Financial Report 2023–2024 Yale University

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Front cover

The newly revamped 65-foot-long Brontosaurus exhibit at the Yale Peabody Museum.
Photo by Peter Aaron, courtesy of Centerbrook Architects and Planners and Yale University

Back cover (from top left, moving clockwise)

A life-sized model of a Pteranodon welcomes visitors in the Peabody's main lobby. Photo courtesy of the Yale Peabody Museum

Handsome Dan greets visitors at the opening of the Yale Peabody Museum. Photo courtesy of the Yale Peabody Museum

A Mosasaur chases an Archelon in the rafters of the Peabody's new Central Gallery. Photo courtesy of the Yale Peabody Museum

The 7,350-pound bronze sculpture of a Torosaurus in front of the Yale Peabody Museum. Photo by Kai Nip

Former Yale President Peter Salovey speaks at the opening celebration of the renovated Yale Peabody Museum. Photo courtesy of the Yale Peabody Museum

Highlights

	Fiscal Years				
Five-Year Financial Overview ($ in millions)	**2024**	**2023**	**2022**	**2021**	**2020**
Net Operating Results - Management View	$ 211	$ 147	$ 167	$ 276	$ 125
Financial Position Highlights:					
Total assets	$ 55,315	$ 54,426	$ 54,719	$ 56,223	$ 44,696
Total liabilities	9,278	9,698	10,025	11,931	12,964
Total net assets	$ 46,037	$ 44,728	$ 44,694	$ 44,292	$ 31,732
Endowment:					
Net investments, at fair value	$ 41,290	$ 40,504	$ 41,122	$ 41,913	$ 30,957
Total return on investments	5.7%	1.8%	0.8%	40.2%	6.8%
Spending from endowment	4.8%	4.3%	3.8%	5.0%	4.8%
Facilities:					
Land, buildings and equipment, net of accumulated depreciation	$ 6,011	$ 5,748	$ 5,598	$ 5,508	$ 5,438
Disbursements for building projects	$ 614	$ 448	$ 378	$ 380	$ 437
Debt	$ 4,847	$ 5,138	$ 5,164	$ 5,200	$ 5,242
Statement of Activities Highlights:					
Operating revenues	$ 5,755	$ 5,104	$ 4,810	$ 4,579	$ 4,247
Operating expenses	5,412	4,936	4,540	4,201	4,044
Increase in net assets from operating activities	$ 343	$ 168	$ 270	$ 378	$ 203

Five-Year Enrollment Statistics	**2024**	**2023**	**2022**	**2021**	**2020**
First-Year Enrollment Class of:	'27	'26	'25	'24	'23
First-Year applications	51,803	50,060	47,240	35,220	36,844
First-Year admitted	2,332	2,289	2,509	2,299	2,269
Admissions rate	4.5%	4.6%	5.3%	6.5%	6.2%
First-Year enrollment	1,641	1,554	1,786	1,264	1,550
Yield	70.4%	67.9%	71.2%	55.0%	68.3%
Total Enrollment:					
Yale College	6,818	6,645	6,536	4,703	6,092
Graduate and professional schools	8,263	8,161	8,031	7,357	7,517
Total	15,081	14,806	14,567	12,060	13,609
Yale College Term Bill and Financial Aid:					
Yale College term bill	$ 83,880	$ 80,700	$ 77,750	$ 74,900	$ 72,100
Average grant award for students receiving aid	$ 65,195	$ 64,686	$ 59,944	$ 58,340	$ 59,205

Message from the Senior Vice President for Operations and the Vice President for Finance

Financial Results

Yale finished the year ended June 30, 2024, with a surplus from operations on both a generally accepted accounting principles (GAAP) and a Management View basis – the way Yale looks at financial information for internal discussion and decision-making purposes (see page 4 for additional information). The surplus from operations on a GAAP basis was $343 million and $211 million on a Management View basis.

The balance sheet finished the year in a strong financial position, with $46.0 billion in net assets as of June 30, 2024, up from $44.7 billion as of June 30, 2023.

Revenues and Expenses

Operating revenues increased to $5.8 billion or 13% above the prior year. The university's largest source of income, spending from the endowment, increased by 11% over the prior year to $1.9 billion as a result of the continued impact of the extraordinary investment return in fiscal year 2021, the highest rate of revenue growth since the 1980s. Medical services income, the second largest source of operating revenue, increased by 12% over the prior year to $1.6 billion, driven by an increase in patient volumes and physician productivity. Grant and contract income, the third largest source of operating revenue, increased by 15% over the prior year to $1.2 billion as a result of increased research activity across campus, particularly in the School of Medicine. Tuition, room and board, net of financial aid, was $472 million which was 3% higher due to increased enrollment, while tuition rate increases were more than offset by increases in financial aid.

Operating expenses increased by 10% over the prior year. Personnel costs – salaries, wages, and benefits – grew by 9% from the previous year, largely as the result of increased headcount and compensation necessary to support the expansion in clinical services, research, and student enrollment. Other operating expenditures increased by 12% due to inflation and to support the increased activity on campus.

Yale Endowment

The Yale Endowment investment return for the year was 5.7%, and this followed annual returns of 1.8% and 0.8% in the two preceding years. Despite these modest returns in absolute terms (though healthy relative to benchmarks), the university increased its spending from the endowment over this same three-year period by 24%. This increased level of spending – from $1.5 billion in fiscal year 2021 to $1.9 billion this past year – has left the market value of the endowment lower in both nominal and inflation-adjusted terms versus three years ago from $42 billion in fiscal year 2021 to $41 billion in fiscal year 2024. This higher level of spending was intentional and appropriate because of the large return in fiscal year 2021 (40.2%), which through the smoothing component of the Endowment Spending Policy, continued to transfer a robust flow of income into the operating budget to be spent. The policy, which adjusts spending gradually upward after high returns and gradually downward after lower returns, remains one of the most important financial policies at the university, and one that is highly aligned with supporting the mission in an effective and responsible manner.

Capital Spending Highlights

Capital spending for fiscal year 2024 totaled $614 million, a 37% increase over fiscal year 2023. Several major projects are underway, including one of the largest capital commitments in university history, the Upper Science Hill Development ("USHD"). The USHD is expected to total more than 600,000 gross square feet and will include the new Physical Sciences and Engineering Building, as well as a new Chemical Safety Building, an addition to Wright Lab, and a new parking garage. The USHD also supports and furthers Yale's commitment to achieve net zero carbon emissions on campus by including a thermal utilities plant to provide electrified thermal energy to upper Science Hill.

Other exciting developments in the capital program during the year include the purchase of the 520,000 square foot life science laboratory and office building acquisition at 300 George Street in New Haven, and the comprehensive renovation of Lapham Field House. Work also progressed on the School of Divinity's Living Village for graduate housing and the restoration of the Yale Golf Course, both scheduled for completion in 2025.

The Legacy of the Salovey Presidency

We wish to convey our heartfelt gratitude to Peter Salovey for his service as Yale University's president from 2013-2024. His leadership underscored the university's commitment to academic excellence and global engagement, and he created a profound and lasting impact on Yale's financial and physical profile that will position the university well for decades to come. With President Salovey at the helm, Yale nearly doubled its endowment, from $20.8 billion in 2013 to more than $41.4 billion by 2024, while spending a cumulative $16.4 billion from the endowment to advance the university's mission. Total university operating revenue grew to $5.8 billion in fiscal year 2024 which was nearly double the revenue at the beginning of his presidency. During his tenure, Yale also undertook a historic capital fundraising campaign that generated more than $7 billion for infrastructure expansion, enabling the addition of 2.2 million square feet of academic and research facility space and the opening of two new residential colleges, which increased undergraduate student enrollment by more than 15%. We offer our deep appreciation and congratulations to President Salovey for his exemplary service.

Looking Ahead

This coming fiscal year marks a new chapter for the university in more ways than one as we say farewell and thank you to President Salovey for his impactful tenure, and welcome Yale University's 24th President, Maurie McInnis ('90 M.A., '96 Ph.D.), to the start of her presidency. A distinguished scholar and fourth-generation educator, President McInnis has an exemplary career in higher education spanning the last three decades. Welcome, President McInnis.

As we close another successful fiscal year and reflect on Yale's financial results, we look confidently to the future and our commitment to supporting the Yale community and advancing the university's strategic academic priorities. We are grateful to all of Yale's faculty, students, staff, alumni, and friends who strive to make Yale, and the world, a better place through a shared commitment to excellence in pursuit of the university's mission.

Jack F. Callahan, Sr.

Jack F. Callahan, Jr.
Senior Vice President for Operations and
Chief Operating Officer

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

Financial Results

Overview

Yale University ("Yale" or 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 allocation, 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, Yale's 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 and future programs.

The consolidated statement of activities in the audited financial statements is presented in accordance with accounting principles generally accepted in the United States of America ("GAAP"). GAAP generally recognizes revenue when earned and expenses when incurred. The Management View, used for internal decision-making, is focused more on resources available and used in the fiscal period presented. Some of the more significant differences between the two views are as follows:

- The Management View does not include certain revenue that will not be received within the next fiscal year, such as pledged contribution revenue.
- The Management View recognizes capital maintenance through a Capital Replacement Cost ("CRC") and recognizes equipment purchases as expense in the year acquired versus the historical cost depreciation expense in the consolidated statement of activities.
- The Management View includes the realized gains and losses on interest rate swaps used to manage exposure to interest rate fluctuations in net operating results while the GAAP financial statements present these gains and losses in non-operating.
- The Management View presents the expenses related to the defined benefit plans differently as compared to GAAP.
- The GAAP financial statements do not present fund balance transfers between the operating, physical, and financial categories as the Management View does.

The Management View presentation, along with a summary of the differences between the university's net operating results from the Management View to the GAAP View, is presented on the following page.

Yale University Operating Results – Management View

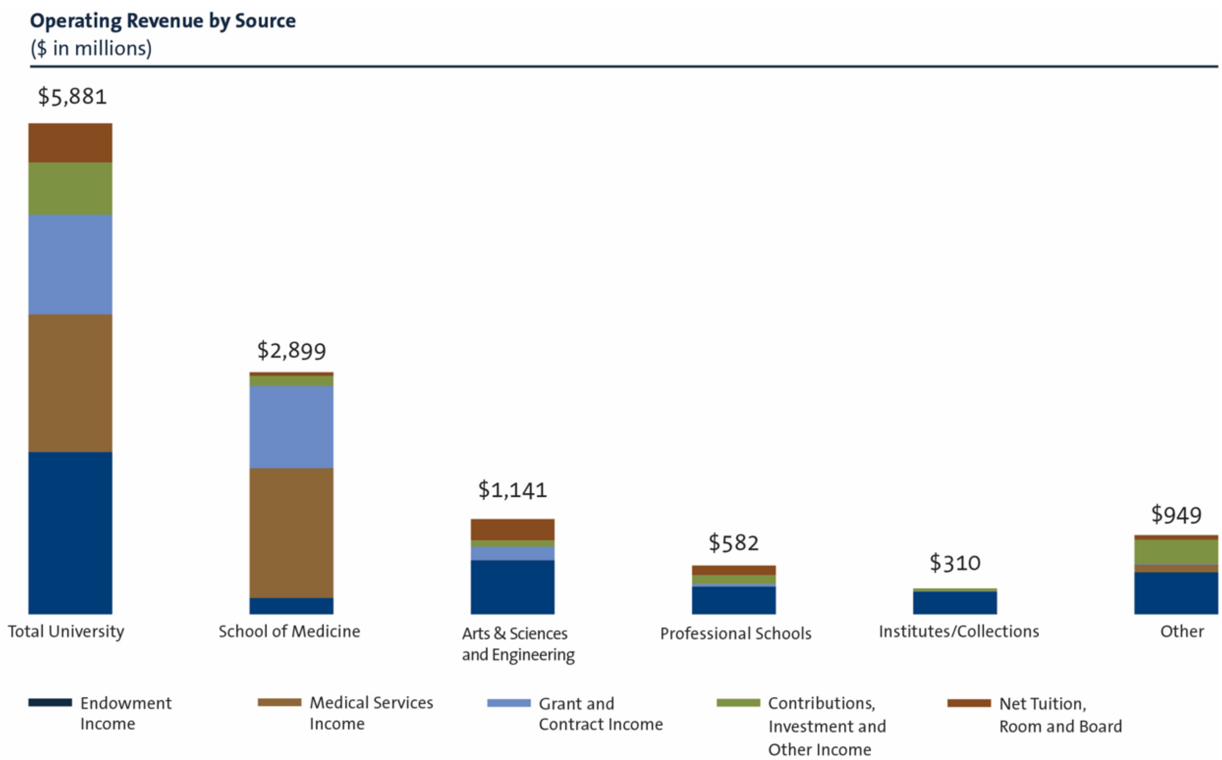
for the years ended June 30, 2024 and 2023 ($ in thousands)

	June 30, 2024	June 30, 2023
Revenues:		
Tuition, room and board - gross	$ 959,005	$ 918,415
Tuition discount	(490,970)	(453,959)
Tuition, room and board - net	**468,035**	**464,456**
Grants and contract income	1,192,352	1,037,423
Medical services income, net	1,648,301	1,476,743
Contributions	182,854	148,681
Endowment income	1,943,853	1,751,461
Investment and other income	445,650	345,126
Total external income	**5,881,045**	**5,223,890**
Expenses:		
Faculty salaries	1,415,977	1,303,295
All other salaries	1,238,656	1,114,796
Employee benefits	843,667	775,948
Total salaries and benefits	**3,498,300**	**3,194,039**
Stipends and fellowships	152,742	135,167
Non-salary expenses	1,456,501	1,270,464
Interest, CRC and other amortization	403,464	391,001
Total expenses	**5,511,007**	**4,990,671**
Transfers	(159,006)	(86,404)
TOTAL NET OPERATING RESULTS (MANAGEMENT VIEW)	**211,032**	**146,815**
Summary of differences between the Management View and GAAP presentation of net operating results:		
Operating pledge activity	(13,674)	(14,442)
Changes in other receivables	-	(17,424)
Expenses related to long-term liabilities	(459)	(31,865)
Capital funding, depreciation and disposals	23,926	(10,428)
Lease activity	2,268	2,343
Interest rate swaps	(42,592)	(1,700)
Equity investment	3,500	-
Deferred investment income	-	7,795
Funding transfers	159,006	86,404
INCREASE IN NET ASSETS FROM OPERATIONS PER THE CONSOLIDATED STATEMENT OF ACTIVITIES (GAAP VIEW)	**$ 343,007**	**$ 167,498**

Fiscal Year 2024 Management View Results

The university budget structure is managed through 50 separate budget units that are combined into five categories for reporting purposes.

