



DASNY

ANDREW M. CUOMO
Governor

ALFONSO L. CARNEY, JR.
Chair

REUBEN R. MCDANIEL, III
Acting President & CEO

Memorandum

TO: Sara P. Richards, Esq., Managing Senior Director, Governance & Administration

FROM: Robert S. Derico, R.A., Director, Office of Environmental Affairs



DATE: April 1, 2022

RE: *State Environmental Quality Review (SEQR) Type II Determination* for Cornell University's *Refinancing of Existing Debt*, Ithaca, Tompkins County, New York

Description of Proposed Action and Proposed Project. Cornell University ("CU" or the "University") has requested financing from the Dormitory Authority of the State of New York ("DASNY") for its *Refinancing of Existing Debt* (the "Proposed Project"). Based on a review of the attached *Single Approval Transaction Summary*, dated March 29, 2022, it has been determined that the Proposed Action would involve DASNY's authorization of the issuance of one or more series of fixed and/or variable rate, tax-exempt and/or taxable bonds in an amount not to exceed \$150,000,000, with maturities not to exceed 35 years, to be sold at one or more times through a negotiated offering and/or a private placement. The bonds would be issued under DASNY's Independent Colleges and Universities Program.

More specifically, the Proposed Project proposes to refund all or a portion of DASNY's Cornell University Revenue Bonds, Series 2000A, 2000B and 2019C (\$139.0 million). Cornell University is located at 341 Pine Tar Road, City of Ithaca, Tompkins County, New York.

Institution. Cornell University is a private, not-for-profit, co-educational, nonsectarian institution of higher learning chartered and operated under the laws of the State of New York. The University was founded by Ezra Cornell whose original endowment was augmented by a substantial land grant from the State of New York received under the Federal Land Grant (Morrill) Act of 1862. Today, the University comprises seven privately funded schools and colleges and four State-supported schools located in Ithaca, New York, as well as Weill Cornell Medicine and the new Cornell Tech Campus, both located in New York City. The privately funded Endowed Colleges in Ithaca are the College of Architecture, Art and Planning; the College of Arts and Sciences; the College of Engineering; the School of Hotel Administration; the Law School; the S. C. Johnson Graduate School of Management; and the Faculty of Computing and Information Science.

The four Contract Colleges are the College of Agriculture and Life Sciences; the College of Human Ecology; the School of Industrial and Labor Relations; and the College of Veterinary Medicine. Cornell's four Contract Colleges have been assigned by State legislation with specific responsibilities in research and extension directed to support State needs. The specialized missions of the Contract Colleges, as set forth in the State Education Law, are included in the Cornell Charter. The four Contract Colleges enroll approximately 34 percent of the student body and conduct 36 percent of total research expenditures of the University. The cost of construction and acquisition for certain Contract College facilities is borne primarily by the State.

Weill Cornell Medicine is comprised of the Weill Cornell Medical College, Weill Cornell Graduate School of Medical Sciences, and the Weill Cornell Physician Organization. The Medical College and the Weill Graduate School conduct instructional and research activities in the medical field, and, through the Physician Organization, the physician members generate clinical practice income for Cornell from their professional services to patients. Weill Cornell Physicians are faculty members of Weill Cornell Medical College and are also attending physicians at New York-Presbyterian Hospital/Weill Cornell Medical Center. Weill Cornell also maintains major affiliations with Memorial Sloan-Kettering Cancer Center, Rockefeller University, and the Hospital for Special Surgery, as well as with the metropolitan-area institutions that constitute the New York-Presbyterian Healthcare System.

SEQR Determination. DASNY conducted this environmental review in compliance with the *State Environmental Quality Review Act* (“*SEQRA*”), codified at Article 8 of the *New York Environmental Conservation Law* (“*ECL*”), and its implementing regulations, promulgated at Part 617 of Title 6 of the *New York Codes, Rules and Regulations* (“*N.Y.C.R.R.*”), which collectively contain the requirements for the *State Environmental Quality Review* (“*SEQR*”) process.

The refunding component previously noted and described would involve the “...*refinancing existing debt,*” classified as a Type II action, specifically designated by 6 *N.Y.C.R.R.* § 617.5(c)(29) of *SEQRA*. Type II “*actions have been determined not to have significant impact on the environment or are otherwise precluded from environmental review under Environmental Conservation Law, article 8.*”¹ Therefore, no further *SEQR* determination or procedure is required for any component of the Proposed Project identified as Type II.

