



DASNY

ANDREW M. CUOMO
Governor

ALFONSO L. CARNEY, JR.
Chair

GERRARD P. BUSHELL
President & CEO

Memorandum

TO: Jack D. Homkow, Director, Office of Environmental Affairs

FROM: Sara Stein, Environmental Manager
Office of Environmental Affairs

DATE: February 7, 2017

RE: *State Environmental Quality Review (SEQR) Type II Determination for the Teachers College 2017 Refunding Project (Independent Colleges and Universities Program)*

DASNY (“Dormitory Authority State of New York”) has received a refunding request from Teachers College for its *2017 Refunding Project* (the “Proposed Project”). Based on a review of the attached *Single Approval Credit Summary* dated January 27, 2017, it has been determined that the Proposed Action would consist of DASNY’s authorization of the issuance of an amount not to exceed \$50,000,000 in tax-exempt and/or taxable, fixed- and/or variable-rate, Series 2017 Bonds, with a maturity not to exceed 23 years, to be sold at one or more times through a negotiated offering pursuant to DASNY’s Independent Colleges and Universities Program. The proceeds of the bond issuance would be used to refund all or a portion of DASNY’s outstanding Teachers College Insured Revenue Bonds, Series 2009.

Teachers College is an independent, coeducational, non-sectarian, graduate school of education located adjacent to Columbia University in New York City. The College was founded in 1887 and was chartered by the Regents of the University of the State of New York in 1889. Today, Teachers College is one of the oldest and most prestigious graduate schools of education in the nation. The College’s high ranking is driven by its reputation with academics and school superintendents, the number of doctoral degrees it produces, and the gross quantity of research dollars. Teachers College has been associated with Columbia University since 1898 but has retained legal and financial independence. Teachers College is located at 525 West 120th Street in the borough of Manhattan, New York County, New York.

DASNY completed this environmental review in accordance with the *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 of existing debt is a Type II action as specifically designated by 6 *N.Y.C.R.R. § 617.5(c)(23)* of *SEQR*. 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.

The Proposed Project was also reviewed in conformance with the *New York State Historic Preservation Act of 1980 (“SHPA”)*, especially the implementing regulations of Section 14.09 of the *Parks, Recreation, and Historic Preservation Law (“PRHPL”)*, as well as with the requirements of the Memorandum of Understanding (“MOU”), 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 will be notified of the Proposed Project being funded with tax-exempt bond proceeds. It is the opinion of DASNY that the Proposed Project would have no impact on historic or cultural resources in or eligible for inclusion in the National and/or State Registers of Historic Places.

Attachments

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

¹ 6 N.Y.C.R.R. § 617.5(a).

Single Approval Credit Summary

Teachers College
New York, New York

January 27, 2017

Program: Independent Colleges & Universities

Purpose: Refunding

New Issue Details

One or more Series of fixed and/or variable rate, tax-exempt and/or taxable Series 2017 Bonds in an amount not to exceed \$50,000,000 with maturities not to exceed 23 years are to be sold at one or more times through a negotiated offering and/or a private placement.

- Lead Manager – Bank of America Merrill Lynch
- Co-Bond Counsel – Nixon Peabody LLP and Drohan Lee LLP
- Underwriter's Counsel – Cozen O'Connor

Purpose:

- Refunding of all or a portion of the DASNY Series 2009 Bonds (\$47.9 million).

Security:

- General obligation of the University.

Current Ratings: Moody's: A1 (Stable)
S&P: A+ (Stable)
Fitch: NR

Overview

Teachers College is an independent, coeducational, non-sectarian graduate school of education located adjacent to Columbia University in New York City. The College was founded in 1887 and was chartered by the Regents of the University of the State of New York in 1889. Today, Teachers College is one of the oldest and most prestigious graduate schools of education in the nation. Approximately 2,000 students complete the work for a master's degree annually and approximately 200 complete the work for a doctoral degree. The College has ten departments that comprise more than 60 major academic programs. Teachers College has been affiliated with Columbia University since 1898 but has retained legal and financial independence. The affiliation benefits the College by allowing student cross-registration privileges at Columbia, along with access to Columbia's libraries. Graduates of Teachers College also receive a Columbia University degree upon completion of their studies. In addition, the institutions share faculty and commonly exchange best practices and knowledge in such areas as financial management and grant administration. The College is governed by a 36-member Board of Trustees.

Description of the Series 2017 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 Series Resolution.

