to be paid from money to be made available pursuant to a Liquidity Facility; *provided, however*, that if such notice is given to the University by 10:00 A.M., New York City time, then such amount shall be paid, in immediately available funds, by 12:30 P.M., New York City time, on such day; *provided, further*, that, if such notice is given to the University after 3:00 P.M., New York City time, then such amount shall be paid, in immediately available funds, by 10:00 A.M., New York City time, on the next succeeding day; and

(l) Promptly upon demand by an Authorized Officer of the Authority, all amounts required to be paid by the Authority to a Counterparty in accordance with an Interest Rate Exchange Agreement or to reimburse the Authority for any amounts paid to a Counterparty in accordance with an Interest Rate Exchange Agreement.

Subject to the provisions of the Resolution and the Loan Agreement, the University shall receive a credit against the amount required to be paid by the University during a Bond Year pursuant to paragraph (e) above on account of any Sinking Fund Installments if, prior to the date notice of redemption is given pursuant to the Resolution with respect to Bonds to be redeemed through Sinking Fund Installments during the next succeeding Bond Year, either (i) the University delivers to the Trustee for cancellation one or more Bonds of the Series and maturity to be so redeemed or (ii) the Trustee, at the direction of the Authority, has purchased one or more Bonds of the maturity to be so redeemed from amounts on deposit in the Debt Service Fund in accordance with the Resolution during such Bond Year. The amount of the credit shall be equal to the principal amount of the Bonds so delivered.

The Authority directs the University, and the University agrees, to make the payments required by paragraphs (c), (d), (e), (f), (i) and (j) above directly to the Trustee for deposit and application in accordance with the Resolution, the payments required by paragraph (b) above directly to the Trustee for deposit in a Construction Fund or other fund established under the Resolution, as directed by an Authorized Officer of the Authority, the payments required by paragraphs (a), (g) and (h) above directly to the Authority and the payments required by paragraphs (k) and (l) above to or upon the order of the Authority.

Notwithstanding any provision in the Loan Agreement or in the Resolution to the contrary (except as otherwise specifically provided for in the Loan Agreement), all money paid by the University to the Trustee pursuant to the Loan Agreement or otherwise held by the Trustee shall be applied in reduction of the University's indebtedness to the Authority thereunder first with respect to interest and then, with respect to the principal amount of such indebtedness, but only to the extent that, with respect to interest on such indebtedness, such money is applied by the Trustee for the payment of interest on Outstanding Bonds, and, with respect to the principal of such indebtedness, such money has been applied to, or are held for, payments in reduction of the principal amount of Outstanding Bonds and as a result thereof Bonds have been paid or deemed to have been paid in accordance with the Resolution. Except as otherwise provided in the Resolution, the Trustee shall hold such money in trust in accordance with the applicable provisions of the Resolution for the sole and exclusive benefit of the Holders of Bonds, regardless of the actual due date or applicable payment date of any payment to the Holders of Bonds.

The obligations of the University to make payments or cause the same to be made under the Loan Agreement shall be absolute and unconditional and the amount, manner and time of making such payments shall not be decreased, abated, postponed or delayed for any cause or by reason of the happening or non-happening of any event, irrespective of any defense or any right of set-off, recoupment or counterclaim which the University may otherwise have against the Authority, the Trustee or any Bondholder for any cause whatsoever including, without limiting the generality of the foregoing, failure of the University to complete a Project or the completion thereof with defects, failure of the University to occupy or use a Project, any declaration or finding that the Bonds or any Series of Bonds or the Resolution is invalid or unenforceable or any other failure or default by the Authority or the Trustee; *provided, however*, that nothing in the Loan Agreement shall be construed to release the Authority from the performance of any agreements on its part contained in the Loan Agreement or any of its other duties or obligations, and in the event the Authority shall fail to perform any such agreement, duty or obligation, the University may institute such action as it may deem necessary to compel performance or recover damages for non-performance. Notwithstanding the foregoing, the Authority shall have no obligation to perform its obligations under the Loan Agreement to cause advances to be made to reimburse the University for, or to pay, the Costs of a Project beyond the extent of money in the account within the Construction Fund established for such Project.

The Loan Agreement and the obligations of the University to make payments under the Loan Agreement are general obligations of the University.

An Authorized Officer of the Authority, for the convenience of the University, shall furnish to the University statements of the due date, purpose and amount of payments to be made pursuant to the Loan Agreement. The failure to furnish such statements shall not excuse non-payment of the amounts payable under the Loan Agreement at the time and in the manner provided thereby. The University shall notify the Authority as to the amount and date of each payment made to the Trustee by the University.

The Authority shall have the right in its sole discretion to make on behalf of the University any payment required pursuant to the Loan Agreement which has not been made by the University when due. No such payment by the Authority shall limit, impair or otherwise affect the rights of the Authority under the provisions of the Loan

Agreement summarized below under the caption *"Defaults and Remedies"* arising out of the University's failure to make such payment and no payment by the Authority shall be construed to be a waiver of any such right or of the obligation of the University to make such payment.

The University, if it is not then in default under the Loan Agreement, shall have the right to make voluntary payments in any amount to the Trustee. In the event of a voluntary payment, the amount so paid shall be deposited in the Debt Service Fund and applied in accordance with the Resolution or held by the Trustee for the payment of Bonds in accordance with the Resolution. Upon any voluntary payment by the University, the Authority agrees to direct the Trustee to purchase or redeem Bonds in accordance with the Resolution or to give the Trustee irrevocable instructions in accordance with the Resolution with respect to such Series of Bonds; *provided, however*, that in the event such voluntary payment is in the sole judgment of the Authority sufficient to pay all amounts then due under the Loan Agreement and under the Resolution, including the purchase or redemption of all Bonds Outstanding, or to pay or provide for the payment of all Bonds Outstanding in accordance with the Resolution, the Authority agrees, in accordance with the instructions of the University, to direct the Trustee to purchase or redeem all Bonds Outstanding, or to cause all Bonds outstanding to be paid or to be deemed paid in accordance with the Resolution.

(Section 9)

Consent to Pledge and Assignment

The University consents to and authorizes the assignment, transfer or pledge by the Authority to the Trustee of (i) the Authority's rights to receive the payments required to be made pursuant to paragraphs (c), (d), (e), (f) and (i) of the provisions of the Loan Agreement summarized above under the caption *"Financial Obligations of the University; General and Unconditional Obligation; Voluntary Payments"*, (ii) any or all security interests that may be granted by the University under the second paragraph of the provisions of the Loan Agreement summarized below under the caption *"Management Consultant"* and (iii) all funds and accounts established by the Resolution and pledged thereby in each case to secure any payment or the performance of any obligation of the University under the Loan Agreement or arising out of the transactions contemplated in the Loan Agreement whether or not the right to enforce such payment or performance shall be specifically assigned by the Authority to the Trustee. The University further agrees that the Authority may pledge and assign to the Trustee any and all of the Authority's rights and remedies under the Loan Agreement. Upon any pledge and assignment by the Authority to the Trustee authorized by the Loan Agreement, the Trustee shall be fully vested with all of the rights of the Authority so assigned and pledged and may thereafter exercise or enforce, by any remedy provided therefor by the Loan Agreement or by law, any of such rights directly in its own name. Any such pledge and assignment shall be limited to the Authority's rights (x) to receive payments required to be made pursuant to paragraphs (c), (d), (e), (f) and (i) of the provisions of the Loan Agreement summarized above under the caption *"Financial Obligations of the University; General and Unconditional Obligation; Voluntary Payments"*, (y) in any security interest that may be granted by the University pursuant to the second paragraph of the provisions of the Loan Agreement summarized below under the caption *"Management Consultant"* and (z) to enforce all other obligations required to be performed by the University pursuant to the Loan Agreement. Any realization upon any pledge made or security interest that may be granted in accordance with the second paragraph of the provisions of the Loan Agreement summarized below under the caption *"Management Consultant"* shall not, by operation of law or otherwise, result in cancellation or termination of the Loan Agreement or the obligations of the University pursuant thereto.

