Yale

FINANCIAL REPORT
2014–2015

TABLE OF CONTENTS

FRONT COVER: The historic Yale Bowl, with its Class of 1954 Field, is one of the true treasures in American sports and celebrated its 100th birthday on November 21, 2014. It was the largest athletic stadium in the world and the first football venue with seating completely surrounding the field when it opened on Nov. 21, 1914, for a game against Harvard. The famous Bowl has been a college football landmark ever since, while also hosting National Football League games, international soccer, lacrosse, tennis, concerts, television advertisements, movies and the 1995 Special Olympic World Games. The Bowl is 930 feet long and 750 feet wide and covers 12.5 acres. Its current seating capacity is 61,446 (it was 70,869 before alterations in 1994 and 2006), and every seat has an unobstructed view of the playing field. There have been crowds of over 70,000 on 20 occasions, the most recent on Nov. 19, 1983, for the 100th playing of The Game. The largest crowd to attend a Yale game at the Bowl was 80,000 for Army on November 3, 1923. The NFL's New York Giants and Detroit Lions brought professional football to the Bowl for the first time in the summer of 1960. The Giants, who played the New York Jets in a number of memorable exhibition contests during the 1970s, used the Bowl as their home field in 1973 and 1974 while Yankee Stadium was renovated.

The design for the Yale Bowl was proposed by Charles A. Ferry, Class of 1871, as a replacement for Yale Field, the 33,000-seat home of the football team from 1884 to 1914. The cost of the final product was $750,000. Two additions to the legendary Bowl were dedicated during the 2009 season. The Kenney Center, named after four members of the Kenney family – former Yale football players Jerry P. '63, Brian R. '60, Robert D. '67, Richard L. '71 and Jeffrey S. '93 – is a three-story building attached to the Bowl that houses team rooms and a reception area that opens up to the inside of the Bowl. Jensen Plaza, named after Irving '54, Colin '57, Erik '63 and Mark Jensen '67, includes the names of every Yale football player since 1872 and serves as the grand entrance. The *Sporting News* selected the Bowl as one of the 40 best college football stadiums in its book, "Saturday Shrines." ESPN.com's list of America's 100 most important sports venues also included the home of Yale Football. The playing field, which honors the gifts from the Class of 1954, hosted its 600th collegiate football game on November 23, 2014, when the Elis played Harvard.

The original "Bowl" has never lost its allure or mythical status.

Photography by Michael Marsland, University Photographer

Highlights

Five-Year Financial Overview ($ in millions)	Fiscal Years 2015	2014	2013	2012	2011
Net Operating Results - Management View	$ 17.3	$ 13.1	$ 15.7	$ 67.3	$ 109.7
Financial Position Highlights:					
Total assets	$ 36,986.3	$ 34,536.0	$ 31,265.2	$ 31,322.4	$ 31,044.3
Total liabilities	9,601.1	8,735.2	8,808.3	10,830.7	10,045.8
Total net assets	$ 27,385.2	$ 25,800.8	$ 22,456.9	$ 20,491.7	$ 20,998.5
Endowment:					
Net investments, at fair value	$ 25,543.0	$ 23,858.6	$ 20,708.8	$ 19,264.3	$ 19,174.4
Total return on investments	11.5%	20.2%	12.5%	4.7%	21.9%
Spending from endowment	4.5%	5.0%	5.3%	5.1%	5.9%
Facilities:					
Land, buildings and equipment, net of accumulated depreciation	$ 4,510.3	$ 4,412.8	$ 4,347.3	$ 4,254.7	$ 4,109.8
Disbursements for building projects	$ 302.0	$ 270.5	$ 277.0	$ 284.5	$ 280.7
Debt	$ 3,572.4	$ 3,332.8	$ 3,594.4	$ 4,108.0	$ 4,041.5
Statement of Activities Highlights:					
Operating revenues	$ 3,381.9	$ 3,109.9	$ 2,936.9	$ 2,818.6	$ 2,787.7
Operating expenses	3,187.6	3,058.9	2,976.1	2,812.8	2,684.0
Increase (decrease) in net assets from operating activities	$ 194.3	$ 51.0	$ (39.2)	$ 5.8	$ 103.7

Five-Year Enrollment Statistics	2015	2014	2013	2012	2011
Freshman Enrollment Class of:	’18	’17	’16	’15	’14
Freshman applications	30,932	29,610	28,977	27,283	25,869
Freshmen admitted	1,950	2,031	2,043	2,109	2,039
Admissions rate	6.3%	6.9%	7.1%	7.7%	7.9%
Freshman enrollment	1,360	1,359	1,356	1,351	1,344
Yield	71.5%	68.2%	68.4%	65.2%	67.0%
Total Enrollment:					
Yale College	5,477	5,427	5,399	5,345	5,296
Graduate and professional schools	6,859	6,591	6,424	6,440	6,321
Total	12,336	12,018	11,823	11,785	11,617
Yale College Term Bill and Financial Aid:					
Yale College term bill	$ 59,800	$ 57,500	$ 55,300	$ 52,700	$ 49,800
Average grant award for students receiving aid	$ 46,445	$ 44,785	$ 42,100	$ 39,840	$ 37,955
Average net cost of attendance for students receiving aid	$ 17,328	$ 17,174	$ 16,339	$ 15,717	$ 14,836

Message from the Vice President for Finance and Chief Financial Officer

Yale University finished the year ending June 30, 2015 with strong financial results.

Strong Financial Results

For the year ending June 30, 2015, in large part due to the recognition of revenue for the extraordinary pledge from Charles Johnson '54 for the construction of two new residential colleges, Yale generated a surplus on a GAAP basis of $194 million from operations. On a Management View basis – the way Yale looks at financial information for internal discussion and decision-making purposes – Yale generated a surplus of $17 million from operations. Without the extraordinary item related to the residential colleges, the 2014-15 operating surplus on both a GAAP and a Management View basis was in line with last year's results.

Yale's operations remain strong thanks to prudent financial management practices and the generous support from alumni and friends that have allowed Yale to carry out its mission of teaching and research with excellence for over three centuries.

Net assets finished the year at $27.4 billion, an increase of $1.6 billion or 6.1% over the prior year primarily due to the 11.5% investment return generated from the Yale Endowment, managed expertly for over thirty years by Chief Investment Officer, David Swensen. Yale's balance sheet remains strong, providing a stable platform from which to carry out the varied and important mission it supports.

An Accessible and Affordable Education

For over fifty years Yale College has accepted students without regard to their financial need and has met the full demonstrated need of every admitted student. Yale College families whose gross income is less than $65,000 (with typical assets) are not expected to make a contribution towards the cost of their child's Yale education. The average cost of attendance for a Yale College student on financial aid was $17,328 per year in 2014-15 or approximately 27% of the "sticker price" – an amount lower in inflation-adjusted terms than a decade ago. Only 17% percent of Yale College students chose to take out a loan during their undergraduate careers, and the average loan amount upon graduation was less than $16,000.

This policy of need-blind admissions has been extraordinarily successful as demonstrated by Yale's diverse and talented students and alumni. This has made Yale accessible and affordable even though in financial terms it means only a small portion of Yale's annual revenue comes from tuition, room, and board net of financial aid.

If a relatively small proportion of revenue comes from tuition, how does Yale finance the cost of education – while keeping net tuition and student debt at comparatively low levels?

The answer is generous gifts from donors to support financial aid – and the Yale Endowment.

Funding Teaching and Research for Current and Future Generations

The Yale Endowment provides over $1 billion in revenue each year (32% of total revenue in 2014-15), the single largest source of funding for Yale University. The Yale Endowment provides important funding to every school and department on campus, supporting the widest array of activities: financial aid, faculty salaries, residential colleges, classrooms, laboratories, lab supplies, journals, artwork, health care and retirement benefits, utilities, administrative support, and many other costs of teaching and research.

Yale's policy for spending from the endowment balances the needs of current and future students and scholars. It provides a stable flow of income to the current operating budget; and it protects the real value of the endowment over time so that future generations of scholars can benefit from a similar stable flow of income. The $1.1 billion Yale is spending today is nearly double what it was a decade ago and more than five times what it was in 1997, the year many of the students in this year's freshman class were born. Yale is committed to being a responsible steward of this important asset, and that means neither over- nor under-spending.

In order to provide that support the endowment must generate sufficient investment returns to replace both the $1+ billion spent each year and also enough to keep pace with inflation. That requires an investment return of roughly 8-9% on average at current inflation rates just to fund the same level of financial aid, teaching, and research as during the preceding year. That type of return would be the envy of most investors. Fortunately, Yale's Investment Office has been able to meet and even exceed that level over long periods of time. That is why Yale was able to spend such a large amount from the endowment to pay for teaching and research in 2014-15.

Yale is fortunate to have such a successful and sizeable endowment, and we are grateful to our generous alumni and other supporters who entrust us with these precious resources. They allow Yale to spend a generous amount each year while requiring prudent management to assure it is available to fund teaching and research conducted by future generations as well.

Leadership

During 2015, several of the University's top leaders stepped down after long and distinguished careers. Vice president and general counsel Dorothy Robinson retired from Yale after more than 36 years of outstanding service to the University, vice president for global and strategic initiatives Linda Lorimer announced her retirement after nearly 30 years of dedicated service, and vice president for finance and business operations Shauna King stepped down on August 31, 2015 after effectively leading Yale through the 2009 financial crisis. All three leave the University a better place than when they came, and for generations to come the University will benefit from their dedicated service.

In March, the leadership team welcomed Alexander Dreier, an accomplished attorney with an international practice in higher education, as Yale's next vice president and general counsel. On September 1 I assumed my new role as vice president for finance and chief financial officer, and a search is underway for a senior vice president of operations. President Salovey also announced that in 2016 Ann Kurth, an expert on global health currently at New York University, will join Yale as the new dean of the school of nursing, and Deborah Berke, architect and founder of the New York-based design firm Deborah Berke Partners, will become the new dean of the school of architecture. The leadership team is well positioned to carry out Yale's important mission in the coming years.

Looking Ahead

Yale had a successful year academically and financially thanks to the excellence that surrounds us – our faculty, students, staff, alumni, donors, the City of New Haven, and other members of the Yale community. For highlights from the year, please visit Yale News (news.yale.edu).

Looking ahead, the external financial environment poses substantial challenges that Yale will need to manage. The funding for health care and research in the United States remains under pressure, and Yale will need to adapt since these are the two largest revenue sources after the endowment. Even so, as President Salovey stated, "We need to open up the financial space necessary to do the things we want to do – space so that we can pursue the new initiatives that will propel Yale forward."

Some of these new initiatives are already visible around campus. When visiting New Haven, you can see the two new residential colleges rising up on Prospect Street. The new colleges are scheduled to open in the fall of 2017 and will be the first expansion of the residential college system since 1961. Work is also underway on the new Center for Teaching and Learning, the renovation of the Hall of Graduate Studies, a new science building, as well as the new Schwarzman Center, a gathering place for both undergraduate and graduate students made possible by the generous $150 million gift from Stephen A. Schwarzman '69. Each of these presents an opportunity to create spaces and programs that inspire and reimagine teaching and research for the 21st century.

As always Yale is a place with ideas and opportunities in abundance, and that will require difficult choices about which to pursue. Our focus will remain on investing in Yale's core mission of teaching and research.

I look forward to updating you on Yale's progress in the years to come.

Stephen C. Murphy
Vice President for Finance and Chief Financial Officer

Financial Results

Overview

The University manages its operations to achieve long-term financial equilibrium. It is committed to sustaining both the programs and the capital assets (Endowment and facilities) supporting those programs over multiple generations. Endowment income, Yale's largest source of revenue, is allocated to the Operating Budget based on a spending policy that preserves the Endowment asset values for future generations, while providing a robust revenue stream for current programs. Similarly, the Operating Budget provides the major portion of the funds needed, through the Capital Replacement Charge (CRC), to replenish the capital base necessary to ensure that buildings are maintained to support current programs.

The Consolidated Statement of Activities in the audited financial statements is presented in accordance with U.S. generally accepted accounting principles (GAAP). GAAP recognizes revenue when earned and expenses when incurred. The Management View is focused more on resources available and used in the fiscal period presented. The Management View does not include certain expenses that are paid out over the long term, such as unfunded defined benefit costs, and certain revenue that will not be received within the next fiscal year, such as pledged contribution revenue. Another significant difference is that the Management View treats the CRC as an expense rather than the historical cost depreciation expensed in the Consolidated Statement of Activities. The GAAP financial statements do not present fund balance transfers between the operating, physical, and financial categories, as the Management View does.

A summary of the differences between the Management View presentation and GAAP presentations of the University's net operating results is as follows ($ in thousands):

	2015	2014
Total net operating results	$ 17,315	$ 13,096
Operating pledge activity	107,273	(9,925)
Expenses related to long-term liabilities	(55,783)	(30,359)
Capital funding in excess of depreciation/ (depreciation in excess of capital funding)	9,622	(27,026)
Interest rate and energy hedge realized loss	53,573	54,813
Deferred investment income	3,773	26,900
Funding transfers	58,574	23,536
Increase in net assets from operations per the Consolidated Statement of Activities	$ 194,347	$ 51,035

Fiscal Year 2015 Management View Results

The University ended the year with an increase to its operating fund balances of $17 million. Actual operating revenues increased 5.8% and actual operating expenses, excluding transfers, increased 4.6% compared to 2014. Medical services income and faculty salaries were significantly higher than the prior year, as the School of Medicine's clinical practice continued to grow at a rapid pace. All other revenue lines – tuition, room and board, grants and contracts income, contributions, endowment income and investment and other income contributed to growth.