Approvals

- TEFRA Hearing – February 6, 2017*
- SEQR Filing – February 7, 2017*
- PACB Approval – February 15, 2017*

*Anticipated date.

Strengths

- Student Demand - Teachers College continues to maintain its reputation as one of the top graduate schools of education in the nation, which is enhanced by its affiliation with Columbia University. Student demand is reflected in steady annual applications averaging 6,900 over the last five years and a consistently high matriculation ratio that has averaged 56%.
- Operating Margins – While revenue growth has slowed in recent years, the College has posted an operating surplus in each of the last five years, averaging \$7.8 million, or 4.0%, annually.
- Financial Resources - Unrestricted Net Assets increased by 53.2% over five years, totaling \$101.3 million at FYE 2016 while expendable resources reached \$162.5 million, a 12.9% increase.
- Fundraising - The College is currently in the midst of a \$300 million capital campaign, the largest ever by a graduate school of education. To date, \$271 million has been raised for target areas such as scholarships, campus improvements, and new programs.
- Savings - The refunding is expected to result in net present value savings of approximately \$5.3 million, or 12.1% of the bonds being refunded.

Risks/Challenges

- Program Diversity - As a standalone graduate school, Teachers College is more susceptible to enrollment trends and fluctuations than universities with more diverse undergraduate and graduate programs.

Recommendation

The attached staff report recommends that the Board adopt the necessary documents for one or more series of bonds with maturities not to exceed 23 years in an aggregate amount not to exceed \$50,000,000 based on the savings associated with the proposed refunding and DASNY's past experience with Teachers College.

Teachers College

INSTITUTION: Teachers College is an independent, coeducational, non-sectarian graduate school of education located adjacent to Columbia University in New York City. The College was founded in 1887 and was chartered by the Regents of the University of the State of New York in 1889. Today, Teachers College is one of the oldest and most prestigious graduate schools of education in the nation. Approximately 2,000 students complete the work for a master's degree annually and approximately 200 complete the work for a doctoral degree. The College has ten departments that comprise more than 60 major academic programs. Teachers College has been affiliated with Columbia University since 1898 but has retained legal and financial independence. The affiliation benefits the College by allowing student cross-registration privileges at Columbia, along with access to Columbia's libraries. Graduates of Teachers College also receive a Columbia University degree upon completion of their studies. In addition, the institutions share faculty and commonly exchange best practices and knowledge in such areas as financial management and grant administration. The College is governed by a 36-member Board of Trustees.

DASNY FINANCING HISTORY: DASNY's experience with Teachers College dates back to 1970 with the issuance of the Series A Bonds. Since then, DASNY has issued eight series of bonds and notes totaling over \$232 million on behalf of the College. As of December 31, 2016, \$104.8 million remain outstanding as shown in Table 1 below.

Table 1 -- Outstanding DASNY Debt

Series	Defeasance or Maturity	Amount Issued (000's)	Amount Outstanding (000's)
Series A	1999	7,670,000	0
Notes	1985	4,100,000	0
1985	1992	7,700,000	0
1992	2002	11,580,000	0
2002	2012	42,085,000	0
2007	2009	45,950,000	0
2009	2039	52,595,000	49,415,000
2012A	2031	30,115,000	25,065,000
2012B	2042	<u>30,360,000</u>	<u>30,360,000</u>
		\$232,155,000	\$104,840,000

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

THE REFUNDING PLAN: Proceeds from the proposed issuance will be used to refund all or a portion of the College's Series 2009 Bonds. The Series 2009 Loan Agreement is a general, unsecured obligation of the College. The Series 2009 Bonds have a par amount outstanding of \$49,415,000, reach final maturity on March 1, 2039 and are callable at par on or after March 1, 2019. It is expected that the non-callable bonds maturing in 2018 and 2019, totaling \$3,575,000, will not be included in the refunding and will remain outstanding until maturity.

Principal on the refunding bonds will be paid annually on July 1st to be consistent with the College's other outstanding debt, extending the final maturity of the refunded bonds by four months to July 1, 2039.

The refunding is expected to result in net present value savings of approximately \$5.3 million, or 12.1% of the bonds being refunded. A savings analysis is provided in Attachment I.

FINANCING DETAILS: Approximately \$47.9 million in proceeds from the Series 2017 Bonds will be applied toward a refunding escrow deposit. Issuance costs are approximated in the range of \$335,000 and an underwriter's discount in the neighborhood of \$150,000 is anticipated. Completing the plan of finance will require a bond issue of approximately \$42.4 million. To provide flexibility and to accommodate different couponing structures, staff is requesting bonding authorization in an amount not to exceed \$50.0 million to ensure sufficient proceeds to complete the financing. A table of the estimated sources and uses of funds is provided in Attachment II.