(Section 10)

Management Consultant

The University shall (i) at the request of the Authority made at any time the rating on any Outstanding Bonds or on any of the University's long term unsecured, unenhanced debt obligations is reduced by a Rating Service to below, in the case of Moody's Investor Service, Inc. (**"Moody's"**), "A1" or, in the case of Fitch, Inc (**"Fitch"**) or Standard & Poor's Rating Services (**"S&P"**), "A+", or (ii) if the rating on any Outstanding Bonds or on any of the University's long term unsecured, unenhanced debt obligations is reduced by a Rating Service to below, in the case of Moody's "A2" or, in the case of Fitch or S&P, "A", or (iii) if any rating is suspended or withdrawn by a Rating Service, engage, at the University's expense, a Management Consultant within sixty (60) days after such request, reduction, suspension or withdrawal, unless the Authority has waived such obligation which it may do in its sole discretion. The Management Consultant shall review the fees and tuition, operations and management of the University and any other matter deemed appropriate by the Authority and make such recommendations with respect to such fees and tuition, operations, management and other matters. Copies of the report and recommendations of the Management Consultant (the **"Report"**) shall be delivered to the Authority, the Trustee, and the University's President and General Counsel no later than one hundred twenty (120) days following the date of engagement of such Management Consultant. The President of the University shall promptly cause the Report to be sent to each member of the University's Board of Trustees and to the members of each committee of the Board of Trustees as shall be determined by the President, on the advice of the General Counsel, shall consider appropriate. The University shall:

(i) not later than (30) days after receipt of the Report by the University's President deliver to the Authority, the Trustee, each member of the Board of Trustees and the members of each committee to which the Report was delivered, a written report setting forth the University's comment and reaction to the Report;

(ii) not later than sixty (60) days after receipt of the Report by the University's President, deliver to the Authority and the Trustee, a plan approved by either the University's Board of Trustees or the Executive Committee of the Board of Trustees setting forth in reasonable detail the following:

(a) the steps the University proposes to take to implement the recommendations contained in the Report;

(b) the timetable on which the University proposes to implement such recommendations; and

(c) with respect to any recommendations that the University does not plan to implement, an explanation of the University's reasons therefor, including any legal or regulatory restrictions or impediments to implementation of any such recommendations, and any business, financial or other factors that in the reasonable judgment of the University affect the feasibility of implementing any such recommendations; and

(iii) within thirty (30) days after the end of each fiscal quarter of the University, deliver a written report to the Authority and the Trustee demonstrating the progress made by the University in implementing the recommendations. The University shall continue to deliver such reports until it gives written notice to the authority and the Trustee that, in the University's reasonable judgment, either (1) the recommendations to have been implemented have been fully implemented or (2) it is no longer feasible to implement any recommendation that has not yet been implemented.

Notwithstanding the foregoing provisions of this section, the University in lieu of engaging a Management Consultant or implementation of the recommendations contained in the Report may elect to provide security in form and substance acceptable to the Authority in its sole discretion for the University's obligations under the Loan Agreement.

(Section 12)

Tax-Exempt Status of the University

The University represents that: (i) it is an organization described in Section 501(c)(3) of the Code, or corresponding provisions of prior law and is not a "private foundation," as such term is defined under Section 509(a) of the Code; (ii) it has received a letter or other notification from the Internal Revenue Service to that effect; (iii) such letter or other notification has not been the Loan Agreement modified, limited or revoked; (iv) it is in compliance with all terms, conditions and limitations, if any, contained in such letter or other notification; (v) the facts and circumstances which form the basis of such letter or other notification as represented to the Internal Revenue Service continue to exist; and (vi) it is exempt from federal income taxes under Section 501(a) of the Code, except for the payment of unrelated business income tax.

(Section 13)

Use and Control of Projects; Restrictions on Religious Use

Subject to the rights, duties and remedies of the Authority under the Loan Agreement, the University shall have sole and exclusive control and possession of and responsibility for (i) the Projects; (ii) the operation of the Projects and supervision of the activities conducted therein or in connection with any part thereof; and (iii) the maintenance, repair and replacement of the Projects; *provided, however*, that (A) except as otherwise limited by the Loan Agreement, the foregoing shall not prohibit use of a Project by persons other than the University or its students, staff and employees in furtherance of the University's corporate purposes if such use will not adversely affect the exclusion of interest on any Bonds from gross income for federal income tax purposes, and (B) the foregoing is not intended and shall not be construed to prohibit the University from disposing of any Project or part thereof subject only to the limitations and restrictions set forth in the Loan Agreement.

The University agrees that with respect to any Project or portion thereof, so long as such Project or portion thereof exists and unless and until such Project or portion thereof is sold for the fair market value thereof, such Project or portion thereof shall not be used for sectarian religious instruction or as a place of religious worship or in connection with any part of a program of a school or department of divinity for any religious denomination; *provided, however*, that the foregoing restriction shall not prohibit the free exercise of any religion; and *provided, further*, that if at any time hereafter, in the opinion of Bond Counsel, the then applicable law would permit a Project or portion thereof to be used without regard to the above stated restriction, said restriction shall not apply to such Project and each portion thereof. The Authority and its agents may conduct such inspections as an Authorized Officer of the Authority deems necessary to determine whether any Project or any portion or real property thereof financed by Bonds is being used for any purpose proscribed by the Loan Agreement. The University further agrees that prior to any disposition of any portion of a Project for less than fair market value, it shall execute and record in the appropriate real property records an instrument subjecting, to the satisfaction of the Authority, the use of such portion of such Project to the restriction that (i) so long as such portion of such Project (and, if included in the Project, the real property on or in which such portion of such Project is situated) shall exist and (ii) until such portion of such Project is sold or otherwise transferred to a person who purchases the same for the fair market value thereof at the time of such sale or transfer, such portion of such Project shall not be used for sectarian religious instruction or as a place of religious worship or used in connection with any part of the program of a school or department of divinity of any religious denomination. The instrument containing such restriction shall further provide that such restriction may be enforced at the instance of the Authority or the Attorney General of the State, by a proceeding in any court of competent jurisdiction, by injunction, mandamus or by other appropriate remedy. The instrument containing such restriction shall also provide that if at any time thereafter, in the opinion of Bond Counsel, the then applicable law would permit such portion of a Project, or the real property on or in which such portion is situated, to be used without regard to the above stated restriction, then said restriction shall be without any force or effect. For the purposes of the Loan Agreement an involuntary transfer or disposition of a Project or a portion thereof, upon foreclosure or otherwise, shall be considered a sale for the fair market value thereof.

(Sections 17 and 18)

Maintenance, Repair and Replacement.

The University agrees that, throughout the term of the Loan Agreement, it shall, at its own expense, hold, operate and maintain the Projects in a careful, prudent and economical manner, and keep the same, with the appurtenances and every part and parcel thereof, in good repair, working order and safe condition and shall from time to time make all necessary and proper repairs, replacements and renewals so that at all times the operation of the Projects may be properly and advantageously conducted. The University shall have the right to remove or replace any type of fixtures, furnishings and equipment in the Projects which may have been financed by the proceeds of the sale of Bonds provided the University substitutes for any removed or replaced fixtures, furnishings and equipment, additional fixtures, furnishings and equipment having equal or greater value and utility than the fixtures, furnishings and equipment so removed or replaced.

The University further agrees that it shall pay at its own expense all extraordinary costs of maintaining, repairing and replacing the Projects except insofar as funds are made available therefor from proceeds of insurance, condemnation or eminent domain awards.

(Section 19)

Covenant as to Insurance

The University agrees to maintain or cause to be maintained insurance with insurance companies or by means of self–insurance, insurance of such type, against such risks and in such amounts as are customarily carried by private colleges and universities located in the State of a nature similar to that of the University, which insurance shall include property damage, fire and extended coverage, public liability and property damage liability insurance in amounts estimated to indemnify the reasonably anticipated damage, loss or liability, subject to reasonable deductible provisions. The University shall at all times also maintain worker's compensation coverage as required by the laws of the State.

The University shall furnish to the Authority annually a report of an Insurance Consultant that the insurance coverage maintained by the University is adequate and in accordance with the standards above.

If the Authority shall so request in writing, the University shall provide to the Authority summaries or other evidence of its insurance coverage and shall obtain endorsements reasonably requested by the Authority.

(Section 20)

Reports and Financial Information

The University shall, if and when requested by an Authorized Officer of the Authority, render to the Authority and the Trustee reports with respect to all repairs, replacements and maintenance made to each Project. In addition, the University shall, if and when requested by an Authorized Officer of the Authority, render such other reports concerning the condition of each Project as an Authorized Officer of the Authority may request. The University shall also furnish annually, not later than one hundred sixty-five (165) days after the end of the University's fiscal year, to the Trustee, the Authority and to such other parties as an Authorized Officer of the Authority may resonably designate, including Rating Services, (i) a certificate stating whether the University is in compliance with the provisions of the Loan Agreement, (ii) copies of its financial statements audited by a nationally recognized independent public accountant selected by the University and acceptable to an Authorized Officer of the Authority and prepared in conformity with generally accepted accounting principles applied on a consistent basis, except that such audited financial statements may contain such changes as are concurred in by such accountants, and (iii) such other statements, reports and schedules describing the finances, operation and management of the University and such other information reasonably required by an Authorized Officer of the Authority.