DASNY, as a New York State public benefit corporation funding the Proposed Project, is required to conduct a review in conformance with the *New York State Historic Preservation Act of 1980* (“*SHPA*”) and Part 428 of the implementing regulations of the *Parks, Recreation and Historic Preservation Law* (“*PRHPL*”), which governs state agency activities affecting historic or cultural properties, as well as with the requirements of the Memorandum of Understanding (dated March 18, 1998) between DASNY and the New York State Office of Parks, Recreation and Historic Preservation (“*OPRHP*”). In compliance with Article III, Section 3.0 of the MOU, *OPRHP* would be notified of the Proposed Project being funded with bond proceeds. It is the opinion of DASNY that the Proposed Project would have no impact on historical or cultural resources in or eligible for inclusion in the National and State Registers of Historic Places.

cc: Dena T. Amodio, Esq.
David P. Ostrander
SEQR File
OPRHP File

¹ 6 *N.Y.C.R.R.* § 617.5[a]

Single Approval Transaction Summary

Cornell University
Ithaca, New York

March 29, 2022

Program: Independent Colleges & Universities

Purpose: Refunding

New Issue Details

One or more series of fixed and/or variable rate, tax-exempt and/or taxable bonds in an amount not to exceed \$150,000,000 with maturities not to exceed 35 years are to be sold at one or more times through a negotiated offering and/or a private placement.

- Senior Manager – BofA Securities
- Co-Bond Counsel – Orrick, Herrington & Sutcliffe and Golden Holley James
- Underwriter's Counsel – Ballard Spahr LLP

Purpose

- Refunding of all or a portion of DASNY's Cornell University Revenue Bonds, Series 2000A, 2000B and 2019C (\$139.0 million).

Security

- General obligation of the University

Current Ratings: Moody's: Aa1 (Stable)
S&P: AA (Stable)

Overview

Cornell University is a private, not-for-profit, co-educational, nonsectarian institution of higher learning chartered and operated under the laws of the State of New York. The University was founded by Ezra Cornell whose original endowment was augmented by a substantial land grant from the State of New York received under the Federal Land Grant (Morrill) Act of 1862. Today, the University comprises seven privately funded schools and colleges and four State-supported schools located in Ithaca, New York, as well as Weill Cornell Medicine and the new Cornell Tech Campus, both located in New York City. The privately funded Endowed Colleges in Ithaca are the College of Architecture, Art and Planning; the College of Arts and Sciences; the College of Engineering; the School of Hotel Administration; the Law School; the S. C. Johnson Graduate School of Management; and the Faculty of Computing and Information Science.

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Additional Information

- **Demand** - Freshman applications increased by 43.2% over five years, from 47,039 in fall 2017 to 67,380 in fall 2021. Cornell has become increasingly selective, accepting only 8.7% of applications for fall 2021.
- **Enrollment** - Total FTE enrollment increased by 11.7% over five years, reaching a five-year high of 26,956 for fall 2021.
- **Revenue Diversification** - Cornell's revenue composition is diverse. For fiscal year 2021, only 19% of revenues came from student-generated sources (17% from Tuition & Fees and 2% from Auxiliaries).
- **Financial Resources** - Cornell's balance sheet reflects growing financial resources and liquidity. Unrestricted net assets increased by 22.8% over five years, from \$3.1 billion in fiscal year 2017 to \$3.8 billion in fiscal year 2021.
- **Refunding Structure** - The proposed transaction will reduce the University's variable rate exposure by approximately \$139 million by refunding the Series 2000A, 2000B, and 2019C bonds with fixed rate bonds.

Description of the Bonds

- The Bonds are a special obligation of DASNY.
- The Loan Agreement is a general obligation of the University.
- The Bonds are payable from payments made under the Loan Agreement and all funds and accounts established under the Resolution.

Approvals

- SEQR Filing – April 4, 2022*
- TEFRA Hearing – April 19, 2022*
- PACB Approval – April 20, 2022*

*Anticipated date.



Single Approval Transaction Summary

Cornell University
Ithaca, New York

March 29, 2022

Program: Independent Colleges & Universities

Purpose: Refunding

Recommendation

The attached single approval report recommends that the Board adopt the necessary documents for one or more series of bonds with maturities not to exceed 35 years in an aggregate amount not to exceed \$150,000,000.