Yale University Operating Results – Management View

for the year ended June 30, 2015 ($ in thousands)

	Actual June 30, 2015	Actual June 30, 2014	$ Change	% Change
Revenues:				
Tuition, room and board - gross	$ 577,724	$ 541,348	$ 36,376	6.7%
Tuition discount	(259,472)	(250,687)	(8,785)	3.5%
Tuition, room and board - net	318,252	290,661	27,591	9.5%
Grants and contract income	673,739	670,992	2,747	0.4%
Medical services income	786,541	699,527	87,014	12.4%
Contributions	155,701	148,170	7,531	5.1%
Endowment income	1,082,480	1,041,500	40,980	3.9%
Investment and other income	280,964	265,249	15,715	5.9%
Total external income	**3,297,677**	**3,116,099**	**181,578**	**5.8%**
Expenses:				
Faculty salaries	776,291	729,804	46,487	6.4%
All other salaries	751,119	729,402	21,717	3.0%
Employee benefits	473,724	457,803	15,921	3.5%
Total salaries and benefits	**2,001,134**	**1,917,009**	**84,125**	**4.4%**
Fellowships	91,328	90,418	910	1.0%
Non-salary expenses	757,915	745,456	12,459	1.7%
Interest, CRC and other amortization	371,411	326,584	44,827	13.7%
Total expenses	**3,221,788**	**3,079,467**	**142,321**	**4.6%**
Transfers	(58,574)	(23,536)	(35,038)	148.9%
Total net operating results	**$ 17,315**	**$ 13,096**	**$ 4,219**	**32.2%**

Fiscal Year 2015 GAAP Results

Operating Revenue

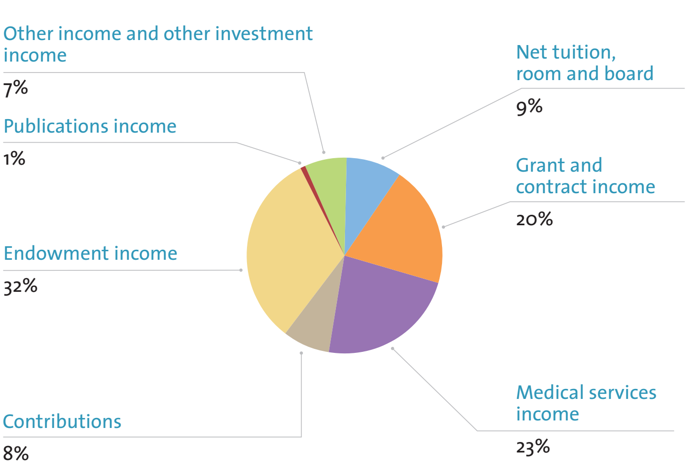
As shown in the chart below, the University derives its operating revenue from seven main sources: tuition, room and board (net of certain scholarships and fellowships), grants and contracts, medical services, endowment income, other income and investment income, contributions, and publication income.

Net Tuition, Room and Board

Net tuition, room and board increased 10.0% from $287.1 million in 2014 to $315.8 million in 2015. Tuition, room and board totaled $577.7 million in 2015, an increase of 6.7% from 2014. Of this amount, $500.0 million represents tuition, a 7.3% increase over 2014 due primarily to the growth in the School of Management and $77.7 million represents revenue from room and board which increased 3.1% from 2014. In accordance with generally accepted accounting principles, student income is presented net of certain scholarships and fellowships, which totaled $262.0 million and $254.3 million for 2015 and 2014, respectively. Net tuition, room and board represented 9.3% and 9.2% of the University's operating revenues in 2015 and 2014, respectively.

During the 2014-2015 academic year, 12,336 students were enrolled at the University; 5,477 were undergraduate students attending programs at Yale College, and 6,859 were pursuing their studies at the Graduate School of Arts and Sciences and the twelve professional schools. (Figures are based on full-time equivalents.)

Operating Revenue



Tuition for students enrolled in Yale College was $45,800 and room and board was $14,000, bringing the total term bill to $59,800 for the 2014-2015 academic year. The increase in the Yale College term bill was 4.0% over the 2013-2014 academic year. Tuition for students enrolled in the Graduate School of Arts and Sciences was $37,600, a 3.0% increase over the 2013-2014 academic year.

The University maintains a policy of offering Yale College admission to qualified applicants without regard to family financial circumstances. This "need-blind" admission policy is supported with a commitment to meet in full the demonstrated financial need of all students throughout their undergraduate years.

During the 2014-15 academic year, 2,787 undergraduates, representing 50.2% of eligible Yale College enrollment, received financial aid. In the Graduate School of Arts and Sciences, 2,818 students, or 99.8% of those eligible, received financial aid. In the professional schools, 3,216 students, or 80.4% of those eligible, received financial aid. In all, 8,821 University students, or 71.3% of total University eligible enrollment, received some form of University-administered student aid in the form of loans, gifts, or a combination of both loans and gifts.

Grant and Contract Income

Grant and contract income experienced a 0.4% increase from $671.0 million in 2014 to $673.7 million in 2015. The Yale School of Medicine, which received 78% of the University's grant and contract income in fiscal year 2015, reported a decrease of 0.02% for 2015, while the remaining University units increased by 2.0%.

The federal government funded $507.1 million, or 75.3% of 2015 grant and contract income, in support of Yale's research and training programs. Included in the $507.1 million is the Department of Health and Human Services (DHHS) funding of $355.3 million, a decrease of 3.6% compared to the prior year. The University also receives significant research funding from the National Science Foundation, the Department of Energy, the Department of Defense, and student aid awards from the Department of Education. Non-federal sources, which include foundations, voluntary health agencies, corporations, and the State of Connecticut, provided an additional $166.6 million in funding for research, training, clinical, and other sponsored agreements during 2015.

In addition to the reimbursement of direct costs charged to sponsored awards, sponsoring agencies reimburse the University for a portion of its facilities and administrative costs (referred to as indirect costs), which include costs related to research laboratory space, facilities, and utilities, as well as administrative and support costs incurred for sponsored activities. These reimbursements for facility and administrative costs amounted to $165.9 million in 2015. Recovery of facility and administrative costs associated with federally sponsored awards is recorded at rates negotiated with the University's cognizant agency, the Department of Health and Human Services.

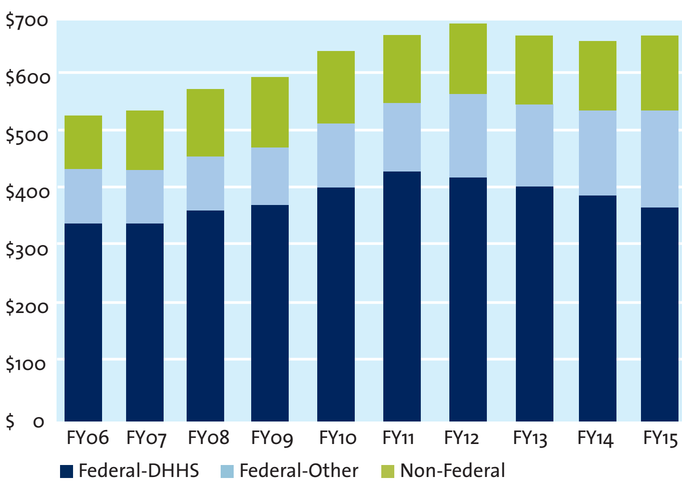
Medical Services Income

Medical services income totaled $786.5 million in fiscal year 2015, an increase of 12.4% from 2014, and represented 23.3% of the University's operating revenue. The largest portion of this revenue stream, $737.6 million, is derived from medical services provided by the School of Medicine's Yale Medical Group (YMG), one of the largest academic multi-specialty practices in the country and the largest in Connecticut.

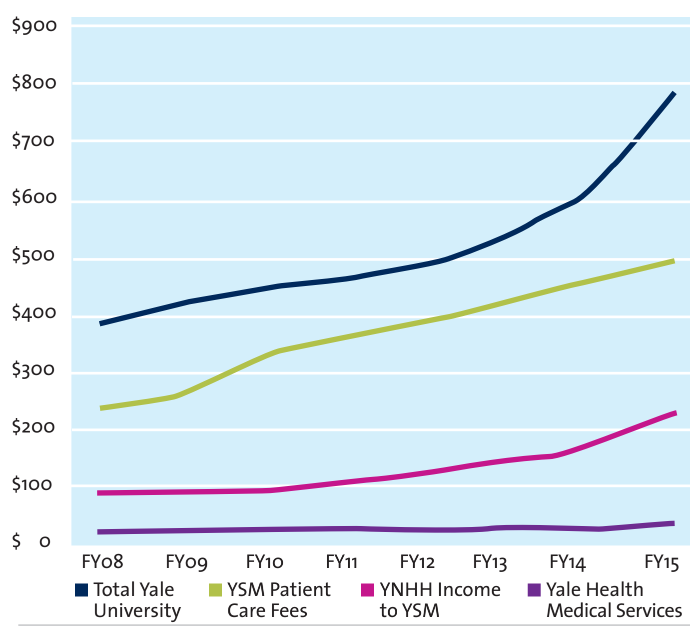
Most of the School of Medicine departments saw double-digit increases in medical services revenues during fiscal year 2015. Much of the revenue growth stems from practice acquisitions and new physicians, totaling approximately 150, who joined YMG in fiscal year 2014 and had a full year of revenues in fiscal year 2015 versus a partial year in 2014. Clinical volumes also increased as a result of 72 new faculty hired in fiscal year 2015, comprised of 13 hires from community practice acquisitions, 19 transitioning physicians who practiced at the Hospital of St. Raphael's, and 40 academic physician hires.

The strong partnership with Yale New Haven Health System (System) continued in fiscal year 2015 with System support for physician recruitment and program development increasing by 12%, to a total of $218.0 million.

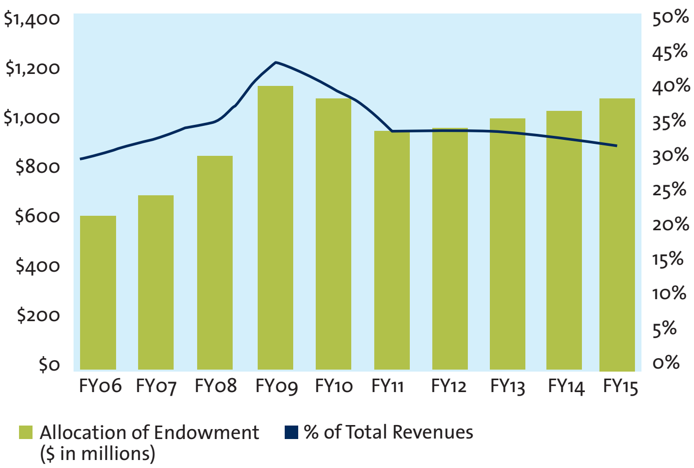
Grant and Contract Income
Ten-year trend analysis ($ in millions)



Medical Services Income
Eight-year trend analysis ($ in millions)



Allocation of Endowment Spending
as a percentage of total revenues, ten-year trend analysis



Allocation of Endowment Spending

Each year a portion of accumulated Endowment investment returns is allocated to support operational activity. This important source of revenue represents 32.0% of total operating revenue this year, and it remains the largest source of operating revenue for the University. The level of spending is computed in accordance with an Endowment spending policy that has the effect of smoothing year-to-year market swings. Endowment investment returns allocated to operating activities increased by 3.9% in 2015 to $1,082.5 million. Additional information on the Endowment spending policy is provided in the Endowment section of this report and in the footnotes to the consolidated financial statements.

Contributions

Donations from individuals, corporations and foundations represent a vitally important source of revenue for the University. Gifts to the University provide necessary funding for current operations, for long-term investments in the University's physical infrastructure and, in the case of gifts to the Endowment, provide permanent resources for core activities for future generations. Gifts of $263.0 million in 2015 and $138.2 million in 2014, made by donors to support the operations of the University, are reflected as contribution revenue in the operating section of the Consolidated Statement of Activities whereas gifts to the University's Endowment and for building construction and renovation are reflected as contribution revenue in the non-operating section. In aggregate, contributions included in the University consolidated financial statements total $401.5 million in 2015 compared to $346.4 million in 2014.

Certain gifts commonly reported in fund-raising results are not recognized as contributions in the University consolidated financial statements. For example, "in-kind" gifts such as works of art and books are not recognized as financial transactions in the University consolidated financial statements. Grants from private, non-governmental sources (i.e., corporations and foundations) reported as gifts for fund-raising purposes are included in the Consolidated Statement of Activities as grant and contract income.

Investment and Other Income

Investment and other income includes $77.2 million of interest, dividends, and gains on non-Endowment investments and $151.6 million of royalty income, admissions revenue relating to athletic events and drama productions, parking revenue, special event and seminar fees, application and enrollment fees and a variety of other sources.

Publications Income

Publications income is primarily generated through Yale University Press (Press), a separately endowed department of the University. Publishing-related revenue for the Press totaled $31.6 million for 2015. The Press published over 400 titles in 2015. Many of the authors are academic and other professionals from around the world. The Press published *Suspended Sentences*, a book by best-selling novelist and author Patrick Modiano who was awarded the 2014 Nobel Prize in Literature, which became the number one selling book for the year.

Operating Expenses

Operating expenses totaled $3.2 billion for 2015, representing a 4.2% increase for the year. With 4,410 faculty, 1,116 postdoctoral associates, 4,185 managerial and professional staff, and 5,172 unionized clerical, technical, service, and maintenance personnel, personnel costs are the single largest component (63%) of the University's total operating expenses. (Counts represent full-time equivalents as of fall 2014.)

Personnel costs were $2,017.4 million in 2015, a 4.3% increase over 2014. Faculty salary expenses increased 6.4% which includes growth in clinical activities. Staff compensation increased 2.3% from 2014 to 2015.

The cost of providing employee benefits, including various pension, post-retirement health, and insurance plans in addition to Social Security and other statutory benefits, totaled $510.3 million for 2015, an increase of 4.0% from 2014.

Depreciation and interest expenses increased 4.0%, and the remaining expenses, including services, materials and supplies, and other expenses increased 4.2% from 2014.

