KPMG

TEACHERS COLLEGE, COLUMBIA UNIVERSITY

Financial Statements

August 31, 2022 and 2021

(With Independent Auditors' Reports Thereon)

KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

The Trustees
Teachers College, Columbia University:

Opinion

We have audited the financial statements of Teachers College, Columbia University (the College), which comprise the balance sheets as of August 31, 2022 and 2021, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as of August 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the 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 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 College'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 financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College'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.

KPMG LLP

New York, New York
December 15, 2022

TEACHERS COLLEGE, COLUMBIA UNIVERSITY

Balance Sheets

August 31, 2022 and 2021

Assets		**2022**	**2021**
Cash and cash equivalents	$	56,008,753	50,864,226
Student accounts and other receivables, net (note 4)		3,572,889	4,299,720
Grants and contracts receivable (note 5)		15,315,120	13,477,598
Inventories and other assets		3,256,520	2,823,725
Contributions receivable, net (note 5)		11,203,881	11,085,746
Funds held by bond trustee (note 7)		4,658,615	—
Investments (note 3)		454,998,696	512,698,590
Student loans receivable, net (note 4)		2,947,138	2,615,082
Plant assets, net (note 6)		130,432,199	128,459,883
Total assets	$	682,393,811	726,324,570
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued expenses	$	19,530,118	23,874,815
Deferred revenues (note 12)		17,003,421	19,036,918
Long-term debt, net (note 7)		100,103,174	94,993,523
Accrued pension and other benefit obligations (note 8)		33,702,825	47,368,226
Other liabilities		3,839,918	3,789,562
Funds held for others		4,481,059	3,781,147
Total liabilities		178,660,515	192,844,191
Commitments and contingencies (notes 3, 8, and 13)			
Net assets (note 9):			
Without donor restrictions		181,348,820	170,899,247
With donor restrictions:			
Purpose or time restricted		173,006,588	222,237,007
Endowment corpus		149,377,888	140,344,125
Total with donor restrictions		322,384,476	362,581,132
Total net assets		503,733,296	533,480,379
Total liabilities and net assets	$	682,393,811	726,324,570

See accompanying notes to financial statements.

TEACHERS COLLEGE, COLUMBIA UNIVERSITY

Statements of Activities

Years ended August 31, 2022 and 2021

		2022	2021
Changes in net assets without donor restrictions:			
Operating revenues:			
Student tuition and fees, net (note 10)	$	132,667,465	116,563,674
Grants and contracts		40,128,207	33,398,705
Contributions		3,211,488	2,832,399
Endowment return appropriated and other investment income (notes 3 and 9)		20,457,966	17,974,328
Sales and services of auxiliary enterprises		22,835,382	14,269,924
Other sources		3,152,906	2,997,042
Net assets released from donor restrictions		16,406,489	16,246,421
Total operating revenues		238,859,903	204,282,493
Operating expenses (note 2(e)):			
Instruction		74,355,670	71,950,066
Research, training, and public service		47,791,364	45,177,296
Academic support		16,698,747	15,143,303
Student services		12,384,180	11,732,701
Institutional support (note 11)		40,920,177	38,601,068
Auxiliary enterprises		22,712,300	20,857,313
Total operating expenses		214,862,438	203,461,747
Increase in net assets without donor restrictions from operations, carried forward		23,997,465	820,746

(Continued)

TEACHERS COLLEGE, COLUMBIA UNIVERSITY

Statements of Activities

Years ended August 31, 2022 and 2021

	2022	2021
Increase in net assets without donor restrictions from operations, brought forward	$ 23,997,465	820,746
Nonoperating activities:		
Investment return, net of amounts appropriated (note 3)	(29,402,830)	28,574,543
Other pension and postretirement changes and net periodic benefit costs other than service costs (note 8)	12,296,746	3,613,550
Gain on debt extinguishment (note 7)	3,423,833	—
Net assets released from donor restrictions for capital	200,000	199,999
Other, net	(65,641)	41,975
Increase in net assets without donor restrictions	10,449,573	33,250,813
Changes in net assets with donor restrictions:		
Contributions	17,061,764	6,613,700
Grants and contracts	5,383,884	9,471,613
Investment return, net of amounts appropriated (note 3)	(45,354,574)	48,972,866
Net assets released from donor restrictions	(16,606,489)	(16,446,420)
Other, net	(681,241)	415,191
(Decrease) increase in net assets with donor restrictions	(40,196,656)	49,026,950
(Decrease) increase in net assets	(29,747,083)	82,277,763
Net assets at beginning of year	533,480,379	451,202,616
Net assets at end of year	$ 503,733,296	533,480,379
Certain amounts disaggregated above are presented below in the aggregate:		
Contributions	$ 20,273,252	9,446,099
Grants and contracts	45,512,091	42,870,318
Endowment and other investment (loss) return, net	(54,299,438)	95,521,737

See accompanying notes to financial statements.