This report was prepared solely to assist DASNY in its review and approval of the proposed financing described therein and must not be relied upon by any person for any other purpose. DASNY does not warrant the accuracy of the statements contained in any offering document or any other materials relating to or provided by the Institution in connection with the sale or offering of the Bonds, nor does it directly or indirectly guarantee, endorse or warrant (1) the creditworthiness or credit standing of the Institution, (2) the sufficiency of the security for the Bonds or (3) the value or investment quality of the Bonds.

The Bonds are special limited obligations of DASNY that are secured only by the amounts required to be paid by the Institution pursuant to the Loan Agreement, certain funds established under the Resolution and other property, if any, pledged by the Institution as security for the Bonds.

Transaction Report

Cornell University

INSTITUTION: Cornell University is a private, not-for-profit, co-educational, nonsectarian institution of higher learning chartered and operated under the laws of the State of New York. The University was founded by Ezra Cornell whose original endowment was augmented by a substantial land grant from the State of New York received under the Federal Land Grant (Morrill) Act of 1862. Today, the University comprises seven privately funded schools and colleges and four State-supported schools located in Ithaca, New York, as well as Weill Cornell Medicine and the new Cornell Tech Campus, both located in New York City. The privately funded Endowed Colleges in Ithaca are the College of Architecture, Art and Planning; the College of Arts and Sciences; the College of Engineering; the School of Hotel Administration; the Law School; the S. C. Johnson Graduate School of Management; and the Faculty of Computing and Information Science.

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DASNY FINANCING HISTORY: Cornell has been a DASNY client since 1961. To date, DASNY has issued over \$2.8 billion in debt on behalf of the University. As of February 28, 2022, approximately \$921.2 million remained outstanding as shown in Table 1.

Table 1 -- Outstanding DASNY Debt

<u>Series</u>	<u>Defeasance or Maturity</u>	<u>Amount Issued (000's)</u>	<u>Amount Outstanding (000's)</u>
1961 through 196	-	\$431,920	-
1990A	2000	90,000	0
1990B	2021	60,000	0
1993	2005	58,275	0
1996	2006	132,005	0
2000A	2029	67,250	27,175
2000B	2030	88,135	39,060
2004A	2033	45,000	25,975
2004B	2033	47,100	27,100
2006A	2016	250,000	0
2008B	2020	65,000	0
2008C	2020	65,000	0
2009A	2020	305,000	0
2010A	2020	285,000	0
2016A	2035	125,850	101,800
2019A	2029	114,575	96,260
2019B	2039	92,210	92,210
2019C	2034	79,370	79,370
2019D	2036	121,415	121,415
2020A	2050	233,000	233,000
2020A-2	2031	<u>77,840</u>	<u>77,840</u>
		\$2,833,945	\$921,205

The University has always met its obligations to DASNY on time and in full.

Under a Note Resolution adopted in 1998, DASNY is also authorized to issue up to \$1.5 billion in tax-exempt commercial paper on behalf of the University, \$200 million of which may be outstanding at any given time. Cornell's tax-exempt commercial paper carries the highest rating (at Moody's and S&P) for short-term obligations maturing within one year. Cornell acts as its own liquidity facility for its commercial paper notes.

THE REFUNDING PLAN: Proceeds from the proposed issuance will be used to refund all or a portion of DASNY's Cornell University Revenue Bonds, Series 2000A, Series 2000B, and Series 2019C, all of which are variable rate. The University intends to reduce its exposure to variable rate debt through the proposed transaction by refunding all three series with fixed rate bonds.

The Series 2000A and 2000B Bonds are currently held by Banc of America Public Capital Corp. The Series 2000A Bonds have a current par outstanding of \$27,175,000 and the Series 2000B Bonds have a current par outstanding of \$39,060,000. Both series of bonds are in a variable rate mode with monthly resets based on LIBOR plus a spread. The Series 2019C Bonds, which have a current par outstanding of \$79,370,000, are currently held by TIAA Bank. The 2019C Bonds are in a variable rate mode with monthly resets based on LIBOR plus a spread. The Series 2000A, 2000B, and 2019C Bonds are all currently callable at par. The University may extend the final maturities of the refunding bonds beyond the final maturities of the bonds to be refunded, but within the limits required by tax law.