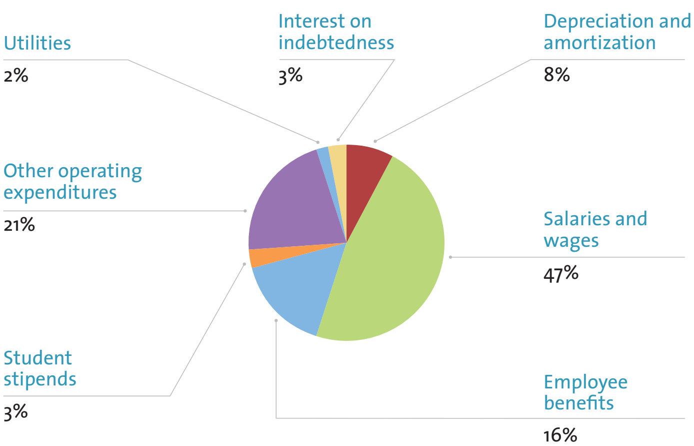
In accordance with generally accepted accounting principles, Yale reports its operating expenses by functional classification in the Consolidated Statement of Activities. The University spends 49.4% of its operating resources on academic activities including instruction and departmental research, libraries and other academic support and student aid and services. Organized research represents 15.5% and patient care 23.4% of spending. Organized research and patient care activities are integral to the academic and learning experiences at the University.

Physical Capital

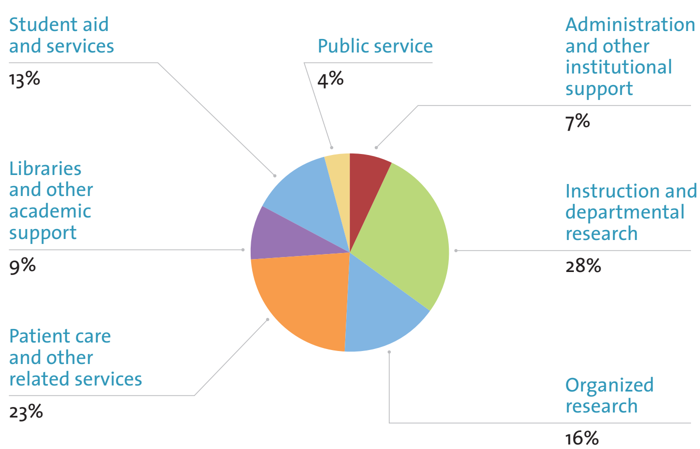
Capital spending on facilities in fiscal year 2015 totaled $302.0 million. This represents an increase in spending level of 11.6% compared to 2014.

The largest share of the University's capital spending, 26%, was used to fund projects related to undergraduate residences. The expansion of Yale College, through the construction of two new Residential Colleges, will be the first additions to the residential college system since 1961. The facilities will occupy a triangle of land just south of Ingalls Rink, and will model the twelve existing residential colleges, with a master, dean, fellows, and students forming a close-knit family, supported by the highest caliber public and private spaces for living and study. Construction began in 2015 and will continue into 2017.

Operating Expenses by Natural Classification



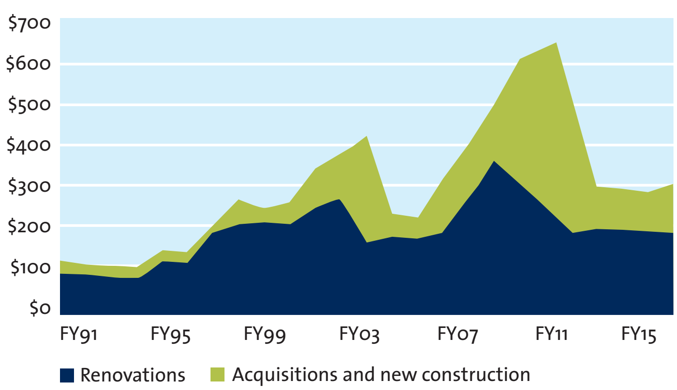
Operating Expenses by Functional Classification



The University made a significant investment in the biological and physical sciences with the renovation of the Sterling Chemistry Laboratory to improve teaching and research space, accessibility, and safety. The renovation includes a new, two-level structure accommodating ten chemistry and ten biology teaching labs and support, with a new mechanical penthouse and partial basement. It also includes a new roof at the south end of the building, and extends the new mechanical, electrical, and plumbing systems to the entire building. The total investment equaled 17% of the University's capital spending for the year.

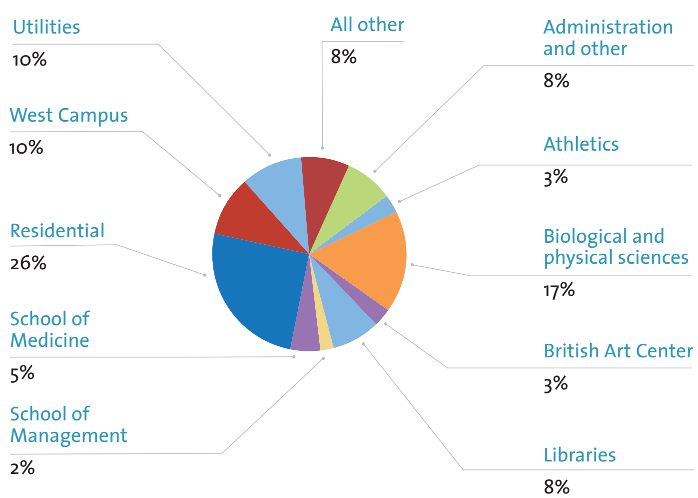
The University's ambitious renovation and building plans were funded by a combination of gifts, debt, and increasingly, funds from the operating budget. The University continues to rely heavily on the extraordinary generosity of its alumni and friends. During fiscal year 2015, the University utilized $86 million of gifts on hand to fund capital projects. The University has been the beneficiary of an outstanding response from donors. The construction of the new residential colleges 13/14, renovation of the Adams Center (Hendrie Hall), completion of the Sterling Memorial Library Nave Restoration and Exterior Renovation and completion of the President's House have been funded substantially through gifts.

Capital Spending by Year
(in 2015 dollars, in millions)



An important component of funding for the capital program is debt provided through the Connecticut Health and Educational Facilities Authority (CHEFA) which allows the University to borrow at tax exempt rates. This funding source is critical to keeping the cost of funding at lower levels which allows the University to maximize the use of its resources in the fulfillment of its mission of teaching and research. The University continues to draw bond proceeds from the $250 million (Series 2014A) issued in fiscal year 2015 through CHEFA to finance planned renovation and capital additions. The University continues to receive the highest bond ratings available: AAA from Standard and Poor's and Aaa from Moody's.

Capital Spending by Campus Area



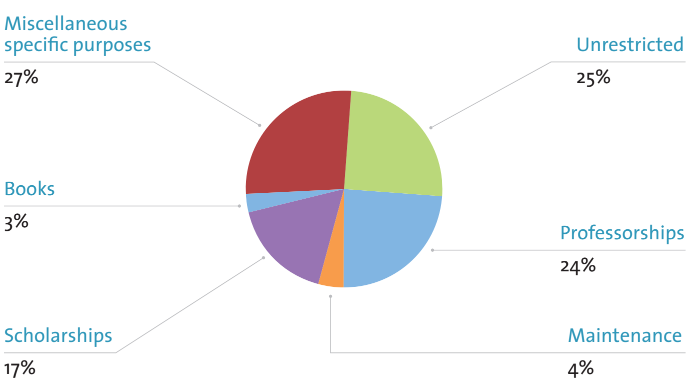
Endowment

The Endowment provides the largest source of support for the academic programs of the University. To balance current and future needs, Yale employs investment and spending policies designed to preserve Endowment asset values while providing a substantial flow of income to the Operating Budget. At June 30, 2015, net assets in the Endowment totaled approximately $25.6 billion, after the allocation of Endowment spending of $1.1 billion to the Operating Budget during the year.

Investment Performance

For the fiscal year ending June 30, 2015, the Endowment earned an 11.5% investment return. During the past decade, the Endowment earned an annualized 10.0% return, which added $7.1 billion of value relative to a composite passive benchmark and $8.5 billion relative to the mean return of a broad universe of colleges and universities.

Endowment Spending Allocation, Fiscal Year 2015

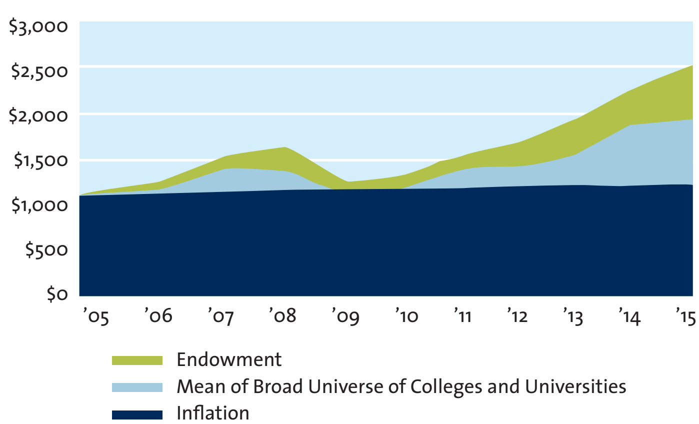


Endowment Spending

The Endowment spending policy, which allocates Endowment earnings to operations, balances the competing objectives of providing a stable flow of income to the Operating Budget and protecting the real value of the Endowment over time. The spending policy manages the trade-off between these two objectives by using a long-term target spending rate combined with a smoothing rule, which adjusts spending in any given year gradually in response to changes in Endowment market value.

The target spending rate approved by the Yale Corporation currently stands at 5.25%. According to the smoothing rule, Endowment spending in a given year sums to 80% of the previous year's spending and 20% of the targeted long-term spending rate applied to the market value two years prior. The spending amount determined by the formula is adjusted for inflation and constrained so that the calculated rate is at least 4.5% and not more than 6.0% of the Endowment's market value. The smoothing rule and the diversified nature of the Endowment mitigate the impact of short-term market volatility on the flow of funds to support Yale's operations.

Growth of $1,000 Invested in the Yale Endowment 2005 – 2015



Asset Allocation

Asset allocation proves critical to successful Endowment performance. Yale's asset allocation policy combines tested theory and informed market judgment to balance investment risks with the desire for high returns.

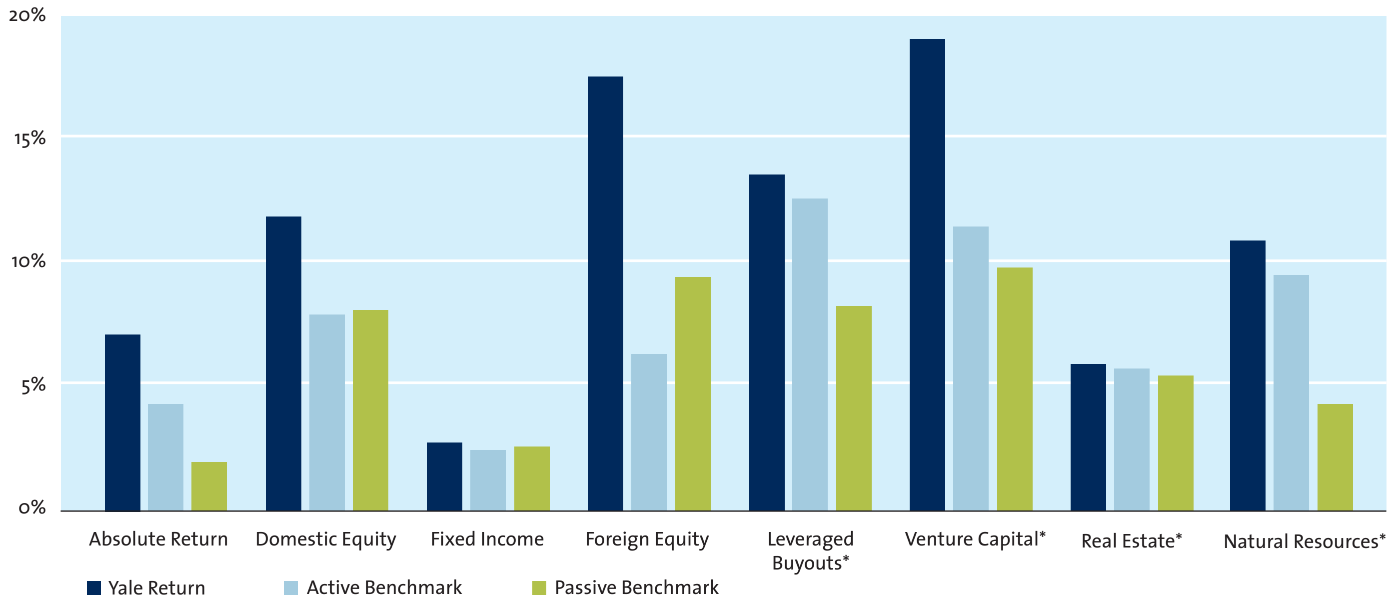
Both the need to provide resources for current operations and the desire to preserve the purchasing power of assets dictate investing for high returns, which leads the Endowment to be weighted toward equity. In addition, the Endowment's vulnerability to inflation directs the University away from fixed income and toward equity instruments. Hence, over 90% of the Endowment is invested in assets expected to produce equity-like returns, through domestic and international securities, real assets, and private equity.

Over the past twenty-five years, Yale significantly reduced the Endowment's exposure to traditional domestic marketable securities, reallocating assets to nontraditional asset classes. In 1990, approximately seventy percent of the Endowment was committed to US stocks, bonds, and cash. Today, domestic marketable securities account for approximately one-eighth of the portfolio, and foreign equity, private equity, absolute return strategies, and real assets represent around seven-eighths of the Endowment.