(Section 23)

Defaults and Remedies

As used in the Loan Agreement the term "Event of Default" shall mean:

(a) the University shall (A) default in the timely payment of any amount payable pursuant to the Loan Agreement (except as described in paragraphs (B) and (C) of this paragraph (a)) or the payment of any other amounts required to be delivered or paid by or on behalf of the University in accordance with the Loan Agreement or the Resolution, and such default continues for a period in excess of seven (7) days or (B) default in the timely payment of any amount payable pursuant to paragraph (c), (d), (e) or (f) of the provision of the Loan Agreement summarized above under the caption *"Financial Obligations of the University; General and Unconditional Obligation; Voluntary Payments"* and such default continues for a period in excess of (1) day or (C) default in the timely payment of any payment pursuant to paragraph (k) of the provision of the Loan Agreement summarized above under the caption *"Financial Obligations of the University; General and Unconditional Obligation; Voluntary Payments"*; or

(b) the University defaults in the due and punctual performance of any other covenant contained in the Loan Agreement and such default continues for thirty (30) days after written notice requiring the same to be remedied shall have been given to the University by the Authority or the Trustee, or, if such default is not capable of being cured within thirty (30) days, the University fails to commence within said thirty (30) days to cure the same and to diligently prosecute the cure thereof;

(c) as a result of any default in payment or performance required of the University under the Loan Agreement or any Event of Default under the Loan Agreement, whether or not declared, continuing or cured, the Authority shall be in default in the payment or performance of any of its obligations under the Resolution or an "event of default" (as defined in the Resolution) shall have been declared under the Resolution so long as such default or event of default shall remain uncured or the Trustee, a Facility Provider or Holders of the Bonds shall be seeking the enforcement of any remedy under the Resolution as a result thereof;

(d) the University shall be in default under any agreement entered into with the issuer of or in connection with a Liquidity Facility or a Credit Facility (which default has not been waived or cured) if the University's obligations thereunder are secured by a lien upon, security interest in or pledge of property which is equal or prior to any lien upon, security interest in or pledge of such property given or made pursuant to the Loan Agreement and, upon such default, (A) the principal of any indebtedness thereunder may be declared to be due and payable or (B) the lien security interest or pledge may be foreclosed or realized upon;

(e) the University shall (i) be generally not paying its debts as they become due, (ii) file, or consent by answer or otherwise to the filing against it of, a petition under the United States Bankruptcy Code or under any other bankruptcy or insolvency law of any jurisdiction, (iii) make a general assignment for the benefit of its general creditors, (iv) consent to the appointment of a custodian, receiver, trustee or other officer with similar powers of itself or of any substantial part of its property, (v) be adjudicated insolvent or be liquidated, or (vi) take corporate action for the purpose of any of the foregoing;

(f) a court or governmental authority of competent jurisdiction shall enter an order appointing, without consent by the University, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or an order for relief shall be entered in any case or proceeding for liquidation or reorganization or otherwise to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the University, or any petition for any such relief shall be filed against the University and such petition shall not have been stayed or dismissed within ninety (90) days;

(g) the charter of the University shall be suspended or revoked;

(h) a petition shall be filed by the University with the Board of Regents of the University of the State , the legislature of the State or other governmental authority having jurisdiction over the University to dissolve the University;

(i) an order of dissolution of the University shall be made by the Board of Regents of the University of the State, the legislature of the State or other governmental authority having jurisdiction over the University which order shall remain undismissed or unstayed for an aggregate of thirty (30) days;

(j) a petition shall be filed with a court having jurisdiction for an order directing the sale, disposition or distribution of all or substantially all of the property belonging to the University which petition shall remain undismissed or unstayed for an aggregate of ninety (90) days;

(k) an order of a court having jurisdiction shall be made directing the sale, disposition or distribution of all or substantially all of the property belonging to the University, which order shall remain undismissed or unstayed for the earlier of (x) three (3) Business Days prior to the date provided for in such order for such sale, disposition or distribution or (y) an aggregate of thirty (30) days from the date such order shall have been entered; or

(l) a final judgment for the payment of money, at least $1,000,000 of which is not covered by insurance or reserves set aside by the University, which in the reasonable judgment of the Authority will materially adversely affect the rights of the Holders of the Bonds shall be rendered against the University and at any time after forty-five (45) days from the entry thereof, (i) such judgment shall not have been discharged or paid, or (ii) the University shall not have taken and be diligently prosecuting an appeal therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, and shall not have caused, within forty-five (45) days, the execution of or levy under such judgment, order, decree or process or the enforcement thereof to have been stayed pending determination of such appeal.

Upon the occurrence of an Event of Default the Authority may take any one or more of the following actions:

(a) declare all sums payable by the University under the Loan Agreement immediately due and payable;

(b) direct the Trustee to withhold any and all payments, advances and reimbursements from the proceeds of Bonds or any Construction Fund or otherwise to which the University may otherwise be entitled under the Loan Agreement and in the Authority's sole discretion apply any such proceeds or money for such purposes as are authorized by the Resolution;

(c) withhold any or all further performance under the Loan Agreement;

(d) maintain an action against the University under the Loan Agreement to recover any sums payable by the University or to require its compliance with the terms of the Loan Agreement;

All rights and remedies given or granted to the Authority in the Loan Agreement are cumulative, non-exclusive and in addition to any and all rights and remedies that the Authority may have or may be given by reason of any law, statute, ordinance or otherwise, and no failure to exercise or delay in exercising any remedy shall effect a waiver of the Authority's right to exercise such remedy thereafter.

At any time before the entry of a final judgment or decree in any suit, action or proceeding instituted on account of any Event of Default or before the completion of the enforcement of any other remedies under the Loan Agreement, the Authority may annul any declaration made or action taken pursuant to the Loan Agreement and its consequences if such Events of Default shall be cured. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereto.

(Section 26)

Termination

The Loan Agreement shall remain in full force and effect until no Bonds are Outstanding and until all other payments, expenses and fees payable under the Loan Agreement by the University shall have been made or provision made for the payment thereof; ***provided, however,*** that the liabilities and the obligations of the University to provide reimbursement for or indemnification against expenses, costs or liabilities made or incurred pursuant to the Loan Agreement and the obligations of the University under the Loan Agreement shall nevertheless survive any such termination. Upon such termination, an Authorized Officer of the Authority shall deliver such documents as may be reasonably requested by the University to evidence such termination and the discharge of its duties under the Loan Agreement, and the release or surrender of any security interests granted by the University to the Authority pursuant the Loan Agreement.

(Section 39)

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SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

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SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The following is a brief summary of certain provisions of the Resolution pertaining to the Series 2013 Bonds and the Project. Such summary does not purport to be complete and reference is made to the Resolution for full and complete statements of such and all provisions. Defined terms used herein shall have the meanings ascribed to them in Appendix A.

Contract with Bondholders

With respect to the Bonds, in consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued under the Resolution by those who shall hold or own the same from time to time, the Resolution shall be deemed to be and shall constitute a contract among the Authority, the Trustee and the Holders from time to time of such Bonds, and the pledge and assignment made to the Trustee in the Resolution and the covenants and agreements set forth to be performed by or on behalf of the Authority shall be for the equal and ratable benefit, protection and security of the Holders of any and all of such Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any such Bonds, over any other Bonds except as expressly provided in or permitted by the Resolution.

(Section 1.03)

Pledge of Revenues

The proceeds from the sale of the Bonds, the Revenues, and all funds and accounts established by the Resolution and any Series Resolution, excluding the Arbitrage Rebate Fund and any fund established for the payment of the purchase price of Option Bonds tendered for purchase, are pledged and assigned to the Trustee as security for the payment of the principal and Redemption Price of and interest on the Bonds and as security for the performance of any other obligation of the Authority under the Resolution and any Series Resolution, all in accordance with the provisions of the Resolution and any Series Resolution. The pledge of the Revenues and the assignment of the Authority's security interest therein shall also be for the benefit of each Provider as security for the payment of any amounts payable to such Provider under the Resolution; *provided, however*, that such pledge and assignment shall, in all respects, be subject and subordinate to the rights and interest therein of the Bondholders. The pledge made by the Resolution is valid, binding and perfected from the time when the pledge attaches and the proceeds from the sale of the Bonds, the Revenues and the funds and accounts established by the Resolution and any Series Resolution which are pledged thereby shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid, binding and perfected as against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such parties have notice thereof. No instrument by which such pledge is created nor any financing statement need be recorded or filed. The Bonds shall be special obligations of the Authority payable solely from and secured by a pledge of the proceeds from the sale of the Bonds, the Revenues and the funds and accounts established by the Resolution and are pledged thereby, which pledge shall constitute a first lien thereon.

(Section 5.01)

Establishment of Funds and Accounts

The following funds are established by the Resolution and shall be held and maintained by the Trustee:

Construction Fund;
Debt Service Fund; and
Arbitrage Rebate Fund.

In addition to the accounts and subaccounts, if any, required to be established by the Resolution or by any Series Resolution or any Bond Series Certificate, the Authority may for purposes of internal accounting establish such other accounts or subaccounts as the Authority or the Trustee deems proper, necessary or desirable. All money at any time deposited in any fund, account or subaccount created and pledged by the Resolution or by any Series

Resolution or required thereby to be created shall be held in trust for the benefit of the Holders of Bonds, but shall nevertheless be disbursed, allocated and applied solely for the uses and purposes provided in the Resolution; *provided, however*, that the proceeds derived from the remarketing of Option Bonds tendered or deemed to have been tendered for purchase in accordance with the Series Resolution authorizing the issuance of such Bonds or the Bond Series Certificate relating to such Bonds or derived from a Liquidity Facility relating to such Bonds, and any fund or account established by or pursuant to such Series Resolution for the payment of the purchase price of Option Bonds so tendered or deemed to have been tendered, shall not be held in trust for the benefit of the Holders of the Bonds other than such Option Bonds and are pledged by the Resolution for the payment of the purchase price of such Option Bonds.