The following table summarizes Management View operating revenue by source in fiscal year 2024.



School of Medicine

The largest unit is the School of Medicine, representing 49% of university total operating revenue. The School of Medicine engages in research, teaching, and clinical practice. Revenues for patient care services, net of contractual adjustments, are primarily based on negotiated contracts with managed care companies, BlueCross BlueShield, Medicare, Medicaid, commercial insurance and others. Additionally, approximately 39% of the School of Medicine's net medical services income in 2024 represents revenue recognized as a result of the university's affiliation with Yale New Haven Hospital (the "Hospital"). Yale Medicine ("YM") is one of the largest academic multi-specialty practices in the country and the largest in Connecticut. As of June 30, 2024, YM included 1,765 full-time and 207 part-time physicians providing services in over 100 specialty and subspecialty areas organized into 20 departments, engaging in research, and participating in teaching 1,383 total students (excluding Ph.D. students) and 923 residents. The School of Medicine performs significant research for federal and state governments, foundations, and corporate entities. Research funded by the federal government represents 78% of total research performed at the School of Medicine, with the National Institutes of Health ("NIH") providing 91% of that funding. The university has established policies and procedures to manage and monitor compliance with these important agreements. School of Public Health revenues are included in the figures reported for the School of Medicine.

Arts & Sciences and Engineering

Arts & Sciences and Engineering includes Yale's undergraduate and graduate programs in the arts, humanities, social sciences, sciences, and engineering. During the 2023-2024 academic year, 6,818 undergraduate students were enrolled at Yale College. The undergraduate population is a diverse group attracted from across the United States and from many foreign countries. International students account for approximately 11% of the undergraduate population. Yale College is dedicated to providing undergraduates with a liberal arts education that fosters intellectual curiosity, independent thinking, and leadership abilities. Students learn to think critically and independently and to write, reason, and communicate clearly in preparation for a spectrum of careers and vocations. During the 2023-2024 academic year, 3,475 students were pursuing their studies at the Graduate School of Arts and Sciences. Yale Graduate School of Arts and Sciences considers learning to teach to be an integral part of doctoral education and incorporates training and teaching opportunities into every program. Throughout the unique program of study crafted by graduate students and their faculty advisers, the university provides support that allows Ph.D. students to focus on their scholarship, successfully complete their degrees, and pursue rewarding careers.

Professional Schools

The Professional Schools include the Divinity School, the School of Medicine, the School of Public Health, the Law School, the School of Art, the School of Music, the School of the Environment, the School of Nursing, the David Geffen School of Drama, the School of Architecture, the School of Management, the School of Engineering & Applied Science and the Jackson School of Global Affairs. During the 2023-2024 academic year, 3,553 students were pursuing their studies at one of Yale's professional schools.

Institutes/Collections and Other

Institutes and Collections includes the libraries, museums and galleries, and large institutes with significant programmatic and financial activity across multiple academic units. First-hand encounters with Yale's collections are an integral part of teaching and learning across the university, helping students forge creative connections and inspiring tomorrow's leaders. The Other category includes Athletics and various administrative and support units.

The university ended the year with a surplus from operations of $211 million on the Management View basis. Operating revenues increased 13% and operating expenses, excluding transfers, increased 10% compared to 2023.

Fiscal Year 2024 GAAP Results

Operating Revenue

The university derives its operating revenue from the following sources: tuition, room and board (net of certain scholarships and fellowships), grant and contract income, medical services income (net of contractual discounts from third-party payors and implicit price concessions to uninsured patients), allocation of endowment spending from financial capital, contributions, investment income, and other income.

Net Tuition, Room and Board

Net tuition, room and board totaled $472 million in fiscal year 2024, an increase of 3% from 2023, and represented 8% of the university's total operating revenue. Gross tuition, room and board totaled $959 million in 2024, an increase of 4% from 2023 which totaled $918 million. Of this amount, $841 million represents tuition, a 5% increase over 2023, and $118 million represents revenue from room and board, which increased 3% from 2023. The gross tuition, room and board increases are primarily due to an increase in enrollment and rates. In accordance with GAAP, student income is presented net of certain scholarships and fellowships, which totaled $487 million and $460 million for 2024 and 2023, respectively, representing a 6% increase in 2024. Scholarships and fellowships as a percentage of gross tuition, room and board were 51% and 50% for 2024 and 2023, respectively. These amounts fluctuate based on the needs of enrolled students.

Tuition for students enrolled in Yale College was $64,700, and room and board was $19,180, bringing the total term bill to $83,880 for the 2023-2024 academic year. The increase in the Yale College term bill was 4% over the 2022-2023 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 the full demonstrated financial need of all students throughout their undergraduate years.

During the 2023-2024 academic year, 56% of Yale College undergraduates received financial aid. In the Graduate School of Arts and Sciences, 99% received financial aid in the form of tuition discounts, stipends, and health insurance. In the professional schools, 86% received financial aid. In all, 75% of total eligible university students enrolled received some form of university-administered student aid in the form of scholarships, loans, or a combination of both scholarships and loans.

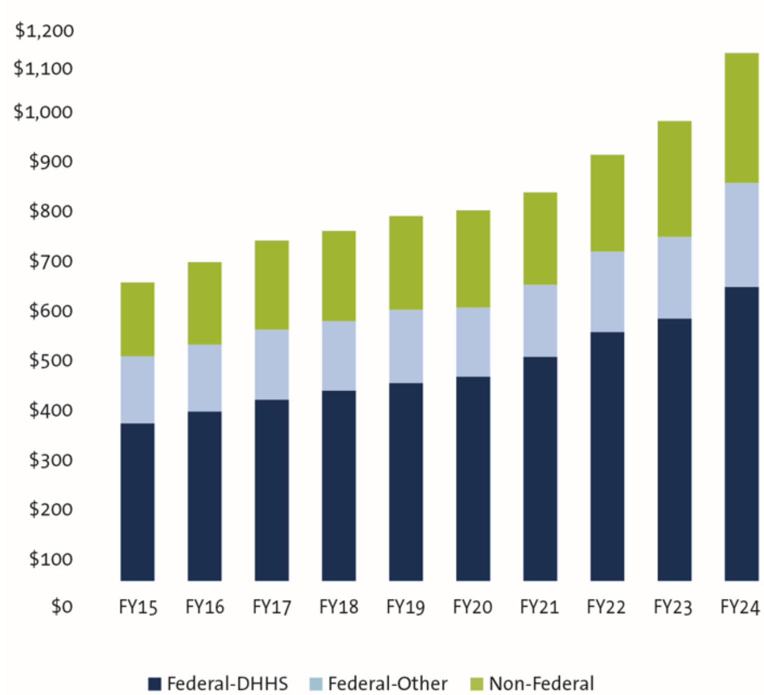
Grant and Contract Income

Grant and contract income totaled $1.2 billion in fiscal year 2024, an increase of 15% from 2023, and represented 21% of the university's total operating revenue. The Yale School of Medicine, which recorded 83% of the university's grant and contract income in fiscal year 2024, reported an increase of 16% for 2024, while the remaining university schools and units increased by 9%.

Revenue recognized on grants and contracts from the federal government was $899 million, or 75% of 2024 grant and contract income, supporting Yale's research and training programs. Included in the $899 million is Department of Health and Human Services ("DHHS") funding of $663 million, primarily through the NIH, an increase of 13% compared to the prior year. The university also receives significant research funding from the National Science Foundation, the Department of Energy, 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 $293 million in funding for research, training, clinical, and other sponsored agreements during 2024.

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, 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 $297 million in 2024 and $265 million in 2023. Recovery of facility and administrative costs associated with federally sponsored awards is recorded at rates negotiated with DHHS, the university's cognizant agency. Yale's current rate agreement is effective through June 30, 2028, and the base year for the university's next facilities and administrative calculation is fiscal year 2027.

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

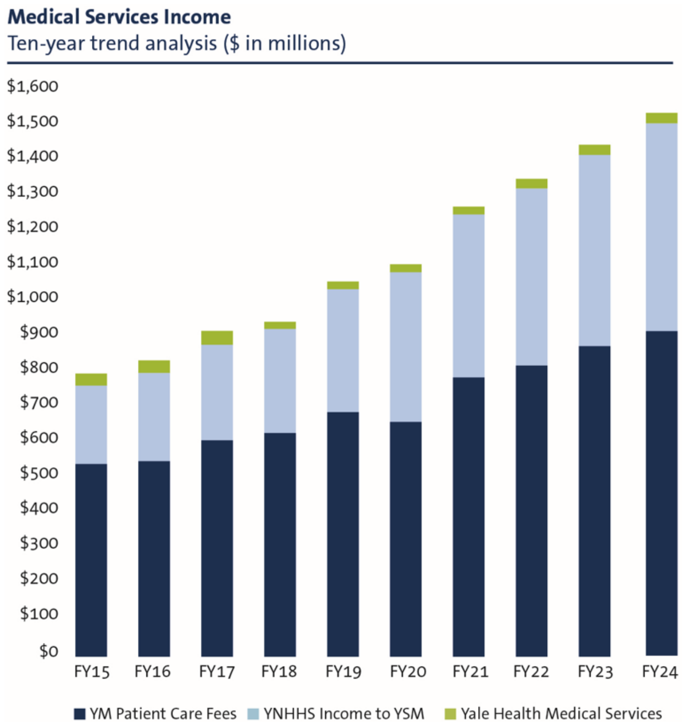


Medical Services Income, Net

Medical services income, net totaled $1.6 billion in fiscal year 2024, an increase of $165 million or 12% from 2023, and represented 28% of the university's operating revenue. The largest portion of this revenue stream is derived from medical services provided by Yale Medicine ("YM"), which increased by $163 million over 2023, or 12%.

Patient care income, which accounts for 53% of net medical services income, was up $68 million or 9% due to growth in various specialties across the clinical practice. Physician productivity metrics commonly referred to as work RVUs grew 9% in fiscal year 2024 from 2023. The Hospital continued to invest in YM in fiscal year 2024 with support increasing by 14% to a total of $608 million for clinical services, investment in faculty recruitment, and new clinical programs.

Other contributors to the clinical growth include the partnering of Yale New Haven Health System ("YNHHS") affiliates with YM to continue practice expansion outside of New Haven County through delivery network hospitals. YNHHS income increased 26% in fiscal year 2024 from 2023.



Contributions

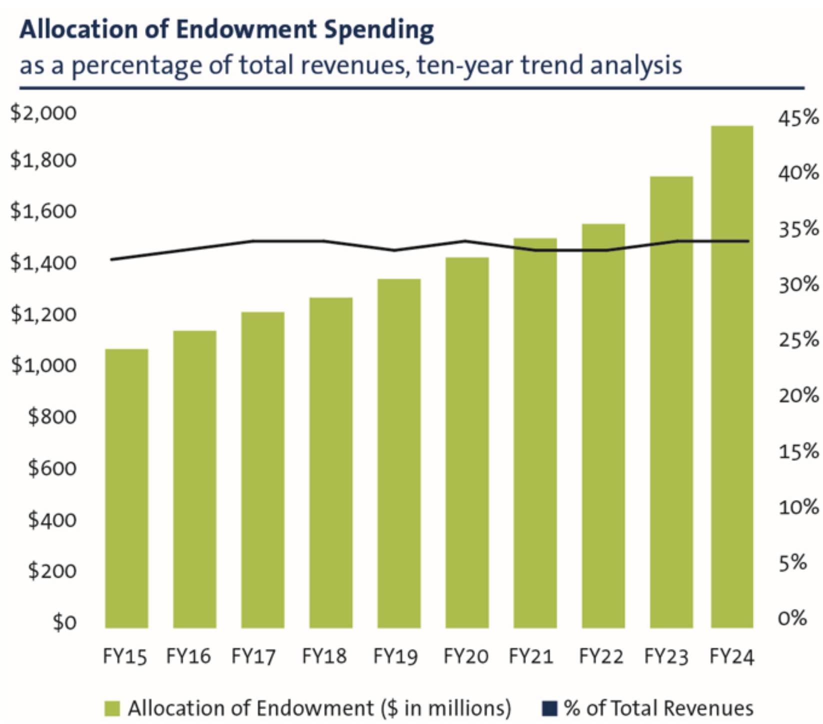
Donations from individuals, corporations, and foundations represent a vitally important source of revenue for the university. Gifts to the university provide necessary funding for current operations, for long-term investments in the university's physical infrastructure, and, in the case of gifts to the endowment, provide permanent resources for core activities for current and future generations. Gifts of $169 million in 2024 and $134 million in 2023, 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 of the consolidated statement of activities. In aggregate, contributions included in the university consolidated financial statements total $424 million in 2024 compared to $459 million in 2023.

Certain gifts commonly reported in fundraising results are not recognized as contributions in the university's consolidated financial statements. For example, "in-kind" gifts such as works of art and books that will be maintained as part of the university's collections are not recognized as financial transactions in the consolidated financial statements. Grants from private, non-governmental sources (i.e., corporations and foundations) reported as gifts for fundraising purposes are included in the consolidated statement of activities as grant and contract income.

Allocation of Endowment Spending

Each year a portion of the endowment's market value is allocated to support operational activity. This important source of revenue represents 34% of total operating revenue in fiscal year 2024, and is 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 value swings. Endowment investment returns allocated to operating activities increased by 11% in 2024 to $1.9 billion. The 40% investment return recognized in fiscal year 2021 drove the notable increase in endowment spending this year, which represents the highest year-over-year growth in two decades.

Additional information on Yale's endowment spending policy is provided in the endowment section of this report and in the Notes to Consolidated Financial Statements.



Other Investment Income
Other investment income includes interest, dividends, and gains on non-endowment investments.