Security Provisions: Moody's Investors Service has assigned a rating of "A1" to the outstanding obligations of Teachers College. Standard & Poor's has rated the College's obligations "A+". Both ratings currently carry a "Stable" outlook. Accordingly, the College 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 Teachers College and no security interest in any revenues or assets of the College will be granted by the College to DASNY under the Loan Agreement. Security pledged by Teachers College under Loan Agreements for prior Bonds issued by DASNY will remain in place until those Bonds are no longer outstanding. The College will also remain subject to any financial covenants contained in those Loan Agreements.

Table 2 – Selected Enrollment Statistics

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Graduate Applications Received	6,841	7,067	6,498	7,031	6,986
Graduate Applications Accepted	3,307	3,398	3,078	3,798	4,130
Graduate Acceptance Ratio	48.3%	48.1%	47.4%	54.0%	59.1%
Graduate Applicants Enrolled	1,888	1,925	1,854	1,963	2,196
Graduate Matriculation Ratio	57.1%	56.7%	60.2%	51.7%	53.2%
Headcount Enrollment					
Full-Time	1,746	1,695	1,751	1,714	1,811
Part-Time	<u>3,553</u>	<u>3,510</u>	<u>3,371</u>	<u>3,376</u>	<u>3,340</u>
Total	5,299	5,205	5,122	5,090	5,151
Full-time Equivalent Enrollment					
Undergraduate	0	0	0	0	0
Graduate	<u>3,523</u>	<u>3,450</u>	<u>3,437</u>	<u>3,402</u>	<u>3,319</u>
Total	3,523	3,450	3,437	3,402	3,319

FEASIBILITY - ENROLLMENT ANALYSIS: Teachers College continues to maintain its reputation as one of the top graduate schools of education in the nation. Its affiliation with Columbia University, which provides students with cross-registration privileges and a Columbia University degree upon completion of their studies, further enhances the draw. Student demand is reflected in steady annual applications and a consistently high matriculation ratio. The total number of applications received by Teachers College has averaged 6,885 over the last five years while its matriculation ratio has averaged 55.8%. The College has remained selective, with an average Acceptance Ratio of 51.4% over five years.

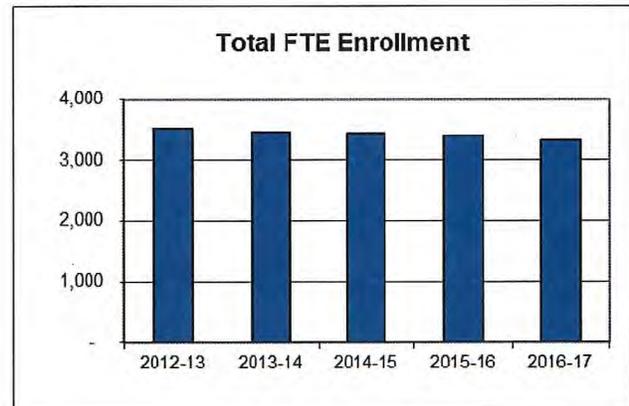
FTE enrollment is down slightly over five years, from 3,523 in fall 2012 to 3,319 in fall 2016. For fall 2016, the College enrolled 2,196 students, the largest number in the last five years and an 11.9% increase from the previous year.

Trends impacting teaching programs have been unfavorable in recent years. A number of factors such as lack of employment opportunities, lower wages, and shifting professional standards have led to a decline in individuals seeking out teaching as a profession. As a result, many institutions across the nation have seen declining enrollments in teaching programs. According to the Commission on Independent Colleges and Universities (CICU), between 2012 and 2014 there was a 27% decline in undergraduate enrollment in private school programs and a 17% drop in graduate school enrollment.

While recent trends have not had a significant impact on total enrollment at Teachers College, as a standalone graduate school, the College is more susceptible to enrollment trends and fluctuations than universities with

more diverse undergraduate and graduate programs. While roughly 30 percent of students are concentrated in teacher education programs, the remainder focus in programs as wide ranging as health, leadership and psychology. The College also continues to explore new programs to drive demand and has worked to expand its digital learning offerings.

The chart below illustrates the FTE enrollment levels since the fall of 2012.