(Section 5.02)

Application of Bond Proceeds and Allocation Thereof

Upon the receipt of the proceeds from the sale of a Series of Bonds, the Authority shall apply such proceeds as specified in the Resolution and in the Series Resolution authorizing such Series or the Bond Series Certificate relating to such Series.

Accrued interest, if any, received upon the delivery of a Series of Bonds shall be deposited in the Debt Service Fund unless all or any portion of such amount is to be otherwise applied as specified in the Series Resolution authorizing such Series or the Bond Series Certificate relating to such Series.

(Section 5.03)

Application of Money in the Construction Fund

As soon as practicable after the delivery of each Series of Bonds, there shall be deposited in the Construction Fund the amount required to be deposited therein pursuant to the Series Resolution authorizing the issuance of such Series or the Bond Series Certificate relating to such Series. Except as otherwise provided in the Resolution and in any applicable Series Resolution or Bond Series Certificate, money deposited in the Construction Fund shall be used only to pay the Costs of Issuance and the Costs of the Projects.

Upon receipt by the Trustee of a certificate relating to the completion of a Project, the money, if any, then remaining in the Construction Fund relating to such Project, after making provision in accordance with the direction of an Authorized Officer of the Authority for the payment of any Costs of Issuance and Costs of the Project then unpaid, shall be paid or applied by the Trustee as follows and in the following order of priority:

First: Upon the direction of an Authorized Officer of the Authority, to the Arbitrage Rebate Fund, the amount set forth in such direction; and

Second: To the Debt Service Fund, to be applied in accordance with the Resolution, any balance remaining.

(Section 5.04)

Deposit and Allocation of Revenues

The Revenues and any other money, which by any of the provisions of the Resolution are required to be paid to the Trustee, shall upon receipt by the Trustee be deposited or paid by the Trustee as follows in the following order of priority:

First: To the Debt Service Fund (i) in the case of Revenues received during the period from the beginning of each Bond Year until December 31 thereof, the amount, if any, necessary to make the amount in the Debt Service Fund equal to (a) the interest on Outstanding Bonds payable on or prior to the next succeeding January 1, including the interest estimated by the Authority to be payable on any Variable Interest Rate Bond on and prior to the next succeeding January 1, assuming that such Variable Interest Rate Bond will bear interest, from and after the next date on which the rate at which such Variable Interest Rate

Bond bears interest is to be adjusted, at a rate per annum equal to the rate per annum at which such Bonds then bear interest, plus one percent (1%) per annum, (b) the Sinking Fund Installments of Outstanding Option Bonds and Variable Interest Rate Bonds payable on or prior to the next succeeding January 1 and (c) the purchase price or Redemption Price of Outstanding Bonds theretofore contracted to be purchased or called for redemption pursuant to the Resolution on or prior to the next succeeding January 1, plus accrued interest thereon to the date of purchase or redemption; and (ii) in the case of Revenues received thereafter and until the end of such Bond Year, the amount, if any, necessary to make the amount in the Debt Service Fund equal to (a) the interest on and the principal and Sinking Fund Installments of Outstanding Bonds payable on and prior to the next succeeding July 1, including the interest estimated by the Authority to be payable on any Variable Interest Rate Bond on and prior to the next succeeding July 1, assuming that such Variable Interest Rate Bond will bear interest, from and after the next date on which the rate at which such Variable Interest Rate Bond bears interest is to be adjusted, at a rate per annum equal to the rate per annum at which such Bonds then bear interest, plus one percent (1%) per annum and (b) the purchase price or Redemption Price of Outstanding Bonds theretofore contracted to be purchased or called for redemption pursuant to the Resolution on or prior to the next succeeding July 1, plus accrued interest thereon to the date of purchase or redemption;

Second: To reimburse, pro rata, each Provider for Provider Payments which are then unpaid, in proportion to the respective Provider Payments then unpaid to each Provider; and

Third: Upon the direction of an Authorized Officer of the Authority, to the Arbitrage Rebate Fund the amount set forth in such direction;

Fourth: To the Authority, unless otherwise paid, such amounts as are payable to the Authority for: (i) any expenditures of the Authority for fees and expenses of auditing, and fees and expenses of the Trustee and Paying Agents, all as required by the Resolution, (ii) all other expenditures reasonably and necessarily incurred by the Authority in connection with the financing of the Projects, including expenses incurred by the Authority to compel full and punctual performance of all the provisions of the Loan Agreement in accordance with the terms thereof, and (iii) any fees of the Authority; but only upon receipt by the Trustee of a certificate signed by an Authorized Officer of the Authority, stating in reasonable detail the amounts payable to the Authority pursuant to this paragraph Fourth.

The Trustee shall notify the Authority and the University promptly after making the above payments of any balance of Revenues then remaining on the immediately succeeding July 1. After making the above required payments, the balance, if any, of the Revenues then remaining shall, upon the direction of an Authorized Officer of the Authority, be paid by the Trustee to the Construction Fund or the Debt Service Fund, or paid to the University, in the respective amounts set forth in such direction. Any amounts paid to the University shall be free and clear of any pledge, lien, encumbrance or security interest created by the Resolution or by the Loan Agreement.

(Section 5.05)

Debt Service Fund

The Trustee shall on or before the Business Day preceding each interest payment date pay to itself and any other Paying Agents out of the Debt Service Fund:

(i) the interest due and payable on all Outstanding Bonds on such interest payment date;

(ii) the principal amount due and payable on such interest payment date on all Outstanding Bonds; and

(iii) the Sinking Fund Installments or other amounts related to a mandatory redemption, if any, due and payable on all Outstanding Bonds on such interest payment date.

The amounts paid out pursuant to this subdivision shall be irrevocably pledged to and applied to such payments.

Notwithstanding the first paragraph of this subdivision, the Authority may, at any time subsequent to July 1 of any Bond Year but in no event less than forty-five (45) days prior to the succeeding date on which a Sinking Fund Installment is scheduled to be due, direct the Trustee to purchase, with money on deposit in the Debt Service Fund, at a price not in excess of par plus interest accrued and unpaid to the date of such purchase, Term Bonds to be redeemed from such Sinking Fund Installment. In addition, the University pursuant to the Loan Agreement may deliver, at any time subsequent to July 1 of any Bond Year, but in no event less than forty–five (45) days prior to the succeeding date on which a Sinking Fund Installment is scheduled to be due, to the Trustee for cancellation one or more Term Bonds of the Series and maturity to be so redeemed on such date from such Sinking Fund Installment. Any Term Bond so purchased and any Term Bond purchased by the University and delivered to the Trustee in accordance with the Resolution shall be canceled upon receipt thereof by the Trustee and evidence of such cancellation shall be given to the Authority. The principal amount of each Term Bond so canceled shall be credited against the Sinking Fund Installment due on such date; *provided, however*, that such Term Bond is canceled by the Trustee prior to the date on which notice of redemption is given.

Money in the Debt Service Fund in excess of the amount required to pay the principal and Sinking Fund Installments of Outstanding Bonds payable on and prior to the next succeeding July 1, the interest on Outstanding Bonds payable on and prior to the earlier of the next succeeding interest payment date assuming that a Variable Interest Rate Bond will bear interest, from and after the next date on which the rate at which such Variable Interest Rate Bond bears interest is to be adjusted, at a rate per annum equal to the rate per annum at which such Bonds then bear interest, plus one percent (1%) per annum, and the purchase price or Redemption Price of Outstanding Bonds theretofore contracted to be purchased or called for redemption, plus accrued interest thereon to the date of purchase or redemption, shall be applied by the Trustee in accordance with the direction of an Authorized Officer of the Authority to the purchase of Outstanding Bonds of any Series at purchase prices not exceeding the Redemption Price applicable on the next interest payment date on which such Bonds are redeemable, plus accrued and unpaid interest to such date, at such times, at such purchase prices and in such manner as an Authorized Officer of the Authority shall direct. If sixty (60) days prior to the end of a Bond Year an excess, calculated as aforesaid, exists in the Debt Service Fund, such money shall be applied by the Trustee in accordance with the direction of an Authorized Officer of the Authority given pursuant to the Resolution to the redemption of Bonds as provided in the Resolution, at the Redemption Prices specified in the applicable Series Resolution authorizing the issuance of the Bonds to be redeemed or the Bond Series Certificate relating to such Bonds.

(Section 5.06)

Arbitrage Rebate Fund

The Trustee shall deposit to the Arbitrage Rebate Fund any money delivered to it by the University for deposit therein and, notwithstanding any other provisions of the Resolution, shall transfer to the Arbitrage Rebate Fund, in accordance with the directions of an Authorized Officer of the Authority, money on deposit in any other funds held by the Trustee under the Resolution at such times and in such amounts as set forth in such directions.

Money on deposit in the Arbitrage Rebate Fund shall be applied by the Trustee in accordance with the direction of an Authorized Officer of the Authority to make payments to the Department of the Treasury of the United States of America at such times and in such amounts as the Authority shall determine to be required by the Code to be rebated to the Department of the Treasury of the United States of America. Money which an Authorized Officer of the Authority determines to be in excess of the amount required to be so rebated shall, first, be applied to reimburse pro rata, each Provider for money advanced under a Credit Facility or a Liquidity Facility, including interest thereon, which is then unpaid in proportion to the respective amounts advanced by each Provider, and, then be deposited to any fund or account established under the Resolution in accordance with the directions of such Authorized Officer.