TEACHERS COLLEGE, COLUMBIA UNIVERSITY

Statements of Cash Flows

Years ended August 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
(Decrease) increase in net assets	$ (29,747,083)	82,277,763
Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities:		
Net depreciation (appreciation) in fair value of investments	57,397,784	(101,868,083)
Depreciation	10,448,327	10,944,260
Provision for uncollectible amounts	9,167	1,168,305
Amortization of bond issuance costs	75,833	85,737
Amortization of net bond premiums	(562,961)	(560,311)
Contributions restricted for permanent investment and plant assets	(11,474,943)	(3,408,733)
Change in value of split-interest agreements	764,939	602,041
Gain on extinguishment of debt	(3,423,833)	—
Pension and postretirement changes	(12,296,746)	(3,613,550)
Changes in operating assets and liabilities:		
Student accounts and other receivables	867,953	1,113,569
Grants and contracts receivable	(1,837,522)	2,928,409
Inventories and other assets	(438,382)	(498,291)
Contributions receivable, except for amounts restricted for permanent investment and plant assets	1,754,443	1,113,110
Accounts payable and accrued expenses and other liabilities	(4,764,715)	6,755,125
Deferred revenues	(2,033,497)	6,130,874
Accrued pension and other benefit obligations	(1,368,655)	(936,445)
Funds held for others	699,912	(2,330)
Net cash provided by operating activities	4,070,021	2,231,450
Cash flows from investing activities:		
Loans made to students	(597,235)	(463,986)
Repayments received on student loans	289,550	306,020
Purchase of plant assets	(12,420,643)	(3,741,829)
Change in amounts related to plant assets included in accounts payable and accrued expenses	540,784	247,787
Purchases of investments	(128,966,551)	(144,124,266)
Proceeds from sales of investments	132,235,241	121,290,025
Net cash used in investing activities	(8,918,854)	(26,486,249)
Cash flows from financing activities:		
Contributions restricted for permanent investment and plant assets	11,474,943	3,408,733
(Increase) decrease in contributions receivable restricted for permanent investment and plant assets	(2,419,487)	2,072,754
Proceeds from indebtedness	61,201,280	—
Repayment of indebtedness	(52,180,668)	(3,510,000)
Change in funds held by bond trustees	(4,653,028)	(80)
Investment income on split-interest agreements, net of payments to annuitants	(164,176)	(153,607)
Net cash provided by financing activities	13,258,864	1,817,800
Net increase (decrease) in cash, cash equivalents and restricted cash	8,410,031	(22,436,999)
Cash, cash equivalents and restricted cash at beginning of year	50,864,226	74,958,755
Cash, cash equivalents and restricted cash at end of year	$ 59,274,257	52,521,756
Reconciliation of cash, cash equivalents and restricted cash reported within the statements of financial position that sum to the amounts above:		
Cash and cash equivalents	$ 56,008,753	50,864,226
Restricted cash included in investments	3,265,504	1,657,530
Total cash, cash equivalents and restricted cash noted above	$ 59,274,257	52,521,756
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 4,758,067	4,380,063

See accompanying notes to financial statements.

(1) Description of Business

(a) Discussion of Operations

Teachers College, Columbia University (the College) is a graduate and professional school of education. The College engages in five basic activities: (1) research on critical issues of education; (2) instruction of future leaders-practitioners, policymakers, and academicians; (3) education of current leaders-teachers, principals, superintendents, board members, legislators, presidents, members of the media, and representatives of foundations and corporations; (4) development of the public discourse and national agenda for education; and (5) improvement of the practice of educational institutions via laboratories, models, and demonstration projects. The College was founded in 1887 and became affiliated with Columbia University in 1898. Under an arrangement with Columbia University, the faculty of the College was designated as faculty of Columbia University, but the College retained its legal and financial independence. The College remains a separate corporation.

(b) Tax Status

The College is qualified as a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code, as amended. Accordingly, it is not subject to income taxes except to the extent it has taxable income from activities that are not related to its exempt purpose. The College recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. No provision for income taxes was required for fiscal years 2022 or 2021.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP). Net assets of the College and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions, including those designated by the Board of Trustees of the College (the Board) to function as endowment.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions that will be met by either actions of the College or the passage of time, and net assets subject to donor-imposed restrictions that stipulate that they be maintained permanently by the College, but permit the College to expend part or all of the income derived therefrom for general or donor-specified purposes.

Revenues and gains and losses on investments and other assets are reported as changes in net assets without donor restrictions unless limited by explicit donor-imposed restrictions or by law. Expirations of donor restrictions on net assets, that is, the donor-imposed stipulated purpose has been accomplished and/or the stipulated time period has elapsed, are reported as increases in net assets without donor restrictions if the purpose or time restrictions are met in the same reporting period that such assets are received; otherwise, they are reported as net assets released from donor restrictions. Expenses are reported as decreases in net assets without donor restrictions.

(i) Revenue Recognition and Nature of Goods and Services

The College accounts for revenue from contracts with customers when both parties have approved the contract and are committed to perform their respective obligations, each party's rights and the contract payment terms can be identified, the contract has commercial substance, and it is probable the College will collect substantially all of the consideration to which it is entitled.

Products and services	Nature, timing of satisfaction of performance obligations, and significant payment terms
Tuition and fees	Consists of the following: Tuition and fees – derived from a variety of degree, executive and continuing educational programs and includes ancillary charges to the customers (students) of the College. Revenue is recognized when the performance obligations are met by both the College and the customers, which is within the College's fiscal year.
Auxiliary enterprises	Consists of the following: Housing services – provides a variety of housing accommodations in support of the educational needs of the College. Student housing contracts are for a one year term. Revenue is recognized when the performance obligations are met by both the College and the customers, which is within the College's fiscal year. Publishing services – provides customers a variety of professional and classroom books and materials covering all areas of education. Revenue is recognized when the performance obligations are met by both the College and the customers, which are primarily within the College's fiscal year.

(b) Cash Equivalents

All highly liquid debt instruments with an original maturity of three months or less are considered to be cash equivalents, except for such assets that are part of the College's investment portfolio managed by external investment managers for long-term purposes which are reported as investments (note 3).

(c) Contributions

Contributions, including unconditional promises to give, are reported initially at fair value as revenues in the appropriate category of net assets in the period received or pledged. The College reports contributions of plant assets as increases in net assets without donor restrictions unless the donor places restrictions on their use. Contributions to be received after one year are discounted at a risk-adjusted rate. Amortization of the discount is recorded as contribution revenue in accordance with the donor-imposed restrictions. An allowance is recorded for uncollectible contributions based on management's judgment, past collection experience, and other relevant factors.

Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are met and are contingent upon the College meeting certain barriers or conditions, which were not fulfilled as of year-end. Conditional promises not reflected in the accompanying financial statements are approximately $469,000 and $519,000 at August 31, 2022 and 2021, respectively.

At August 31, 2022 and 2021, respectively, gift intentions and other promises from donors not reflected in the accompanying financial statements approximate $7.6 million and $3.5 million.

(d) Grants and Contracts

Grants, contracts, and similar agreements comprise federal and non-federal (state, private foundation, etc.) contracts. The activity may represent a reciprocal transaction where commensurate value is exchanged or a nonreciprocal transaction where the resources provided are for the public at large, further support the funding organization’s mission or more directly benefit the College. Revenue from exchange transactions are recognized as performance obligations are satisfied, which may be as milestones are met or as related costs are incurred. Federal and certain nonfederal grants with specific restrictions on spending are classified as conditional transactions and the related revenue is recognized at the time expenditures are incurred. Unconditional revenue is recognized in full when a qualifying promise to give has been made and generally occurs when the agreement is executed.