The College's student body is drawn from all fifty states and over 80 foreign nations. International students account for 20% of the student body. The students range from recent college graduates to experienced professionals, with the median age being 30. Approximately 35% of the students pursue their studies on a full-time basis and are working toward the graduate master's or doctoral degrees. The remaining 65% of students are enrolled on a part-time basis.

Table 3 – Selected Operating Statistics

<i>(dollars in thousands)</i>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total operating revenue	\$185,965	\$193,461	\$192,893	\$202,656	\$207,973
Total operating expense	<u>176,339</u>	<u>180,932</u>	<u>185,080</u>	<u>195,773</u>	<u>205,660</u>
Change in net assets from operations	9,626	12,529	7,813	6,883	2,313
Total non-operating revenue	<u>(12,584)</u>	<u>17,181</u>	<u>828</u>	<u>(1,820)</u>	<u>(10,545)</u>
Change in unrestricted net assets	(2,958)	29,710	8,641	5,063	(8,232)
Plus: Total depreciation/amortization	8,903	9,164	9,531	10,416	11,380
Plus: Total interest paid (expense)	<u>4,900</u>	<u>4,200</u>	<u>4,200</u>	<u>4,200</u>	<u>5,100</u>
Adjusted change in net assets	\$10,845	\$43,074	\$22,372	\$19,679	\$8,248
Cash provided by operating activities	\$5,082	\$12,620	\$7,309	\$163	\$699
Total annual debt service	\$5,585	\$7,206	\$6,984	\$8,547	\$8,203
Net Operating Ratio (DASNY 2015 Median: 1.3%)	5.2%	6.5%	4.1%	3.4%	1.1%
Net Income Ratio (DASNY 2015 Median: 2.5%)	-1.6%	15.4%	4.5%	2.5%	-4.0%
Cash Income Ratio (DASNY 2015 Median: 3.8%)	2.7%	6.5%	3.8%	0.1%	0.3%
Capital Expense Ratio (DASNY 2015 Median: 4.5%)	3.3%	4.2%	3.9%	4.5%	4.2%
Debt Coverage Ratio (DASNY 2015 Median: 2.0:1)	4.6	4.1	3.5	2.9	2.7
Net Tuition Per FTE Student (DASNY 2015 Median: \$27,500)	\$29,947	\$31,408	\$32,362	\$32,730	\$33,370

FEASIBILITY - OPERATIONS ANALYSIS: Teachers College has posted an operating surplus in each of the last five years, averaging \$7.8 million annually. The sustained trend of positive operating performance began in fiscal year 2010 when the College's management team took steps to create efficiencies and control costs in response to two consecutive years of operating deficits and increasing pressure from the economic recession. The result was slower growth of total operating expenses between fiscal years 2010 and 2014, averaging just over 3% annually. Margins began to thin slightly beginning in 2014 as annual expenses increased by 5% annually and the growth of net tuition and fees slowed due to increasing financial aid. Cash from operations also declined in fiscal years 2015 and 2016, as demonstrated by Cash Income Ratios of 0.1% and 0.3%, respectively.

Teachers College has increased tuition by an average of 4.1% over the last five years while its tuition discount rate increased from 15.7% in 2012 to 20.7% in 2016. The result has been a slow but steady increase in Net Tuition per FTE Student over five years, from \$29,947 in 2012 to \$33,370 in 2016. The College's tuition discount rate is still well below the DASNY Median of 32.5%.

The College's operating revenues are fairly diverse, making it less vulnerable to fluctuations from a single revenue source. Net Tuition and Fees accounted for 55% of total operating revenue in fiscal year 2016, followed by Government Support (25%), Auxiliaries (11%), and Investment Returns (6%).

Teachers College reported positive net income results in three of the last five years. Year-to-year fluctuations are largely due to unrealized investment returns and changes in the College's pension and postretirement obligations. In fiscal year 2016, investment losses totaling \$4.0 million and an increase in pension obligations of \$7.7 million resulted in a negative change in Unrestricted Net Assets of \$8.2 million. Overall, the College's Net Income Margin averaged 3.4% annually over five years.

The College's Debt Service Coverage Ratio has averaged 3.6 times over the last five years, comparing favorably to the 2015 DASNY Median of 2.0 times.