Other Income
Other income primarily includes publications income, income from executive education and other non-degree granting programs, royalty income, admissions revenue relating to athletic events and drama productions, parking revenue, special event and seminar fees, and application and enrollment fees.

Operating Expenses

Operating expenses totaled $5.4 billion for 2024, representing a 10% increase over 2023. Personnel costs are the single largest component (62%) of the university's total operating expenses, with 5,492 faculty, 1,812 postdoctoral and postgraduate associates, 5,923 managerial and professional staff ("M&P"), and 5,476 clerical, technical, service, and maintenance personnel (counts represent headcount as of fall 2023).

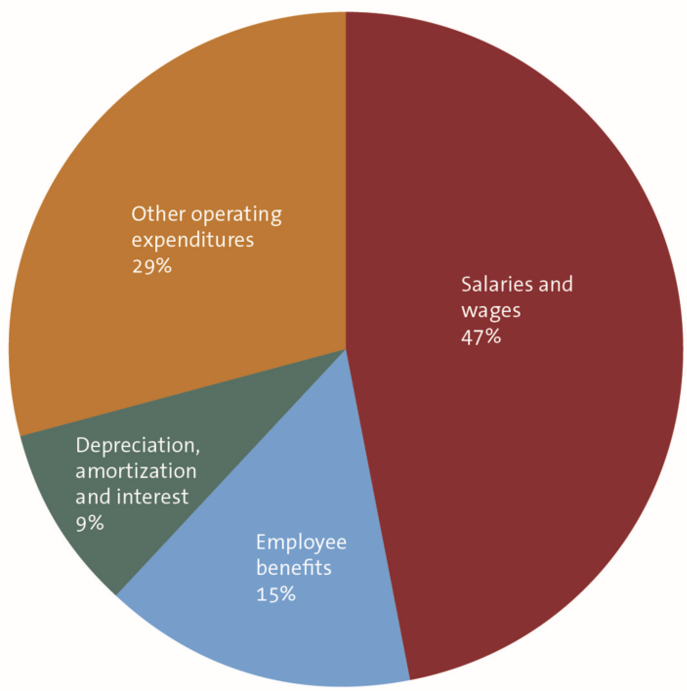
Personnel costs were $3.3 billion in 2024, a 9% increase over 2023. Faculty salary expenses increased 9% which is partly attributable to an increased headcount to support growth in clinical activities. Staff salaries and wages increased 10% from 2023 to 2024, largely due to increased headcount and salary and wage increases. 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 $799 million for 2024, an increase of 7% from 2023.

Depreciation, amortization, and interest expense increased 7% from 2023, primarily as a result of higher depreciation and interest costs in fiscal year 2024.

Other operating expenditures, including services, materials and supplies, and other expenses, increased 12% from 2023, primarily due to an increase in non-salary expenses in most schools and units, driven by increased activity in support of the university's revenue growth and increases in general expenses due to inflation.

Yale reports its operating expenses by natural classification in the consolidated statement of activities and discloses these operating expenses across functional classification in the Notes to Consolidated Financial Statements in accordance with GAAP.

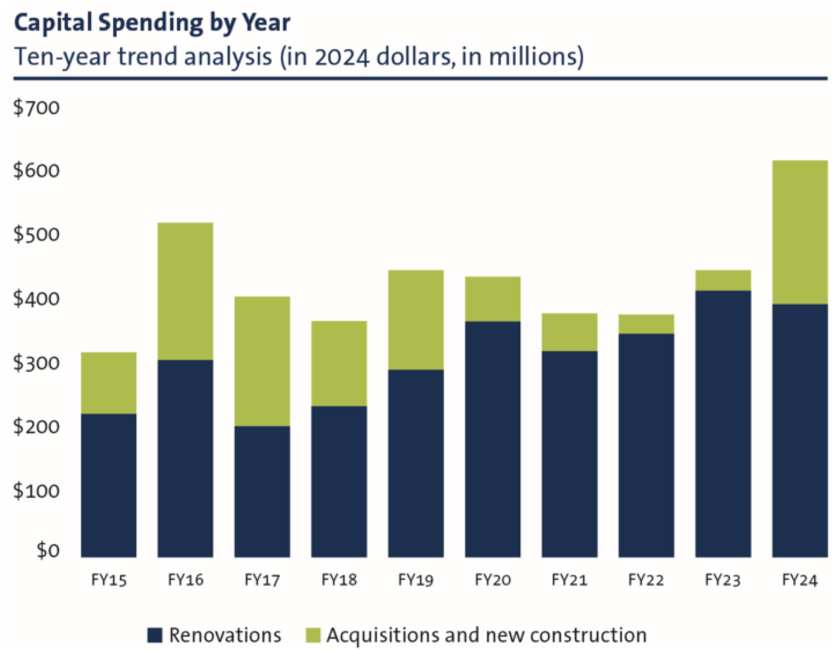
Operating Expenses by Natural Classification



The university spent 69% of its operating resources on programmatic support, 23% on patient care and other related services, and 8% on administration and other institutional support.

Physical Capital

Capital spending on facilities in fiscal year 2024 totaled $614 million. This represents an increase of 37% from the 2023 spending level.



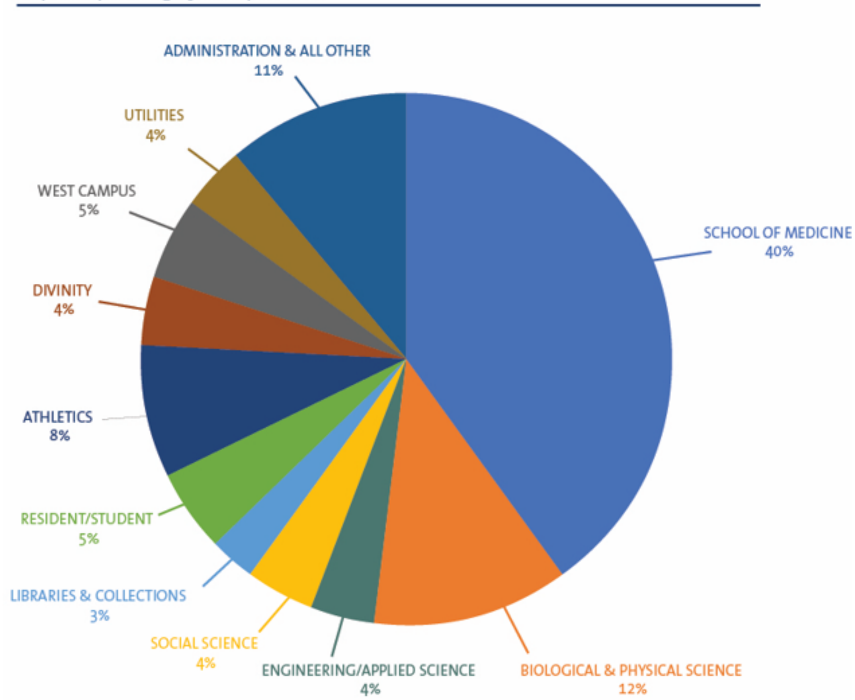
The Yale School of Medicine ("YSM") accounted for approximately 40% of the university's 2024 capital expenditures. The largest expenditure in this category was attributed to the purchase of a 520,000 square foot life science office and laboratory building at 300 George Street. Prior to the purchase, the school had been a long-term tenant. A major renovation of the 100 College Street building was also completed in 2024. It is one of the only buildings on campus that houses departments from both the School of Medicine and Arts & Sciences and Engineering, including YSM's Department of Neuroscience and the Arts & Sciences and Engineering's Department of Psychology, in addition to other scholars and scientists from across campus. It is also home to the Wu Tsai Institute, a university-wide initiative launched in 2021 to advance the study of human cognition. Construction began in early 2022 and completed in December 2023. In addition, work began to renovate three leased floors at 101 College Street to accommodate the relocation and expansion of the existing Endocrinology section of the Department of Internal Medicine, a vivarium and freezer farm, and a microscopy core for Cell Biology. The renovations will also create office space for the newly formed section of Biomedical Informatics and Data Science. The remaining expenditures are related to other programmatic renovation, clinical expansion and upgrades, and capital maintenance projects throughout YSM.

Twelve percent of the university's capital spending was invested in the biological and physical sciences as work began on the Upper Science Hill Development ("USHD"). USHD is a comprehensive re-envisioning of the Science Hill area of campus with the end goal of creating a new research-intense structure, the Physical Sciences and Engineering Building. Located at the northeastern section of Science Hill, USHD is one of the largest capital commitments in university history, totaling more than 600,000 gross square feet. The USHD will provide: new lab spaces for approximately fifty faculty across Arts & Sciences and Engineering, including those in physics, applied physics, and other quantum-focused departments; convening space for affiliated departments, institutes, centers, and programs that will serve as a magnet for science and engineering at Yale; a shared university facility to support the design and development of custom instrumentation; and a large and modern cleanroom and core facilities for materials characterization and imaging in instrumentation facility. The project also includes a Thermal Utilities Plant that will provide electrified thermal energy to the upper Science Hill.

Eight percent of the university's capital spending was invested in improvements to Athletic facilities. A targeted exterior and comprehensive interior renovation of the existing Lapham Field House at the Smilow Field Center for the men's varsity football team and men's and women's varsity track teams was completed. The renovation scope included locker room upgrades, new meeting rooms, HVAC upgrades, and a new elevator. Work also began to complete a comprehensive restoration for the Yale Golf Course. The goal of the project is to restore the course to its original layout and design from a century ago. The work includes the teeing areas, greens, bunkers and fairways, as well as lengthening of the course and expansion of the driving range to accommodate championship play. The university also made capital investments in various areas throughout the campus to provide for programmatic renovations, capital maintenance projects, and infrastructure support.

The university's renovation and building plans were funded by a combination of gifts, debt, and the operating budget. The university continues to rely heavily on the extraordinary generosity of its alumni and friends. Gifts designated for facilities in 2024 totaled $74 million, which includes gifts to support the comprehensive renovation of the Lapham Field House and construction on the new graduate student housing and physical plant buildings for the Yale Divinity School's Living Village Project.

Capital Spending by Campus Area



A major source of funding for the capital program is debt provided through the Connecticut Health and Facilities Authority ("CHEFA"), which allows the university to borrow at tax-exempt rates. This funding source is critical to keep the cost of funding at low levels, which allows the university to maximize the use of its resources and further advance the fulfillment of its mission of teaching and research. The university continues to receive the highest bond ratings available: AAA from Standard and Poor's Global Rating and Aaa from Moody's Investors Service.

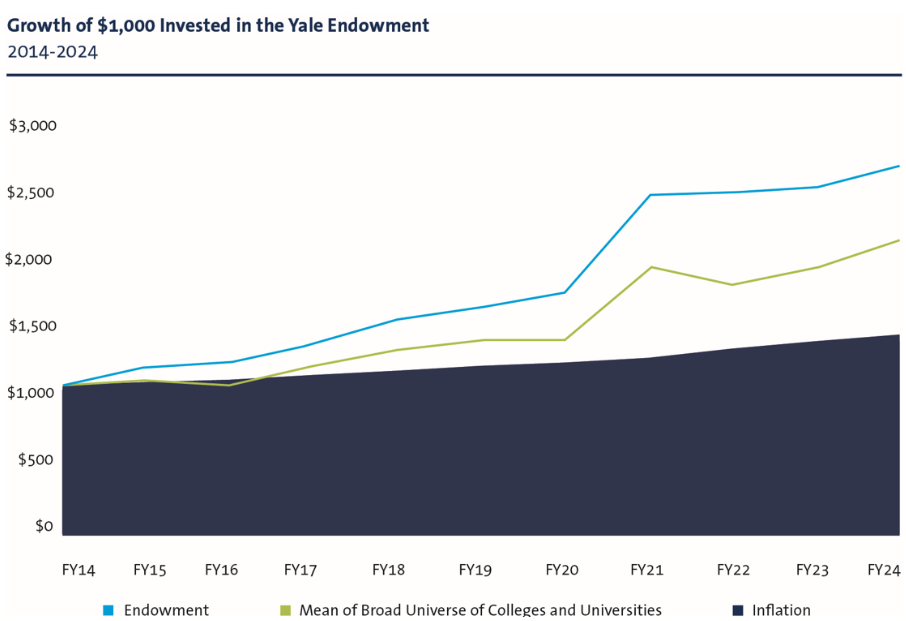
Recognizing the critical importance of maintaining its physical capital over many generations, the university allocates funds directly from the operating budget to a capital maintenance account. The annual equilibrium funding target for internal purposes is an estimate of the amount needed to maintain 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 2024 was $340 million.

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, 2024, net assets in the endowment totaled approximately $41.4 billion, after the allocation of endowment spending of $1.9 billion to the operating budget during the year.

Investment Performance

For the fiscal year ended June 30, 2024, the endowment earned a 5.7% investment return. During the past decade, the endowment earned an annualized 9.5% return, which added $15.4 billion of value relative to a composite passive benchmark and $9.7 billion relative to the mean return of a broad universe of colleges and universities.



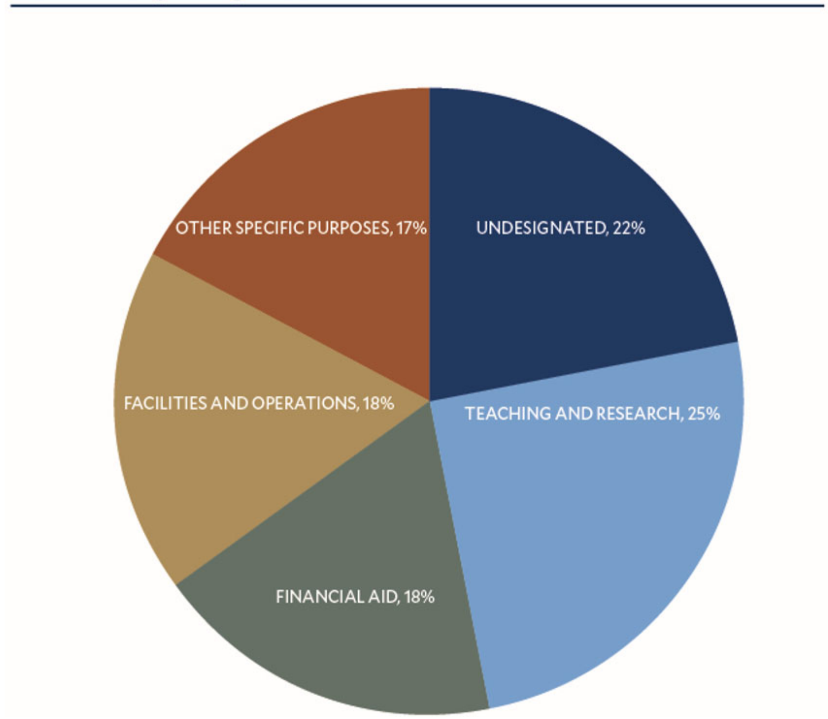
Endowment Spending

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 represents the sum of 80% of the previous year's spending and 20% of the target long-term spending rate applied to the market value at the start of the prior year. The spending amount determined by the formula is adjusted for inflation and an allowance for taxes and constrained so that the calculated rate is at least 4.0% and not more than 6.5% of the endowment's inflation adjusted market value at the start of the prior year. 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.