The heavy allocation to nontraditional asset classes stems from the diversifying power they provide to the portfolio as a whole. Alternative assets, by their nature, tend to be less efficiently priced than traditional marketable securities, providing an opportunity to exploit market inefficiencies through active management. Today's portfolio has significantly higher expected returns and lower volatility than the 1990 portfolio.

Asset Class	June 30, 2015	Current Target
Absolute Return	20.5%	21.5%
Domestic Equity	3.9%	4.0%
Fixed Income	4.9%	8.5%
Foreign Equity	14.7%	14.5%
Leveraged Buyouts	16.2%	16.0%
Venture Capital	16.3%	14.0%
Real Estate	14.0%	13.0%
Natural Resources	6.7%	8.5%
Cash	2.8%	0.0%
Total	100.0%	100.0%

Yale Endowment
Annualized Returns vs. Benchmarks by Asset Class
Net of Fees, Ten Years Ended June 30, 2015



*Yale's returns are money-weighted.

Active Benchmarks
Absolute Return: Credit Suisse Composite
Domestic Equity: Frank Russell Median Manager, US Equity
Fixed Income: Frank Russell Median Manager, Fixed Income
Foreign Equity: Frank Russell Median Manager Composite, Foreign Equity
Leveraged Buyouts: Cambridge Associates Leveraged Buyouts Composite
Venture Capital: Cambridge Associates Global Venture Capital
Real Estate: Cambridge Associates Real Estate
Natural Resources: Cambridge Associates Natural Resources

Passive Benchmarks
Absolute Return: Barclays 9-12 Mo Treasury
Domestic Equity: Wilshire 5000
Fixed Income: LB Treasury Index through June 2008, Barclays 1-5 Year Treasury from July 2008 to September 2014, Barclays 1-3 Year Treasury after September 2014
Foreign Equity: MSCI EAFE Investable Market Index / MSCI Emerging Markets Investable Market Index + MSCI China A-Share Investable Market Index, weighted according to target developed and emerging equity allocations
Leveraged Buyouts: Russell 2000 (75%) / MSCI ACWI ex-US Small-Cap Index (25%)
Venture Capital: Russell 2000 Technology (100%) through June 2010. Russell 2000 Technology (75%) / MSCI China Small Cap (17%) / MSCI India Small Cap (8%) thereafter
Real Estate: MSCI US REIT Index
Natural Resources: Custom Timber REIT basket / S&P OG Exploration & Production Index / Euromoney Global Mining Index, weighted according to target timber, oil and gas, and mining allocations, respectively

Endowment Summary

Yale continues to rely on the principles of equity orientation and diversification. These principles continue to guide Yale's investment strategy, as equity orientation makes sense for investors with long time horizons and diversification allows the construction of portfolios with superior risk and return characteristics. The University's equity-oriented, well-diversified portfolio positions the Endowment for long-term investment success.

pwc

Independent Auditor's Report

To the President and Fellows of Yale University:

We have audited the accompanying consolidated financial statements of Yale University (the "University"), which comprise the consolidated statement of financial position as of June 30, 2015, and the related consolidated statements of activities and of cash flows for the year 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 audit. We conducted our audit 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 the University'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 the University'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 consolidated financial position of the University as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters
We have previously audited the University's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 22, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

PricewaterhouseCoopers LLP

October 21, 2015

PricewaterhouseCoopers LLP, 185 Asylum Street, Suite 2400, Hartford, CT 06103
T: (860) 241 7000, F: (860) 241 7590, www.pwc.com/us

Yale University Consolidated Statement of Financial Position

June 30, 2015 with comparative totals for June 30, 2014 ($ in thousands)

	2015	2014
Assets:		
Cash and cash equivalents	$ 288,077	$ 234,915
Accounts receivable, net	199,382	173,659
Contributions receivable, net	508,615	434,340
Notes receivable	131,413	129,569
Investments, at fair value	31,192,504	28,988,699
Other assets	156,027	162,104
Land, buildings and equipment, net of accumulated depreciation	4,510,303	4,412,751
Total assets	$ 36,986,321	$ 34,536,037
Liabilities:		
Accounts payable and accrued liabilities	$ 359,901	$ 348,853
Advances under grants and contracts and other deposits	101,932	92,888
Other liabilities	1,160,876	955,704
Liabilities under split-interest agreements	114,606	119,180
Bonds and notes payable	3,572,441	3,332,845
Liabilities associated with investments	4,259,954	3,853,822
Advances from Federal government for student loans	31,438	31,912
Total liabilities	9,601,148	8,735,204
Net assets: non-controlling interests	287,574	289,300
Net assets: Yale University	27,097,599	25,511,533
Total net assets	27,385,173	25,800,833
Total liabilities and net assets	$ 36,986,321	$ 34,536,037

	Unrestricted	Temporarily Restricted	Permanently Restricted	2015	2014
Detail of net assets:					
Endowment and funds functioning as endowment	$ 3,864,823	$ 18,261,904	$ 3,444,863	$ 25,571,590	$ 23,894,719
Student loans	3,821	-	41,295	45,116	42,573
Gifts for building construction	-	370,258	-	370,258	411,089
General operating	647,816	462,819	-	1,110,635	1,163,152
Net assets: Yale University	4,516,460	19,094,981	3,486,158	27,097,599	25,511,533
Net assets: Non-controlling interest	287,574	-	-	287,574	289,300
Total net assets	$ 4,804,034	$ 19,094,981	$ 3,486,158	$ 27,385,173	$ 25,800,833

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

Yale University Consolidated Statement of Activities

June 30, 2015 with comparative totals for the year ended June 30, 2014 ($ in thousands)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2015	2014
Operating					
Revenues and reclassifications:					
Net tuition, room and board	$ 315,772	$ -	$ -	$ 315,772	$ 287,088
Grant and contract income, primarily for research and training	673,731	-	-	673,731	670,981
Medical services income	786,541	-	-	786,541	699,527
Contributions	24,508	238,511	-	263,019	138,245
Allocation of endowment spending from financial capital	326,837	755,639	-	1,082,476	1,041,456
Other investment income	69,205	8,014	-	77,219	99,655
Publications income	31,574	-	-	31,574	31,926
Other income	151,623	-	-	151,623	141,077
Total revenues	2,379,791	1,002,164	-	3,381,955	3,109,955
Net assets released from restrictions	855,195	(855,195)	-	-	-
Total revenues and reclassifications	3,234,986	146,969	-	3,381,955	3,109,955
Expenses:					
Instruction and departmental research	885,492	-	-	885,492	869,591
Organized research	494,588	-	-	494,588	481,848
Patient care and other related services	745,919	-	-	745,919	664,821
Libraries and other academic support	287,805	-	-	287,805	297,321
Student aid and services	400,530	-	-	400,530	396,721
Public service	142,936	-	-	142,936	132,579
Administration and other institutional support	230,338	-	-	230,338	216,039
Total expenses	3,187,608	-	-	3,187,608	3,058,920
Increase in net assets from operating activities	47,378	146,969	-	194,347	51,035
Non-operating					
Contributions	1,304	34,486	102,731	138,521	208,151
Total endowment return	427,404	2,144,835	7,176	2,579,415	4,037,639
Allocation of endowment spending to operations	(175,929)	(907,759)	1,212	(1,082,476)	(1,041,456)
Other investment gain (loss)	(132,577)	12,818	-	(119,759)	(26,582)
Change in funding status of defined benefit plans	(119,262)	-	-	(119,262)	53,007
Other (decreases) increases	(34,347)	4,970	24,657	(4,720)	(44,451)
Net assets released from restrictions	35,602	(35,602)	-	-	-
Increase in non-operating activities	2,195	1,253,748	135,776	1,391,719	3,186,308
Total increase in net assets - Yale University	49,573	1,400,717	135,776	1,586,066	3,237,343
Change in non-controlling interests	(1,726)	-	-	(1,726)	106,607
Total increase in net assets	47,847	1,400,717	135,776	1,584,340	3,343,950
Net assets, beginning of year	4,756,187	17,694,264	3,350,382	25,800,833	22,456,883
Net assets, end of year	$ 4,804,034	$ 19,094,981	$ 3,486,158	$ 27,385,173	$ 25,800,833

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

Yale University Consolidated Statement of Cash Flows

June 30, 2015 with comparative totals for the year ended June 30, 2014 ($ in thousands)

	2015	2014
Operating activities:		
Change in net assets	$ 1,584,340	$ 3,343,950
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	263,590	253,948
Unrealized loss (gain) on other investments	74,129	(23,452)
Net endowment investment gain	(2,256,615)	(3,448,766)
Change in non-controlling interests	1,726	(106,607)
Restricted contributions	(138,521)	(192,551)
Contributed securities	(54,112)	(58,883)
Proceeds from sale of donated securities	11,255	37,180
Other adjustments	(2,891)	28,649
Changes in assets and liabilities that provide (use) cash:		
Accounts receivable	(25,723)	8,717
Contributions receivable	(108,092)	(9,000)
Other operating assets	5,340	(11,079)
Accounts payable and accrued expenses	1,288	(6,501)
Advances under grants and contracts and other deposits	9,044	3,546
Other liabilities	205,172	3,163
Net cash used in operating activities	(430,070)	(177,686)
Investing activities:		
Student loans repaid	15,549	12,741
Student loans granted	(16,467)	(12,972)
Purchases related to capitalized software costs and other assets	(24,576)	(19,878)
Proceeds from sales and maturities of investments	11,838,554	7,233,751
Purchases of investments	(11,455,465)	(6,720,940)
Purchases of land, buildings and equipment	(331,172)	(316,487)
Net cash provided by investing activities	26,423	176,215
Financing activities:		
Proceeds from restricted contributions	172,337	186,667
Proceeds from sale of contributed securities restricted for endowment	42,857	21,703
Contributions received for split-interest agreements	10,373	6,515
Payments made under split-interest agreements	(13,126)	(12,303)
Proceeds from long-term debt	250,000	250,000
Repayments of long-term debt	(6,325)	(506,031)
Interest earned and advances from Federal government for student loans	693	733
Net cash provided by (used in) financing activities	456,809	(52,716)
Net increase (decrease) in cash and cash equivalents	53,162	(54,187)
Cash and cash equivalents, beginning of year	234,915	289,102
Cash and cash equivalents, end of year	$ 288,077	$ 234,915

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

Yale University
Notes to Consolidated Financial Statements

1. Significant Accounting Policies

a. General
Yale University ("the University") is a private, not-for-profit institution of higher education located in New Haven, Connecticut. The University is governed by the Yale Corporation (the "Corporation"), a body of nineteen Trustees consisting of the President, ten Successor Trustees who are Successors to the original Trustees, six Alumni Fellows, and the Governor and Lieutenant Governor of Connecticut, ex officio.

The University provides educational services primarily to students and trainees at the undergraduate, graduate and postdoctoral levels, and performs research, training and other services under grants, contracts and other similar agreements with agencies of the Federal government and other sponsoring organizations. The University's academic organization includes Yale College, the Graduate School of Arts and Sciences, twelve professional schools and a variety of research institutions and museums. The largest professional school is the Yale School of Medicine, which conducts medical services in support of its teaching and research missions.

The University has been granted tax exempt status under section 501(c)(3) of the Internal Revenue Code.

b. Basis of Presentation
The consolidated financial statements of the University include the accounts of all academic and administrative departments of the University, and affiliated organizations that are controlled by the University.

Financial statements of private, not-for-profit organizations measure aggregate net assets and net asset activity based on the absence or existence of donor-imposed restrictions. Net assets are reported as unrestricted, temporarily restricted and permanently restricted and serve as the foundation of the accompanying consolidated financial statements. Brief definitions of the three net asset classes are presented below:

Unrestricted Net Assets - Net assets derived from tuition and other institutional resources that are not subject to explicit donor-imposed restrictions. Unrestricted net assets also include gains on board designated funds functioning as endowment.

Temporarily Restricted Net Assets - Net assets subject to explicit donor-imposed restrictions on the expenditure of contributions or income and gains on contributed assets and net assets from endowments not yet appropriated for spending by the governing board. When temporary restrictions expire due to the passage of time or the incurrence of expenditures that fulfill the donor-imposed restrictions, temporarily restricted net assets are reclassified to unrestricted net assets. Temporarily restricted net assets are established with restricted contributions from donors and restricted income generated from endowments. In addition, temporarily restricted net assets include restricted contributions from donors classified as funds functioning as endowment. Restrictions include support of specific schools or departments of the University, for professorships, research, faculty support, scholarships and fellowships, library and art museums, building construction and other purposes.

Permanently Restricted Net Assets – Permanently restricted net assets include donor restricted endowments and student loan funds.

The University records as permanently restricted net assets the original amount of gifts which donors have given to be maintained in perpetuity ("donor restricted endowment funds"). For financial reporting purposes, all subsequent accumulated gains on such donor restricted endowment funds that are not classified as permanently restricted net assets are recorded as temporarily restricted net assets until appropriated for expenditure by the Corporation through the application of the endowment spending policy. The Corporation understands its policies on retaining and spending from endowment to be consistent with the requirements of Connecticut law.

Measure of Operations – The University's measure of operations as presented in the consolidated statement of activities includes revenue from tuition (net of certain scholarships and fellowships) and fees, grants and contracts, medical services, contributions for operating programs, the allocation of endowment spending for operations and other revenues. Operating expenses are reported on the consolidated statement of activities by functional categories, after allocating costs for operation and maintenance of plant, interest on indebtedness and depreciation expense.

The University's non-operating activity within the consolidated statement of activities includes contributions, investment returns and other activities related to endowment, long term benefit plan funding, student loan net assets utilized for long-term investment purposes and other activities related to land, buildings and equipment that are not part of the University's measure of operations.