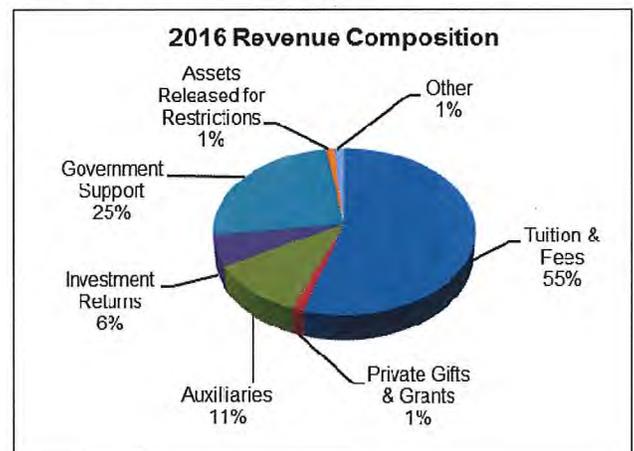


Table 4 – Selected Financial Position Statistics

<i>(dollars in thousands)</i>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Assets	\$432,032	\$468,153	\$519,559	\$513,897	\$524,003
Total Liabilities	207,659	194,908	206,629	201,559	206,789
Net Assets					
Unrestricted	66,151	95,862	104,504	109,566	101,334
Temporarily Restricted	77,597	92,430	117,455	111,189	111,311
Permanently Restricted	<u>80,625</u>	<u>84,953</u>	<u>90,971</u>	<u>91,583</u>	<u>104,569</u>
Total Net Assets	\$224,373	\$273,245	\$312,930	\$312,338	\$317,214
Long-Term Debt	\$119,881	\$118,390	\$114,515	\$111,309	\$108,359
Viability Ratio (DASNY 2015 Median: 1.0:1)	1.2	1.5	1.7	1.6	1.5
Primary Reserve Ratio (DASNY 2015 Median: 0.8:1)	0.8	1.0	1.1	0.9	0.8
Leverage Ratio (DASNY 2015 Median: 2.0:1)	1.2	1.6	1.9	2.0	2.0
Available Assets Ratio (DASNY 2015 Median: 1.9:1)	1.7	2.0	2.1	2.1	2.0
Total Resources Per Student (DASNY 2015 Median: \$78,724)	\$63,257	\$76,180	\$83,894	\$78,724	\$78,490

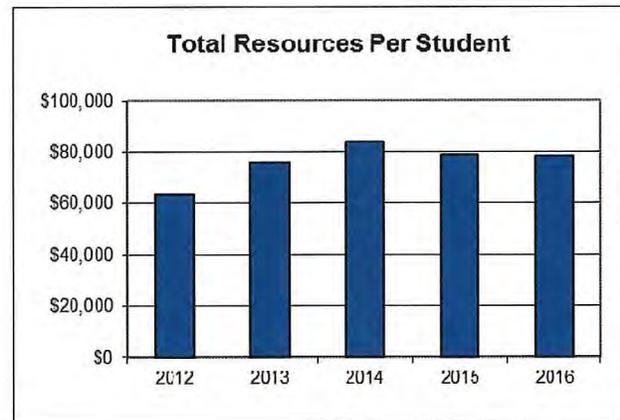
FEASIBILITY - BALANCE SHEET ANALYSIS: The College's balance sheet reflects growing financial resources and adequate liquidity. Teachers College reported Total Net Assets of \$317.2 million as of fiscal year end 2016, of which \$101.3 million (or 32%) were Unrestricted Net Assets. Unrestricted Net Assets have increased by 53.2% since 2012, mainly due to positive operating margins which have averaged \$7.8 million annually.

Expendable resources (net assets adjusted for investment in plant) increased from \$144.0 million in 2012 to \$162.5 million in 2016, a 12.9% increase. The College has made large investments in its physical plant in recent years, with property, plant and equipment growing by over 32% since 2012.

Most of the College's liquidity ratios are at or above 2015 DASNY medians. For fiscal year 2016, Teachers College reported a Viability Ratio of 1.5 times (1.0 median) and an Unrestricted Resources to Debt Ratio of .5 times (0.5 median). The College reported a Primary Reserve Ratio of 0.8 times (0.8 median) at FYE 2016, indicating an ability of the College to operate for over nine months using reserve balances only.

The College's debt structure consists of 100% fixed rate bonds issued through DASNY. Its capital expense ratio (4.2% for fiscal year 2016) increased slightly during fiscal year 2013 with the issuance of the DASNY Series 2012B Bonds, but still compares favorably with the DASNY Median of 4.5%. The proposed refunding is expected to provide an average of over \$280,000 in annual cash flow savings. The College has no plans to issue additional debt.