The majority of endowment spending is allocated across multiple purposes, including financial aid and professorships, based on donor restrictions or internal designations by the university. Endowment spending that is neither restricted nor designated provides additional support for budgetary priorities that carry out the university's mission.

Endowment Spending Allocation



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 equities. In addition, the endowment's vulnerability to inflation directs the university away from fixed income instruments. Hence, roughly 95% of the endowment pool is invested in assets expected to produce equity-like returns, through domestic and international securities, real assets, and private equity.

Endowment Summary

Yale continues to rely on the principles of equity orientation and diversification. These principles 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.

Management's Responsibility for Financial Statements

Management of the university is responsible for the integrity and reliability of the consolidated financial statements. Management represents that, with respect to the university's financial information, the consolidated financial statements in this annual report have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The accompanying consolidated financial statements have been audited by the university's independent auditors, PricewaterhouseCoopers LLP. Their audit opinion, on the following two pages, expresses an informed judgment as to whether the consolidated financial statements, considered in their entirety, present fairly, in conformity with GAAP, the consolidated financial position and changes in net assets and cash flows.

The university maintains a system of internal controls over financial reporting, which is designed to provide a reasonable assurance to the university's management and the Yale board of trustees regarding the preparation of reliable published financial statements. Such controls are maintained by the establishment and communication of accounting and financial policies and procedures, by the selection and training of qualified personnel, and by an internal audit program designed to identify internal control weaknesses in order to permit management to take appropriate corrective action on a timely basis. There are, however, inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention of controls. Accordingly, even an effective internal control system can provide only reasonable assurance with respect to financial statement preparation. Furthermore, the effectiveness of the internal control system can change with circumstances.

The Yale board of trustees, through its Audit Committee comprised of members not employed by the university, are responsible for engaging the independent auditors and meeting with management, internal auditors, and the independent auditors to independently assess whether each is carrying out its responsibilities. Both the internal auditors and the independent auditors have full and free access to the Audit Committee.

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

Shannon N. Smith
Assistant Vice President and University
Controller and Chief Accounting Officer

Report of Independent Auditors

To the President and Fellows of Yale University

Opinion

We have audited the accompanying consolidated financial statements of Yale University and its subsidiaries (the "University"), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities for the year ended June 30, 2024 and of cash flows for the years ended June 30, 2024 and 2023, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the University as of June 30, 2024 and 2023, the changes in its net assets for the year ended June 30, 2024, and its cash flows for the years ended June 30, 2024 and 2023 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

We previously audited the consolidated statement of financial position as of June 30, 2023 and the related consolidated statements of activities and of cash flows for the year then ended (the statement of activities is not presented herein), and in our report dated October 27, 2023, we expressed an unmodified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying summarized financial information for the year ended June 30, 2023 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors'

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Yale University Financial Report 2023-2024 but does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

PricewaterhouseCoopers LLP

Boston, Massachusetts
October 25, 2024

Yale University Consolidated Statements of Financial Position

as of June 30, 2024 and 2023 ($ in thousands)

		2024		2023
Assets:				
Cash and cash equivalents	$	1,058,065	$	845,424
Accounts receivable, net		463,305		410,200
Contributions receivable, net		850,238		960,379
Notes receivable		77,533		84,427
Investments, at fair value		46,117,492		45,679,156
Right of use assets		139,717		272,115
Other assets		598,008		425,957
Land, buildings and equipment, net of accumulated depreciation		6,011,123		5,747,983
Total assets	$	55,315,481	$	54,425,641
Liabilities:				
Accounts payable and accrued liabilities	$	745,779	$	609,528
Advanced payments and other deposits		199,050		219,969
Lease liabilities		200,868		351,122
Other liabilities		1,120,497		1,219,944
Liabilities under split-interest agreements		136,931		132,280
Bonds and notes payable		4,847,302		5,137,633
Liabilities associated with investments		2,028,004		2,027,204
Total liabilities	$	9,278,431	$	9,697,680
Net Assets:				
Net assets without donor restrictions: Yale University	$	9,831,692	$	9,140,807
Net assets without donor restrictions: non-controlling interests		3,499		3,061
Total net assets without donor restrictions		9,835,191		9,143,868
Net assets with donor restrictions		36,201,859		35,584,093
Total net assets	$	46,037,050	$	44,727,961
Total liabilities and net assets	$	55,315,481	$	54,425,641

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

Yale University Consolidated Statement of Activities

for the year ended June 30, 2024 with summarized comparative totals for the year ended June 30, 2023 ($ in thousands)

	Without Donor Restrictions	With Donor Restrictions	2024	2023
Operating				
Revenues and releases:				
Net tuition, room and board	$ 471,578	$ -	$ 471,578	$ 458,307
Grant and contract income, primarily for research and training	1,191,507	-	1,191,507	1,038,268
Medical services income, net	1,587,178	-	1,587,178	1,421,914
Contributions	14,149	154,770	168,919	134,004
Allocation of endowment spending from financial capital	550,173	1,394,621	1,944,794	1,752,375
Other investment income	160,327	7,069	167,396	81,911
Other income	223,827	62	223,889	216,987
Total revenues	4,198,739	1,556,522	5,755,261	5,103,766
Net assets released from restrictions	1,440,567	(1,440,567)	-	-
Total revenues and releases	$ 5,639,306	$ 115,955	$ 5,755,261	$ 5,103,766
Expenses:				
Salaries and wages	$ 2,546,768	$ -	$ 2,546,768	$ 2,328,136
Employee benefits	799,156	-	799,156	744,823
Depreciation, amortization and interest	470,601	-	470,601	441,202
Other operating expenditures	1,595,729	-	1,595,729	1,422,107
Total expenses	5,412,254	-	5,412,254	4,936,268
Increase in net assets from operating activities	227,052	115,955	343,007	167,498
Non-operating				
Contributions	731	254,687	255,418	325,459
Total endowment return	400,005	1,871,305	2,271,310	758,684
Allocation of endowment spending to operations	(344,118)	(1,600,676)	(1,944,794)	(1,752,375)
Other investment income	203,295	1,013	204,308	198,695
Change in funding status of defined benefit plans	127,572	-	127,572	289,684
Other increases (decreases)	58,081	(6,251)	51,830	44,851
Net assets released from restrictions	18,267	(18,267)	-	-
Increase (decrease) in net assets from non-operating activities	463,833	501,811	965,644	(135,002)
Total increase in net assets - Yale University	690,885	617,766	1,308,651	32,496
Change in non-controlling interests	438	-	438	1,440
Total increase in net assets	691,323	617,766	1,309,089	33,936
Net assets, beginning of year	9,143,868	35,584,093	44,727,961	44,694,025
Net assets, end of year	$ 9,835,191	$ 36,201,859	$ 46,037,050	$ 44,727,961

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

Yale University Consolidated Statements of Cash Flows

for the years ended June 30, 2024 and 2023 ($ in thousands)

	2024	2023
Operating activities:		
Change in net assets	$ 1,309,089	$ 33,936
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	357,618	349,607
Realized and unrealized gain on other investments	(187,476)	(169,278)
Net endowment investment gain	(1,623,747)	(319,868)
Change in non-controlling interests	(438)	(1,440)
Change in funding status of defined benefit plans	(127,572)	(289,684)
Non-operating contributions	(255,418)	(325,459)
Contributed securities	(163,268)	(52,815)
Proceeds from sale of donated securities	33,111	13,881
Other adjustments	94,937	25,891
Changes in assets and liabilities that (use) provide cash:		
Accounts receivable	(53,105)	(4,517)
Contributions receivable	13,674	19,907
Other operating assets	9,323	84,364
Accounts payable and accrued expenses	57,949	(22,142)
Advances under grants and contracts and other deposits	(20,919)	25,375
Other liabilities	(42,511)	(112,029)
Net cash used in operating activities	(598,753)	(744,271)
Investing activities:		
Student loans repaid	10,430	12,380
Student loans granted	(9,552)	(6,946)
Purchases related to capitalized software costs and other assets	(45,594)	(44,727)
Proceeds from sales and maturities of investments	9,826,519	7,895,758
Purchases of investments	(8,398,652)	(6,853,674)
Purchases of land, buildings and equipment	(669,735)	(471,490)
Net cash provided by investing activities	713,416	531,301
Financing activities:		
Proceeds from restricted contributions	351,885	365,666
Proceeds from sale of contributed securities restricted for endowment	130,157	38,934
Contributions received for split-interest agreements	7,488	8,104
Payments made under split-interest agreements	(15,981)	(15,905)
Repayments of long-term debt	(320,142)	(19,313)
Repayments to the Federal government for student loans	(1,687)	(2,040)
Net cash provided by financing activities	151,720	375,446
Net increase in cash and cash equivalents	266,383	162,476
Cash and cash equivalents, beginning of year	938,458	775,982
Cash and cash equivalents, end of year	$ 1,204,841	$ 938,458

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 ("Yale" or 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" or the board of trustees), a body comprised of the President, ten appointed Successor Trustees, six elected Alumni Fellows, and the Governor and Lieutenant Governor of Connecticut, who are board members *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, thirteen 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.

b. Basis of Presentation

The consolidated financial statements of the university include the accounts of academic and administrative departments of the university, and affiliated organizations which are required to be consolidated under the applicable accounting guidance.

The university measures aggregate net assets and net asset activity based on the absence or existence of donor-imposed restrictions. Net assets are reported as without donor restrictions and with donor restrictions and serve as the foundation of the accompanying consolidated financial statements. Brief definitions of the two net asset classes are presented below:

Net Assets Without Donor Restrictions - Net assets derived from tuition and other institutional resources that are not subject to explicit donor-imposed restrictions. Net assets without donor restrictions also include board-designated funds functioning as endowment.

Net Assets With Donor Restrictions - Net assets that are subject to explicit donor-imposed restrictions on the expenditure of contributions, including those given to be maintained in perpetuity; income and gains on contributed assets subject to donor-imposed restrictions not yet appropriated for spending by the Corporation and student loan funds. In addition, net assets with donor restrictions 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. When time and purpose restrictions expire, net assets with donor restrictions are reclassified to net assets without donor restrictions.

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 (net of contractual discounts from third-party payors and implicit price concessions to uninsured patients), contributions for operating programs, other investment income, the allocation of endowment spending for operations and other income. Operating expenses are reported on the consolidated statement of activities by natural classification.

The university's non-operating activity within the consolidated statement of activities includes contributions to the university's endowment and for building construction and renovation, investment returns and other activities related to endowment, unrealized gains and losses on interest rate swaps and long-term benefit plan obligation funding changes.

Liquidity - The university's financial assets available within one year of the date of the consolidated statement of financial position for general expenditure as of June 30 are as follows, in thousands of dollars:

		2024	2023
Total assets, at year end		$ 55,315,481	$ 54,425,641
Less nonfinancial assets:			
	Land, buildings and equipment, net of accumulated depreciation	6,011,123	5,747,983
	Other assets	598,008	425,957
	Right of use assets	139,717	272,115
Financial assets, at year end		48,566,633	47,979,586
Less those unavailable for general expenditure within one year due to contractual or donor-imposed restrictions:			
	Restricted by donor with time or purpose restrictions	750,898	855,395
	Subject to appropriation and satisfaction of donor restrictions including board-designated endowments	43,040,576	42,273,707
	Other long-term notes receivable	77,533	84,427
Financial assets available to meet cash needs for general expenditures within one year		$ 4,697,626	$ 4,766,057

The university has $4,697.6 million of financial assets that are available within one year of the date of the 2024 consolidated statement of financial position to meet cash needs for general expenditure consisting of cash of $1,058.1 million, accounts receivable of $463.3 million, contributions receivable of $99.3 million, and short-term investments of $3,076.9 million. In addition to these available financial assets, a significant portion of the university's annual expenditures will be funded by current year operating revenues including tuition, grant and contract income and medical services income. The university has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As part of its liquidity management, the university invests cash in excess of daily requirements in various short-term investments, including U.S. government instruments.

Additionally, the university has board-designated funds of $7,243.9 million. Although the university does not intend to spend from this endowment, other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its board-designated funds could be made available if necessary. However, both the board-designated funds and donor-restricted endowments contain investments with lock-up provisions that would reduce the total investments that could be made available, as described in Note 2.

c. Cash and Cash Equivalents

Cash and cash equivalents are recorded at cost, which approximates fair value due to their short-term nature and include institutional money market funds and similar temporary investments with maturities of three months or less at the time of purchase. Cash and short-term investments awaiting investment in the long-term investment pool are reported as investments and totaled $956.7 million and $1,210.2 million at June 30, 2024 and 2023, respectively. Short-term investments included in the long-term investment pool which may otherwise qualify as cash equivalents under the university's policy are accounted for as investments by policy and are accordingly not included within these cash disclosures.