(Section 5.07)

Application of Money in Certain Funds for Retirement of Bonds

Notwithstanding any other provisions of the Resolution, if at any time the amounts held in the Debt Service Fund are sufficient to pay the principal or Redemption Price of all Outstanding Bonds and the interest accrued and unpaid and to accrue on such Bonds to the next date on which all such Bonds are redeemable, or to make provision pursuant to the Resolution for the payment of the Outstanding Bonds at the maturity or redemption dates thereof, the Trustee shall so notify the Authority and the University. Upon receipt of such notice, the Authority may (i) direct the Trustee to redeem all such Outstanding Bonds, whereupon the Trustee shall proceed to redeem or provide for the redemption of such Outstanding Bonds in the manner provided for redemption of such Bonds by the Resolution and by each Series Resolution as provided in the Resolution, or (ii) give the Trustee irrevocable instructions in accordance with the Resolution and make provision for the payment of the Outstanding Bonds at the maturity or redemption dates thereof in accordance therewith.

(Section 5.08)

Investment of Funds and Accounts

Money held under the Resolution by the Trustee, if permitted by law, shall, as nearly as may be practicable, be invested by the Trustee, upon direction of the Authority given or confirmed in writing, signed by an Authorized Officer of the Authority (which direction shall specify the amount thereof to be so invested), in Government Obligations, Federal Agency Obligations Exempt Obligations, and, if not inconsistent with the investments guidelines of a Rating Service applicable to funds held under the Resolution, any other permitted investment; *provided, however,* that each such investment shall permit the money so deposited or invested to be available for use at the times at which the Authority reasonably believes such money will be required for the purposes of the Resolution *provided, further,* that (x) any Permitted Collateral required to secure any Permitted Investment shall have a market value, determined by the Trustee or its agent periodically, but no less frequently than weekly, at least equal to the amount deposited or invested including interest accrued thereon, (y) the Permitted Collateral shall be deposited with and held by the Trustee or an agent of the Trustee approved by an Authorized Officer of the Authority, and (z) the Permitted Collateral shall be free and clear of claims of any other person..

Permitted Investments purchased as an investment of money in any fund or account held by the Trustee under the provisions of the Resolution shall be deemed at all times to be a part of such fund or account and the income or interest earned, profits realized or losses suffered by a fund or account due to the investment thereof shall be retained in, credited or charged, as the case may be, to such fund or account.

In computing the amount in any fund or account held by the Trustee under the provisions of the Resolution, Permitted Investments shall be valued at par or the market value thereof, plus accrued interest, whichever is lower.

Notwithstanding anything to the contrary in the Resolution, the Authority, in its discretion, may direct the Trustee to, and the Trustee shall, sell, present for redemption or exchange any investment held by the Trustee pursuant to the Resolution and the proceeds thereof may be reinvested as provided in the Resolution. Except as otherwise provided in the Resolution, the Trustee shall sell at the best price obtainable, or present for redemption or exchange, any investment held by it pursuant to the Resolution whenever it shall be necessary in order to provide money to meet any payment or transfer from the fund or account in which such investment is held. The Trustee shall advise the Authority and the University on or before the fifteenth (15th) day of each calendar month, of the amounts required to be on deposit in each fund and account under the Resolution and of the details of all investments held for the credit of each fund and account in its custody under the provisions of the Resolution as of the end of the preceding month and as to whether such investments comply with the provisions of the Resolution. The details of such investments shall include the par value, if any, the cost and the current market value of such investments as of the end of the preceding month. The Trustee shall also describe all withdrawals, substitutions and other transactions occurring in each such fund and account in the previous month.

(Section 6.02)

Tax Exemption; Rebates

In order to maintain the exclusion from gross income for purposes of federal income taxation of interest on the Authorized Bonds, the Authority shall comply with the provisions of the Code applicable to such Authorized Bonds, including without limitation, the provisions of the Code relating to the computation of the yield on investments of the “gross proceeds” of such Authorized Bonds, as such term is defined in the Code, reporting of the earnings on such gross proceeds, rebates of earnings on such gross proceeds to the Department of the Treasury of the United States of America, and use, ownership or management of the facilities financed by such gross proceeds.

In furtherance of the foregoing, the Authority shall comply with the provisions of the Tax Certificate and with such written instructions as may be provided by Bond Counsel or a special tax counsel.

The Authority shall not take any action or fail to take any action which would cause the Authorized Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code; nor shall any part of the proceeds of the Authorized Bonds or any other funds of the Authority be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Authorized Bond to be an "arbitrage bond" within the meaning of Section 148(a) of the Code.

The Authority shall make any and all payments required to be made to the United States Department of Treasury in connection with the Authorized Bonds pursuant to Section 148(f) of the Code from amounts on deposit in the Arbitrage Rebate Fund and available therefor..

(Section 6.01)

Creation of Liens

Except as permitted by the Resolution, the Authority shall not create, cause to be created or suffer or permit the creation of any lien or charge prior or equal to that of the Bonds on the proceeds from the sale of the Bonds, the Revenues, the rights of the Authority to receive payments to be made under the Loan Agreement that are to be deposited with the Trustee or the funds and accounts established by the Resolution or by any Series Resolution which are pledged thereby; *provided, however*, that nothing contained in the Resolution shall prevent the Authority from (i) issuing bonds, notes or other obligations or otherwise incurred indebtedness under another and separate resolution so long as the charge or lien created thereby is not prior to the charge or lien created by the Resolution, and (ii) incurring obligations with respect to a Credit Facility or a Liquidity Facility which are secured by a lien upon and pledge of the Revenues of equal priority with the lien created and the pledge made by the Resolution.

(Section 7.06)

Amendment of Loan Agreement

Except as expressly otherwise provided in Section 7.11 of the Resolution, the Loan Agreement may not be amended, changed, modified, altered or terminated nor may any provision thereof be waived if any such amendment, change, modification, alteration, termination or waiver would adversely affect the interest of the Holders of Outstanding Bonds in any material respect unless consented to in writing by (a) the Holders of at least a majority in aggregate principal amount of the Bonds then Outstanding, or (b) in case less than all of the several Series of Bonds then Outstanding are affected by the modifications or amendments, the Holders of not less than a majority in aggregate principal amount of the Bonds of each Series so affected then Outstanding; ***provided, however,*** that if such amendment, change, modification, alteration, termination or waiver will, by its terms, not take effect so long as any Bonds of any specified Series remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under the Resolution; ***provided, further,*** that no such amendment, change, modification, alteration, termination will reduce the percentage of the aggregate principal amount of Outstanding Bonds the consent of the Holders of which is a requirement for any such amendment, change, modification, alteration or termination, or decrease the amount of any payment required to be made by the University under the Loan Agreement that is to be deposited with the Trustee or extend the time of payment thereof. Any consent given pursuant to the Resolution by the Holders of Bonds shall, except as otherwise provided in the Resolution , be given in the same manner required by the Resolution.

The Loan Agreement may be amended, changed, modified or altered (i) to make changes necessary or appropriate in connection with the acquisition, construction, reconstruction, rehabilitation and improvement, or otherwise providing, furnishing and equipping of any facilities constituting a part of any Project or to otherwise amend the Project or (ii) with the consent of the Trustee, to cure any ambiguity, or to correct or supplement any provisions contained in the Loan Agreement which may be defective or inconsistent with any other provisions contained in the Resolution or in the Loan Agreement. Except as otherwise provided in the Resolution , the Loan Agreement may be amended, changed, modified or altered without the consent of the Holders of Outstanding Bonds or the Trustee. Prior to execution by the Authority of any amendment, a copy thereof certified by an Authorized Officer of the Authority shall be filed with the Trustee.

For the purposes of the Resolution, the purchasers of Bonds, whether purchasing as underwriters, Remarketing Agent or otherwise for resale, may upon such purchase consent to an amendment, change, modification, alteration, termination or waiver permitted in the manner provided in the Resolution, except that no proof of ownership shall be required, and with the same effect as a consent given by the Holder of such Bonds; ***provided, however,*** that, if such consent is given by a purchaser who is purchasing as an underwriter or Remarketing Agent or for resale, the nature of the amendment, change, modification, alteration, termination or waiver and the provisions for the purchaser consenting thereto shall be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the initial offering, reoffering or resale of the Bonds of such Series. In addition, the Holder of an Outstanding Auction Rate Bond shall be deemed to have consented to an amendment, change, modification, alteration or termination permitted by the Resolution if (i) the Trustee has mailed notice of such proposed amendment to the Holder of such Bonds in the same manner required by Article X of the Resolution for an amendment to the Resolution, (ii) on the first Auction Date for such Bond occurring at least twenty (20) days after the date on which the aforementioned notice is given by the Trustee the interest rate determined on such date is the Winning Bid Rate and (iii) there is delivered to the Authority and the Trustee an opinion of Bond Counsel to the effect that such amendment shall not adversely affect the validity of such Auction Rate Bond or any exemption from federal income tax to which the interest on such Auction Rate Bond would otherwise be entitled. As used in this paragraph the following terms shall have the respective meanings: **"Auction Rate Bond"** means a Variable Interest Rate Bond that is not an Option Bond, and that bears interest at rates determined by periodic auctions in accordance with procedures therefore established by the Series Resolution authorizing such Bond or the Bond Series Certificate related thereto; **"Auction Date"** means, with respect to particular any Auction Rate Bond, the date on which an auction is held or required to be held for such Bond in accordance with the procedures established therefore; and **"Winning Bid Rate"** when used with respect to an auction held for any particular Auction Rate Bond, shall have the meaning given to such term in the Series Resolution authorizing such Auction Rate Bond or the Bond Series Certificate related thereto, or, if not otherwise defined, means the lowest rate specified in any purchase bid submitted in such auction, which, if selected, would cause the aggregate principal amount of Auction Bonds offered to be sold in such auction to be subject to purchase bids at rates no greater than the rate specified in such purchase bid.