FINANCING DETAILS: Approximately \$139.0 million in bond proceeds would be applied toward refunding escrow deposits. Issuance costs, including the underwriter's discount, are approximated in the range of \$933,000. It is estimated that the proposed issuance will require a bond issue totaling approximately \$117.0 million. Staff is requesting bonding authorization in an amount not to exceed \$150.0 million to provide the University with flexibility and ensure sufficient proceeds to complete the financing. The estimated sources and uses of funds are provided in Attachment I.

Security Provisions: Moody's Investors Service has assigned a rating of "Aa1" to all of the outstanding obligations of the University. Standard & Poor's has rated the University's obligations "AA". Both rating agencies have assigned a Stable Outlook to the University. Accordingly, Cornell qualifies for an unsecured borrowing under DASNY's Financing Guidelines for Independent Institutions. As such, the Loan Agreement will be a general unsecured obligation of the University and no security interest in any revenues or assets of the University will be granted by the University to DASNY under the Loan Agreement.

Table 2 – Selected Enrollment Statistics

	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
First-time Freshman Applications Received	47,039	51,324	49,114	51,500	67,380
First-time Freshman Applications Accepted	5,962	5,448	5,330	5,514	5,852
Undergraduate Acceptance Ratio	12.7%	10.6%	10.9%	10.7%	8.7%
First-time Freshman Applicants Enrolled	3,375	3,325	3,218	3,296	3,765
Undergraduate Matriculation Ratio	56.6%	61.0%	60.4%	59.8%	64.3%
Mean SAT Scores (Entering Freshmen)	1,480	1,480	1,500	1,490	1,510
Headcount Enrollment					
Full-Time	24,126	24,848	25,354	24,942	26,956
Part-Time	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	24,126	24,848	25,354	24,942	26,956
Full-time Equivalent Enrollment					
Undergraduate	14,907	15,182	15,043	14,743	15,503
Graduate	<u>9,219</u>	<u>9,666</u>	<u>10,311</u>	<u>10,199</u>	<u>11,453</u>
Total	24,126	24,848	25,354	24,942	26,956

FEASIBILITY - ENROLLMENT ANALYSIS: The University has experienced strong demand and increasing enrollment over the last five years, despite disruptions caused by the COVID-19 pandemic. Total FTE enrollment increased by 11.7% over five years, reaching 26,956 for fall 2021. Of this total, 15,503 were undergraduates and 11,453 were graduate, professional, and medical college students. Freshman applications increased by 43.2% over five years, from 47,039 in fall 2017 to 67,380 in fall 2021. Cornell has become increasingly selective, accepting only 8.7% of applications for fall 2021 (compared to 12.7% in fall 2017 and 18% going back to fall 2012). The University's matriculation rate averaged just over 60% during that time. Student quality remains high with a mean SAT score of 1,510 for fall 2021.

The COVID-19 pandemic did not have a significant impact on the University's enrollment for fall 2020. First-time freshman enrollment was up by 2.4% from the previous year, while total FTE enrollment was down by 1.6%. Following a period of hybrid and remote instruction during the fall 2020 and spring 2021 semesters, the University returned to full in-person instruction for fall 2021 with enhanced health and safety protocols and regular testing. All students are required to be vaccinated in order to

attend classes and/or live on campus. Total FTE enrollment reached a five-year high of 26,956 for fall 2021, an increase of 8.1% over fall 2020.

Cornell's reputation draws students from across the United States and internationally. Approximately 30% of all students come from New York State, followed by about 11% from Mid-Atlantic States, 6% from New England, and 29% from other areas of the Country. Cornell draws 24% of its student population internationally.