At August 31, 2022 and 2021, the conditional promises to give approximate $20.7 million and $23.5 million, respectively, in the form of measurable performance related or other barriers that have not been reflected as revenue in the accompanying financial statements because the conditions on which they depend have not been met. These conditional promises are net of any advance payments received which are recorded within deferred revenues in the accompanying financial statements until the respective barriers are overcome.

(e) Functional Expense Allocation

The College’s primary functional programs are instruction and research. Other functional expenses are primarily incurred in support of the College’s core mission. Expenses for the operation and maintenance of facilities, depreciation, and interest are first allocated to auxiliary enterprises based on square footage compared to total plant. The remainder is then allocated to other functional programs based on total headcount in each program.

Expenses by functional classification consist of the following for the years ending August 31, 2022 and 2021:

	Instruction	Research training, and public service	Academic support	Student services	Institutional support	Auxiliary enterprises	Total 2022
Salaries	$ 47,450,143	23,871,398	9,661,601	6,075,114	20,198,808	5,727,004	112,984,068
Payroll taxes and benefits	16,152,999	7,849,028	3,214,978	2,042,637	7,256,290	2,478,292	38,994,224
Total compensation	63,603,142	31,720,426	12,876,579	8,117,751	27,455,098	8,205,296	151,978,292
Professional, contracted services, and subcontracts	3,868,620	12,221,948	1,677,658	2,664,459	6,377,233	2,389,092	29,199,010
Office supplies, equipment, and related services	1,635,787	1,324,320	1,135,663	666,409	5,683,827	2,583,921	13,029,927
Travel, conferences, meetings, and events	627,611	699,891	77,412	67,847	149,300	70,820	1,692,881
Utilities, alterations, and repairs	1,069,247	435,771	217,459	261,011	343,393	2,068,330	4,395,211
Depreciation	2,848,543	1,114,153	572,695	486,649	730,994	4,695,293	10,448,327
Interest	702,720	274,855	141,281	120,054	180,332	2,699,548	4,118,790
Total other operating expenses	10,752,528	16,070,938	3,822,168	4,266,429	13,465,079	14,507,004	62,884,146
Total operating expenses	$ 74,355,670	47,791,364	16,698,747	12,384,180	40,920,177	22,712,300	214,862,438

	Instruction	Research training, and public service	Academic support	Student services	Institutional support	Auxiliary enterprises	Total 2021
Salaries	$ 45,324,759	22,426,040	8,310,734	6,097,786	19,223,464	4,850,391	106,233,174
Payroll taxes and benefits	18,079,266	8,527,721	3,203,642	2,423,452	8,165,625	2,248,916	42,648,622
Total compensation	63,404,025	30,953,761	11,514,376	8,521,238	27,389,089	7,099,307	148,881,796
Professional, contracted services, and subcontracts	3,366,572	11,753,075	1,622,041	1,931,238	5,721,305	1,111,954	25,506,185
Office supplies, equipment, and related services	904,500	835,045	1,126,251	535,858	4,381,786	2,989,073	10,772,513
Travel, conferences, meetings, and events	177,000	31,704	41,658	17,748	52,258	36,756	357,124
Utilities, alterations, and repairs	805,619	315,973	177,056	164,150	211,746	1,534,825	3,209,369
Depreciation	2,983,751	1,167,036	599,878	509,748	765,691	4,918,156	10,944,260
Interest	308,599	120,702	62,043	52,721	79,193	3,167,242	3,790,500
Total other operating expenses	8,546,041	14,223,535	3,628,927	3,211,463	11,211,979	13,758,006	54,579,951
Total operating expenses	$ 71,950,066	45,177,296	15,143,303	11,732,701	38,601,068	20,857,313	203,461,747

Other pension and postretirement changes and net periodic benefit costs other than service costs, included within nonoperating activities within the accompanying financial statements, are allocated by functional classification consistent with the allocation of payroll taxes and benefits as specified above.

(f) Inventories

Inventories, including books published by the Teachers College Press, are valued at the lower of average cost or market (net realizable value).

(g) Plant Assets

Plant assets, including land, buildings, building improvements, and furniture and equipment, as well as assets under financing obligations with the Dormitory Authority of the State of New York (DASNY) are stated at cost or fair value at the date of gift for assets contributed. All plant assets, other than land, are depreciated over the following useful lives using the straight-line method:

Buildings	50 years
Building improvements	20 years
Furniture and equipment	5 years

(h) Fair Value Measurements

Investments (note 3) and funds held by bond trustees are reported at fair value in the College's financial statements. Fair value represents the price that would be received upon the sale of an asset or paid upon the transfer of a liability in an ordinary transaction between market participants as of the measurement date. GAAP establishes a fair value hierarchy that prioritizes inputs used to measure fair value into three levels:

Level 1 Inputs that reflect unadjusted quoted prices or published net asset value (NAV) in active markets for identical assets or liabilities that the College has the ability to access at the measurement date.

Level 2 Inputs other than quoted or published prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 Inputs that are unobservable.

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 820, *Fair Value Measurement*, the College excludes from the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient.

(i) Collections

Collections at the College include works of art, literary works, historical treasures, and artifacts that are maintained in the College's library and buildings. These collections are protected and preserved for public exhibition, education, research, and the furtherance of public service and, therefore, are not recognized as assets on the balance sheets. The College does not sell its collections and any costs associated with purchasing additions to and maintaining these collections are recorded as operating expenses in the period in which the items are acquired.

(Continued)

(j) U.S. Government Grants Refundable

Funds provided by the U.S. government under the Federal Perkins and Nursing Faculty Loan programs are loaned to qualified students. These funds are ultimately refundable to the U.S. government and are presented in the accompanying balance sheets as a liability in funds held for others.

(k) Split-Interest Agreements

In fiscal years 2022 and 2021, the College's split-interest agreements with donors consist of charitable gift annuities (CGA), irrevocable charitable remainder trusts, perpetual trusts, and pooled life income funds (PLIF).