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

	2024	2023
Cash paid during the year for interest	$ 88,074	$ 119,350
Noncash investing activities:		
Land, buildings and equipment purchases payable to vendor	$ 58,101	$ 61,359

The following table summarizes supplemental cash flow information related to leases for the years ended June 30, in thousands of dollars:

	2024	2023
Cash paid for amounts included in measurement of liabilities:		
Operating cash flows from financing leases	$ 6,213	$ 7,462
Operating cash flows from operating leases	11,656	12,165
Financing cash flows from financing leases	8,395	8,366
Non-cash lease related items:		
Financing leases reclassified to land, buildings and equipment, net of accumulated depreciation due to the exercise of a purchase option	$ 152,220	$ -
ROU assets obtained in exchange for new and remeasured financing liabilities	16,612	120,137
ROU assets obtained in exchange for new and remeasured operating liabilities	8,675	3,237

The following table provides a reconciliation of amounts reported within the consolidated statements of financial position that sum to the total of the amount shown in the consolidated statement of cash flows for the years ended June 30, in thousands of dollars:

	2024	2023
Cash and cash equivalents	$ 1,058,065	$ 845,424
Cash included in investments, at fair value	146,776	93,034
Total cash and cash equivalents shown in the consolidated statements of cash flows	$ 1,204,841	$ 938,458

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 categorizes 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 for 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/or
- *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 consolidated financial statements.

Derivatives - Derivative financial instruments in the investment portfolio include interest rate swaps 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 relating to resell agreements is 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 is collateralized by investments in asset-backed securities, corporate debt, federal agency debt, and foreign debt securities. Collateral fair 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 as a component of total endowment return within the applicable net asset class in the consolidated statement of activities. Management fees consist of the internal costs of the university's Investments Office (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 a current endowment spending policy in accordance with the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as adopted in the State of Connecticut, 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's fair value. An administrative charge is assessed against the funds when distributed.

To the extent that a donor-restricted endowment fund falls below its historic dollar value a deficit would exist, and it would be reported as a reduction of net assets with donor restrictions. Spending from an endowment fund in a deficit position would continue under the spending policy so long as the fund's value is more than 70% of its historical dollar value. At June 30, 2024, there were 265 endowment funds in a deficit position totaling $10.0 million in aggregate, the fair value of which totaled $530.7 million with a corresponding historic dollar value of $540.7 million. At June 30, 2023, there were 323 endowment funds in a deficit position totaling $14.0 million in aggregate, the fair value of which totaled $512.8 million with a corresponding historic dollar value of $526.8 million.

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 fair value at the start of the prior year. The spending amount determined by the formula is adjusted for inflation and taxes and constrained so that the calculated rate is at least 4.0% and not more than 6.5% of the endowment's fair value as of the start of the prior year. The actual rate of spending for 2024 and 2023, when measured against the previous year's June 30th endowment fair value, was 4.8% and 4.3%, 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 lead the endowment to be weighted toward equity investments.

The university manages the majority of its endowment in its 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. Leases

At the inception of an arrangement, the university determines if an arrangement is, or contains, a lease based on the unique facts and circumstances present in that arrangement. Lease classification, recognition, and measurement are then determined as of the lease commencement date. For arrangements that contain a lease, the university (i) identifies lease and non-lease components, (ii) determines the consideration in the contract, (iii) determines whether the lease is an operating or financing lease, and (iv) recognizes lease right of use ("ROU") assets and lease liabilities. Lease liabilities and their corresponding ROU assets are recorded based on the present value of lease payments over the expected lease term. The interest rate implicit in lease contracts is typically not readily determinable, and as such, the university uses its incremental borrowing rate based on the information available at the lease commencement date, a rate which represents one that would be incurred to borrow, on a collateralized basis, over a similar term, an amount equal to the lease payments in a similar economic environment. Some leases include options to renew and/or terminate the lease, which can impact the lease term. The exercise of these options is at the university's discretion and the university does not include any of these options within the expected lease term where it is not reasonably certain that these options will be exercised.

Fixed, or in-substance fixed, lease payments on operating leases are recognized over the expected term of the lease on a straight-line basis, while fixed, or in-substance fixed, payments on financing leases are recognized using the effective interest method. Variable lease expenses that are not considered fixed, or in-substance fixed, are recognized as incurred. Fixed and variable lease expense on operating leases is recognized within other operating expenditures in the consolidated statement of activities. Financing lease ROU asset amortization and interest costs are recorded within depreciation, amortization and interest in the consolidated statement of activities. The university has elected the short-term lease exemption and, therefore, does not recognize a ROU asset or corresponding liability for lease arrangements with an original term of 12 months or less.

Operating and financing leases are included in right of use assets and lease liabilities in the university's consolidated statements of financial position as of June 30, 2024 and 2023.

The university is a lessor of portions of certain buildings owned for retail and research purposes. Leases are generally five-year terms or less and are classified as operating leases. These leasing arrangements are not material to the consolidated financial statements.

f. Land, Buildings and Equipment

Land, buildings, and equipment are generally stated at cost. Annual depreciation is calculated on a straight-line basis over the lesser of the remaining useful lives or the lease term for financing leases, ranging from 15 to 50 years for buildings and improvements and 4 to 15 years for equipment.

g. Other Assets

Other assets include prepaid pension costs, insurance receivables, capitalized software costs, deferred expenses, and inventories. Capitalized software costs are amortized on a straight-line basis over the estimated useful lives of the software, ranging from 5 to 10 years.

h. 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 expenses in the university's consolidated statement of activities in the period in which the items are acquired.

i. 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 revenue related to charitable gift annuities and charitable remainder trusts is 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.

j. Beneficial Interest in Trust Assets

The university is the beneficiary of certain irrevocable 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.

k. Net Tuition, Room and Board

Tuition, room and board revenue is generated from an enrolled student population of approximately 15,100 and 14,800 in 2024 and 2023, respectively, and is recognized in the period in which it satisfies its performance obligations. Net tuition, room and board revenue from undergraduate enrollment represents approximately 62.9% and 62.5% of total tuition, room and board revenue in 2024 and 2023, respectively.

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 \$487.4 million and \$460.1 million in 2024 and 2023, respectively.

l. 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 the time value of money applicable to the year in which the promise is received. Amortization of the discount is included in contribution revenue.

Contributions are considered conditional when the underlying agreement includes a performance barrier and a right of return or a right to release promised assets exists. Conditional promises to give are not recognized as revenue until the performance barrier and the right of return or release have been overcome.

m. Grant and Contract Income

The university receives grant and contract income for exchange and non-exchange agreements from both governmental and private sources. Revenue from exchange agreements is recognized when performance obligations are met. Revenue from conditional non-exchange agreements is recognized as performance barriers are overcome and as the university overcomes either a right of return of assets transferred or the right of release of a promisor’s obligation to transfer assets. Grant and contract revenue from conditional non-exchange agreements is generally recognized as qualified costs of sponsored programs are incurred. At June 30, 2024 and 2023, the university has research activities which are contractually authorized by the sponsor, but for which costs have not yet been incurred, totaling \$1,819.2 million and \$1,649.0 million, respectively.

In 2024 and 2023, grant and contract income from the federal government totaled \$898.7 million and \$776.8 million, respectively. 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. The current negotiated rates will expire on June 30, 2028. New rates will be negotiated based on actual costs incurred in fiscal year 2027.

n. Medical Services Income, Net

The university provides medical care to patients primarily under agreements with third-party payors, including health maintenance organizations, that provide payment for medical services at amounts different from standard rates established by the university. The university determines performance obligations based on the nature of the services provided and recognizes revenue as it satisfies those performance obligations. Generally, these performance obligations are satisfied at the point in time the service is provided.

Medical services income is reported net of contractual discounts from third-party payors and implicit price concessions to uninsured patients. The university estimates the discounts based on contractual agreements and estimates the implicit price concessions based on its historical collection experience with these classes of patients.

The following table summarizes patient care revenue for the university, net of allowances and discounts at June 30, in thousands of dollars:

		2024		2023
Gross revenue	$	2,734,664	$	2,546,766
Allowances and discounts		(1,908,480)		(1,788,371)
Total patient care revenue	$	826,184	$	758,395

In 2024 and 2023, net patient revenue, included in income from medical services, totaled $600.1 million and $553.2 million from insurance companies, $212.0 million and $197.4 million from Medicare, $75.5 million and $65.9 million from Medicaid, and $125.8 million and $107.8 million from other third parties, respectively. In 2024 and 2023, income from medical services is offset by denials, charity care and bad debts of $187.2 million and $165.9 million, respectively.

o. Net Assets Released from Restrictions

Net assets released from restrictions are 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 net assets with donor restrictions and reclassified to net assets without donor restrictions when any donor-imposed restrictions are satisfied. Non-operating restricted net assets associated with building costs are reclassified to net assets without donor restrictions when the capital asset is placed in service.

p. Self-Insurance

The university self-insures at varying levels for unemployment, disability, workers' compensation, property losses, certain healthcare plans, general liability, 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.

q. Tax Status

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

The university is subject to several provisions of the Tax Cuts and Jobs Act (the "Act"), enacted on December 22, 2017. Specifically, the Act introduced excise taxes on net investment income and executive compensation, as well as updated rules for calculating unrelated business taxable income. The university records tax assets and liabilities in its consolidated financial statements based on reasonable estimates determined using current guidance, including the U.S. Treasury Department final regulations. In accordance with the guidance on accounting for uncertainty in income taxes, management regularly evaluates its tax positions and does not believe the university has any uncertain tax positions that require disclosure in or adjustment to the consolidated financial statements.

r. Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP") 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

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

s. Related Parties

Transactions with related parties occur in the normal course of the university's activities which do not have a material effect on the university's financial position. University related parties may include affiliates, trusts, and investment holdings. In addition, related parties may also include The President and Fellows of Yale University and senior management, their family members and any entities with which they are associated that may do business with the university.

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. See additional disclosures in Notes 3 and 5.

t. Recent Authoritative Pronouncements

In June of 2022, the Financial Accounting Standards Board ("FASB") issued new accounting guidance related to the valuation of equity securities subject to contractual sale restrictions. The guidance is required to be implemented in the university's fiscal year 2026 with early adoption permitted. The standard is not expected to have a significant impact to the university's consolidated financial statements.

u. Summarized 2023 Financial Information

The 2024 consolidated financial statements include selected comparative summarized financial information for 2023. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the university's 2023 consolidated financial statements, from which the summarized financial information was derived.

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 marketable alternative strategies, private equity (venture capital and leveraged buyouts) and real assets (real estate, 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:

	2024	2023
Endowment investments:		
Long-term investment pool	$ 41,207,871	$ 40,428,680
Other	82,089	75,426
Total net endowment investments	41,289,960	40,504,106
Non-endowment investments:		
Long-term investment pool	500,000	300,000
Fixed income	632,122	1,353,074
Derivatives	264,934	109,874
Other	1,398,973	1,381,837
Total non-endowment investments	2,796,029	3,144,785
Net investments, at fair value	$ 44,085,989	$ 43,648,891

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

2024	Level 1	Level 2	Level 3	Total
Investments, at fair value:				
Cash and short-term investments	$ 1,280,880	$ -	$ -	$ 1,280,880
Fixed income	1,970,194	102	-	1,970,296
Common stock:				
Domestic	1,070,386	12,464	1,134	1,083,984
Foreign	261,217	-	43,082	304,299
Total common stock	1,331,603	12,464	44,216	1,388,283
Other equity investments:				
Developed equities	-	-	1,597,481	1,597,481
Real assets	-	-	375,952	375,952
Venture capital	-	-	128,154	128,154
Total other equity investments	-	-	2,101,587	2,101,587
Other investments	65,664	700,732	364,405	1,130,801
Total leveled investments, at fair value	$ 4,648,341	$ 713,298	$ 2,510,208	7,871,847
Investments at net asset value				38,245,645
Total investments				$ 46,117,492
Liabilities associated with investments:				
Securities sold, not yet purchased	$ 333,645	$ -	$ -	$ 333,645
Other liabilities	123,129	42,284	1,528,946	1,694,359
Total liabilities associated with investments	$ 456,774	$ 42,284	$ 1,528,946	2,028,004
Non-controlling interests				3,499
Net investments				$ 44,085,989

2023	Level 1	Level 2	Level 3	Total
Investments, at fair value:				
Cash and short-term investments	$ 1,261,048	$ -	$ -	$ 1,261,048
Fixed income	3,054,758	1,950	4,335	3,061,043
Common stock:				
Domestic	1,292,811	11,576	1,154	1,305,541
Foreign	281,671	-	42,229	323,900
Total common stock	1,574,482	11,576	43,383	1,629,441
Other equity investments:				
Developed equities	-	-	1,529,689	1,529,689
Real assets	-	-	320,216	320,216
Venture capital	-	-	196,454	196,454
Total other equity investments	-	-	2,046,359	2,046,359
Other investments	50,236	484,940	320,899	856,075
Total leveled investments, at fair value	$ 5,940,524	$ 498,466	$ 2,414,976	8,853,966
Investments at net asset value				36,825,190
Total investments				$ 45,679,156
Liabilities associated with investments:				
Securities sold, not yet purchased	$ 500,356	$ -	$ -	$ 500,356
Other liabilities	37,800	22,656	1,466,392	1,526,848
Total liabilities associated with investments	$ 538,156	$ 22,656	$ 1,466,392	2,027,204
Non-controlling interests				3,061
Net investments				$ 43,648,891

Included within cash and short-term investments are restricted short-term investment balances held as collateral in the amount of $809.9 million and $1,117.1 million as of June 30, 2024 and 2023, respectively.

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 involve assumptions and methods that are reviewed by the Investments Office.

Investments at NAV as of June 30, in thousands of dollars, include:

	2024	2023
Developed equities	$ 5,499,213	$ 5,159,727
Emerging equities	1,266,060	1,379,524
Leveraged buyouts	10,685,258	10,041,213
Marketable alternatives	6,141,123	5,443,689
Real assets	4,551,622	4,837,564
Venture capital	10,102,369	9,963,473
Total investments, at NAV	$ 38,245,645	$ 36,825,190

Certain investment companies are required to be consolidated for financial reporting purposes, and the related assets and liabilities of those investment companies have been included in these consolidated financial statements. Where such entities are not wholly owned by the university, the portion of the consolidated entity's 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's consolidated financial statements, in thousands of dollars, include:

		2024		2023
Consolidated investment company assets	$	71,168	$	90,798
Consolidated investment company liabilities		5,858		4,098
	$	65,310	$	86,700

Level 3 investments are valued by the university or by its external investment managers using valuation techniques standard in the industry in which they operate. The 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. During the year ended June 30, 2024, the university reassessed the NAV for certain investments resulting in a $193.1 million write down to fair value.