Capital Replacement Equilibrium – Recognizing the critical importance of maintaining its physical capital over many generations, the University allocates funds directly from the operating budget to a capital maintenance account. The annual equilibrium funding target for internal purposes is an estimate that is reserved from annual operating funding sources to maintain Yale's facilities in good condition on a consistent basis, thus avoiding deferred maintenance. While not an exact science, an estimate of the full capital replacement equilibrium level for 2015 is $184.2 million (unaudited). In 2015, the large majority of this amount was funded with operating funds and capital gifts, with the remainder, $14.6 million (unaudited) funded through an internal bank. Total renovations for the year were $210.8 million.

c. Cash and Cash Equivalents
Cash and cash equivalents are recorded at cost which approximates fair value and include institutional money market funds and similar temporary investments with maturities of three months or less at the time of purchase. Cash and cash equivalents awaiting investment in the long term investment pool are reported as investments and

totaled $412.8 million and $169.8 million at June 30, 2015 and 2014, respectively. Cash and cash equivalents do not include cash balances held as collateral.

Supplemental disclosures of cash flow information include the following, in thousands of dollars:

	2015	2014
Cash paid during the year for:		
Interest	$ 143,313	$ 158,790
Noncash investing activities:		
Land, buildings and equipment purchases payable to vendor	$ 9,760	$ (11,988)

d. Investments

Fair Value – The University's investments are recorded in the consolidated financial statements at fair value.

Fair value is a market-based measurement based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering assumptions, a three-tier fair value hierarchy has been established which prioritizes the inputs used in measuring fair value. The hierarchy of inputs used to measure fair value and the primary methodologies used by the University to measure fair value include:

- *Level 1* – Quoted prices for identical assets and liabilities in active markets. Market price data is generally obtained from relevant exchange or dealer markets.
- *Level 2* – Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable.
- *Level 3* – Unobservable inputs in which there is little or no market data, requiring the University to develop its own assumptions.

Assets and liabilities measured at fair value are determined based on the following valuation techniques:

- *Market approach* – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities; and
- *Income approach* – Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques and option-pricing models).

The fair value of publicly traded fixed income and equity securities is based upon quoted market prices and exchange rates, if applicable. The fair value of direct real estate investments is determined from periodic valuations prepared by independent appraisers.

Investments are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the University's financial statements.

Derivatives – Derivative financial instruments in the investment portfolio include interest rate swaps, equity swaps, credit default swaps, commodity swap contracts and currency forward contracts which are recorded at fair value with the resulting gain or loss recognized in the consolidated statement of activities.

Resell and Repurchase Agreements – Cash paid in connection with resell agreements are generally collateralized by federal agency and foreign debt securities. The University takes possession of the underlying collateral and monitors the value of the underlying collateral to the amount due under the agreement. Cash received under repurchase agreements are collateralized by investments in asset backed, corporate debt, federal agency and foreign debt securities. Collateral market value is monitored to the amounts due under the agreements.

Management Fees – The University records the cost of managing its endowment portfolio as a decrease in non-operating activity within the applicable net asset class in the consolidated statement of activities. Management fees consist of the internal costs of the Investments Office, outside custodian fees and fees for external investment managers and general partners.

Total Return – The University invests its endowment portfolio and allocates the related earnings for expenditure in accordance with the total return concept. A distribution of endowment return that is independent of the cash yield and appreciation of investments earned during the year is provided for program support. The University has adopted an endowment spending policy designed specifically to stabilize annual spending levels and to preserve the real value of the endowment portfolio over time. The spending policy attempts to achieve these two objectives by using a long-term targeted spending rate combined with a smoothing rule, which adjusts spending gradually to changes in the endowment market value. An administrative charge is assessed against the funds when distributed.

The University uses a long-term targeted spending rate of 5.25%. The spending amount is calculated using 80% of the previous year's spending and 20% of the targeted long-term spending rate applied to the market value two years prior. The actual rate of spending for 2015 and 2014, when measured against the previous year's June 30th endowment market value, was 4.5% and 5.0%, respectively.

The University determines the expected return on endowment investments with the objective of producing a return exceeding the sum of inflation and the target spending rate. Asset allocation is the key factor driving expected return. Yale's asset allocation policy combines tested theory and informed market judgment to balance investment risks with the need for high returns. Both the need to provide resources for current operations and the desire to preserve the purchasing power of assets leads the endowment to be weighted toward equity.

The University manages the majority of its endowment in the University Long Term Investment Pool ("the Pool"). The Pool is unitized and allows for efficient investment among a diverse group of funds with varying restricted purposes. In addition to University funds, the Pool includes assets of affiliated entities where the University has established investment management agreements.

e. Land, Buildings and Equipment

Land, buildings and equipment are generally stated at cost. Buildings leased under capital leases are recorded at the lower of the net present value of the minimum lease payments or the fair value of the leased asset at the inception of the lease. Annual depreciation is calculated on a straight-line basis over useful lives, or over the lease term for capital leases, ranging from 15 to 50 years for buildings and improvements and 4 to 15 years for furnishings and equipment.

f. Other Assets

Capitalized software and bond issuance costs are included in other assets in the consolidated statement of financial position. Capitalized software costs are amortized on a straight line basis over the estimated useful lives of the software, ranging from 5 to 10 years. Bond issue costs are amortized over the term of the related debt.

g. Collections

Collections at Yale include works of art, literary works, historical treasures and artifacts that are maintained in the University's museums and libraries. These collections are protected and preserved for public exhibition, education, research and the furtherance of public service. Collections are not capitalized; purchases of collection items are recorded as operating expenses in the University's consolidated financial statements in the period in which the items are acquired.

h. Split-Interest Agreements

The University's split-interest agreements with donors consist primarily of charitable gift annuities, pooled income funds and irrevocable charitable remainder trusts for which the University serves as trustee. Assets are invested and payments are made to donors and/or other beneficiaries in accordance with the respective agreements.

Contribution revenues for charitable gift annuities and charitable remainder trusts are recognized at the date the agreements are established. In addition, the fair value of the estimated future payments to be made to the beneficiaries under these agreements is recorded as a liability. For pooled income funds, contribution revenue is recognized upon establishment of the agreement at the fair value of the estimated future receipts, discounted for the estimated time period until culmination of the agreement.

i. Beneficial Interest in Trust Assets

The University is the beneficiary of certain perpetual trusts and charitable remainder trusts held and administered by others. The estimated fair values of trust assets are recognized as assets and as gift revenue when reported to the University.

j. Net Tuition, Room and Board

Tuition, room and board revenue is generated from an enrolled student population of approximately 12,300. The undergraduate population of approximately 5,500 is a diverse group attracted from across the United States and from many foreign countries. Foreign students account for approximately 10% (unaudited) of the undergraduate population. Net tuition revenue from undergraduate enrollment represents approximately 63.6% of total net tuition revenue in 2015.

The University maintains a policy of offering qualified applicants admission to Yale College without regard to financial circumstance, as well as meeting in full the demonstrated financial need of those admitted. Student need in all programs throughout the University is generally fulfilled through a combination of scholarships and fellowships, loans and employment during the academic year. Tuition, room and board revenue has been reduced by certain scholarships and fellowships in the amounts of $262.0 million and $254.3 million in 2015 and 2014, respectively.

k. Contributions

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Amounts expected to be collected in future years are recorded at the present value of estimated future cash flows, which includes estimates for potential uncollectible receivables. The discount on those contributions is computed using an interest rate that reflects fair value applicable to the year in which the promise is received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not recorded as support until such time as the conditions are substantially met. A facilities and administrative charge is assessed against current use gifts when received.

l. Grant and Contract Income

The University receives grant and contract income from governmental and private sources. In 2015 and 2014, grant and contract income received from the Federal government totaled $507.1 million and $512.6 million, respectively. The University recognizes revenue associated with the direct costs of sponsored programs as the related qualified costs are incurred. Recovery of facilities and administrative costs of Federally sponsored programs is at rates negotiated with the University's cognizant agency, the Department of Health and Human Services.

m. Medical Services Income

The University has agreements with third-party payers, including health maintenance organizations that provide payment for medical services at amounts different from standard rates established by the University. Medical services income is reported net of contractual allowances from third-party payers and others for services rendered, and further adjusted for estimates of uncollectible amounts.

n. Net Assets Released from Restrictions

Reclassification of net assets is based upon the satisfaction of the purpose for which the net assets were restricted or the completion of a time stipulation. Restricted operating activity including contributions and net investment return earned, which are restricted, are reported as temporarily restricted support and reclassified to unrestricted when any donor-imposed restrictions are satisfied. Non-operating restricted net assets associated with building costs are reclassified to unrestricted net assets when the capital asset is placed in service.

o. Self Insurance
The University self-insures at varying levels for unemployment, disability, workers' compensation, property losses, certain healthcare plans, general and professional liability; and obtains coverage through a captive insurance company for medical malpractice and related general liability losses. Insurance is purchased to cover liabilities above self-insurance limits. Estimates of retained exposures are accrued.

p. 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 judgments that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Significant estimates made by management include the valuation of alternative investments, the estimated net realizable value of receivables, estimated asset retirement obligations, liabilities under split-interest agreements, and the actuarially determined employee benefit and self-insurance liabilities. Actual results could differ from those estimates.

q. Implementation of Accounting Standards
On July 1, 2014, the University adopted new guidance regarding *Fair Value Measurement and Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. This guidance requires the University show investments that use net asset value (NAV) as a practical expedient for valuation purposes, separately from other investments categorized in the fair value hierarchy described in Footnote 1d. This disclosure change which was applied retrospectively is reported in Footnote 2 for both fiscal years 2015 and 2014. As a result of adopting this standard, certain prior year amounts were reclassified to conform to current year presentation.

r. Summarized 2014 Financial Information
The accompanying 2015 financial statements include selected comparative summarized financial information for 2014. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the University's 2014 financial statements, from which the summarized financial information was derived. In addition, certain amounts have been reclassified to conform to the current year presentation.

2. Investments

The University Endowment maintains a diversified investment portfolio with a strong orientation to equity investments and strategies designed to take advantage of market inefficiencies. The University's investment objectives are guided by its asset allocation policy and are achieved in partnership with external investment managers operating through a variety of investment vehicles, including separate accounts, limited partnerships and commingled funds. The University's heavy allocation to non-traditional asset classes, such as absolute return (hedge strategies), private equity (venture capital and leveraged buy-outs), real estate, and natural resources (timber, energy and minerals), generates return potential and diversification in the portfolio.

The components of endowment and non-endowment investments, net of related liabilities at June 30 are presented below in thousands of dollars:

	2015	2014
Endowment investments:		
Long term investment pool	$ 25,087,558	$ 23,382,964
Other	455,425	475,597
Total net endowment investments	25,542,983	23,858,561
Non-endowment investments:		
Long term investment pool	350,000	350,000
Bonds	546,674	451,745
Derivatives	(269,998)	(188,442)
Other	475,317	373,713
Total non-endowment investments	1,101,993	987,016
Net investments, at fair value	$ 26,644,976	$ 24,845,577

As described in Note 1d, investments are recorded at fair value. The following table summarizes the fair values of the University's investments by major type and related liabilities as of June 30, in thousands of dollars:

	Level 1	Level 2	Level 3	2015	2014
Investments, at fair value:					
Cash and cash equivalents	$ 1,230,720	$ 108,523	$ -	$ 1,339,243	$ 590,476
Fixed income:					
US government securities	2,144,606	83,733	70	2,228,409	1,984,623
Foreign government securities	74,773	93,209	-	167,982	101,992
Corporate and other securities	78,383	2,285,100	281,545	2,645,028	2,079,498
Total fixed income	2,297,762	2,462,042	281,615	5,041,419	4,166,113
Common stock:					
Domestic	1,308,977	79,940	61,235	1,450,152	1,083,332
Foreign	1,709,084	108,130	146,772	1,963,986	1,864,936
Total common stock	3,018,061	188,070	208,007	3,414,138	2,948,268
Other equity investments:					
Foreign equity	-	-	352,190	352,190	296,226
Venture capital	-	-	83,592	83,592	126,246
Natural resources	-	277,060	419,199	696,259	1,424,877
Total other equity investments	-	277,060	854,981	1,132,041	1,847,349
Other investments	414,058	732,887	295,454	1,442,399	1,427,535
Total leveled investments	$ 6,960,601	$ 3,768,582	$ 1,640,057	12,369,240	10,979,741
Investments at NAV				18,823,264	18,008,958
Total investments, at fair value				31,192,504	28,988,699
Liabilities associated with investments:					
Securities sold, not yet purchased	$ 421,366	$ 192,972	$ -	614,338	717,679
Repurchase agreements	-	1,400,819	-	1,400,819	1,234,722
Other liabilities	507,606	576,508	1,160,683	2,244,797	1,901,421
Total liabilities associated with investments	$ 928,972	$ 2,170,299	$ 1,160,683	4,259,954	3,853,822
Non-controlling interests				287,574	289,300
Net investments, at fair value				$ 26,644,976	$ 24,845,577

While not part of a leveling category, fair values for certain investments held are based on the net asset value (NAV) of such investments as determined by the respective external investment managers, including general partners, if market values are not readily ascertainable. These valuations necessarily involve assumptions and methods that are reviewed by the University's Investments Office. Investments at NAV as of June 30, in thousands include:

	2015	2014
Absolute return	$ 4,002,409	$ 3,050,087
Domestic	589,988	578,367
Foreign	963,756	942,471
Leveraged buyout	4,275,111	4,720,094
Natural resources	921,888	839,177
Real estate	3,764,516	4,381,236
Venture capital	4,305,596	3,497,526
Total investments, at NAV	$ 18,823,264	$ 18,008,958

Assets and liabilities of investment companies that are controlled by the University are consolidated for reporting purposes. Certain consolidated subsidiaries are controlled but not wholly owned by the University. The portion of a consolidated entity net assets that is not owned by the University is reported as a non-controlling interest.