CGA and PLIF assets are reported in investments in the accompanying balance sheets. Assets from charitable remainder trusts and perpetual trusts are reflected as contributions receivable in the accompanying balance sheets. Contributions are recognized at the date the trusts or pooled life income funds are established at the present value of the estimated future cash flows expected to be received by the College. The College's interest in such split-interest gifts is adjusted annually for changes in the value of the assets, accretion of the discount, and other changes in the estimates of future benefits.

In addition, the College has the irrevocable right to receive income earned on two perpetual trusts at August 31, 2022 and August 31, 2021. The College's beneficial interest in the value of the trusts' assets is classified as net assets with donor restrictions. Changes in the value of the College's interest are recorded as changes in net assets with donor restrictions in the accompanying statements of activities.

(l) Operations

The accompanying statements of activities distinguish between operating and nonoperating activities. Nonoperating activities represent changes in net assets without donor restrictions other than annual fund contributions, investment return on endowments in excess of or less than the amounts authorized for spending by the Board (note 9) on those funds, pension and postretirement changes and net periodic benefit costs other than service costs (note 8), net assets released from donor restrictions for capital, and certain nonrecurring activities.

(m) Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates made in the preparation of the financial statements include the valuation of investments and accrued postretirement pension and other benefit obligations, the allocation of functional expenses, and the net realizable value of receivables. Actual results could differ from those estimates.

(n) Reclassifications

Certain amounts in the 2021 financial statements have been reclassified to conform to the 2022 presentation.

(Continued)

(o) Authoritative Accounting Pronouncements

In August 2018, the FASB issued Accounting Standards Update (ASU) 2018-14, *Compensation – Retirement Benefits – Defined Benefits Plans – General*. The new guidance changes the disclosures required for defined benefit pension and other postretirement benefit plans. Certain disclosures are no longer required, including the effect of a one-percentage-point change in the assumed healthcare cost trend rate on the aggregate of the service and interest cost components of net periodic benefit cost and on the benefit obligation for postretirement healthcare benefits. Additionally, new disclosures are required, including the reasons for significant gains and losses affecting benefit obligations. The College adopted ASU 2018-14 in fiscal year 2022, and there was no material impact on the College's financial statements.

In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. In January 2021, the FASB subsequently issued ASU No. 2021-01, *Reference Rate Reform* (Topic 848), to amend the scope of the original guidance. The collective guidance provides temporary optional guidance to ease the potential burden in accounting for reference rate reform due to the discontinuation of the London Interbank Offered Rate (LIBOR). The amendments apply to contracts, hedges, and other transactions affected by reference rate reform due to LIBOR or another reference rate expected to be discontinued. The standard is effective immediately and can be applied through December 31, 2022. The College assessed the impact of this transition across its investment holdings and related activity. The LIBOR exposure in the College's long-term investment portfolio is considered minimal. Benchmarks, manager fees, and underlying or indirect contracts associated with the portfolio are not expected to be materially impacted by the transition.

In September 2020, the FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new guidance requires not-for-profit entities to present contributed nonfinancial assets as a separate line item in the statements of activities, apart from contributions of cash and other financial assets, and disclose contributed nonfinancial assets. Not-for-profit entities are required to disclose the disaggregation of the amount of contributed nonfinancial assets, which is recognized within the statements of activities, by the category that depicts the type of contributed nonfinancial asset. The College adopted ASU 2020-07 in fiscal year 2022, and there was no material impact to the College's financial statements.

(3) Investments

The following tables present the fair value of the College's investments by type at August 31, 2022 and 2021:

	2022			
Asset	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash and money market funds	$ 37,052,162	—	—	37,052,162
Fixed income securities	428,844	—	—	428,844
Domestic common stock	41,674,840	—	—	41,674,840
Mutual funds:				
Bond mutual funds	9,331,480	—	—	9,331,480
Equity mutual funds	48,348,412	—	—	48,348,412
Exchange traded funds	140,022	—	—	140,022
Common trust funds	18,314,000	—	—	18,314,000
Nonpublic equity	10,250,250	—	—	10,250,250
	$ 165,540,010	—	—	165,540,010
Investments measured at NAV (or its equivalent):				
Nonpublic equity				201,962,480
Private equity				71,115,956
Real estate				16,380,250
Total investments measured at NAV (or its equivalent)				289,458,686
Total investments				$ 454,998,696

	2021			
Asset	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash and money market funds	$ 3,898,858	—	—	3,898,858
Fixed income securities	424,894	—	—	424,894
Domestic common stock	54,321,707	—	—	54,321,707
Mutual funds:				
Bond mutual funds	10,572,400	—	—	10,572,400
Equity mutual funds	65,616,572	—	—	65,616,572
Exchange traded funds	153,304	—	—	153,304
Common trust funds	33,812,673	—	—	33,812,673
Nonpublic equity	13,091,337	—	—	13,091,337
	$ 181,891,745	—	—	181,891,745
Investments measured at NAV (or its equivalent):				
Nonpublic equity				251,593,929
Private equity				56,532,650
Real estate				22,680,266
Total investments measured at NAV (or its equivalent)				330,806,845
Total investments				$ 512,698,590

Money market funds, fixed income securities, domestic common stock, mutual funds, exchange traded funds, and nonpublic equity are reported at fair value based upon quoted market prices or published NAV for investments in funds with characteristics similar to a mutual fund.

Common trust funds represent a pool of collective investment funds with underlying investments held in publicly traded stocks, bonds, or other securities. These funds are redeemable with two days' notice.

Investments measured at NAV or its equivalent include nonpublic equity, private equity, and real estate funds:

Nonpublic equities include funds whose underlying investments are publicly traded domestic and international equities and interests in limited partnerships and limited liability corporations that may employ both long and short strategies and invest in public equities, internationally developed and emerging markets, and other marketable securities. These interests have varying degrees of liquidity, generally ranging from monthly to annually with up to 90 days' notice, except for five funds with an approximate value of $34.4 million, which remain subject to lockup. Two of the funds with a fair market value of $4 million are illiquid and three funds, $30.4 million, have liquidity provisions from May 2023 through May 2024.

Private equity and real estate funds include interests in limited partnerships and limited liability corporations that invest in private equity buyouts, distressed credit opportunities, real estate, and other private equity strategies. Under the terms of certain limited partnership agreements, the College is obligated to periodically advance additional funding for these limited partnership investments. At August 31, 2022 and 2021, the College had outstanding commitments of approximately $57.9 million and $61.7 million, respectively. The College maintains sufficient liquidity in its investment portfolio to cover such calls. Such commitments, generally, have fixed expiration dates or other termination clauses through April 2035. These funds offer no redemptions.