The following table summarizes quantitative inputs and assumptions used for Level 3 investments at June 30, for which fair value is based on unobservable inputs that are not developed by external investment managers. Weighted averages were calculated based on relative fair values. Significant increases or decreases in these unobservable inputs may result in significantly higher or lower valuation results.

	Fair Value (in 000s)						Range		Weighted Average	
Asset Class		2024		2023	Valuation Technique	Significant Unobservable Input	2024	2023	2024	2023
Emerging equities	$	44,216	$	43,383	Calibrated price of recent investment	Calibrated price of recent round in private investment	N/A	N/A	N/A	N/A
					NAV of the underlying fund	NAV of investment holding company	N/A	N/A	N/A	N/A
Developed equities	$	1,597,481	$	1,529,689	Carried interest calculation	Fund high water mark	N/A	N/A	N/A	N/A
Fixed income	$	-	$	4,335	Indicative market quotations	Recent funding activity	N/A	N/A	N/A	N/A
Real assets	$	375,952	$	320,216	Discounted cash flow	Discount rate	8.0 - 12.0%	8.0 - 12.0%	10.0%	10.0%
Trusts	$	225,614	$	221,845	Net present value	Discount rate	5.0%	4.5%	N/A	N/A
Venture capital	$	128,154	$	196,454	Tax analysis	Likelihood of taxation	0.0%	0.0%	N/A	N/A
					Write-down	Likelihood of realization	N/A	N/A	N/A	N/A
Other investments	$	138,791	$	99,054	Market comparables	Price per acre	$10,822 - $53,288	$10,822 - $53,288	$15,243	$15,243
Liabilities	$	(1,528,946)	$	(1,466,392)	Various methods	University pooled unit market value	$4,788	$4,757	N/A	N/A

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 external investment managers 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 external investment managers, and material quarter over quarter changes in valuation; and assesses the impact of macro market factors on the performance. The Investments Office meets with the Corporation's Investment Committee quarterly to review investment transactions and monitor performance of external investment managers.

Realized and unrealized gains and losses are reported in total endowment return, net of fees. Included in realized and unrealized gain (loss), net in Level 3 reported below were unrealized losses of $91.9 million and unrealized gains of $15.5 million that relate to investments held at June 30, 2024 and 2023, respectively.

The tables below present the change in fair value measurements for the university's Level 3 investments during the years ended June 30, in thousands of dollars:

2024	Developed equities	Real assets	Venture capital	Other	Liabilities	Total
Beginning balance	$ 1,529,689	$ 320,216	$ 196,454	$ 368,617	$ (1,466,392)	$ 948,584
Realized and unrealized gain (loss), net	133,780	16,721	(68,444)	14,697	(12,274)	84,480
Purchases	218,163	74,201	123	14,498	(53,813)	253,172
Sales	(284,151)	(35,186)	(194,448)	(22,827)	3,533	(533,079)
Transfers in	-	-	194,469	33,636	-	228,105
Ending balance	$ 1,597,481	$ 375,952	$ 128,154	$ 408,621	$ (1,528,946)	$ 981,262

2023	Developed equities	Real assets	Venture capital	Other	Liabilities	Total
Beginning balance	$ 1,604,274	$ 439,971	$ 227,937	$ 374,049	$ (1,664,611)	$ 981,620
Realized and unrealized gain (loss), net	347,949	(68,141)	2,254	(2,108)	50,347	330,301
Purchases	31,117	-	207	13,605	(55,593)	(10,664)
Sales	(453,651)	(51,614)	(33,944)	(16,929)	203,465	(352,673)
Ending balance	$ 1,529,689	$ 320,216	$ 196,454	$ 368,617	$ (1,466,392)	$ 948,584

Transfers into Level 3 consist primarily of investments reclassified from NAV to Level 3 when the practical expedient is not used.

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

Asset Class	Fair Value (in 000s) 2024	Fair Value (in 000s) 2023	Remaining Life	Unfunded Commitment (in 000s) 2024	Unfunded Commitment (in 000s) 2023	Redemption Terms	Redemption Restrictions
Developed equities	$ 7,096,694	$ 6,689,416	No Limit	$ 230,587	$ 112,872	Redemption terms range from monthly with 3 days notice to annually with 90 days notice.	Lock-up provisions range from none to 7 years.
Emerging equities	1,266,060	1,379,524	No Limit	-	67,650	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 buyouts	10,685,258	10,041,213	1-25 years	5,360,071	4,228,144	Closed end funds not eligible for redemption.	Not redeemable.
Marketable alternatives	6,141,123	5,443,689	No Limit	99,447	111,173	Redemption terms range from monthly with 30 days notice to annually with 90 days notice.	Lock-up provisions range from none to 5 years.
Real assets	4,927,574	5,157,780	1-25 years	2,219,454	1,996,579	Closed end funds not eligible for redemption.	Not redeemable.
Venture capital	10,230,523	10,159,927	1-25 years	2,714,799	2,284,191	Redemption terms range from semi-annually with 120 days notice to closed end structures not available for redemption.	Lock-up provisions range from 2 to 3 years.
Total	$ 40,347,232	$ 38,871,549		$ 10,624,358	$ 8,800,609		

The fair value of cash and fixed income securities of $168.9 million and $328.4 million was provided at June 30, 2024 and 2023, respectively, to collateralize securities sold, not yet purchased.

The university may employ derivatives and other strategies to (1) manage against market risks, (2) arbitrage mispricing of related securities, and (3) replicate long or short positions more cost effectively. The fair value of derivative positions held at June 30 and related gain (loss) for the year, in thousands of dollars, were as follows:

2024

	Assets	Liabilities	Gain
Endowment:			
Other	$ 3	$ 2	$ 145
	3	2	145
Other:			
Interest rate swaps	279,495	21,289	195,357
	279,495	21,289	195,357
Gross value of derivatives	279,498	21,291	$ 195,502
Other-counterparty netting	(13,356)	(13,356)	
Collateral:			
Cash collateral received	107,300	-	
Securities collateral received	120,384	-	
Total net exposure for derivatives	$ 38,458	$ 7,935	

2023

	Assets	Liabilities	Gain (Loss)
Endowment:			
Other	$ 1	$ 26	$ (275)
	1	26	(275)
Other:			
Interest rate swaps	149,976	48,682	190,978
	149,976	48,682	190,978
Gross value of derivatives	149,977	48,708	$ 190,703
Other-counterparty netting	(14,487)	(14,487)	
Collateral:			
Cash collateral received	22,850	-	
Securities collateral received/(posted)	55,480	(16,994)	
Total net exposure for derivatives	$ 57,160	$ 17,227	

Derivatives are reported as other investments 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.

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 was $1.8 billion and $2.3 billion at June 30, 2024 and 2023, respectively. The notional amount of contracts that pay based on variable rates and receive based on fixed rates were $500.0 million for both June 30, 2024 and 2023.

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 are reported as other investment income 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.

Endowment investments include beneficial interests in outside trusts of $184.8 million and $182.7 million at June 30, 2024 and 2023, respectively.

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

	2024	2023
Charitable gift annuities	$ 282,011	$ 277,923
Charitable remainder trusts	112,810	106,666
Pooled income funds	5,352	5,176
	$ 400,173	$ 389,765

Split-interest liabilities reported in the consolidated statement of financial position totaled $136.9 million and $132.3 million at June 30, 2024 and 2023, respectively, and are recorded at fair value using Level 2 measurements.

The university has agreements with certain affiliates to invest in the Pool. The obligation to these affiliates included in other liabilities within liabilities associated with investments is $1,230.2 million and $1,177.1 million at June 30, 2024 and 2023, respectively. The largest balance recorded is for Yale New Haven Health System ("YNHHS"), with $896.8 million and $849.0 million invested at June 30, 2024 and 2023, respectively. On July 1, 2024, YNHHS liquidated $100.0 million from the Pool.

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

	2024	2023
Investment income	$ 647,563	$ 438,816
Realized and unrealized gain, net of investment management fees	1,623,747	319,868
Total endowment return	2,271,310	758,684
Other investment income	371,704	280,606
	$ 2,643,014	$ 1,039,290

Endowment investment returns totaling $1,944.8 million and $1,752.4 million were allocated to operating activities in 2024 and 2023, 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:

	2024	2023
Medical services	$ 317,055	$ 320,495
Grant and contracts	161,373	150,998
Affiliated organizations	161,212	115,809
Publications	6,497	6,590
Other	54,487	53,081
	700,624	646,973
Less: Allowance for doubtful accounts	(237,319)	(236,773)
	$ 463,305	$ 410,200

Medical services receivables are net of discounts and allowances of $221.4 million and $220.8 million at June 30, 2024 and 2023, respectively.

Receivables for medical services, net of contractual adjustments, are primarily based on negotiated contracts with the following:

	2024	2023
Insurance companies	43%	45%
Payments due directly from patients	22%	19%
Medicare	20%	19%
Commercial insurance and others	12%	13%
Medicaid	3%	4%

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

The net receivable from the Hospital amounted to $154.4 million and $107.6 million at June 30, 2024 and 2023, respectively. Balances are settled in the ordinary course of business. The university recognized $608.6 million and $531.8 million in revenue and incurred $145.5 million and $131.8 million in expenses related to activities with the Hospital during the years ended June 30, 2024 and 2023, respectively.

4. Contributions Receivable

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

	2024	2023
Purpose:		
Operating programs	$ 453,804	$ 467,832
Endowment	501,061	602,067
Capital purposes	97,873	111,789
Gross unconditional promises to give	1,052,738	1,181,688
Less: Discount to present value	(99,807)	(108,324)
Allowance for uncollectible accounts	(102,693)	(112,985)
	$ 850,238	$ 960,379
Amounts due in:		
Less than one year	$ 361,801	$ 423,809
One to five years	687,312	483,615
More than five years	3,625	274,264
	$ 1,052,738	$ 1,181,688

Discount rates used to calculate the present value of contributions receivable ranged from 0.07% to 7.00% at June 30, 2024 and 2023.

The university had conditional pledges of approximately $12.0 million and $12.9 million at June 30, 2024 and June 30, 2023, respectively, which are subject to donor-imposed conditions.

5. Notes Receivable

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

	2024	2023
Institutional student loans	$ 45,984	$ 44,042
Federally-sponsored student loans	5,127	6,695
Notes receivable	47,006	46,880
	98,117	97,617
Less: Allowance for doubtful accounts	(20,584)	(13,190)
	$ 77,533	$ 84,427

Student Loans

Institutional student loans are funded by 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.

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 can be assigned to the federal government in certain non-repayment situations. In these situations, the federal portion of the loan balance is guaranteed. Federally-sponsored student loans have mandated interest rates and repayment terms subject to restrictions as to their transfer and disposition.

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 part of other liabilities in the consolidated statement of financial position. The recorded value of student loan instruments approximates fair value.

Notes Receivable

The university and the Hospital entered into an agreement under which the Hospital will reimburse the university over a 40-year term for advances made relating to the construction of Hospital facilities. The payment includes interest based on the five-year Treasury bill plus 175 basis points, which resets every five years. In 2020, the interest rate was reset, and the monthly payment was adjusted accordingly.

6. Right of Use Assets and Lease Liabilities

The following table summarizes the university's lease assets and liabilities as of June 30, in thousands of dollars:

Right of use assets and liabilities	Consolidated statement of financial position location		2024		2023
Right of use asset - Operating	Right of use assets	$	28,643	$	31,703
Right of use asset - Financing	Right of use assets		111,074		240,412
Right of use liabilities - Operating	Lease liabilities		29,374		32,355
Right of use liabilities - Financing	Lease liabilities		171,494		318,767

The following table summarizes the university's lease related costs for the year ended June 30, in thousands of dollars:

Lease cost	Consolidated statement of activities location		2024		2023
Financing lease cost					
Amortization of right of use assets	Depreciation, amortization and interest	$	13,259	$	10,279
Interest on lease liabilities	Depreciation, amortization and interest		6,213		7,462
Operating lease cost	Other operating expenditures		11,841		12,496
Total lease cost		$	31,313	$	30,237

The following table summarizes maturities of lease liabilities as of June 30, 2024, in thousands of dollars:

		Financing		Operating		Total
2025	$	11,325	$	8,145	$	19,470
2026		11,498		7,782		19,280
2027		11,624		6,991		18,615
2028		11,753		3,188		14,941
2029		11,883		2,230		14,113
Thereafter		182,991		3,131		186,122
Total lease payments		241,074		31,467		272,541
Imputed interest		(69,580)		(2,093)		(71,673)
Present value of lease liabilities	$	171,494	$	29,374	$	200,868

The following table summarizes information about financing and operating leases as of June 30, in thousands of dollars:

		2024				2023		
		Financing		Operating		Financing		Operating
Weighted-average remaining lease term (years)		19		7		11		7
Weighted-average discount rate		3.62%		1.73%		1.93%		1.53%
Total undiscounted lease liability	$	241,074	$	31,467	$	391,381	$	34,836

During the fiscal year ended June 30, 2024 the university exercised a purchase option for a building that it previously leased and as a result the related financing leases were reclassified to land, buildings and equipment, net of accumulated depreciation.

7. Other Assets

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

	2024	2023
Prepaid pension costs	$ 241,395	$ 168,634
Insurance receivables	223,602	142,042
Software costs, net of accumulated amortization	80,816	53,325
Deferred expenses	33,330	43,955
Inventories	18,865	18,001
	$ 598,008	$ 425,957

Prepaid pension costs represent the amount by which the fair value of plan assets exceed the defined benefit obligation at June 30, 2024 and 2023 (see Note 12).

Amortization expense related to other assets included in operating expenses amounted to $13.1 million and $14.6 million in 2024 and 2023, respectively.

8. Land, Buildings and Equipment

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

	2024	2023
Land and real estate improvements	$ 138,812	$ 139,394
Buildings	9,241,048	8,785,418
Equipment	466,676	535,769
	9,846,536	9,460,581
Less: Accumulated depreciation and amortization	(4,341,320)	(4,146,360)
	5,505,216	5,314,221
Construction in progress	505,907	433,762
	$ 6,011,123	$ 5,747,983

Depreciation expense included in operating expenses amounted to $328.9 million and $312.4 million in 2024 and 2023, respectively.