The following chart illustrates the College's total resources per student, which has averaged over \$76,000 over the past five years.

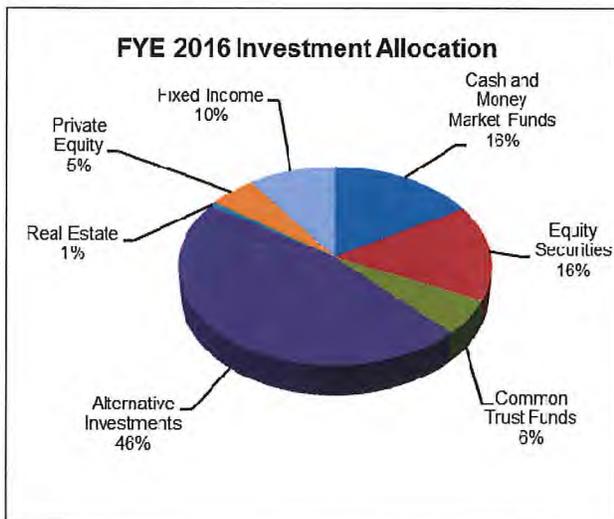


FUNDRAISING: In November 2013, Teachers College announced the public phase of its current fundraising campaign. The goal is to raise \$300 million by the end of 2017 to be targeted as follows; (1) \$124 million for scholarships, (2) \$113 million for faculty and programs, (3) \$33 million for campus and technology, and (4) \$30 million of unrestricted funds for financial flexibility. To date, the College has raised \$271 million. Overall, the campaign is the largest ever by a graduate school of education.

INVESTMENTS: As of August 31, 2016, the College's investment portfolio was valued at \$293.7 million. The College's endowment, which accounted for \$275.3 million of total investments, consists of both donor-restricted funds and funds designated by the Board of Trustees to function as endowments. The Investment Committee of the Board of Trustees oversees the investment of the endowment funds, including the selection of external managers, the allocation of investments among managers, and any restrictions on the amounts of funds in any type of investment.

The investment objectives for the College's endowment are to preserve the principal value of the funds, provide a stable source of financial support to endowment beneficiaries, and maximize the total rate of return over the long-term without assuming an unreasonable degree of risk. In connection with these investment objectives, the Board has adopted a spending policy under which 5% of a sixteen-quarter moving average of the fair value of the endowment is made available for operations.

The following is the composition of the College's Investment portfolio with market valuations reported as of August 31, 2016:



SUMMARY: Based on the savings associated with the proposed refunding and DASNY's past experience with Teachers College, staff recommends that the Board adopt the necessary documents for one or more series of bonds to be sold at one or more times in an aggregate amount not to exceed \$50,000,000 on behalf of Teachers College.

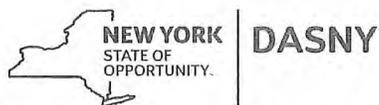


**Teachers College, Series 2017
Savings Analysis - Series 2009 Refunding**

Date	Existing D/S	New D/S	Gross Savings	PV Savings
2017	1,179,631	507,774	671,858	662,807
2018	2,359,263	2,088,775	270,488	254,812
2019	2,359,263	2,092,175	267,088	245,354
2020	4,216,638	3,949,625	267,013	254,072
2021	4,214,013	3,946,825	267,188	248,973
2022	4,211,513	3,940,825	270,688	247,045
2023	4,208,888	3,940,075	268,813	240,512
2024	4,205,888	3,939,075	266,813	234,100
2025	4,197,706	3,927,575	270,131	232,259
2026	4,193,600	3,925,825	267,775	225,945
2027	4,192,238	3,923,075	269,163	222,786
2028	4,188,216	3,919,075	269,141	218,631
2029	4,181,266	3,913,575	267,691	213,540
2030	4,178,875	3,911,325	267,550	209,625
2031	4,170,400	3,900,900	269,500	207,041
2032	4,167,163	3,896,900	270,263	203,968
2033	4,163,475	3,895,150	268,325	199,192
2034	1,255,875	985,150	270,725	181,037
2035	1,253,350	984,550	268,800	175,693
2036	1,248,075	977,750	270,325	172,641
2037	1,249,775	979,950	269,825	168,461
2038	1,248,175	980,750	267,425	163,262
2039	1,243,275	971,250	272,025	162,277
Total	72,086,556	65,497,949	6,588,608	5,344,031