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 their values will occur in the near term and that such changes could materially affect the amounts reported in the balance sheets.

Investments include approximately $2.0 million and $2.4 million of assets relating to split-interest agreements at August 31, 2022 and 2021, respectively.

The following summarizes the College’s total return on investments and its classification in the financial statements for the years ended August 31, 2022 and 2021:

		2022	2021
Dividends and interest, net	$	7,663,175	(1,630,325)
Net (depreciation) appreciation in fair value of investments		(57,397,784)	101,868,083
Investment fees and expenses		(4,564,829)	(4,716,021)
Net investment return		(54,299,438)	95,521,737
Investment return appropriated as operating – without donor restriction		20,457,966	17,974,328
Investment return reported as nonoperating and with donor restriction	$	(74,757,404)	77,547,409

(4) Allowances for Uncollectible Accounts and Loans Receivable

Student accounts and other receivables are reported net of an allowance for uncollectible amounts and a reserve for returned sales of approximately $718,000 and $849,000 at August 31, 2022 and 2021, respectively.

Student loans receivable are reported net of an allowance for uncollectible amounts of approximately $126,000 and $150,000 at August 31, 2022 and 2021, respectively.

(Continued)

(5) Grants and Contracts and Contributions Receivable, Net

Grants and contracts receivable consist of the following at August 31, 2022 and 2021:

		2022	2021
Amounts expected to be collected in:			
Less than one year	$	11,265,264	9,720,511
One to five years		4,049,856	3,757,087
	$	15,315,120	13,477,598

At August 31, 2022 and 2021, amounts due from three sponsors represent approximately 51% and 27% of the College's grants and contracts receivable, respectively.

Approximately 42% and 40% of grants and contracts revenue relates to activity with three sponsors in 2022 and 2021, respectively.

Contributions receivable consist of the following at August 31, 2022 and 2021:

		2022	2021
Unconditional promises expected to be collected in:			
Less than one year	$	4,268,332	5,751,087
One to five years		5,784,394	3,516,368
		10,052,726	9,267,455
Less:			
Allowance for uncollectible amounts		(142,500)	(1,000)
Discount to present value (at discount rates ranging from 0.28% to 3.3%)		(207,927)	(54,540)
		9,702,299	9,211,915
Interest in perpetual and other trusts, net		1,501,582	1,873,831
	$	11,203,881	11,085,746

At August 31, 2022 and 2021, three outstanding donor pledge balances represented approximately 56% and 46% of the College's gross contributions receivable, respectively.

Contributions from five donors represent 51% and 39% of contributions revenue in 2022 and 2021, respectively.

(6) Plant Assets, Net

Plant assets consist of the following at August 31, 2022 and 2021:

		2022	2021
Land	$	642,443	642,443
Buildings and improvements		157,306,620	154,852,777
Furniture and equipment		52,767,482	50,488,197
Under financing obligations with DASNY and other lenders:			
Land		50,000	50,000
Buildings and improvements		147,338,167	146,861,867
Furniture and equipment		12,056,022	12,056,022
		370,160,734	364,951,306
Less accumulated depreciation		(248,295,393)	(237,847,066)
Construction in progress		8,566,858	1,355,643
	$	130,432,199	128,459,883

Plant assets under finance leases with DASNY and other lenders, other than land, were fully depreciated as of August 31, 2022 and 2021, respectively.

(7) Long-Term Debt, Net

Long-term debt at August 31, 2022 and 2021 consists of the following:

		2022	2021
DASNY:			
Series 2012A Revenue Bonds, including unamortized bond premium of $0 and $2,222,895, respectively (a)	$	—	20,867,895
Series 2012B Revenue Bonds, including unamortized bond premium of $0 and $2,171,303, respectively (b)		—	32,531,303
Series 2017 Revenue Bonds, including unamortized bond premium of $3,711,296 and $3,935,202, respectively (c)		40,481,296	42,905,202
Series 2022 Revenue Bonds, including unamortized bond premium of $10,146,795 and $0, respectively (d)		61,056,795	—
Total debt outstanding		101,538,091	96,304,400
Less unamortized bond issuance costs		(1,434,917)	(1,310,877)
	$	100,103,174	94,993,523

(a) In April 2012, DASNY issued Revenue Bonds, Series 2012A (Series 2012A Bonds) in the amount of $30,115,000 on behalf of the College at a premium of $4,395,715. At August 31, 2021, the College had unamortized bond issuance costs of $354,196. In April 2022, the Series 2012A Bonds were legally defeased with proceeds from the DASNY issued Revenue Bonds, Series 2022 (Series 2022 Bonds) and are no longer outstanding.

(b) In May 2012, DASNY issued Revenue Bonds, Series 2012B (Series 2012B Bonds) in the amount of $30,360,000 on behalf of the College at a premium of $3,151,613. At August 31, 2021, the College had unamortized bond issuance costs of $437,979. In April 2022, the Series 2012B Bonds were legally defeased with proceeds from the Series 2022 Bonds and are no longer outstanding.

(c) In March 2017, DASNY issued Revenue Bonds, Series 2017 (Series 2017 Bonds) in the amount of $43,390,000 on behalf of the College at a premium of $4,925,908. The College used the proceeds from the Series 2017 Bonds to advance refund (legally defeased) the Series 2009 Bonds. The Series 2017 Bonds are due through 2039 with interest rates ranging from 3.0% to 5.0%. Payments toward principal began on July 1, 2018. Interest is payable semiannually on January 1 and July 1. In issuing the Series 2017 Bonds, the College incurred costs of $649,339, which have been deferred and are being amortized over the life of the related debt. At August 31, 2022 and 2021, the College had unamortized bond issuance costs of $489,188 and $518,702, respectively.