For the purposes of the Resolution , a Series shall be deemed to be adversely affected by an amendment, change, modification, alteration or termination of the Loan Agreement or the waiver of any provision thereof if the same adversely affects or diminishes the rights of the Holders of the Bonds of such Series in any material respect. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, Bonds of any particular Series would be adversely affected in any material respect by any amendment, change, modification, alteration, termination or waiver and any such determination shall be binding and conclusive on the University, the Authority and all Holders of Bonds.

For all purposes of the Resolution , the Trustee shall be entitled to rely upon an opinion of counsel, which counsel shall be satisfactory to the Trustee, with respect to whether any amendment, change, modification, alteration, termination or waiver adversely affects the interests of any Holders of Bonds then Outstanding in any material respect.

Bonds owned or held by or for the account of the Authority or the University shall not be deemed Outstanding for the purpose of the consent provided for in the Resolution , and neither the Authority nor the University shall be entitled with respect to such Bonds to give any such consent. At the time of any consent, the Authority shall furnish the Trustee a certificate of an Authorized Officer, upon which the Trustee may rely, describing all Bonds so to be excluded.

(Section 7.11)

Modification and Amendment Without Consent

The Authority may adopt at any time or from time to time Series Resolutions or Supplemental Resolutions for any one or more of the following purposes, and any such Series Resolution or Supplemental Resolution shall become effective in accordance with its terms upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Authority:

(a) To provide for the issuance of a Series of Bonds pursuant to the provisions of the Resolution and to prescribe the terms and conditions pursuant to which such Bonds may be issued, paid or redeemed;

(b) To add additional covenants and agreements of the Authority for the purpose of further securing the payment of the Bonds, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the Authority contained in the Resolution;

(c) To prescribe further limitations and restrictions upon the issuance of Bonds and the incurring of indebtedness by the Authority which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect;

(d) To surrender any right, power or privilege reserved to or conferred upon the Authority by the terms of the Resolution, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Authority contained in the Resolution;

(e) To confirm, as further assurance, any pledge under the Resolution, and the subjection to any lien, claim or pledge created or to be created by the provisions of the Resolution, of the Revenues or of any other money, securities or funds;

(f) To modify any of the provisions of the Resolution or of any previously adopted Series Resolution or Supplemental Resolution in any other respects, provided that such modifications shall not be effective until after all Bonds of any Series of Bonds Outstanding as of the date of adoption of such Supplemental Resolution or Series Resolution shall cease to be Outstanding, and all Bonds issued under such resolutions shall contain a specific reference to the modifications contained in such subsequent Resolutions; or

(g) To modify or amend a Project; or

(h) With the consent of the Trustee, to cure any ambiguity or defect or inconsistent provision in the Resolution or to insert such provisions clarifying matters or questions arising under the Resolution as are necessary or desirable, provided that any such modifications are not contrary to or inconsistent with the Resolution as theretofore in effect,

or to modify any of the provisions of the Resolution or of any previously adopted Series Resolution or Supplemental Resolution in any other respect, provided that such modification shall not adversely affect the interests of the Holders in any material respect.

(Section 9.01)

Supplemental Resolutions Effective With Consent of Bondholders

The provisions of the Resolution may also be modified or amended at any time or from time to time by a Supplemental Resolution, subject to the consent of Bondholders in accordance with and subject to the provisions of the Resolution, such Supplemental Resolution to become effective upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Authority.

(Section 9.02)

Powers of Amendment

Any modification or amendment of the Resolution and of the rights and obligations of the Authority and of the Holders of the Bonds under the Resolution, in any particular, may be made by a Supplemental Resolution, with the written consent given as set forth in the provision of the Resolution summarized below under the caption *"Consent of Bondholders"*, (i) of the Holders of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given, or (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of Holders of at least a majority in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given, or (iii) in case the modification or amendment changes the amount or date of any Sinking Fund Installment, of the Holders of at least a majority in principal amount of the Bonds of the particular Series, maturity and interest rate entitled to such Sinking Fund Installment Outstanding at the time such consent is given; *provided, however*, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series, maturity and tenor remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under the Resolution. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof, or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment. For the purposes of the Resolution, a Series shall be deemed to be affected by a modification or amendment if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series in any material respect. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, the Bonds of any particular Series or maturity would be affected by any modification or amendment of the Resolution and any such determination shall be binding and conclusive on the Authority and all Holders of Bonds. The Trustee may receive an opinion of counsel, including an opinion of Bond Counsel, as conclusive evidence as to whether Bonds of any particular Series or maturity would be so affected by any such modification or amendment of the Resolution.

(Section 10.01)

Consent of Bondholders

The Authority may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of the Resolution to take effect when and as provided in the Resolution. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee) together with a request to the Holders for their consent thereto in form satisfactory to the Trustee, shall promptly after adoption to be mailed by the Authority to the Holders (but failure to mail such copy and request will not affect the validity of the Supplemental Resolution when consented to as provided below). Such Supplemental Resolution shall not be effective unless and until (i) there shall been filed with the Trustee (a) the written consents of Holders of the percentages of Outstanding Bonds specified in the provision of the Resolution summarized above under the caption *"Powers of Amendment"* and (b) an opinion of Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the Authority in accordance with the provisions of the Resolution, is authorized or permitted thereby, and is valid and binding upon the Authority and enforceable in accordance with its terms, and (ii) a notice shall have been mailed as provided in the Resolution. Each such consent shall be effective only if accompanied by proof of the holding or owning at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by the Resolution. A certificate or certificates by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with the Resolution shall be conclusive that the consents have been given by the Holders described in such certificate or certificates of the Trustee. Any consent shall be binding upon the Holder of the Bonds giving such consent and, anything in the Resolution to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Holder of such Bonds giving such consent or a subsequent Holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee provided for below is filed, such revocation. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Trustee to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the Authority and the Trustee a written statement that the Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Authority on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in the Resolution, shall be given to the Bondholders by the Authority by mailing such notice to the Bondholders and, at the discretion of the Authority, by publishing the same at least once not more than ninety (90) days after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution and the written statement of the Trustee in the Resolution provided for is filed (but failure to publish such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this paragraph provided). Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Authority, the Trustee, each Paying Agent and the Holders of all Bonds upon the filing with the Trustee of proof of the mailing of such notice or at the expiration of thirty (30) days after the filing with the Trustee of the proof of the first publication of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such thirty (30) day period; *provided, however*, that the Authority, the Trustee and any Paying Agent during such thirty (30) day period and any such further period during which any such action or proceeding may be pending shall be entitled in their reasonable discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as they may deem expedient.

For the purposes of the Resolution, the purchasers of the Bonds of a Series, whether purchasing as underwriters, Remarketing Agent or otherwise for resale, upon such purchase, may consent to a modification or amendment permitted under the headings above titled, "Powers of Amendment" or "Consent of Bondholders" in the manner provided in the Resolution, except that no proof of ownership shall be required, and with the same effect as a consent given by the Holder of such Bonds; ***provided, however,*** that, if such consent is given by a purchaser who is purchasing as an underwriter, Remarketing Agent or otherwise for resale, the nature of the modification or amendment and the provisions for the purchaser consenting thereto shall be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the primary offering of the Bonds of such Series by the Authority.

(Section 10.02)

Modifications by Unanimous Consent

The terms and provisions of the Resolution and the rights and obligations of the Authority and of the Holders of the Bonds under the Resolution may be modified or amended in any respect upon the adoption and filing with the Trustee by the Authority of a copy of a Supplemental Resolution certified by an Authorized Officer and the consent of the Holders of all of the Bonds then Outstanding, such consent to be given as provided in the Resolution, except that no notice to Bondholders either by mailing or publication shall be required.