The fair value of consolidated investment company assets and liabilities included in the University financial statements, in thousands of dollars, include:

	2015	2014
Consolidated Investment Company Assets	$ 4,951,329	$ 4,358,079
Consolidated Investment Company Liabilities	2,494,975	2,139,386
	$ 2,456,354	$ 2,218,693

Level 3 investments are valued by the University or by investment managers of investment companies using valuation techniques standard in the industry in which they operate. The Yale Investments Office reviews these valuation methods and evaluates the appropriateness of these valuations each year. In certain circumstances, when the general partner does not provide a valuation or the valuation provided is not considered appropriate, the Investments Office will determine those values. The following table summarizes quantitative inputs and assumptions used for Level 3 investments at June 30, 2015 for which fair value is based on unobservable inputs that are not developed by the external managers. Significant increases or decreases in these unobservable inputs may result in significantly higher or lower valuation results.

Asset Class	Fair Value (in 000's)	Valuation Technique	Significant Unobservable Input	Range	Weighted Average
Equity Securities	$ 643,789	Market comparables	Multiple of EBITDA	8.2 - 11.7	9.5
			Enterprise value to revenue	1.9	1.9
			Discount rate	12.0%	12.0%
			Recent transaction	NA	NA
			Discount for potential tax liability	0.0% - 15.0%	10.0%
		Dealer pricing	Indicative quotes	0.0 - 17.02	1.1
Fixed Income Securities	$ 281,615	Market comparables	Enterprise value/EBITDA	6.0x - 11.7x	9.6x
			Illiquidity discount	3.0%	3.0%
			Discount rate	25.0%	25.0%
		Liquidation model	Recovery rate-accounts receivable	80.0%	80.0%
			Recovery rate-equipment	10.0% - 50.0%	31.0%
			Recovery rate-land	100.0%	100.0%
			Recovery rate-litigation	0.0% - 25.0%	13.0%
			Recovery rate-other non-current assets	50.0% - 100.0%	59.0%
		Discounted cash flow	Discount rate	23.0% - 28.0%	26.0%
			Counterparty default risk	12.0%	12.0%
		Multiparty independent pricing	Indicative quotes	21.1 - 444.6	106.0
		Dealer pricing	Indicative quotes	0.0 - 111.4	93.0
Natural Resources	$ 419,199	Discounted cash flow	Discount rate	8.0% - 10.0%	8.0%
		Market comparable sale	Discount on public security	0.0% - 25.0%	4.5%
			Dividend yield	6.2% - 6.7%	6.4%
			Discount for litigation risk	0.0% - 50.0%	25.0%
Trusts	$ 193,652	Net present value	Discount rate	3.3%	3.3%
Other Investments	$ 101,802	Various methods			
Liabilities	$ (1,160,683)	Various methods	University pooled unit market value	$ 3,278.9	$ 3,278.9

The valuation process for investments at NAV and those categorized in Level 3 of the fair value hierarchy includes evaluating the operations and valuation procedures of the managers of the Investment Companies and the transparency of those processes through background and reference checks, attendance at investor meetings and periodic site visits. In determining the fair value of investments, Investments Office staff reviews periodic investor reports, interim and annual audited financial statements received from the Investment Companies, material quarter over quarter changes in valuation and assesses the impact of macro market factors on the performance. The Investments Office meets with the Investment Committee quarterly to review investment transactions and monitor performance of the managers of these Investment Companies.

Realized gains and losses are reported in total endowment return, net of fees. Included in net realized and unrealized gain in Level 3 reported below were unrealized (losses) gains that relate to assets held at June 30, 2015 and 2014 of ($291.6) million and $458.6 million, respectively.

The table below presents the change in fair value measurements for the University's Level 3 investments during the year ended June 30, in millions of dollars:

	Foreign Equity	Venture Capital	Natural Resources	Other	Liabilities	2015	2014
Beginning balance	$296	$126	$1,425	$886	$(1,018)	$1,715	$1,273
Realized and unrealized gain, net	54	16	(150)	44	-	(36)	735
Purchases	2	5	-	654	(146)	515	234
Sales	-	(1)	(143)	(742)	2	(884)	(484)
Transfers in	-	-	-	34	(1)	33	65
Transfers out	-	(62)	(713)	(91)	2	(864)	(108)
Ending balance	$352	$84	$419	$785	$(1,161)	$479	$1,715

The transfers out of Level 3 consist primarily of investments reclassified from Level 3 to Investments at NAV due to the use of the practical expedient for certain limited partnerships.

Agreements with investment companies include certain redemption terms and restrictions as noted in the following table:

Asset Class	Fair Value (in 000's)	Remaining Life	Unfunded Commitment (in 000's)	Redemption Terms	Redemption Restrictions
Absolute Return	$ 4,002,409	No Limit	$ 7,953	Redemption terms range from monthly with 30 days notice to annually with 90 days notice.	Lock-up provisions range from none to 5 years.
Domestic Equity	589,988	No Limit	-	Redemption terms range from monthly with 3 days notice to annually with 90 days notice.	Lock-up provisions range from none to 7 years.
Foreign Equity	1,315,946	No Limit	16,500	Redemption terms range from monthly with 15 days notice to closed end structures not available for redemption.	Lock-up provisions range from none to 7 years.
Leveraged Buyout	4,275,111	1-10 years	2,050,086	Closed end funds not eligible for redemption.	Not redeemable.
Venture Capital	4,389,188	1-10 years	1,031,249	Closed end funds not eligible for redemption.	Not redeemable.
Real Estate	3,764,516	1-10 years	1,312,853	Closed end funds not eligible for redemption.	Not redeemable.
Natural Resources	1,618,147	1-35 years	405,908	Closed end funds not eligible for redemption.	Not redeemable.
Total	$ 19,955,305		$ 4,824,549		

The University has various sources of internal liquidity at its disposal, including cash, cash equivalents and marketable debt and equity securities. If called upon at June 30, 2015, management estimates that it could have liquidated approximately $4.1 billion of investments within 90 days (unaudited) to meet short-term needs.

The University enters into resell agreements (where securities are purchased under agreements to resell) and into repurchase agreements (where securities are sold under an agreement to repurchase). All resell agreements and repurchase agreements are carried at their contractual value which approximates fair value. Resell and repurchase agreements are presented gross in the University statement of financial position as investment assets and liabilities associated with investments. The table below illustrates the net exposure for these financial instruments at June 30, 2015, in thousands of dollars, where enforceable netting agreements are in place:

	Assets	Liabilities
Resell and repurchase agreements	$ 353,217	$ 1,400,819
Amounts contractually eligible for offset	(326,042)	(326,042)
Collateral	(22,072)	(1,074,777)
Net exposure for resell and repurchase agreements	$ 5,103	$ -

Fixed income securities of $774.4 million were provided at June 30, 2015 to collateralize securities sold, not yet purchased.

The University may employ derivatives and other strategies to (1) manage against market risks, (2) arbitrage mispricings of related securities and (3) replicate long or short positions more cost effectively. The University does not invest in derivatives for speculation. The fair value of derivative positions held at June 30, 2015 and related gain (loss) for the year, in thousands of dollars, were as follows:

	Assets	Liabilities	Gain (Loss)
Endowment:			
Credit default swaps	$ 120,791	$ (65,114)	$ (1,793)
Interest rate swaps	13,812	(96,263)	(15,430)
Other	97,864	(31,120)	203,905
	232,467	(192,497)	186,682
Other:			
Interest rate swaps	-	(261,578)	(113,977)
Energy swaps	-	(8,420)	(12,147)
	-	(269,998)	(126,124)
Gross value of derivatives	232,467	(462,495)	$ 60,558
Other-counterparty netting	(136,527)	136,527	
Net collateral (received)/posted	(46,157)	295,864	
Total net exposure for derivatives	$ 49,783	$ (30,104)	

Derivatives are reported as other assets and other liabilities for fair value leveling purposes. The University initiates derivatives under legally enforceable master netting agreements. The net exposure for derivatives is presented above net of these master netting agreements and required collateral.

Credit default swaps

Credit default swaps are used to simulate long or short positions that are unavailable in the market or to reduce credit risk where exposure exists. The buyer of a credit default swap is obligated to pay to the seller a periodic stream of payments over the term of the contract in return for a contingent payment upon occurrence of a contracted credit event. As of June 30, 2015, the total notional amount of credit default swap contracts for buy protection amounts to $1.9 billion and the notional amount related to sell protection is $1.4 billion.

Interest rate swaps

Interest rate swaps are used to manage exposure to interest rate fluctuations.

The notional amount of contracts that pay based on fixed rates and receive based on variable rates at June 30, 2015 were $2,085.0 million. The notional amount of contracts that pay based on variable rates and receive based on fixed rates were $995.3 million at June 30, 2015.

Energy swaps

Energy swaps are used in connection with settling planned purchases of energy consumption and adjusting market exposures.

Derivative assets are reported as investments in the consolidated statement of financial position and derivative liabilities are reported as liabilities associated with investments. Gains and losses on derivatives used for investing are reported as part of total endowment return and gains and losses related to University debt management and energy consumption are reported as other investment loss in the consolidated statement of activities as non-operating activity.

Derivatives held by limited partnerships and commingled investment trusts in which Yale invests pose no off-balance sheet risk to the University due to the limited liability structure of the investments.

Certain investment transactions, including derivative financial instruments, necessarily involve counterparty credit exposure. Such exposure is monitored regularly by the University's Investments Office in accordance with established credit policies and other relevant criteria. Collateral provided by Yale and its consolidated investment companies related to derivative transactions amounted to $367.6 million at June 30, 2015.

Endowment investments include beneficial interests in outside trusts of $148.5 million and $156.0 million at June 30, 2015 and 2014, respectively. Non-endowment investments include CHEFA proceeds available for approved construction and campus renovation projects of $107.5 million at June 30, 2015.

The following investments held under split-interest agreements are included in the endowment investment portfolio, in thousands of dollars:

	2015	2014
Charitable gift annuities	$ 165,678	$ 153,930
Charitable remainder trusts	115,870	117,164
Pooled income funds	11,945	12,555
	$ 293,493	$ 283,649

Split interest liabilities reported in the consolidated statement of financial position total $114.6 million and are recorded at fair value using Level 2 measurements.

A summary of the University's total investment return as reported in the consolidated statement of activities is presented below, in thousands of dollars:

	2015	2014
Investment income	$ 322,800	$ 588,873
Realized and unrealized gain, net of investment management fees	2,256,615	3,448,766
Total endowment return	2,579,415	4,037,639
Other investment income	(42,540)	73,073
	$ 2,536,875	$ 4,110,712

Endowment investment returns totaling $1,082.5 million and $1,041.5 million were allocated to operating activities in 2015 and 2014, respectively, using the spending policy described in Note 1d.

3. Accounts Receivable

Accounts receivable from the following sources were outstanding at June 30, in thousands of dollars:

	2015	2014
Medical services, net	$ 85,904	$ 67,669
Grants and contracts	61,323	57,458
Affiliated organizations	43,647	39,389
Publications	5,684	6,541
Other	18,391	17,909
	214,949	188,966
Less: Allowance for doubtful accounts	(15,567)	(15,307)
	$ 199,382	$ 173,659

Medical services receivables are net of an allowance for contractual adjustments of $123.1 million and $114.3 million at June 30, 2015 and 2014, respectively. Collections for patient care services are primarily based on negotiated contracts from managed care companies (63%), Medicare (16%), and Medicaid (10%). In addition, payments are received directly from patients (6%) and commercial insurance and others (5%).

The University assesses credit losses on all accounts receivable on a regular basis to determine the allowance for doubtful accounts.

The University and Yale-New Haven Hospital (the "Hospital") are parties to an affiliation agreement that establishes guidelines for the operation of activities between these two separate organizations. These guidelines set forth each organization's responsibility under the common goal of delivering comprehensive patient care services. The University provides professional services from faculty of the Yale School of Medicine and a variety of other administrative and clinical services. The net receivable from the Hospital amounted to $33.0 million and $27.6 million at June 30, 2015 and 2014, respectively. Balances are settled in the ordinary course of business. The University recognized $217.9 million in revenue and incurred $73.7 million in expenses related to activities with the Hospital during the period ended June 30, 2015. In addition, the Hospital has invested $699.4 million in the University Long Term Investment Pool with a fair value at June 30, 2015 of $887.0 million. This balance is recorded as a liability associated with investments.

4. Contributions Receivable

Contributions receivable consist of the following unconditional promises to give as of June 30, in thousands of dollars:

	2015	2014
Purpose:		
Endowment	$ 218,302	$ 216,366
Capital purposes	73,982	108,754
Operating programs	439,249	177,461
Gross unconditional promises to give	731,533	502,581
Less: Discount to present value	(166,202)	(13,204)
Allowance for uncollectible accounts	(56,716)	(55,037)
	$ 508,615	$ 434,340

	2015	2014
Amounts due in:		
Less than one year	$ 190,459	$ 208,249
One to five years	284,425	264,324
More than five years	256,649	30,008
	$ 731,533	$ 502,581

Discount rates used to calculate the present value of contributions receivable ranged from 0.33% to 7.0% at June 30, 2015, and 0.33% to 5.49% at June 30, 2014.

At June 30, 2015, the University had conditional pledges that depend on the occurrence of a future and uncertain event of approximately $145.0 million. Conditional pledges are recognized when the condition is met.

5. Notes Receivable

Notes receivable at June 30, in thousands of dollars, include:

	2015	2014
Institutional student loans	$ 53,709	$ 51,451
Federally-sponsored student loans	34,163	33,313
Notes receivable	54,084	54,602
	141,956	139,366
Less: Allowance for doubtful accounts	(10,543)	(9,797)
	$ 131,413	$129,569

Student Loans

Institutional student loans include donor funds restricted for student loan purposes and University funds made available to meet demonstrated need in excess of all other sources of student loan borrowings. Interest accrues at fixed rates upon loan disbursement. Federally-sponsored student loans have mandated interest rates and repayment terms subject to restrictions as to their transfer and disposition.