(d) In April 2022, DASNY issued the Series 2022 Bonds in the amount of $50,910,000 on behalf of the College at a premium of $10,286,770. The College used the proceeds from the Series 2022 Bonds to current refund (legally defease) the Series 2012A and Series 2012B Bonds and to finance capital improvements including roof replacements, classroom renovations and other capital projects. The Series 2022 Bonds are due through 2052 with interest rates ranging from 4.0% to 5.0%. Principal amounts are payable annually beginning on July 1, 2023. Interest is payable semiannually on January 1 and July 1. In issuing the Series 2022 Bonds, the College incurred costs of $958,776, which have been deferred and are being amortized over the life of the related debt. At August 31, 2022, the College had unamortized bond issuance costs of $945,729. The College recognized a gain on extinguishment of $3,423,833 with the refunding of the Series 2012A and 2012B Bonds. Assets earmarked as construction reserves have a fair market value of $4.7 million at August 31, 2022 and are primarily held in cash and U.S. Treasuries and are considered Level 1 in the fair value hierarchy.

Under the Loan Agreements with DASNY, the Series 2017 and 2022 Bonds are general unsecured obligations of the College and no interest or pledge of any revenues of the College were granted to DASNY as part of these bond issuances.

The DASNY bonds require compliance with certain nonfinancial debt covenants. The College is in compliance with such covenants as of August 31, 2022 and 2021.

The minimum annual payments for principal are as follows:

Year ending August 31:		
2023	$	2,405,000
2024		2,525,000
2025		2,605,000
2026		2,735,000
2027		2,870,000
Thereafter		74,540,000
Total principal payments		87,680,000
Unamortized bond premium		13,858,091
Less unamortized bond issuance costs		(1,434,917)
Total debt outstanding	$	100,103,174

Interest expense totaled approximately $4.1 million in 2022 and $3.8 million in 2021.

(8) Pension and Postretirement Benefit Plans

The College has a contributory defined contribution plan covering academic and professional employees. The College incurred expenses for the years ended August 31, 2022 and 2021 of approximately $7,960,000 and $7,948,000, respectively.

In addition, the College has a deferred compensation plan covering a select group employees. The amounts deferred under this plan are reported in inventories and other assets and funds held for others at August 31, 2022 and 2021.

The College also has a noncontributory defined benefit pension plan covering nonacademic union employees. Benefits under this plan are based on years of service and the employee’s regular remuneration averaged over the period of the highest five consecutive years during the last 10 years of service.

In addition, the College provides health insurance coverage to retired faculty and professional staff and their dependents. Faculty and professional staff hired before January 1, 2006 become eligible for these benefits if they are at least 55 years of age and have a minimum of 15 years of service. This plan was amended on June 16, 2010 whereby eligible professional staff who retire after August 31, 2011 and eligible faculty who retire after August 31, 2013 may participate in the plan, but will contribute to the plan based upon their age and years of service.

The following table provides information with respect to the defined benefit pension and postretirement benefit plans as of and for the years ended August 31, 2022 and 2021:

	Pension benefits		Postretirement benefits	
	2022	**2021**	**2022**	**2021**
Change in benefit obligation:				
Benefit obligation at beginning of year	$ 75,038,136	73,223,648	41,102,990	40,349,595
Service cost	2,202,038	2,318,636	151,760	256,173
Interest cost	2,097,433	2,112,273	1,083,856	1,167,868
Actuarial (gain) loss	(20,005,714)	18,244	(9,851,145)	640,608
Benefits paid	(2,810,782)	(2,634,665)	(1,322,453)	(1,311,254)
Benefit obligation at end of year	56,521,111	75,038,136	31,165,008	41,102,990
Change in plan assets:				
Fair value of plan assets at beginning of year	68,772,900	61,655,022	—	—
Actual return on plan assets	(14,378,824)	7,552,543	—	—
Employer contribution	2,400,000	2,200,000	1,627,411	1,513,070
Benefits paid	(2,810,782)	(2,634,665)	(1,627,411)	(1,513,070)
Fair value of plan assets at end of year	53,983,294	68,772,900	—	—
Funded status, recognized in the balance sheets	$ (2,537,817)	(6,265,236)	(31,165,008)	(41,102,990)

The decrease in the benefit obligation for the defined benefit pension plan was primarily driven by actuarial gains due to an increase in the discount rate and updated census data which were slightly offset by other actuarial losses mainly due to updates to the mortality table.

The decrease in the benefit obligation for the postretirement plan was primarily driven by an actuarial gain due to increase in the discount rate which was partially offset by other actuarial losses mainly due to updated claims data.

The following table provides the components of net periodic benefit cost recognized in the accompanying statements of activities:

		Pension benefits		Postretirement benefits	
		2022	**2021**	**2022**	**2021**
Operating:					
Service cost	$	2,202,038	2,318,636	151,760	256,173
Nonoperating:					
Interest cost		2,097,433	2,112,273	1,083,856	1,167,868
Expected return on plan assets		(3,414,199)	(3,061,645)	—	—
Amortization of prior service cost		—	7,757	—	—
Net loss recognized		—	237,816	779,371	1,183,333
Total nonoperating		(1,316,766)	(703,799)	1,863,227	2,351,201
Net periodic benefit cost	$	885,272	1,614,837	2,014,987	2,607,374

Accumulated amounts recorded in net assets without donor restrictions other than through net periodic benefit cost at August 31, 2022 and 2021 consist of the following:

		Pension benefits		Postretirement benefits	
		2022	**2021**	**2022**	**2021**
Net actuarial (gain) loss	$	(3,425,711)	(5,638,403)	230,721	(10,399,794)
	$	(3,425,711)	(5,638,403)	230,721	(10,399,794)

The following table provides the actuarial assumptions:

	Pension benefits		Postretirement benefits	
	2022	**2021**	**2022**	**2021**
Weighted average assumptions used to determine benefit obligations:				
Discount rate	5.06 %	2.90 %	5.01 %	2.82 %
Rate of compensation increase	4.00	4.00	—	—
Weighted average assumptions used to determine net periodic benefit cost:				
Discount rate	2.90	2.99	2.82	2.93
Expected return on plan assets	5.00	5.00	—	—
Rate of compensation increase	4.00	4.00	—	—

For measurement purposes, the annual rate of increase in the per capita cost of covered healthcare benefits is as follows:

	2022	**2021**
Assumed healthcare cost trend rates:		
Healthcare cost trend rate assumed for next year	6.76 %	6.93 %
Healthcare cost trend assumed to decline	3.75	3.75
Ultimate trend rate achieved	2044	2044

Other changes in plan assets and benefit obligations recognized in net assets without donor restrictions at August 31, 2022 and 2021 are as follows:

	Pension benefits		Postretirement benefits	
	2022	2021	2022	2021
Pension and postretirement changes other than net periodic benefit cost:				
Net (gain) loss	$ (2,212,691)	(4,472,654)	(9,851,145)	640,608
Amortization of prior service (cost) credit	—	(7,757)	—	—
Amortization of net loss	—	(237,816)	(779,371)	(1,183,333)
Total amount recognized in net assets without donor restrictions	$ (2,212,691)	(4,718,227)	(10,630,516)	(542,725)

The accumulated benefit obligation for the pension plan at August 31, 2022 and 2021 was $51,814,524 and $67,064,207, respectively.