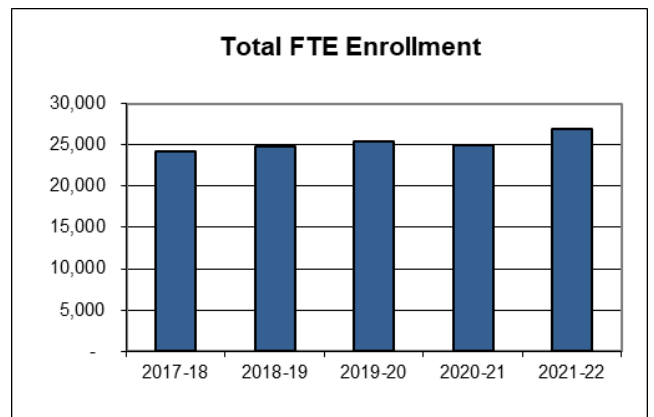


Table 3 – Selected Operating Statistics

(dollars in thousands)	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total operating revenue	\$4,019,696	\$4,205,342	\$4,383,113	\$4,308,204	\$4,540,970
Total operating expense	<u>4,021,332</u>	<u>4,271,425</u>	<u>4,449,043</u>	<u>4,516,557</u>	<u>4,504,141</u>
Change in net assets from operations	(1,636)	(66,083)	(65,930)	(208,353)	36,829
Total non-operating activities	<u>424,071</u>	<u>370,689</u>	<u>51,271</u>	<u>(185,089)</u>	<u>767,087</u>
Change in unrestricted net assets	422,435	304,606	(14,659)	(393,442)	803,916
Plus: Total depreciation/amortization	271,339	298,981	295,800	298,224	290,351
Plus: Total interest paid (expense)	<u>61,497</u>	<u>59,442</u>	<u>65,979</u>	<u>61,141</u>	<u>45,969</u>
Adjusted change in net assets	\$755,271	\$663,029	\$347,120	(\$34,077)	\$1,140,236
Cash provided by operating activities	\$108,244	\$1,186	(\$128,766)	(\$37,481)	\$56,335
Total annual debt service	\$90,524	\$90,397	\$194,963	\$99,987	\$130,565
Adjusted Operating Margin (DASNY 2020 Median: 0.6%)	-0.2%	-1.4%	-0.8%	-3.7%	1.9%
Adjusted Net Income Margin (DASNY 2020 Median: 2.1%)	10.3%	7.4%	0.4%	-7.9%	18.6%
Debt Service to Operating Expenses (DASNY 2020 Median: 4.6%)	2.3%	2.1%	4.4%	2.2%	2.9%
Annual Debt Service Coverage (DASNY 2020 Median: 2:1)	3.6	3.3	1.7	2.0	3.3

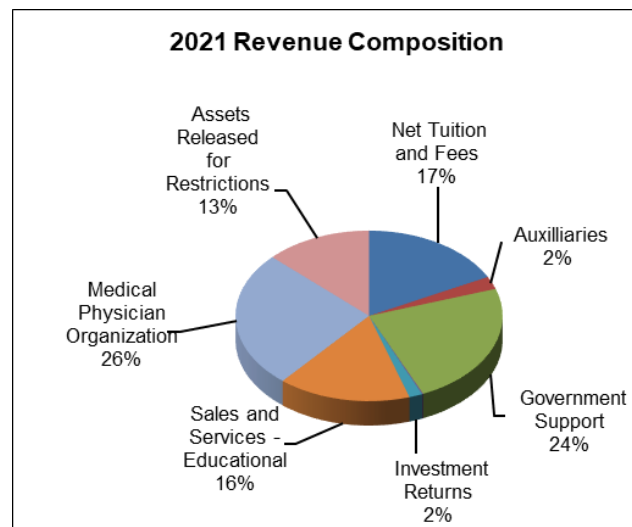
FEASIBILITY - OPERATIONS ANALYSIS: Cornell consists of three major organizational units: Endowed Ithaca, which includes the Endowed Colleges, the central University administration, and the enterprise and service operations for the Ithaca campus; the Contract Colleges (see below); and Weill Cornell Medicine. These three units are subject to the common administrative authority and control of the Cornell University Board of Trustees.

Cornell has posted operating deficits on an accrual basis in four of the last five years. While the University produces accrual based interim statements for internal use, it budgets on a cash basis. Management indicates that operations reached a surplus on a cash basis for each of the past five years. For fiscal year 2020, operating revenue declined by 1.7%, primarily due to the pandemic. Income from the University's auxiliary enterprises, which includes housing and dining, decreased by \$17.4 million, or 10.5 percent, from the previous year due to the campus closure in spring 2020. Revenue from the Medical Physician Organization was also impacted by the pandemic, in part due to elective or non-critical medical procedure postponements or cancellations. These revenues, which represent approximately 25% of total operating revenue, declined by \$85.2 million in 2020. For fiscal year 2021, while tuition and auxiliary revenue were down slightly due to a decline in fall 2020 enrollment, increased Medical Physician Organization revenue and an overall decline in expenses resulted in an adjusted operating margin of 1.9%. Cornell has been awarded approximately \$35.1 million in institutional funding through three rounds of Higher Education Emergency Relief Fund (HEERF), in addition to funds received for student financial aid.