Management regularly assesses the adequacy of the allowance for credit losses for student loans by performing ongoing evaluations of the student loan portfolio, including such factors as the differing economic risks associated with each loan category, the financial condition of specific borrowers, the level of delinquent loans, and, where applicable, the existence of any guarantees or indemnifications. Federally-sponsored loans represent amounts due from current and former students under certain Federal Loan Programs. Loans disbursed under these programs are able to be assigned to the Federal government in certain non-repayment situations. In these situations, the Federal portion of the loan balance is guaranteed.

Amounts received from the Federal government to fund a portion of the Federally-sponsored student loans are ultimately refundable to the Federal government and have been reported as advances from Federal government for student loans in the consolidated statement of financial position. The recorded value of student loan instruments approximates fair value.

Notes Receivable

The University and Yale-New Haven Hospital (the "Hospital") entered into an agreement under which the Hospital will pay the University over a 40 year term to reimburse the University for advances made in connection with the construction of Hospital facilities. The payment includes interest based on the 5 year Treasury bill plus 175 basis points, which resets every 5 years. In 2015, the interest rate was reset, and the monthly payment was adjusted accordingly.

6. Other Assets

Other assets at June 30, in thousands of dollars, include:

	2015	2014
Software costs, net of accumulated amortization	$ 66,514	$ 71,288
Deferred expenses	37,364	34,169
Insurance receivable	22,609	26,071
Inventories	14,921	17,603
Bond issue costs, net of accumulated amortization	14,619	12,973
	$ 156,027	$ 162,104

Amortization expense included in operating expenses amounted to $24.2 million and $24.8 million in 2015 and 2014, respectively.

7. Land, Buildings and Equipment

Land, buildings and equipment at June 30, less accumulated depreciation, in thousands of dollars, are as follows:

	2015	2014
Land and real estate improvements	$ 134,327	$ 131,892
Buildings	5,756,767	5,562,017
Buildings under capital leases	61,665	61,665
Equipment	665,964	638,752
	6,618,723	6,394,326
Less: Accumulated depreciation and amortization	(2,400,179)	(2,225,360)
	4,218,544	4,168,966
Construction in progress	291,759	243,785
	$ 4,510,303	$ 4,412,751

Depreciation expense included in operating expenses amounted to $237.2 million and $226.9 million in 2015 and 2014, respectively. Amortization expense on capital lease assets amounted to $2.2 million in both 2015 and 2014.

8. Other Liabilities

Other liabilities consist of obligations of the University that will be paid over extended periods and consist of the following, in thousands of dollars:

	2015	2014
Employee benefit obligations	$ 955,440	$ 763,309
Compensated absences	64,097	65,173
Asset retirement obligations	36,800	35,600
Financial aid grant obligations	50,703	48,223
Other	53,836	43,399
	$ 1,160,876	$ 955,704

Included in employee benefit obligations are defined benefit plan liabilities in excess of plan assets. These liabilities amounted to $852.4 million at June 30, 2015 and $675.5 million at June 30, 2014. (See Note 11)

9. Debt Obligations

Bonds, notes and capital lease obligations outstanding at June 30, in thousands of dollars, include:

	Effective Interest Rate	Year of Maturity	Outstanding Balance	
	June 30, 2015		2015	2014
Connecticut Health and Educational Facilities Authority (CHEFA) tax-exempt bonds:				
Series S	0.06%	2027	$ 135,865	$ 135,865
Series T	2.65%	2029	250,000	250,000
Series U	0.04%	2033	250,000	250,000
Series V	0.03%	2036	200,000	200,000
Series X	2.88%	2037	250,000	250,000
Series Y	3.14%	2035	307,446	307,817
Series Z	4.85%	2042	611,112	611,524
Series 2010A	2.76%	2025/2040/2049	542,752	546,075
Series 2013A	1.35%	2042	100,000	100,000
Series 2014A	0.80%	2048	250,000	-
Total CHEFA bonds			2,897,175	2,651,281
Medium-term notes	7.38%	2096	124,652	124,632
Medium-term notes Series B	2.09%	2019	250,000	250,000
Commercial paper	0.10%	2015	181,423	181,417
Capital leases - buildings	5.75%	2032/2048	54,265	55,464
Other notes payable	7.85%	2020	2,086	2,390
US Department of Energy	2.72%	2029	62,840	67,661
			$ 3,572,441	$ 3,332,845

CHEFA Series 2014A issued in July 2014 was in the amount of $250 million. The series matures on July 2048 and bears a fixed rate of 0.80% through the initial term period ending July 2017.

CHEFA Series 2013A issued in July 2013 in the amount of $100 million was used to redeem CHEFA Series X-1. Series 2013A matures on July 2042 and bears an interest rate of 1.35% through the initial term rate period ending July 2016.

CHEFA Series 2010A bonds consist of 1) $80 million Series 2010A-1 bonds maturing July 2025 at a fixed interest rate of 5%; 2) $150 million Series 2010A-2 bonds maturing July 2040 at a fixed interest rate of 5%; 3) $150 million Series 2010A-3 bonds maturing July 2049, currently bears a fixed interest rate of 0.875% through February 2018; and 4) $150 million Series 2010A-4 bonds maturing July 2049, the initial fixed interest rates are 2.5% for $20.2 million and 5% for $129.8 million applied until February 2015. Series 2010A-4 was remarketed in February 2015 to a new fixed rate term of 1.2% through January 2019. These bonds include a net premium of $12.8 million as of June 2015. Series 2010A-1 and 2010A-2 bonds are subject to an optional redemption by the University in July 2018.

CHEFA Series Z bonds consist of 1) $400 million Series Z-1 bonds at a fixed interest rate of 5%; 2) $100 million Series Z-2 bonds at a fixed interest rate of 5.05%; and 3) $100 million Series Z-3 bonds at a fixed interest rate of 5.05%. Z-1 bonds include a net premium of $11.1 million as of June 30, 2015. The original premium associated with this issuance is being amortized over the life of the bonds. Series Z-1, Z-2 and Z-3 bonds mature on July 1, 2042. Series Z-1 bonds are subject to an optional redemption in July 2016. Series Z-2 and Z-3 bonds are subject to an optional redemption in July 2017.

CHEFA Series Y bonds consist of 1) $200 million Series Y-1 bonds at a fixed interest rate of 5%; 2) $50 million Series Y-2 variable rate bonds, currently bearing interest at a daily rate; and 3) $50 million Series Y-3 variable rate bonds, currently bearing interest at a daily rate. Series Y-1, Y-2 and Y-3 bonds mature on July 1, 2035. Series Y-1 bonds are subject to an optional redemption in July 2015. Y-1 bonds include a net premium of $7.4 million as of June 30, 2015. The original premium associated with this issuance is being amortized over the life of the bonds. Series Y-2 and Y-3 bonds may be converted to other variable rate modes or to a fixed rate at the discretion of the University. In July 2015, Series Y-1, Y-2, and Y-3 were retired by issuing a new debt series 2015A, maturing in July 2035, and carrying a fixed term rate of 1.375% through July 2018.

CHEFA Series X bonds consist of 1) $125 million Series X-2 which was remarketed in February 2015 from a variable rate to a fixed term rate of 0.90% through January 2018; and 2) $125 million Series X-3 variable rate bonds, bearing interest at a daily rate, which were converted to a fixed interest rate of 4.85% on May 1, 2008. Series X-2 and X-3 bonds mature on July 1, 2037. Series X-3 bonds are subject to an optional redemption in July 2017.

CHEFA Series V bonds bear interest at a daily rate and mature on July 1, 2036. The bonds may be converted from a daily rate period to other variable rate modes or to a fixed rate mode at the discretion of the University.

CHEFA Series U bonds bear interest at a weekly rate. The bonds may be converted from the weekly rate period to other variable rate modes or to a fixed rate mode at the discretion of the University.

CHEFA Series T bonds consist of 1) $125 million Series T-1 bonds at a fixed rate of 4.7%; and 2) $125 million Series T-2 bonds which was remarketed in February 2015 from a variable rate to a fixed term rate of 0.60% through January 2017. Series T-1 bonds are subject to an optional redemption in July 2017.

CHEFA Series S bonds bear interest at a money market municipal rate and are outstanding for varying interest rate periods of 270 days or less. The bonds may be converted from the money market mode to other variable rate modes or to a fixed rate mode at the discretion of the University.

Medium-term notes in the amount of $124.7 million are recorded net of a discount of $348 thousand at June 30, 2015. The notes mature in the year 2096, with an optional redemption provision in the year 2026. The notes bear interest at a fixed rate of 7.38%.

Medium-term notes Series B in the amount of $250 million carrying a fixed interest rate of 2.086% mature in April 2019.

Commercial paper consists of notes issued in the short-term taxable market, and is sold at a discount from par. The maturities of individual notes are issued in ranges from one day to no more than one year, and fall on average in a range of thirty to sixty days.

Certain lease agreements entered into by the University qualify as capital leases with obligations of $54.3 million and $55.5 million at June 30, 2015 and 2014, respectively. The agreements call for the University to lease the buildings through 2032 and 2048.

The University financed a wind energy project, Record Hill Wind, LLC, through a financing arrangement with the Department of Energy. The financing arrangement is non-recourse debt to the University and bears interest at rates ranging from 2.236% to 2.776%.

Total interest expense incurred on indebtedness was $140.0 million and $150.9 million in 2015 and 2014, respectively. Interest capitalized to land, buildings and equipment totaled $1.7 million and $4.8 million in 2015 and 2014, respectively.

Scheduled maturities of the facilities debt obligations, in thousands of dollars, are as follows:

2016	$ 486,889
2017	5,602
2018	5,770
2019	255,953
2020	7,187
2021-2031	543,580
Thereafter	2,236,494

The Series Y-2 and Y-3, X-2, V, U, S, and one-half of the T bonds are subject to tender by bondholders. To the extent all bonds subject to tender could not be remarketed, $1.4 billion of bonds scheduled for maturity between 2016 and 2035 would be due when tendered.

The University has revolving credit agreements available totaling $550 million to provide alternative liquidity to support the University's variable rate demand notes.

The fair value of the University's fixed rate debt, $2.6 billion at June 30, 2015, is estimated based on quoted market prices for the same or similar issues. The carrying value of the fixed rate debt is $78.7 million less than its fair value. The carrying value of commercial paper and variable rate bonds approximates fair value because of the variable nature of the interest rates and the short-term maturity of these instruments.

Fair value for debt is determined using Level 2 fair value measurements.

10. Retirement Plans — Defined Contribution

The University maintains defined contribution plans for faculty and certain staff employees. Participants may direct employee and employer contributions to the Teachers' Insurance and Annuity Association (TIAA) and College Retirement Equities Fund (CREF), as well as other investment options. Retirement expense for this plan was $99.6 million and $94.3 million in 2015 and 2014, respectively.

11. Pension and Postretirement Plans — Defined Benefit

The University has a noncontributory, defined benefit pension plan for staff. The staff pension plan provides payments based on years of participation and the employee's highest annual rate of earnings during the last five years of employment.

In addition, the University provides postretirement benefits including health benefits based on years of service, life insurance and a pay-out of unused sick time. While the University's subsidy of the cost of comprehensive health care benefits differs among retiree groups, substantially all employees who meet minimum age and service requirements and retire from the University are eligible for these benefits. Non faculty employees are paid 50% of unused sick time and receive life insurance benefits upon retirement from active status.

The University uses a June 30th measurement date for its defined benefit plans.

The following table sets forth the pension and postretirement plans' funded status that is reported in the consolidated statement of financial position at June 30, in thousands of dollars:

	Pension		Postretirement	
	2015	2014	2015	2014
Change in benefit obligation:				
Benefit obligation, beginning of year	$ 1,265,717	$ 1,148,031	$ 901,886	$ 851,451
Service cost, excluding assumed administration expenses	48,622	44,198	39,352	36,449
Interest cost	57,420	56,797	40,049	41,147
Benefit payments	(38,143)	(37,383)	(26,598)	(25,999)
Assumption changes	37,341	55,460	104,439	12,528
Amendments	-	(9,552)	-	-
Actuarial loss (gain)	(351)	8,166	(18,405)	(13,690)
Benefit obligation, end of year	$ 1,370,606	$ 1,265,717	$ 1,040,723	$ 901,886
Change in plan assets:				
Fair value, beginning of year	$ 1,055,993	$ 903,164	$ 436,082	$ 392,123
Actual return on plan assets	58,672	133,219	29,761	63,160
University contributions	35,701	58,996	10,686	7,737
Benefits and expenses paid	(40,366)	(39,386)	(27,623)	(26,938)
Fair value, end of year	$ 1,110,000	$ 1,055,993	$ 448,906	$ 436,082
Funded Status	$ (260,606)	$ (209,724)	$ (591,817)	$ (465,804)

Funded Status

The funded status consists of the unfunded net periodic benefit costs recognized in operating activity and the change in funded status reported as non-operating activity. The components of the adjustment to non-operating results for the year ended June 30, 2015, in thousands of dollars, include:

	Pension	Postretirement	Total
Unrecognized net actuarial loss	$ 51,882	$ 85,591	$ 137,473
Amortization of unrecognized obligation	(10,535)	(7,676)	(18,211)
	$ 41,347	$ 77,915	$ 119,262

The cumulative amounts of these adjustments reported as deductions to net assets in the consolidated statement of financial position at June 30, 2015, in thousands of dollars, include:

	Pension	Postretirement	Total
Unrecognized net actuarial loss	$ 100,608	$ 239,747	$ 340,355
Unrecognized prior service cost	34,503	1,312	35,815
	$ 135,111	$ 241,059	$ 376,170

Amounts recorded as an adjustment at June 30, 2015 that are expected to be amortized into operating activity during fiscal year 2016, in thousands of dollars, include:

	Pension	Postretirement	Total
Prior service cost	$ 10,201	$ 1,191	$ 11,392
Net actuarial loss	29	11,147	11,176
	$ 10,230	$ 12,338	$ 22,568

Actuarial gains or losses and prior service costs resulting from plan amendments are amortized over the average remaining years of service of active participants.