PRESENT VALUE ANALYSIS SUMMARY

Total PV Debt Service Savings.....	5,344,031
Less: Prior Funds on Hand.....	-
Plus: Refunding Funds on Hand.....	<u>3,085</u>
NET PRESENT VALUE BENEFIT.....	5,347,117
 NPV BENEFIT OF BONDS BEING REFUNDED.....	 12.11%
NPV BENEFIT OF REFUNDING PRINCIPAL.....	12.62%



**Teachers College, Series 2017
Sources and Uses of Funds**

Sources of Funds:

Bond Proceeds		
Par Proceeds	\$	42,375,000
Original Issue Premium		5,980,621
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<i>Total Sources</i>	\$	48,355,621

Uses of Funds:

% of Par

Refunding Escrow Deposit		47,869,621	
Costs of Issuance			
DASNY Fee		75,000	0.18%
Bond Counsel		125,000	0.29%
Printing		5,000	0.01%
Ratings		50,000	0.12%
Trustee & Counsel		6,000	0.01%
Verification Agent		5,000	0.01%
Institution's Counsel		50,000	0.12%
TEFRA		10,000	0.02%
DAC Fee		10,000	0.02%
Underwriter Discount		150,000	0.35%
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<i>Total Uses</i>	\$	48,355,621	

All Figures in 000's	Balance Sheets				
	2012	2013	2014	2015	2016
Assets					
Cash and Cash Equivalents	\$ 29,985	31,385	44,763	43,278	37,411
Contributions and Grants Receivable	15,394	15,440	16,790	20,269	22,884
Loans Receivable	3,325	3,303	3,241	3,111	2,949
Other Receivables	3,626	4,859	4,078	6,464	5,667
Short-Term Investments	0	0	0	0	0
Investments	221,006	253,787	291,153	282,431	293,690
Property, Plant and Equipment, Net	119,713	123,252	138,009	153,072	158,549
Deposits and Deferred Costs	34,894	32,288	19,163	3,624	1,295
Prepaid Expenses and Other Assets	0	0	0	0	0
Miscellaneous Assets	4,089	3,839	2,362	1,648	1,558
Total Assets	\$ 432,032	468,153	519,559	513,897	524,003
Liabilities					
Accounts Payable and Accrued Expenses	\$ 15,421	14,892	19,851	23,023	23,194
Deposits and Deferred Revenues	20,180	20,379	21,491	20,167	20,353
Federal Grants Refundable	2,936	2,873	2,807	2,783	2,767
Federal Student Loans	0	0	0	0	0
Postretirement Benefits	46,851	35,577	44,871	41,195	49,017
Short-term Debt Obligations	0	0	0	0	0
Long-Term Debt	119,881	118,390	114,515	111,309	108,359
Due to Related Organizations	0	0	0	0	0
Other Liabilities	2,390	2,797	3,094	3,082	3,099
Total Liabilities	\$ 207,659	194,908	206,629	201,559	206,789
Net Assets					
Unrestricted	\$ 66,151	95,862	104,504	109,566	101,334
Temporarily Restricted	77,597	92,430	117,455	111,189	111,311
Permanently Restricted	80,625	84,953	90,971	91,583	104,569
Total Net Assets	\$ 224,373	273,245	312,930	312,338	317,214
Total Liabilities and Net Assets	\$ 432,032	468,153	519,559	513,897	524,003

All Figures in 000's	Statement of Activities				
	2012	2013	2014	2015	2016
Operating Revenue					
Tuition and Fees	\$ 126,029	130,648	133,947	138,976	143,072
Less Financial Aid	-19,807	-19,997	-22,299	-26,482	-29,546
Net Tuition and Fees	\$ 106,222	110,651	111,648	112,494	113,526
Sales and Service of Auxiliaries	\$ 21,067	20,042	19,623	19,659	22,762
Government Support	44,286	43,100	41,122	50,072	50,838
Private Gifts and Grants	1,826	3,042	3,620	2,574	2,778
Investment Returns	8,496	10,371	11,397	12,181	12,870
Other Revenues	2,485	3,885	3,577	3,182	2,944
Sales and Services -Educational	0	0	0	0	0
Hospital and Faculty Patient Care	0	0	0	0	0
Assets Released from Restriction	1,583	2,370	1,906	2,494	2,255
Total Operating Revenue	\$ 185,965	193,461	192,893	202,656	207,973
Operating Expense					
Instruction and Research	\$ 101,247	102,509	103,527	111,226	117,564
Academic Support	13,437	14,332	15,622	16,944	17,547
Student Services	9,285	9,503	9,851	10,362	9,794
Institutional Support	30,448	32,964	34,597	34,708	37,446
Facilities Expense	0	0	0	0	0
Auxiliary Expense	21,922	21,624	21,483	22,533	23,309
Other Operating Expense	0	0	0	0	0
Hospital and Faculty Patient Care	0	0	0	0	0
Total Operating Expense	\$ 176,339	180,932	185,080	195,773	205,660
Chg in Unrestricted Net Assets from Operating Activities	\$ 9,626	12,529	7,813	6,883	2,313
Non-Operating Activities					
Net Excess Investment Return/(Loss)	\$ -542	5,681	11,020	-5,470	-4,020
Capital Gifts and Contributions	0	0	944	265	1,215
Assets Released from Restriction	355	407	266	111	0
Other Non-Operating Items, Net	-12,397	11,093	-11,402	3,274	-7,740
Extraordinary Gain/(Loss)	0	0	0	0	0
Total Non-Operating Activities	\$ -12,584	17,181	828	-1,820	-10,545
Change in Unrestricted Net Assets	\$ -2,959	29,710	8,641	5,063	-8,232