The University has been successful in steadily increasing annual tuition rates while maintaining a consistent level of financial aid. Over the last five years, tuition revenue has grown by 19.2%, from \$1.04 billion in 2017 to \$1.25 billion in 2021, while the University's tuition discount rate has averaged 35.3%. Consequently, Net Tuition per FTE

Student steadily increased from \$28,942 to \$31,769 during this period, a positive indicator of demand and profitability.

Cornell's revenue composition is diverse. For fiscal year 2021, only 19% of revenues came from student-generated sources (17% from Tuition & Fees and 2% from Auxiliaries). The remaining sources of revenue consisted of clinical/physician practice revenue (26%), government support, consisting largely of sponsored research funding (direct and indirect) and state appropriations for the four contract colleges (24%), investment returns (2%), and other sources (29%).



Cornell's Debt Service Coverage Ratio has averaged 2.8:1 while Debt Service to Operating Expenses has averaged 2.8%, both of which compare favorably to DASNY Medians.

Net income results have fluctuated from year to year, largely due to realized and unrealized investment gains and losses. For fiscal year 2020, bottom line results were negatively impacted by a negative \$120.2 million change in value of the University's swap portfolio. Net Income

reached a five-year high of \$803.9 million for fiscal year 2021, mainly due to positive investment returns of \$568.2 million.

Contract Colleges: State operating and capital contributions provide significant financial support to the integrated academic and research programs of the University as well as general campus overhead costs. State operating budget appropriations are received as part

of the SUNY appropriation budget and are based on negotiations with SUNY and the New York State Division of Budget. In addition to the direct operating budget appropriation received through SUNY, State funds also support employee benefits and debt service on SUNY bonds used to finance certain Contract College facilities. The University is prohibited from using funds attributable to the Contract Colleges for the Endowed Colleges.

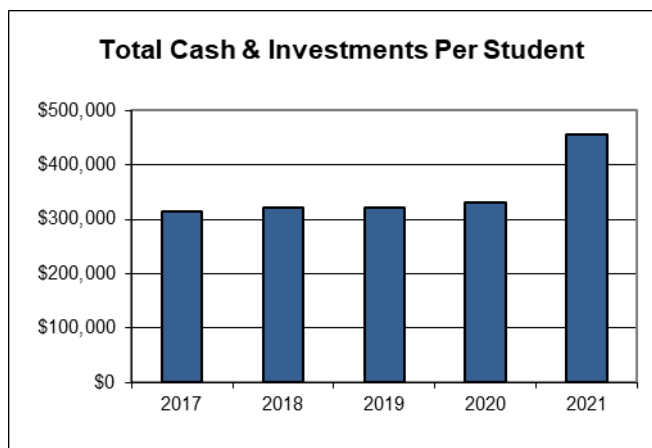
Table 4 – Selected Financial Position Statistics

(dollars in thousands)	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total Assets	\$13,230,048	\$13,636,899	\$13,968,334	\$14,850,618	\$17,907,729
Total Liabilities	3,205,429	3,132,576	3,334,669	4,529,786	4,457,854
Net Assets					
Unrestricted	3,120,525	3,425,131	3,422,627	3,029,185	3,833,101
Temporarily Restricted	3,329,946	3,381,016	0	0	0
Permanently Restricted	<u>3,574,148</u>	<u>3,698,176</u>	<u>7,211,038</u>	<u>7,291,647</u>	<u>9,616,774</u>
Total Net Assets	\$10,024,619	\$10,504,323	\$10,633,665	\$10,320,832	\$13,449,875
Long-Term Debt	\$1,332,261	\$1,305,651	\$1,486,958	\$1,918,482	\$1,876,730
Total Cash & Investments to Operating Expenses (DASNY 2020 Median: 1.7:1)	1.8	1.8	1.8	1.9	2.5
Total Cash & Investments to Total Debt (DASNY 2020 Median: 2.6:1)	5.3	5.4	5.0	3.4	4.6
Total Cash & Investments per Student	\$314,341	\$320,988	\$321,596	\$331,506	\$454,990

FEASIBILITY - BALANCE SHEET ANALYSIS: Cornell's balance sheet reflects growing financial resources and liquidity. Unrestricted net assets increased by 22.8% over five years, from \$3.1 billion in fiscal year 2017 to \$3.8 billion in fiscal year 2021. As of June 30, 2021, the University reported total net assets of over \$13.4 billion.