(Section 10.03)

Events of Default

Each of the following constitutes an "event of default" under the Resolution and each Series Resolution if:

(a) Payment of the principal, Sinking Fund Installment or Redemption Price of or interest on any Bond shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(b) With respect to the Bonds of any Series, the Authority shall default in the due and punctual performance of any covenants contained in the Series Resolution authorizing the issuance thereof to the effect that the Authority shall comply with the provisions of the Code applicable to such Bonds necessary to maintain the exclusion of interest therein from gross income under Section 103 of the Code and shall not take any action which would adversely affect the exclusion of interest on such Bonds from gross income under Section 103 of the Code and, as a result thereof, the interest on the Bonds of such Series shall no longer be excludable from gross income under Section 103 of the Code; or

(c) The Authority shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Resolution or in the Bonds or in any Series Resolution on the part of the Authority to be performed and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Authority by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Holders of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds, or, if such default is not capable of being cured within thirty (30) days, if the Authority fails to commence to cure such default within said thirty (30) days and diligently prosecutes the cure thereof; or

(d) he Authority shall have notified the Trustee that an "Event of Default", as defined in the Loan Agreement shall have occurred and is continuing and all sums payable by the University under the Loan Agreement shall have been declared to be immediately due and payable, which declaration shall not have been annulled and the Authority shall have notified the Trustee of such "Event of Default."

(Section 11.02)

Acceleration of Maturity

Upon the happening and continuance of any event of default (other than under paragraph (b) of the provision of the Resolution summarized above under the caption *"Event of Default"*), then and in every such case the Trustee may, and upon the written request of the Holders of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds shall, by a notice in writing to the Authority, declare the principal of and interest on all of the Outstanding Bonds to be immediately due and payable. At the expiration of thirty (30) days from the giving of notice of such declaration, such principal and interest shall become and be immediately due and payable, anything in the Resolution or in the Bonds or any Series Resolution to the contrary notwithstanding. At any time after the principal of the Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Resolution, the Trustee shall, with the written consent of the Holders of not less than twenty-five percent (25%) in principal amount of the Bonds not then due by their terms and then Outstanding, by written notice to the Authority, annul such declaration and its consequences if: (i) money shall have accumulated in the Debt Service Fund sufficient to pay all arrears of interest, if any, upon all of the Outstanding Bonds (except the interest accrued on such Bonds since the last interest payment date); (ii) money shall have accumulated and be available sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee and any Paying Agent; (iii) all other amounts then payable by the Authority under the Resolution and under each Series Resolution (other than principal amounts payable only because of a declaration and acceleration under the Resolution) shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (iv) every other default known to the Trustee in the observance or performance of any covenant, condition or agreement contained in the Resolution, the Series Resolution or in the Bonds (other than a default in the payment of the principal of such Bonds then due only because of a declaration under the Resolution) shall have been remedied to the satisfaction of the Trustee. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

(Section 11.03)

Enforcement of Remedies

Upon the happening and continuance of any event of default, then and in every such case, the Trustee may proceed, and, upon the written request of the Holders of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds or, in the case of the happening and continuance of an Event of Default described in paragraph (b) of the provision of the Resolution summarized above under the caption *"Event of Default"*, upon the written request of the Holders of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds of the Series affected thereby, shall proceed (subject to the provisions of the Resolution regarding indemnification of the Trustee), to protect and enforce its rights and the rights of the Holders of the Bonds under the laws of the State or under the Resolution or under any Series Resolution by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant contained under the Resolution or any Series Resolution or in aid or execution of any power therein granted, or for an accounting against the Authority as if the Authority were the trustee of an express trust, or for the enforcement of any proper legal or equitable remedy as the Trustee shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy under the Resolution and under each Series Resolution the Trustee shall be entitled to sue for, enforce payment of, and receive any and all amounts then, or during any default becoming, and at any time remaining, due from the Authority for principal or interest or otherwise under any of the provisions of the Resolution or of any Series Resolution or of the Bonds, with interest on overdue payments of the principal of or interest on the Bonds at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings under the Resolution and under any Series Resolution and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Holders of such Bonds, and to recover and enforce judgment or decree against the Authority but solely as provided in the Resolution and in any Series Resolution and in such Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect in any manner provided by law, the money adjudged or decreed to be payable.

(Section 11.04)

Priority of Payments After Default

If at any time the money held by the Trustee under the Resolution and under each Series Resolution shall not be sufficient to pay the principal of and interest on the Bonds as the same become due and payable (either by their terms or by acceleration of maturity under the provisions of the Resolution), such money together with any money then available or thereafter becoming available for such purpose, whether through exercise of the remedies provided for in the Resolution or otherwise, shall be applied (after first depositing in the Arbitrage Rebate Fund all amounts required to be deposited therein and then paying all amounts owing to the Trustee under the Resolution) as follows:

(a) Unless the principal of all the Bonds has become or been declared due and payable, all such money shall be applied:

First: To the payment to the persons entitled thereto of all installments of interest then due, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference;

Second: To the payment to the persons entitled thereto of the unpaid principal, Sinking Fund Installments or Redemption Price of any Bonds which shall have become due whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all amounts due on any date, then to the payment thereof ratably, according to the amount of principal, Sinking Fund Installments or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference.

(b) If the principal of all of the Bonds has become or been declared due and payable, all such money shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto, without any discrimination or preference except as to the difference in the respective rates of interest specified in the Bonds.

Whenever money is to be applied by the Trustee pursuant to the provisions of the Resolution, such money shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such money available for application and the likelihood of additional money becoming available for such application in the future. The setting aside of such money in trust for application in accordance with the Resolution shall constitute proper application by the Trustee, and the Trustee shall incur no liability whatsoever to the Authority, to any Bondholder or to any other person for any delay in applying any such money so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of the Resolution as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such money, it shall fix the date (which shall be on an interest payment date unless the Trustee shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date. The Trustee shall not be required to make payment to the Holder of any Bond unless such Bond shall be presented to the Trustee for appropriate endorsement.

(Section 11.05)

Termination of Proceedings

In case any proceedings commenced by the Trustee on account of any default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, then and in every such case the Authority, the Trustee, each Provider, the University and the Bondholders shall be restored to their former positions and rights under the Resolution, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been commenced.

(Section 11.06)

Bondholders' Direction of Proceedings

Anything in the Resolution to the contrary notwithstanding, the Holders of a majority in principal amount of the Outstanding Bonds or in the case of an event of default described in subparagraph (b) under the heading "Event of Default" above, the Holders of a majority in principal amount of the Outstanding Bonds of the Series affected thereby shall have the right by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee under the Resolution and under each Series Resolution, provided such direction shall be in accordance with law or the provisions of the Resolution and of each Series Resolution and the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

(Section 11.07)

Limitation of Rights of Individual Bondholders

No Holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Resolution, or for any other remedy under the Resolution unless such Holder previously shall have given to the Trustee written notice of the event of default on account of which such suit, action or proceeding is to be instituted, and unless also the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds, or, in the case of an event of default under paragraph (b) of the provision of the Resolution summarized above under the caption *"Event of Default"*, the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Series affected thereby, shall have made written request to the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted by the Resolution or to institute such action, suit or proceeding in its or their name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses, and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of the Resolution or for any other remedy under the Resolution and in equity or at law. It is understood and intended that no one or more Holders of the Bonds secured by the Resolution shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Resolution or to enforce any right under the Resolution except in the manner provided in the Resolution, and that all proceedings at law or in equity shall be instituted and maintained for the benefit of all Holders of the Outstanding Bonds. Notwithstanding any other provision of the Resolution, the Holder of any Bond shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and interest on such Bond on the stated maturity expressed in such Bond (or, in the case of redemption, on the redemption date) and to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder.

(Section 11.08)

Defeasance

If the Authority shall pay or cause to be paid to the Holders of the Bonds of a Series the principal, Sinking Fund Installments, if any, or Redemption Price of and interest thereon, at the times and in the manner stipulated therein, in the Resolution, and in the applicable Series Resolution and Bond Series Certificate, then the pledge of the Revenues or other money and securities pledged to such Bonds and all other rights granted by the Resolution to such Bonds shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Authority, execute and deliver such documents to evidence such discharge and satisfaction as may be reasonably required by the Authority, and all money or securities held by it pursuant to the Resolution and to the applicable Series Resolution which are not required for the payment or redemption of Bonds of such Series shall be paid or delivered by the Trustee as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each Provider, the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Provider; third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to the Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the University. The securities so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created by the Resolution or by the Loan Agreement.