Pension plan assets consist of an interest in a diversified fund, which is reported at NAV as determined and published by the fund manager and is reviewed by management for reasonableness. The fund is classified as Level 1 within the fair value hierarchy. The College's overall investment strategy is to provide liquidity to fund current benefit payments as well as to provide for long-term growth through appreciation. The target allocations for plan assets are 29% equity securities, 65% fixed income, and 6% other investment types.

As of August 31, 2022 and 2021, the diversified fund's composition was as follows:

	2022	2021
Cash	12 %	2 %
Domestic equities	11	16
International equities/emerging markets equities	14	18
Fixed income – domestic and international	55	56
Debt	—	3
Real estate	8	5
	100 %	100 %

The expected long-term rate of return on assets assumption is 5.0%. The assumption has been determined by developing expectations regarding future rates of return for the investment portfolio, with consideration given to the distribution of investments by asset class and historical rates of return for each individual asset class.

(Continued)

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid under the pension plan for the year(s) ending August 31:

2023	$ 3,341,778
2024	3,158,431
2025	3,247,779
2026	3,354,369
2027	3,411,652
2028–2032	18,273,709

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 has been reflected, assuming that the College will continue to provide a prescription drug benefit to plan participants that is at least actuarially equivalent to Medicare Part D and that the College will receive the federal subsidy.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid under the postretirement plan for the year(s) ending August 31:

	Expected benefits reflecting Medicare subsidy
2023	$ 1,768,629
2024	1,951,564
2025	2,054,766
2026	2,158,794
2027	2,228,200
2028–2032	11,596,067

(9) Net Assets

(a) Net Assets with Donor Restrictions

Net assets with donor restrictions include those subject to donor-imposed restrictions that will be met by either actions of the College or the passage of time, and net assets subject to donor-imposed restrictions that stipulate that the corpus of the gift be held in perpetuity, but permit the College to expend part or all of the income derived therefrom for general or donor-specified purposes.

Net assets with donor restrictions of purpose or time consist of the following:

	2022	2021
Endowment earnings for:		
Scholarships and financial aid	$ 27,122,219	43,774,982
Professorships and lectureships	28,755,119	39,632,525
Research and experimentation	41,351,755	50,106,081
Without restrictions and other	27,056,940	36,127,020
Other restrictions:		
Scholarships, fellowships, professorships, and lectureships	23,406,404	25,718,388
Research and training	15,596,359	20,821,788
Capital projects	5,865,656	250,000
Future periods	1,351,150	743,810
Total	$ 170,505,602	217,174,594

Net assets with donor restrictions of purpose or time include $163,516 and $230,963, respectively, of life income, annuity funds and charitable remainder trusts at August 31, 2022 and 2021.

Net assets restricted to investment in perpetuity at August 31, 2022 and 2021 are as follows:

	2022	2021
Scholarships and financial aid	$ 78,022,235	71,333,958
Professorships and lectureships	31,510,721	32,910,565
Research and experimentation	10,374,575	10,373,430
Other	31,971,343	30,788,585
Total	$ 151,878,874	145,406,538

Net assets restricted to investment in perpetuity include $1,965,644 and $2,521,124, respectively, of annuity funds, charitable remainder trusts and beneficial interests in perpetual trusts held in perpetuity at August 31, 2022 and 2021.

(b) Endowment Funds

The College's endowment consists of both donor restricted endowment funds and funds designated by the Board to function as endowments. Net assets associated with the endowment funds are classified and reported based on the existence or absence of donor imposed restrictions.

From time to time, the fair value of assets associated with an individual donor-restricted endowment fund may fall below the fund's historic dollar value.

At August 31, 2022, fifteen donor-restricted endowments with a total fair value of $8.4 million and a $8.8 million historic dollar value were underwater by approximately $347,000. There were no underwater funds at August 31, 2021.

The investment objectives for the College's endowment are to preserve the principal value of those funds, in both absolute as well as real terms, provide a stable source of perpetual financial support to endowment beneficiaries, and maximize over the long term, the total rate of return earned without assuming an unreasonable degree of risk. In connection with these investment objectives, the Board has adopted a spending policy. The amount available for spending is determined annually by applying a rate of 5% to the 16-quarter moving average of the fair value of the endowment.

The College has interpreted the New York Prudent Management of Institutional Funds Act (NYPMIFA) as allowing the College to appropriate for expenditure or accumulate so much of a donor-restricted endowment fund, as is deemed prudent for uses, benefits, purposes, and duration for which the endowment is established, subject to the intent of the donor as expressed in the gift instrument, absent donor stipulations to the contrary. As a result of this interpretation, the College has not changed the way net assets with donor restrictions in perpetuity are classified.

The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions in perpetuity is classified as net assets with donor restrictions for time or purpose until those amounts are appropriated for expenditure in a manner consistent with the standards of prudence prescribed by NYPMIFA.