Benefit Obligation

The benefit obligation represents the actuarial present value of future payments to plan participants for services rendered prior to that date, based on the pension benefit formula. In calculating the value, the participants' compensation levels are projected to retirement.

The accumulated benefit obligation differs from the benefit obligation above in that it does not consider assumptions about future compensation levels. It represents the actuarial present value of future payments to plan participants using current and past compensation levels. The accumulated benefit obligation for the pension plan was $1,131.3 million at June 30, 2015 and $1,033.5 million at June 30, 2014.

There were no significant plan amendments during the fiscal year ended June 30, 2015.

Assumptions used in determining the year end obligation of the pension and postretirement plans are:

	2015	2014
Weighted-average discount rate	4.75%	4.60%
Increase in future compensation levels	3.77%	3.94%
Projected health care cost trend rate (pre-65/post-65)	7.00%/5.40%	7.25%/6.75%
Ultimate trend rate (pre-65/post-65)	5.00%/5.00%	5.00%/5.00%
Year ultimate trend rate is achieved	2024	2020
Mortality	RP2014 Aggregate, Scale MP2014	RP2000CH, Generational Projection

Changes in assumptions during the year resulted in an increase to the pension benefit obligation and an increase to the postretirement benefit obligation at June 30, 2015, as follows, in thousands of dollars:

	Pension	Postretirement	Total
Mortality	$ 83,234	$ 110,449	$ 193,683
Discount rate	(34,072)	(30,127)	(64,199)
Inflation	(11,491)	48,776	37,285
Other demographic changes	(330)	(24,659)	(24,989)
	$ 37,341	$ 104,439	$ 141,780

Inflation adjustments include salary trends and medical trend rates. Other demographic changes include retirement and termination rates and an update to spousal coverage.

Net Periodic Benefit Cost

Net periodic benefit cost for the plans includes the following components, in thousands of dollars:

	Pension		Postretirement	
	2015	2014	2015	2014
Service cost	$ 48,622	$ 44,198	$ 39,352	$ 36,449
Administrative expenses	2,000	1,900	900	700
Interest cost	57,420	56,797	40,049	41,147
Expected return on plan assets	(72,880)	(68,310)	(29,656)	(27,545)
Net amortization:				
Prior service cost	10,535	9,971	1,283	1,434
Net loss	-	460	6,393	7,986
Net periodic benefit cost	$ 45,697	$ 45,016	$ 58,321	$ 60,171

Net periodic benefit costs are included as a part of operating expense.

Assumptions used in determining the net periodic benefit cost of the pension and postretirement plans are:

	2015	2014
Weighted-average discount rate	4.60%	5.00%
Expected long-term rate of return	7.50%	7.50%
Compensation increase	3.94%	4.52%
Health care cost increase (pre-65/post-65)	7.25%/6.75%	7.50%/7.00%
Ultimate trend rate (pre-65/post-65)	5.00%/5.00%	5.00%/5.00%
Year ultimate trend rate is achieved	2020	2020
Mortality	RP2000CH, Generational Projection	RP2000CH, Generational Projection

The health care cost trend rate assumption has a significant effect on the amounts reported. For the fiscal year ended June 30, 2015, a one percent change in the health care cost trend rate would cause the postretirement benefit obligation at June 30, 2015, to change by approximately 20.2% and would also cause the sum of the service cost and interest cost components of postretirement expense to change by approximately 19.3%.

Plan Assets

The defined benefit plan assets are valued utilizing the same fair value hierarchy as the University's investments as described in Note 1d.

The following table summarizes the fair values of investments by major type held by the staff pension plan at June 30, in thousands of dollars:

	Level 1	Level 2	Level 3	2015	2014
Investments, at fair value:					
Cash and cash equivalents	$ 38,111	$ -	$ -	$ 38,111	$ 20,466
US government securities	98,567	-	-	98,567	92,447
Equity investments:					
Domestic	63,202	-	-	63,202	78,878
Foreign	8,629	84,656	-	93,285	113,000
Total equity investments	71,831	84,656	-	156,487	191,878
Limited partnerships:					
Natural resources	-	-	20,828	20,828	49,432
Total limited partnerships	-	-	20,828	20,828	49,432
Total leveled investments	$ 208,509	$ 84,656	$ 20,828	313,993	354,223
Investments at NAV				805,072	702,336
Total investments, at fair value				1,119,065	1,056,559
Liabilities associated with investments	$ 9,065	$ -	$ -	9,065	12
Net investments, at fair value				$ 1,110,000	$ 1,056,547

The following table summarizes the fair values of investments by major type held by the retiree health plan at June 30, in thousands of dollars:

	Level 1	Level 2	Level 3	2015	2014
Investments, at fair value:					
Cash and cash equivalents	$ 26,809	$ -	$ -	$ 26,809	$ 8,534
US government securities	12,834	-	-	12,834	12,015
Equity investments:					
Domestic	14,375	-	-	14,375	20,266
Foreign	4,154	32,817	-	36,971	49,393
Total equity investments	18,529	32,817	-	51,346	69,659
Limited partnerships:					
Natural resources	-	-	10,976	10,976	22,815
Total limited partnerships	-	-	10,976	10,976	22,815
Total leveled investments	$ 58,172	$ 32,817	$ 10,976	101,965	113,023
Investments at NAV				354,047	325,963
Total investments, at fair value				456,012	438,986
Liabilities associated with investments	$ 5,012	$ -	$ -	5,012	-
Net investments, at fair value				$ 451,000	$ 438,986

The table below represents the change in fair value measurements for Level 3 investments held by the staff pension plan and the retiree health plan for the plans' year ended June 30, 2015, in thousands of dollars:

	Pension	Retiree Health
Beginning balance	$ 36,433	$ 19,742
Realized and unrealized loss, net	(8,140)	(4,156)
Sales	(7,465)	(4,610)
Ending balance	$ 20,828	$ 10,976

The unrealized portion of the loss in Level 3 reported above that relates to assets held at June 30, 2015 by the staff pension plan and the retiree health plan, represents a net loss of $15.4 million and a net loss of $8.6 million, respectively.

The investment objective for the pension and retiree health plans seeks a positive long-term total return after inflation to meet the University's current and future plan obligations.

Asset allocations for both plans combine tested theory and informed market judgment to balance investment risks with the need for high returns.

Plan asset allocations by category at June 30 are as follows:

	Pension		Retiree Health	
	2015	2014	2015	2014
Absolute return	24.7%	21.5%	23.7%	22.6%
Domestic equity	9.8%	13.6%	9.7%	13.4%
Fixed income	8.9%	8.7%	2.8%	2.7%
Foreign equity	20.9%	21.3%	19.9%	19.6%
Leveraged buyouts	8.6%	9.5%	9.1%	10.2%
Venture capital	7.2%	4.3%	8.0%	3.9%
Real estate	9.2%	11.3%	13.6%	16.2%
Natural resources	7.9%	8.5%	7.9%	10.0%
Cash	2.8%	1.3%	5.3%	1.4%

The pension and retiree health 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.

Contributions

Annual contributions for the pension and retiree health plans are determined by the University considering calculations prepared by the plans' actuary as well as other factors. Expected contributions in fiscal 2016 to the pension plan are $52.5 million. No contribution is planned to the retiree health plan.

Benefit Payments

The following estimated benefit payments, which reflect expected future service, are expected to be paid out of the plans, in thousands of dollars:

Fiscal year	Pension	Postretirement
2016	$ 44,571	$ 27,100
2017	47,930	29,600
2018	51,736	31,900
2019	55,665	34,900
2020	59,613	38,000
2021-2024	363,771	239,000

12. Endowment Funds

Yale's endowment consists of approximately 7,100 funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Yale Corporation to function as endowments. The University endowment fund composition by fund type as of June 30, in thousands of dollars, includes:

	Unrestricted	Temporarily Restricted	Permanently Restricted	2015	2014
Donor-restricted endowment	$ -	$ 18,025,900	$ 3,444,863	$ 21,470,763	$ 20,081,628
Board-designated endowment	3,864,823	236,004	-	4,100,827	3,813,091
	$ 3,864,823	$ 18,261,904	$ 3,444,863	$ 25,571,590	$ 23,894,719

Changes in endowment net assets for the fiscal year ended June 30, in thousands of dollars, were:

	Unrestricted	Temporarily Restricted	Permanently Restricted	2015	2014
Endowment net assets, beginning of year	$ 3,618,276	$ 16,966,832	$ 3,309,611	$ 23,894,719	$ 20,792,822
Investment return:					
Investment income	52,017	269,898	885	322,800	588,873
Net appreciation	375,387	1,874,937	6,291	2,256,615	3,448,766
Total investment return	427,404	2,144,835	7,176	2,579,415	4,037,639
Contributions	1,004	13,699	102,731	117,434	131,476
Allocation of endowment spending	(175,945)	(907,759)	637	(1,083,067)	(1,042,029)
Other (decreases) increases	(5,916)	44,297	24,708	63,089	(25,189)
Endowment net assets, end of year	$ 3,864,823	$ 18,261,904	$ 3,444,863	$ 25,571,590	$ 23,894,719

13. Commitments and Contingencies

The University is involved in various legal actions arising in the normal course of activities and is also subject to periodic audits and inquiries by various regulatory agencies. Although the ultimate outcome is not determinable at this time, management, after taking into consideration advice of legal counsel, believes that the resolution of these pending matters should not have a material adverse effect upon the University's financial position.

Minimum lease commitments at June 30, 2015, under agreements to lease space, in thousands of dollars, are as follows:

	Operating Lease Payments	Capital Lease Payments
2016	$ 9,256	$ 9,919
2017	7,580	9,756
2018	5,739	9,812
2019	5,602	9,870
2020	5,350	9,848
Thereafter	41,649	129,812
	75,176	179,017
Executory costs	-	(83,934)
Interest on capital leases	-	(40,818)
	$ 75,176	$ 54,265

The University has outstanding commitments on contracts to construct campus facilities in the amount of $616.1 million at June 30, 2015. Funding for these projects is expected to come from capital replacement reserves, gifts and future borrowing.

14. Subsequent Events

Management has evaluated subsequent events for the period after June 30, 2015, through October 21, 2015, the date the consolidated financial statements were available to be issued.

The President and Fellows of Yale University

The Officers of Yale University

Sterling Memorial Library (SML) was built with funds from the bequest of John W. Sterling B.A. 1864, and designed by architect James Gamble Rogers B.A. 1889. SML opened in 1930. In designing the building, Rogers wanted the library to be centrally located on the Yale campus. He chose to incorporate the Collegiate Gothic style that was prevalent on campuses throughout the United States. The architectural elements in the entrance nave are reminiscent of gothic cathedral architecture. The windows of the nave, among the approximately 3,000 windows which were designed by G. Owen Bonawit, illustrate important events from the history of Yale and of New Haven.

The magnificent entrance nave in SML reopened to the public in August 2014, marking the completion of a major restoration project that has returned the nave to its original splendor and brought about improvements that will better serve the needs of library users in the twenty-first century. The restoration was made possible thanks to a generous gift from Richard Gilder '54 and Lois Chiles, who made their gift in honor of President Emeritus Richard C. Levin '74 PH.D. and Jane A. Levin '75 PH.D.

"We all know that the library is the heart of the university," said Yale University President Peter Salovey. "I am delighted that this beautiful and inspiring campus space has been renovated to provide better access to Yale's world class collections, and to give students and scholars modern space to study and reflect under the watchful eye of the brilliantly restored painting, Alma Mater. I am doubly-pleased that the space was renovated in honor of Jane and Rick Levin."

Photography by Michael Marsland, University Photographer

Design and Printing: Yale Printing & Publishing Services
♻ Printed on recycled paper

Yale Bowl from one to 100

by Molly Lovett Simpson

DESIGNED BY *Yale alumnus Charles A. Ferry, Class of 1871.*

GROUND BROKEN IN JUNE OF 1913 *in a location 1.5 miles from Yale's main campus in New Haven.*

CONSTRUCTION *took 16 months with a crew of about 145 men.*

THE BOWL WAS POSITIONED *so that the minor axis points to the sun at 3:00 pm on November 15. This meant that no football player in the Bowl would ever have to look into the sun when Yale plays its big games against Princeton and Harvard.*

There are **30 PORTALS** (entrance ways) to the Bowl. Each portal is 7 feet wide by 8 feet high. Half the structure and the playing field are **BELOW STREET LEVEL.**

THE BOWL IS 11 FEET LOWER ON THE EASTERLY SIDE. *Each of the portals was built on a grade. The easterly portals slope up and the westerly portals slope down into the Bowl.*

The Bowl project **COST $750,000**. **COMPLETED IN NOVEMBER 1914**, *it was the largest amphitheater to be constructed since the Roman Colosseum.*

LARGEST STADIUM IN THE WORLD *when built and the first football stadium in America to completely surround the playing field.* **FIRST GAME** *played in the Bowl was November 21, 1914; Yale vs. Harvard (Harvard 36-0). Approximately* **70,000 FANS** *watched the first game played in the Bowl. The largest crowd to attend a game at the Bowl was* **80,000 FOR THE YALE-ARMY** *game in 1923. Yale won 31-10 en route to an 8-0 season, 7-0 at the Bowl. The seating capacity of the Bowl is currently 61,466.*

FIRST TELEVISED GAME *was November 19, 1949. Gray* **BLEACHERS PAINTED BLUE** *in 1959.* **PRESS BOX WAS BUILT IN 1987** *after the wooden press box burned the morning after a game with Dartmouth in November 1986.*

The Bowl was designated a **NATIONAL HISTORIC LANDMARK IN 1987. BOWL RESTORATION** *Phase I was completed in 2007; Phase II completed in 2009 with a dedication of the Kenney Center and Jensen Plaza.*

www.yale.edu/fr14-15