Teachers College
Independent Higher Education Institutions
Financial and Operating Ratios

Appendix B

	Year					2015 DASNY Median
	2012	2013	2014	2015	2016	
<u>Liquidity Ratios</u>						
Primary Reserve	0.8	1.0	1.1	0.9	0.8	0.8
Cash Income	2.7%	6.5%	3.8%	0.1%	0.3%	3.8%
Unrestricted Resources to Debt	0.55	0.77	0.71	0.61	0.47	0.49
Viability	1.2	1.5	1.7	1.6	1.5	1.0
Composition of Assets	2.61	2.80	2.76	2.36	2.30	2.02
Operating Cash Flow to Debt Service	1.79	2.33	1.65	0.51	0.71	1.25
<u>Capital Ratios</u>						
Age of Facility	15.51	16.04	16.39	16.00	15.63	11.71
Capital Expense (Debt Burden)	3.3%	4.2%	3.9%	4.5%	4.2%	4.5%
Debt Service Coverage	4.6	4.1	3.5	2.9	2.7	2.0
Leverage	1.2	1.6	1.9	2.0	2.0	2.0
Capitalization Ratio	51.9%	58.4%	60.2%	60.8%	60.5%	60.8%
Total Resources per FTE Student	\$63,257	\$76,180	\$83,894	\$78,724	\$78,490	\$78,724
Debt per FTE Student	\$33,798	\$33,605	\$33,193	\$32,386	\$31,852	\$63,388
<u>Productivity and Demand Ratios</u>						
Matriculation (Yield)	0.0%	0.0%	0.0%	0.0%	0.0%	33.2%
Selectivity (Acceptance)	0.0%	0.0%	0.0%	0.0%	0.0%	48.1%
Student/Faculty	12.8	12.6	12.3	12.3	12.0	7.1
Tuition Discount Rate	15.7%	15.3%	16.6%	19.1%	20.7%	32.5%
Educational Core Services	61.4%	59.1%	59.7%	60.8%	63.5%	60.7%
Educational Support Ratio	13.8%	13.7%	14.7%	14.9%	14.8%	16.4%
General Support Ratio	18.5%	19.0%	20.0%	19.0%	20.2%	19.0%
<u>Profitability and Operating Ratios</u>						
Net Operating Margin	5.2%	6.5%	4.1%	3.4%	1.1%	1.3%
Net Income	-1.6%	15.4%	4.5%	2.5%	-4.0%	2.5%
Net Tuition per FTE Student	\$29,947	\$31,408	\$32,362	\$32,730	\$33,370	\$27,500
Return on Net Assets	0.1%	21.8%	14.5%	-0.2%	1.6%	3.9%
Return on Average Investment Value	3.1%	11.2%	16.0%	-1.3%	0.9%	3.4%
Net Tuition Dependency	57.1%	57.2%	57.9%	55.5%	54.6%	46.8%
Contributed Income	2.2%	3.4%	3.4%	2.9%	2.8%	10.5%
Operating Income	98.5%	98.0%	94.4%	94.0%	91.5%	88.5%
Available Assets	1.7	2.0	2.1	2.1	2.0	1.9
Federal Financial Ratio	2.52	3.00	3.00	2.85	2.40	2.85

TEACHERS COLLEGE

The Letter of Bond Counsel in connection with the above referenced transaction will be transmitted to the Members under separate cover.