Bonds for the payment or redemption of which money shall have been set aside and shall be held in trust by the Trustee (through deposit of money for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph. All Outstanding Bonds of any Series or any maturity within a Series or a portion of a maturity within a Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph if (a) in case any of such Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee, in form satisfactory to it, irrevocable instructions to give as provided in the Resolution notice of redemption on said date of such Bonds, (b) there shall have been deposited with the Trustee either money in an amount which shall be sufficient, or Defeasance Securities the principal of and interest on which when due will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (c) the Trustee shall have received the written consent to such defeasance of each Provider which has given written notice to the Trustee and the Authority that amounts advanced under a Credit Facility or Liquidity Facility issued by it or the interest thereon have not been repaid to such Provider, and (d) in the event such Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee, in form satisfactory to it, irrevocable instructions to give, as soon as practicable, by first class mail, postage prepaid, to the Holders of said Bonds at their last known addresses appearing on the registration books, and, if directed by an Authorized Officer of the Authority, by publication, at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper, a notice to the Holders of such Bonds that the deposit required by (b) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with the Resolution and stating such maturity or redemption date upon which money is to be available for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on such Bonds. The Trustee shall select the Bonds of like Series and maturity payment of which shall be made in the manner provided in the Resolution. Neither the Defeasance Securities nor money deposited with the Trustee pursuant to the Resolution nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on such Bonds; *provided, however*, that any money received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest to become due on such Bonds on and prior to such redemption date or maturity date thereof, as the case may be; *provided further*, that money and Defeasance Securities may be withdrawn and used by the Authority for any purpose upon (i) the simultaneous substitution therefor of either money in an amount which shall be sufficient, or Defeasance Securities the principal of and interest on which when due will provide money which without regard to reinvestment, together with the money, if any, held by or deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (ii) receipt by the Trustee of a letter or other written report of a firm of independent certified public accountants verifying the accuracy of the arithmetical computations which establish the adequacy of such money and Defeasance Securities for such purpose. Any income or interest earned by, or increment to, the investment of any such money so deposited, shall, to the extent certified by the Trustee to be in excess of the amounts required by the Resolution to pay the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on such Bonds, as realized, be paid by the Trustee as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each Provider, the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Provider; third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to the Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the University, and any such money so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created by the Resolution or by the Loan Agreement.

For purposes of determining whether Variable Interest Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of money, or Defeasance Securities and money, if any, in accordance with clause (b) of the preceding paragraph, the interest to come due on such Variable Interest Rate Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the Maximum Interest Rate permitted by the terms thereof; *provided, however*, that if on any date, as a result of such Variable Interest Rate Bonds having borne interest at less than such Maximum Interest Rate for any period, the total amount of money and Defeasance Securities on deposit with the Trustee for the payment of interest on such Variable Interest Rate Bonds is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of such Variable Interest Rate Bonds in order to satisfy clause (b) of the preceding paragraph, the Trustee shall pay the amount of such excess as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each Provider, the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Provider; third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to the Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the University, and any such money so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created by the Resolution.

Option Bonds shall be deemed to have been paid in accordance with the Resolution only if, in addition to satisfying the requirements of clauses (a) and (b) above, there shall have been deposited with the Trustee money in an amount which shall be sufficient to pay when due the maximum amount of principal of and premium, if any, and interest on such Bonds which could become payable to the Holders of such Bonds upon the exercise of any options provided to the Holders of such Bonds; *provided, however*, that if, at the time a deposit is made with the Trustee pursuant to the Resolution, the options originally exercisable by the Holder of an Option Bond are no longer exercisable, such Bond shall not be considered an Option Bond for purposes the Resolution. If any portion of the money deposited with the Trustee for the payment of the principal of and premium, if any, and interest on Option Bonds is not required for such purpose, the Trustee shall, if requested by the Authority, pay the amount of such excess as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each Provider, the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Provider; third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to the Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the University, and any such money so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created by the Resolution.

Anything in the Resolution to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Bonds of a Series or the interest thereon which remain unclaimed for one (1) year after the date when all of the Bonds of such Series have become due and payable either at their stated maturity dates or by call for earlier redemption, if such money were held by the Trustee at such date, or for one (1) year after the date of deposit of such money if deposited with the Trustee, after such date when all of the Bonds of such Series become due and payable, shall, at the written request of the Authority, be repaid by the Trustee to the Authority as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged and the Holders shall look only to the Authority for payment of such Bonds; *provided, however*, that, before being required to make any such payment to the Authority, the Trustee may, at the expense of the Authority cause to be published in an Authorized Newspaper a notice that such money remain unclaimed and that, after a date named in such notice, which date shall be not less than thirty (30) nor more than sixty (60) days after the date of publication of such notice, the balance of such money then unclaimed shall be returned to the Authority.

(Section 12.01)

FORM OF APPROVING OPINION OF BOND COUNSEL

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PROPOSED FORM OF APPROVING OPINION
OF BOND COUNSEL

Upon delivery of the Series 2015A Bonds, Hawkins Delafield & Wood LLP, Bond Counsel to the Authority, proposes to issue its legal opinion in substantially the following form:

HAWKINS DELAFIELD & WOOD LLP
ONE CHASE MANHATTAN PLAZA
NEW YORK, NEW YORK 10005

Dormitory Authority of the
State of New York
515 Broadway
Albany, New York 12207

Ladies and Gentlemen:

We, as Bond Counsel to the Dormitory Authority of the State of New York (the "Authority"), a body corporate and politic of the State of New York (the "State"), constituting a public benefit corporation created and existing under the Dormitory Authority Act, being Chapter 524 of the Laws of New York of 1944, as amended (the "Act"), have examined a record of proceedings relating to the issuance of $691,435,000 aggregate principal amount of New York University Revenue Bonds, Series 2015A (the “Series 2015A Bonds”).

The Series 2015A Bonds are issued under and pursuant to the Act, the New York University Revenue Bond Resolution adopted by the Authority on May 28, 2008 (the “Bond Resolution”), as supplemented by the Series 2015A Resolution Authorizing the Issuance of a Series of New York University Revenue Bonds, adopted by the Authority on March 11, 2015 (the “Series 2015A Resolution”). The Bond Resolution and the Series 2015A Resolution are herein collectively referred to as the “Resolutions.” Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolutions.

The Series 2015A Bonds are dated, mature, are payable, bear interest and are subject to redemption and purchase as provided in the Resolutions and the Bond Series Certificate of the Authority fixing the terms and the details of the Series 2015A Bonds (the “Series 2015A Certificate”).

The Authority has reserved the right to issue additional bonds on the terms and conditions and for the purposes stated in the Bond Resolution. Under and subject to the provisions of the Bond Resolution, the Series 2015A Bonds and all bonds heretofore and hereafter issued under the Bond Resolution (the “Bonds”) rank and will rank equally as to security and payment.

We are of the opinion that:

1. The Authority has been duly created and is validly existing under the Act and has the right, power and authority to adopt the Resolutions and the Resolutions have been duly and lawfully adopted by the Authority, are in full force and effect and are valid and binding upon the Authority and enforceable in accordance with their terms.

2. The Bond Resolution creates the valid pledge which it purports to create of the proceeds of the sale of the Bonds, the Revenues and all funds and accounts established by the Bond Resolution (other than the Arbitrage Rebate Fund, as defined in the Bond Resolution), including the investments thereof and the proceeds of such investments, if any, subject only to the provisions of the Bond Resolution permitting the application thereof to the purposes and on the terms and conditions set forth in the Bond Resolution.

3. The Series 2015A Bonds have been duly and validly authorized and issued by the Authority and are valid and binding special obligations of the Authority, payable solely from the sources provided therefor in the Resolutions.

4. The Series 2015A Bonds are not a debt of the State of New York, and the State of New York is not liable thereon, nor shall the Series 2015A Bonds be payable out of funds of the Authority other than those pledged for the payment of the Series 2015A Bonds.

5. The Loan Agreement, dated as of May 28, 2008, between the Authority and the New York University (the "University") (the "Loan Agreement"), has been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery thereof by the University, constitutes a legal, valid and binding obligation of the Authority enforceable in accordance with its terms.

6. Under existing statutes and court decisions, (i) interest on the Series 2015A Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Series 2015A Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. For any Series 2015A Bonds, other than the Stepped Coupon Bonds, having original issue discount ("OID"), OID that has accrued and is properly allocable to the owners of such Bonds under Section 1288 of the Code is excludable from gross income for Federal income tax purposes to the same extent as other interest on the Series 2015A Bonds.

7. Under existing statutes, interest on the Series 2015A Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Series 2015A Bonds in order that interest on the Series 2015A Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Series 2015A Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the Federal government. Noncompliance with such requirements may cause interest on the Series 2015A Bonds to become included in gross income for Federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. In rendering the opinion in paragraph 6, we have relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Authority, the University and others in connection with the Series 2015A Bonds, and we have assumed compliance by the Authority and the University with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Series 2015A Bonds from gross income under Section 103 of the Code. In addition, we have relied on the opinion of counsel to the University regarding, among other matters, the current qualifications of the University as an organization described in Section 501(c)(3) of the Code.

We express no opinion regarding any other Federal or state tax consequences with respect to the Series 2015A Bonds. We render this opinion under existing statutes and court decisions as of the issue date, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to our attention, or changes in law or in interpretations thereof that may hereafter occur, or for any other reason. We express no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the Series 2015A Bonds, or the exemption from personal income taxes of interest on the Series 2015A Bonds under state and local tax law.

In rendering this opinion, we are advising you that the enforceability of rights and remedies with respect to the Series 2015A Bonds, the Resolutions and the Loan Agreement may be limited by bankruptcy, insolvency and other laws affecting creditors' rights or remedies heretofore or hereafter enacted and is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

We have examined an executed Series 2015A Bond and, in our opinion, the form of said Bond and its execution are regular and proper.

Very truly yours,

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DORMITORY AUTHORITY OF THE STATE OF NEW YORK • NEW YORK UNIVERSITY REVENUE BONDS, SERIES 2015A

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