Cash and Investments totaled \$11.3 million as of fiscal year end 2021, an increase of 54% over five years. The University's Total Cash & Investments to Operating Expenses was 2.5:1 (DASNY Median of 1.7:1) for fiscal year 2021, while Total Cash and Investments to Total Debt was 4.6:1 (DASNY Median of 2.6:1).

The University's debt structure and exposure to interest rate swaps create potential demands on liquidity. As of fiscal year end 2021, Cornell's variable rate debt totaled approximately \$291.0 million. The University had five floating-to-fixed rate swaps associated with its variable rate debt with a combined market valuation representing a \$261.7 million liability. The swaps do not require collateral posting unless the University's rating falls below Aa3. Cornell also acts as its own liquidity facility for commercial paper notes issued under the 1998 Resolution (up to \$200 million) and on its own behalf (up to another \$300 million). Cornell maintains sufficient liquidity to cover potential demands with over \$450 million of funds available daily. The University also maintains \$300 million in working capital lines of credit with four banks to provide additional liquidity. As of June 31, 2021, the University had no outstanding balances. The proposed transaction will reduce the University's variable rate exposure by approximately \$139 million by refunding the Series 2000A, 2000B, and 2019C bonds with fixed rate bonds.

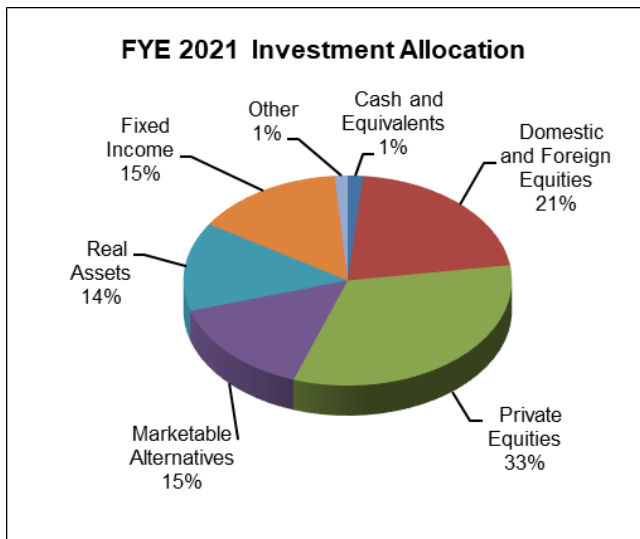


INVESTMENTS: As of June 30, 2021, the University reported investments with a total market of \$10.6 billion. Cornell's Long Term Investment Pool ("LTIP") is structured similar to a mutual fund and consists of a diversified portfolio of fixed income, domestic, international, and private equity, hedge funds and real estate-based investments.

The University's Investment Policy for the LTIP is to manage a balanced fund using external managers for domestic and international equity, commodities, and fixed income investments and various partnerships for hedge funds, real estate, and private equity. The assets are managed to maximize total return subject to risk constraints.

The Investment Committee of the Board oversees the investments of the LTIP funds, including the selection of external investment managers, the allocation of investments among managers and any restrictions on the amounts of funds in any type of investment.

The chart below presents the University's LTIP allocations as of June 30, 2021.



As of fiscal year end 2021, the University's endowment totaled \$10.5 billion. The University's Board authorizes total annual payout distribution from endowment funds within a target range of 4.4 percent of a twenty-eight-quarter rolling average of the unit fair value, plus or minus 0.75 percent. The investment return designated for operations totaled \$72.7 million for fiscal year 2021.

SUMMARY: Staff recommends that the Board adopt the necessary documents for one or more series of bonds in an aggregate amount not to exceed \$150,000,000 on behalf of Cornell University.

This report was prepared solely to assist DASNY in its review and approval of the proposed financing described therein and must not be relied upon by any person for any other purpose. DASNY does not warrant the accuracy of the statements contained in any offering document or any other materials relating to or provided by the Institution in connection with the sale or offering of the Bonds, nor does it directly or indirectly guarantee, endorse or warrant (1) the creditworthiness or credit standing of the Institution, (2) the sufficiency of the security for the Bonds or (3) the value or investment quality of the Bonds.

The Bonds are special limited obligations of DASNY that are secured only by the amounts required to be paid by the Institution pursuant to the Loan Agreement, certain funds established under the Resolution and other property, if any, pledged by the Institution as security for the Bonds.