The tables that follow present information with respect to the College's endowment. Endowment net assets consist of the following at August 31, 2022 and 2021:

		August 31, 2022		
		Without donor restrictions	With donor restrictions	Total
Donor restricted	$	—	273,663,921	273,663,921
Board-designated		174,320,065	—	174,320,065
Total	$	174,320,065	273,663,921	447,983,986

		August 31, 2021		
		Without donor restrictions	With donor restrictions	Total
Donor restricted	$	—	309,984,733	309,984,733
Board-designated		198,675,497	—	198,675,497
Total	$	198,675,497	309,984,733	508,660,230

Changes in endowment net assets during the fiscal years ended August 31, 2022 and 2021 are as follows:

		2022		
		Without donor restrictions	With donor restrictions	Total
Net assets, August 31, 2021	$	198,675,497	309,984,733	508,660,230
Dividends and interest		2,172,871	3,411,176	5,584,047
Contributions		16,680	9,033,763	9,050,443
Transfers to quasi		5,000,000	—	5,000,000
Appropriation for expenditure		(7,858,552)	(12,066,884)	(19,925,436)
Investment return, net		(23,686,431)	(36,698,867)	(60,385,298)
Net assets, August 31, 2022	$	174,320,065	273,663,921	447,983,986

		2021		
		Without donor restrictions	With donor restrictions	Total
Net assets, August 31, 2020	$	129,789,534	254,741,347	384,530,881
Dividends and interest		974,658	1,520,717	2,495,375
Contributions		9,000	6,270,520	6,279,520
Transfers to quasi		40,335,200	—	40,335,200
Appropriation for expenditure		(6,230,853)	(11,492,604)	(17,723,457)
Investment return, net		33,797,958	58,944,753	92,742,711
Net assets, August 31, 2021	$	198,675,497	309,984,733	508,660,230

(10) Student Tuition and Fees

Tuition and fees and room and board revenues are recognized in the fiscal year in which the academic programs and residential services are delivered. Amounts collected in advance of such revenue recognition are deferred. A full refund is issued to students who drop courses by a preestablished add/drop date each semester. Partial refunds are issued during the next four to six weeks of a semester. Student tuition and fees are presented net of amounts awarded to students to defray their cost of attending the College. Student aid totaled $34,858,930 and $31,994,863 in fiscal years 2022 and 2021, respectively.

(11) Fund-Raising Expenses

Fund-raising expenses are included in institutional support in the accompanying statements of activities. For the years ended August 31, 2022 and 2021, fund-raising costs incurred by the College’s development office for contributions and certain private grants and contracts amounted to approximately $3.9 million and $3.8 million, respectively.

(12) Deferred Revenues

Deferred revenues consist of the following at August 31, 2022 and 2021:

		2022	2021
Federal and private grants	$	4,502,466	5,522,327
Student tuition		11,926,243	13,065,478
Other		574,712	449,113
	$	17,003,421	19,036,918

(13) Commitments and Contingencies

(a) Government Funding

Amounts received and expended by the College under various federal and state programs are subject to audit by governmental agencies. In the opinion of management, audit adjustments, if any, would not have a significant effect on the financial position of the College.

(b) Line of Credit

The College has a credit arrangement with a bank that provides for a line of credit, up to $20 million through June 2023, which was not drawn upon during the year ended August 31, 2022. Borrowings under the line of credit facility will bear interest at the greater of the Bloomberg Short-Term Bank Yield Index (BSBY) Daily Floating Rate plus 0.65%, or 0.65%. Additionally, the College has an agreement with a bank for an annual letter of credit up to $300,000 required under an insurance policy, which automatically renews September of each year unless the issuing bank provides termination notification. The College has not drawn from the letter of credit.

(c) Litigation

The College, in the normal course of its operations, is a defendant in various lawsuits. While it is not feasible to predict the ultimate outcomes, management of the College does not expect the resolution of these actions to have a material adverse effect on the College's financial position.

(Continued)

(14) Liquidity

Financial assets available within one year of the balance sheet date for general expenditures, payments on debt, and capital construction at August 31, 2022 and 2021:

		2022	2021
Total assets	$	682,393,811	726,324,570
Plus:			
Subsequent fiscal year endowment spending		19,665,335	18,938,381
Less:			
Contributions receivable, net		7,308,549	7,441,806
Grants and contracts receivable due in greater than 1 year		4,049,856	3,757,087
Inventories, prepaid expenses, and other assets		3,256,520	2,818,138
Endowment funds		447,983,986	508,660,230
Investments (CGAs and PLIF)		2,005,066	2,382,437
Student loans receivable, net		2,947,138	2,615,082
Property, plant and equipment, net		130,432,199	128,459,883
Total financial assets available at year-end for general expenditures		104,075,832	89,128,288
Other liquid resources:			
Board-designated endowment, net of related future fiscal year spending		166,639,063	190,964,079
Unexpended line of credit		20,000,000	20,000,000
Total financial assets and other liquid resources available for general expenditures	$	290,714,895	300,092,367

The College manages its financial assets to be available as its operating expenditures, liabilities, and other obligations come due. The College's cash flows have seasonal variations during the fiscal year primarily attributable to the student tuition, fees, and housing billing cycles. In order to manage liquidity, the College maintains a revolving unexpended line of credit with a financial institution totaling $20 million. As of August 31, 2022, the College did not borrow under this agreement.

Included within endowment funds is $174 million and $199 million of board-designated funds as of August 31, 2022 and 2021, respectively. These funds represent unrestricted operating funds internally designated by the Board. Although the College does not intend to spend from these funds, if needed, the funds could be liquidated over time to support operations, but require a Board resolution approving the spending.

Under the provision of the College's endowment spending rule, the Board approved a spending allocation of $19.7 million and $18.9 million for the fiscal years ending August 31, 2022 and 2021, respectively.

(15) Related Parties

As part of the College's recurring business practices, an assessment of activities and transactions are completed to evaluate related party relationships. Transactions between the College and any of its trustees, officers or employees are subject to the College's conflict of interest policies, which require annual disclosure of conflicting interests, include measures to mitigate any actual or perceived conflicts and can result in abstention by the conflicted persons from College decision making. Additionally, the College reviews and evaluates transactions to determine if there are any financially interrelated entities or parties providing concentrations in revenue and receivables. Approximately $5 million and $2.9 million, respectively, of fiscal year 2022 and 2021 contribution revenue is from the College's trustees and other related parties.

The Columbia Teachers College Foundation in Hong Kong Limited is a Hong Kong domiciled not for profit foundation 100% controlled by the College. The Foundation was created for purposes of soliciting donations for the advancement of education and related College activities.

(16) Subsequent Events

The College evaluated other events subsequent to August 31, 2022 and through December 15, 2022, the date on which the financial statements were issued, and has determined there are no additional disclosures.