9. Other Liabilities

Other liabilities include obligations of the university that will be paid over extended periods of time and consist of the following as of June 30, in thousands of dollars:

	2024	2023
Employee benefit obligations	$ 769,883	$ 860,230
Compensated absences	85,740	82,233
Financial aid grant obligations	52,282	55,825
Asset retirement obligations	35,446	39,727
Other	177,146	181,929
	$ 1,120,497	$ 1,219,944

Included in employee benefit obligations are defined benefit plan liabilities in excess of plan assets. These liabilities amounted to $436.8 million and $572.7 million at June 30, 2024 and 2023, respectively (see Note 12).

10. Bonds and Notes Payable

Bonds and notes payable outstanding at June 30, in thousands of dollars, include:

	Interest Rate at June 30, 2024	Calendar Year of Maturity	Outstanding Balance 2024	Outstanding Balance 2023
CHEFA tax-exempt bonds:				
Series S	5.00%	2027	$ 111,205	$ 111,205
Series T	5.00%	2029	93,625	93,625
Series U	1.10%	2033	250,000	250,000
Series V	2.85%	2036	200,000	200,000
Series X	5.00%	2037	103,890	125,000
Series 2010A	2.03%	2049	300,000	300,000
Series 2013A	2.86%	2042	100,000	100,000
Series 2014A	2.80%	2048	250,000	250,000
Series 2015A	0.38%	2035	300,000	300,000
Series 2016A	2.32%	2042	399,320	399,320
Series 2017A	3.23%	2042	170,920	170,920
Series 2017B	2.44%	2029/2037	194,530	194,530
Series 2017C	3.51%	2040/2057	383,380	383,380
Series 2018A	5.00%	2025	67,610	67,610
Total CHEFA bonds			2,924,480	2,945,590
Medium term notes	7.38%	2096	125,000	125,000
Taxable Series 2020A	1.59%	2025/2030/2050	1,500,000	1,500,000
Commercial paper	6.68%	2024	240,000	500,000
US Department of Energy		2029	-	18,526
Principal amount			4,789,480	5,089,116
Less: Bond issue costs			(15,390)	(16,632)
Plus: Unamortized premiums and discounts, net			73,212	65,149
			$ 4,847,302	$ 5,137,633

CHEFA Tax-Exempt Bonds

The university borrows at tax-exempt rates through the Connecticut Health and Facilities Authority ("CHEFA"), a conduit issuer. CHEFA debt is a general unsecured obligation of the university. Although CHEFA is the issuer, the university is responsible for the repayment of the tax-exempt debt.

Series S bonds total $111.2 million, bear a fixed interest rate of 5.00%, and mature in July 2027. These bonds include a net premium of $8.8 million as of June 30, 2024.

Series T bonds consist of $93.6 million Series T-2 bonds maturing in July 2029. The Series T-2 bonds bear a fixed interest rate of 5.00% through June 2029. These bonds include a net premium of $16.7 million as of June 30, 2024.

Series U bonds consist of 1) $125.0 million Series U-1 bonds and 2) $125.0 million Series U-2 bonds, both maturing in July 2033. The Series U bonds bear a fixed interest rate of 1.10% through February 10, 2025.

Series V bonds total $200.0 million, bear interest at a daily rate, and mature in July 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.

Series X bonds consist of $103.9 million, maturing in July 2037. On February 9, 2024 Series X was remarketed from a fixed rate of 0.25% to a fixed rate of 5.00% through maturity. These bonds include a net premium of $20.5 million as of June 30, 2024.

Series 2010A bonds consist of 1) $150.0 million Series 2010A-3 and 2) $150.0 million Series 2010A-4, maturing July 2049. On February 9, 2024 Series 2010A-3 was remarketed from a fixed rate of 0.25% to a fixed rate of 2.95% through June 30, 2027. The Series 2010A-4 bonds bear a fixed interest rate of 1.10% through February 10, 2025.

Series 2013A bonds total $100.0 million maturing in July 2042. On July 1, 2022, the Series was remarketed from a fixed rate of 1.45% to a daily variable interest rate.

Series 2014A bonds total $250.0 million, maturing in July 2048. On February 7, 2023 the Series was remarketed from a fixed rate of 1.10% to a fixed rate of 2.80% through February 9, 2026.

Series 2015A bonds total $300.0 million and mature in July 2035. The bonds bore a fixed interest rate of 0.38% through July 11, 2024. On July 12, 2024, Series 2015A bonds were remarketed to a fixed rate of 5.00% through July 1, 2035.

Series 2016A bonds consist of 1) $150.0 million Series 2016A-1 bonds that were remarketed on July 1, 2022 from a fixed rate of 1.45% to a daily variable interest rate and 2) $249.3 million Series 2016A-2 bonds bearing a fixed interest rate of 2.00% through June 30, 2026. Series 2016A-2 bonds include a net premium of $135 thousand as of June 30, 2024. Both bond series mature in July 2042.

Series 2017A bonds consist of 1) $85.5 million Series 2017A-1 bonds and 2) $85.5 million Series 2017A-2 bonds. Both bond series were remarketed from a fixed interest rate of 5.00% to a weekly variable interest rate on July 1, 2022. Both bond series mature in July 2042.

Series 2017B bonds consist of 1) $82.4 million Series 2017B-1 bonds that bear a fixed interest rate of 5.00% through July 2029 and mature in July 2029 and 2) $112.1 million Series 2017B-2 bonds maturing in July 2037. The Series 2017B-1 bonds include a net premium of $16.5 million as of June 30, 2024. On July 3, 2023, Series 2017B-2 was remarketed from a fixed rate of 0.55% to a fixed rate of 3.20% through June 30, 2026.

Series 2017C bonds consist of 1) $123.3 million Series 2017C-1 bonds maturing in July 2040 and 2) $260.1 million 2017C-2 bonds maturing in July 2057. Series 2017C-1 bonds bear a fixed interest rate of 5.00% through January 2028 and include a net premium of $10.5 million as of June 30, 2024. On February 1, 2023, Series 2017C-2 was remarketed from a fixed interest rate of 5.00% to a fixed interest rate of 2.80% through February 2, 2026.

Series 2018A bonds total $67.6 million, bear a fixed interest rate of 5.00%, and mature in July 2025. These bonds include a net premium of $1.8 million as of June 30, 2024.

Notes Payable
Medium-term notes bear a fixed interest rate of 7.38% and mature in 2096, with an optional redemption provision in the year 2026. The discount associated with these notes was $80 thousand as of June 30, 2024.

Taxable Bonds
Taxable bonds, Series 2020A, in the amount of $1.5 billion were issued on June 9, 2020 consisting of: 2020A-1 in the amount of $500.0 million bearing a fixed rate of 0.87% through maturity due April 15, 2025, 2020A-2 in the amount of $500.0 million bearing a fixed rate of 1.48% through maturity due April 15, 2030, and 2020A-3 in the amount of $500.0 million bearing a fixed rate of 2.40% through maturity due April 15, 2050. The bonds are subject to an optional redemption (in whole or in part) prior to maturity at the written direction of the issuer to the trustee.

Commercial Paper
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. In the year ended June 30, 2024 the university paid down commercial paper in the amount of $260.0 million. The discount associated with commercial paper was $1.5 million as of June 30, 2024.

Other Financing Arrangements
The university financed a wind energy project, Record Hill Wind, LLC, through a financing arrangement with the U.S. Department of Energy. The financing arrangement is non-recourse debt to the university and bears interest at rates ranging from 2.24% to 2.78%.

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

2025	$	740,000
2026		67,610
2027		-
2028		111,205
2029		-
Thereafter		3,870,665
Total	$	4,789,480

Certain CHEFA Series are subject to tender by bondholders. To the extent all bonds subject to tender could not be remarketed, $1.5 billion of bonds scheduled for maturity between 2033 and 2057 would be due when tendered.

Total interest expense incurred on indebtedness was $111.3 million and $93.8 million in 2024 and 2023, respectively. Interest capitalized to land, buildings and equipment totaled $9.9 million and $5.6 million in 2024 and 2023, respectively. Amortization expense related to bond issue costs included in operating expenses amounted to $3.7 million and $3.6 million in 2024 and 2023, respectively.

11. Retirement Plans – Defined Contribution

The university maintains defined contribution plans for faculty and certain staff employees. Participants may direct employee and employer contributions to annuities, mutual funds, and other investment options. Retirement expense for these plans amounted to $183.5 million and $165.2 million in 2024 and 2023, respectively, and is included in operating expense.

12. 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 the employee's earnings and years of participation.

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 30 measurement date for its defined benefit plans.

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

	Pension		Postretirement	
	2024	2023	2024	2023
Change in benefit obligation:				
Benefit obligation, beginning of year	$ 1,806,227	$ 1,983,077	$ 1,447,343	$ 1,409,933
Service cost	59,115	69,846	50,859	56,129
Interest cost	82,461	73,438	62,891	53,227
Benefit payments	(60,694)	(57,895)	(34,613)	(31,966)
Assumption changes	(84,086)	(280,114)	40,578	(133,597)
Actuarial loss (gain)	3,290	17,875	(80,146)	93,617
Benefit obligation, end of year	$ 1,806,313	$ 1,806,227	$ 1,486,912	$ 1,447,343
Change in plan assets:				
Fair value, beginning of year	$ 1,974,861	$ 1,895,798	$ 874,598	$ 753,421
Actual return on plan assets	136,918	127,016	85,744	54,152
University contributions	-	13,169	126,031	100,457
Benefits paid	(60,694)	(57,895)	(34,613)	(31,966)
Expenses paid	(3,377)	(3,227)	(1,688)	(1,466)
Fair value, end of year	$ 2,047,708	$ 1,974,861	$ 1,050,072	$ 874,598
Funded Status	$ 241,395	$ 168,634	$ (436,840)	$ (572,745)

Benefit Obligation

The benefit obligation represents the actuarial present value of expected 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 $1,600.4 million and $1,586.5 million at June 30, 2024 and June 30, 2023, respectively.

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

	2024	2023
Weighted-average discount rate - all plans except unused sick pay plan	5.05%	4.65%
Weighted-average discount rate - unused sick pay plan	5.10%	4.85%
Weighted-average increase in future compensation levels	3.19%	3.19%
Projected health care cost trend rate (pre-65/post-65)	8.20%/13.08%	6.82%/13.02%
Ultimate trend rate (pre-65/post-65)	5.00%/5.00%	5.00%/5.00%
Year ultimate trend rate is achieved	2033	2033
Mortality	RP2014 Collar Adj., Scale MP2019	RP2014 Collar Adj., Scale MP2019

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

	2024		2023	
	Pension	Postretirement	Pension	Postretirement
Discount rate	$ (110,945)	$ (102,037)	$ (280,114)	$ (217,182)
Termination rates	1,388	659	-	-
Retirement rates	15,853	51,287	-	-
Deferred participant commencement age	9,765	-	-	-
Population growth	(147)	-	-	-
Medical trend rates	-	90,669	-	-
Medicare Part B reimbursement trends	-	-	-	(2,694)
Medicare Advantage and EGWP trends	-	-	-	86,279
	$ (84,086)	$ 40,578	$ (280,114)	$ (133,597)

Net Periodic Benefit Cost

Net periodic benefit cost for the plans includes the following components for the years ended June 30, in thousands of dollars:

	Pension		Postretirement	
	2024	2023	2024	2023
Service cost	$ 59,115	$ 69,846	$ 50,859	$ 56,129
Administrative expenses	3,413	2,967	1,400	1,400
Interest cost	82,461	73,438	62,891	53,227
Expected return on plan assets	(142,336)	(135,690)	(69,775)	(59,348)
Net amortization:				
Prior service cost	1,579	1,663	-	-
Net gain	(4,671)	-	-	-
Net periodic benefit cost	$ (439)	$ 12,224	$ 45,375	$ 51,408

The service cost component of net periodic benefit cost is included in employee benefits as a part of operating expenses in the consolidated statement of activities. The components of net periodic benefit cost other than service cost, are included in other increases (decreases), which is reported as non-operating activity in the consolidated statement of activities.

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

	2024	2023
Weighted-average discount rate - all plans except unused sick pay plan	4.65%	3.75%
Weighted-average discount rate - unused sick pay plan	4.85%	3.75%
Expected long-term rate of return	7.25%	7.25%
Weighted-average compensation increase	3.19%	3.18%
Health care cost increase (pre-65/post-65)	6.82%/13.02%	7.08%/11.68%
Ultimate trend rate (pre-65/post-65)	5.00%/5.00%	5.00%/5.00%
Year ultimate trend rate is achieved	2033	2031
Mortality	RP2014 Collar Adj., Scale MP2019	RP2014 Collar Adj., Scale MP2019

The funded status consists of the cumulative unfunded net periodic benefit cost and the cumulative change in funded status of defined benefit plans. The components of the change in funded status of defined benefit plans, which is reported in non-operating results, for the years ended June 30, in thousands of dollars, include:

	Pension		Postretirement	
	2024	2023	2024	2023
Unrecognized net actuarial loss	$ (75,414)	$ (253,304)	$ (55,250)	$ (34,717)
Amortization of gain included in net periodic cost	4,671	-	-	-
Amortization of prior service cost	(1,579)	(1,663)	-	-
	$ (72,322)	$ (254,967)	$ (55,250)	$ (34,717)

During fiscal year 2024, the postretirement plans experienced an actuarial gain of $80.1 million largely attributable to lower than expected increases in medical plan rates. The pension plan experienced an actuarial loss of $3.3 million largely attributable to updated census information. At the same time, the postretirement plan experienced an assumption change loss and the pension plan experienced an assumption change gain as summarized on a prior page, and asset gains of $16.0 million and asset losses of $5.4 million for the postretirement and pension plans, respectively.

During fiscal year 2023, the postretirement plans experienced a $93.6 million actuarial loss largely attributable to a change in retiree cost sharing for healthcare coverage for Medicare-eligible former hourly employees. The pension plan experienced an actuarial loss of $17.9 million largely attributable to updated census information. At the same time, both plans experienced assumption change gains as summarized on the prior page, and asset losses of $5.2 million and $8.7 million for the postretirement and pension plans, respectively.

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

	Pension		Postretirement	
	2024	2023	2024	2023
Unrecognized net actuarial gain	$ (305,298)	$ (234,556)	$ (56,612)	$ (1,362)
Unrecognized prior service cost	1,816	3,396	-	-
	$ (303,482)	$ (231,160)	$ (56,612)	$ (1,362)

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

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, 2024 in thousands of dollars:

2024	Level 1	Level 2	Level 3	Total
Investments, at fair value:				
Cash and short-term investments	$ 33,225	$ -	$ -	$ 33,225
US government securities	165,279	-	-	165,279
Common stock:				
Domestic	35,311	-	-	35,311
Foreign	257	-	-	257
Total common stock	35,568	-	-	35,568
Other equity investments:				
Real assets	-	-	28,234	28,234
Venture capital	-	-	80	80
Total other equity investments	-	-	28,314	28,314
Other investments	715	-	-	715
Total leveled investments, at fair value	$ 234,787	$ -	$ 28,314	263,101
Investments at net asset value				1,779,538
Total investments				2,042,639
Liabilities associated with investments	$ 87	$ -	$ -	87
Net investments, at fair value				2,042,552
Benefit payable				5,156
Fair value, end of year				$ 2,047,708

The following table summarizes the fair values of investments by major type held by the staff pension plan at June 30, 2023 in thousands of dollars:

2023	Level 1	Level 2	Level 3	Total
Investments, at fair value:				
Cash and short-term investments	$ 30,081	$ -	$ -	$ 30,081
US government securities	96,681	-	-	96,681
Common stock:				
Domestic	49,313	-	-	49,313
Foreign	1,484	-	-	1,484
Total common stock	50,797	-	-	50,797
Other equity investments:				
Real assets	-	-	23,918	23,918
Total other equity investments	-	-	23,918	23,918
Other investments	419	-	-	419
Total leveled investments, at fair value	$ 177,978	$ -	$ 23,918	201,896
Investments at net asset value				1,785,610
Total investments				1,987,506
Liabilities associated with investments	$ 17,360	$ 196	$ -	17,556
Net investments, at fair value				1,969,950
Benefit payable				4,911
Fair value, end of year				$ 1,974,861

The following table summarizes the fair values of investments by major type held by the retiree health plan at June 30, 2024 in thousands of dollars:

2024	Level 1	Level 2	Level 3	Total
Investments, at fair value:				
Cash and short-term investments	$ 85,316	$ -	$ -	$ 85,316
US government securities	69,233	-	-	69,233
Common stock:				
Domestic	36,813	-	-	36,813
Foreign	110	-	-	110
Total common stock	36,923	-	-	36,923
Other investments	620	-	-	620
Total leveled investments, at fair value	$ 192,092	$ -	$ -	192,092
Investments at net asset value				859,353
Total investments				1,051,445
Liabilities associated with investments	$ 90	$ -	$ -	90
Net investments, at fair value				1,051,355
Receivable				(1,283)
Fair value, end of year				$ 1,050,072

The following table summarizes the fair values of investments by major type held by the retiree health plan at June 30, 2023 in thousands of dollars:

2023	Level 1	Level 2	Level 3	Total
Investments, at fair value:				
Cash and short-term investments	$ 40,873	$ -	$ -	$ 40,873
US government securities	52,491	-	-	52,491
Common stock:				
Domestic	31,060	-	-	31,060
Foreign	14,761	-	-	14,761
Total common stock	45,821	-	-	45,821
Other investments	334	-	-	334
Total leveled investments, at fair value	$ 139,519	$ -	$ -	139,519
Investments at net asset value				744,468
Total investments				883,987
Liabilities associated with investments	$ 6,865	$ 69	$ -	6,934
Net investments, at fair value				877,053
Receivable				(2,455)
Fair value, end of year				$ 874,598

The table below represents the change in fair value measurements for Level 3 investments held by the staff pension plan for the plan's year ended June 30, in thousands of dollars. Transfers into Level 3 consist primarily of investments reclassified from NAV to Level 3 when the practical expedient is not used. There are no Level 3 investments held by the retiree health plan:

	Pension	
	2024	2023
Beginning balance	$ 23,918	$ 32,334
Unrealized loss	(265)	(4,622)
Purchases	5,936	-
Sales	(1,355)	(3,794)
Transfers in	80	-
Ending balance	$ 28,314	$ 23,918

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. Actual plan asset allocations by category at June 30 are as follows:

	Pension		Retiree Health	
	2024	2023	2024	2023
Developed equities	37.6%	38.4%	45.8%	44.7%
Emerging equities	0.2%	2.5%	0.2%	4.0%
Marketable alternatives	16.5%	16.4%	17.3%	16.7%
Fixed income	8.1%	4.9%	6.6%	6.0%
Leveraged buyouts	16.2%	15.6%	8.5%	8.9%
Venture capital	11.2%	12.2%	7.8%	8.8%
Real assets	8.7%	8.8%	5.8%	6.8%
Cash	1.5%	1.2%	8.0%	4.1%

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, considering 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 on a cash basis to the retiree health plan in fiscal year 2025 are $96.6 million. There are no contributions expected to the pension plan in fiscal year 2025.

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	Total
2025	$ 72,189	$ 46,235	$ 118,424
2026	77,893	50,986	128,879
2027	83,321	56,450	139,771
2028	87,868	61,731	149,599
2029	93,125	66,822	159,947
2030-2033	538,653	413,850	952,503
	$ 953,049	$ 696,074	$ 1,649,123

13. Net Assets

The university's net assets as of June 30, in thousands of dollars, includes:

		2024		2023
With Donor Restrictions:				
Donor-restricted endowments, perpetual in nature	$	6,152,664	$	5,883,346
Student loans, perpetual in nature		54,354		52,850
Donor-restricted endowments, subject to spending policy and appropriation		28,045,048		27,810,806
Board designated endowment, subject to spending policy and appropriation		331,803		327,357
Unexpended gift balances		1,617,990		1,509,734
Total net assets with donor restrictions	$	36,201,859	$	35,584,093
Without Donor Restrictions:				
Board designated endowment, subject to spending policy and appropriation	$	6,912,130	$	6,725,358
Funded status of defined benefit plans		(195,445)		(404,111)
Derivatives		264,934		109,874
Undesignated		2,850,073		2,709,686
Non-controlling interest		3,499		3,061
Total net assets without donor restrictions		9,835,191		9,143,868
Total net assets	$	46,037,050	$	44,727,961

Yale's endowment consists of approximately 8,700 funds established for a variety of purposes.

The endowment includes both donor-restricted and board-designated endowment funds. Board designated endowment funds are designated by the Corporation to function as endowments and include funds that have donor-imposed purpose restrictions.

The university endowment fund composition by fund type as of June 30, in thousands of dollars, includes:

2024		Without Donor Restrictions		With Donor Restrictions		Total
Donor-restricted endowment	$	-	$	34,197,712	$	34,197,712
Board-designated endowment		6,912,130		331,803		7,243,933
	$	6,912,130	$	34,529,515	$	41,441,645

2023		Without Donor Restrictions		With Donor Restrictions		Total
Donor-restricted endowment	$	-	$	33,694,152	$	33,694,152
Board-designated endowment		6,725,358		327,357		7,052,715
	$	6,725,358	$	34,021,509	$	40,746,867

The classification of endowment net assets by purpose as of June 30, in thousands of dollars, is as follows:

	2024	2023
Undesignated	$ 9,117,213	$ 9,070,176
Teaching and research	10,147,967	9,957,821
Facilities and operations	7,539,951	7,426,505
Financial aid	7,451,762	7,278,778
Other specific purposes	7,184,752	7,013,587
	$ 41,441,645	$ 40,746,867

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

2024	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 6,725,358	$ 34,021,509	$ 40,746,867
Investment return:			
Investment income	111,432	536,131	647,563
Net appreciation	288,573	1,335,174	1,623,747
Total investment return	400,005	1,871,305	2,271,310
Contributions	731	230,746	231,477
Allocation of endowment spending	(344,118)	(1,600,676)	(1,944,794)
Other increases	130,154	6,631	136,785
Endowment net assets, end of year	$ 6,912,130	$ 34,529,515	$ 41,441,645

2023	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 6,890,737	$ 34,492,523	$ 41,383,260
Investment return:			
Investment income	74,679	364,137	438,816
Net appreciation	290	319,578	319,868
Total investment return	74,969	683,715	758,684
Contributions	8,316	283,574	291,890
Allocation of endowment spending	(311,275)	(1,441,100)	(1,752,375)
Other increases	62,611	2,797	65,408
Endowment net assets, end of year	$ 6,725,358	$ 34,021,509	$ 40,746,867

14. Functional and Natural Classification of Expenses

The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the university. Expenses reported by functional categories include allocations of costs for the operation and maintenance of plant, interest on indebtedness and depreciation and amortization expense. The university applies various methods to allocate costs among the program and support functions, the most significant of which is based on the amount of building space utilized.

Operating expenses by functional and natural classification for the fiscal years ended June 30, in thousands of dollars, were:

2024	Programmatic support	Patient care and other related services	Administration and other institutional support	Total
Salaries and wages	$ 1,604,540	$ 751,189	$ 191,039	$ 2,546,768
Employee benefits	541,817	189,781	67,558	799,156
Depreciation, amortization and interest	438,658	12,614	19,329	470,601
Other operating expenditures	1,169,476	280,118	146,135	1,595,729
Total operating expenses	$ 3,754,491	$ 1,233,702	$ 424,061	$ 5,412,254

2023	Programmatic support	Patient care and other related services	Administration and other institutional support	Total
Salaries and wages	$ 1,459,902	$ 698,754	$ 169,480	$ 2,328,136
Employee benefits	499,294	175,040	70,489	744,823
Depreciation, amortization and interest	410,799	11,770	18,633	441,202
Other operating expenditures	1,077,892	247,447	96,768	1,422,107
Total operating expenses	$ 3,447,887	$ 1,133,011	$ 355,370	$ 4,936,268

15. 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.

The university has outstanding commitments on contracts to construct campus facilities in the amount of $456.2 million at June 30, 2024. Funding for these projects is expected to come from capital replacement reserves, gifts, and debt.

16. Subsequent Events

Management has evaluated subsequent events for the period after June 30, 2024, through October 25, 2024, the date the consolidated financial statements were issued. Other than what has been disclosed in Note 2 and Note 10, there were no subsequent events that occurred after the balance sheet date that have a material impact on the university’s consolidated financial statements.

The President and Fellows of Yale University

President
Maurie Dee McInnis, B.A., M.A., Ph.D.

Fellows
His Excellency the Governor of Connecticut, *ex officio*

Her Honor the Lieutenant Governor of Connecticut, *ex officio*

Joshua Bekenstein, B.A., M.B.A.
Wayland, Massachusetts

Gina Rosselli Boswell, B.S., M.B.A.
Vero Beach, Florida

Michael James Cavanagh, B.A., J.D.
Philadelphia, Pennsylvania

Maryana Felib Iskander, B.A., M.Sc., J.D.
Round Rock, Texas

William Earl Kennard, B.A., J.D.
Charleston, South Carolina

Frederic David Krupp, B.S., J.D.
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Carlos Roberto Moreno. B.A., J.D.
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Felicia Farr Norwood, B.A., M.A., J.D.
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Joshua Linder Steiner, B.A., M.St.
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David Li Ming Sze, B.A., M.B.A.
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Marta Lourdes Tellado, B.A., Ph.D.
New York, New York

David Anthony Thomas, B.A., M.A., M.A., Ph.D.
Atlanta, Georgia

Neal Steven Wolin, B.A., M.Sc., J.D.
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Provost
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John Barden, B.A., M.B.A.

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Senior Vice President for Operations
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Secretary and Vice President for University Life
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Vice President for Communications
Jean Renee Kopkowski, B.A.

Vice President for Finance and Chief Financial Officer
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Vice President for Alumni Affairs and Development
Joan Elizabeth O'Neill, B.A.

Vice President for Human Resources
John Whelan, B.A., J.D.

Photo: Tim Tai

President Peter Salovey concluded his eleven-year tenure as Yale University's 23rd President on June 30, 2024. A distinguished psychologist and scholar, his time as president included a series of significant accomplishments that enhanced the university's world standing and reinforced its role as a leading institution of higher education.

Salovey's presidency was a period of substantial growth and progress, bolstered by his contributions to academic excellence and global engagement. He oversaw the largest expansion of Yale College in 50 years with the addition of two new residential colleges, Pauli Murray and Benjamin Franklin, facilitating a 15% increase in enrollment. President Salovey championed the importance of collaboration and the exchange of ideas. Under his leadership, Yale strengthened local and international partnerships, establishing new programs and research initiatives aimed at addressing pressing global challenges, such as climate change, public health, and social justice. A sincere advocate for positive change, Salovey's administration also focused on increasing Yale's commitment to sustainability, most notably, pledging to reduce the university's environmental impact with a target of carbon neutrality by 2035.

Salovey's devotion to fostering a more inclusive and diverse university community drove considerable growth in Yale's financial aid program, increasing aid by over $100 million and allowing Yale to meet 100% of demonstrated financial need for undergraduates. From a financial perspective, during the Salovey presidency Yale nearly doubled its endowment, from $20.8 billion in 2013 to more than $41.4 billion by 2024, while spending a cumulative $16.4 billion from the endowment to advance the university's mission. In addition, the university undertook a historic major capital campaign, known as "For Humanity," which successfully raised over $7 billion to date and has been instrumental in funding new academic facilities and enhancing research opportunities.

Throughout his presidency, Salovey further strengthened Yale's relationship with the City of New Haven, aiming to improve the city's economic development, educational opportunities, and public health. Under his leadership, Yale pledged an unprecedented increase of $52 million to the university's voluntary payments to the City of New Haven and collaborated with city leaders to co-create the Center for Inclusive Growth, dedicated to expanding New Haven's economic growth.

The lasting impact of his legacy at Yale and in the broader academic community is forever cemented through his visionary leadership, service to the university's mission, and commitment to addressing contemporary challenges.

Yale

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