

The Trustees of Princeton University

Supplemental Financial and Operational Information For Year Ended June 30, 2024

(As updated from Official Statement, Appendix A)

December 2024

PRINCETON UNIVERSITY

General

Princeton University (the "*University*") is a private, not-for-profit, non-sectarian institution of higher learning. When Princeton University was chartered in 1746 as The Trustees of the College of New Jersey, it became the fourth college in British North America. It was renamed Princeton University in 1896. Originally located in Elizabeth, New Jersey, and later located in Newark, New Jersey, the school was moved to Princeton, New Jersey, in 1756.

Midway between New York and Philadelphia, the University has expanded considerably since its early years. It now covers over 2,500 acres, of which about 600+ acres comprise Princeton's main campus. The Forrestal campus, located approximately three miles from the main campus in Plainsboro Township, contains mostly support and research facilities. The University has approximately 14 million gross square feet of building space on- and off-campus: over 36% for academic buildings including the Firestone Library, about 29% for administrative and athletic facilities, about 28% for dormitories and graduate housing and about 3% for off-campus housing and about 3% for commercial real estate properties.

As of the fall of 2024, the student body numbers 5,726 undergraduates and 3,324 graduate students. The University grants degrees to graduate students in 45 departments that admit graduate students into 55 separate programs, and awards undergraduate degrees in 37 majors, or an independent major. Undergraduates may also choose to pursue further study in 59 minor programs and 11 interdisciplinary certificate programs. The University offers instruction in the liberal arts and sciences along with professional programs of the School of Architecture, the School of Engineering and Applied Science and the School of Public and International Affairs. The faculty numbers approximately 1,315, including part-time appointments.

Governance and Administration

The University is governed by a Board of Trustees (the "*Trustees*") whose number, unless otherwise approved by the board, is set at not fewer than twenty-three nor more than forty, with two members *ex officio* (the Governor of the State of New Jersey and the President of the University), not more than twenty-one Charter Trustees, not fewer than four nor more than ten Term Trustees, and not more than thirteen Alumni Trustees. As of July 1, 2024, the Trustees are as follows:

Ex Officio

Christopher L. Eisgruber
President of the
University

Philip D. Murphy
Governor of the State of New Jersey

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The principal trustee committees are the Executive Committee, the Committee on Finance, the Audit and Compliance Committee, the Committee on Grounds and Buildings, the Committee on Academic Affairs, the Committee on Student Life, Health and Athletics, and the Committee on Advancement. The Committee on Finance is responsible for the financial management and budgeting of the University. In April 1987, the responsibility for day-to-day oversight of the University's investment portfolio was delegated to the directors of the Princeton University Investment Company ("*PRINCO*"). The directors of PRINCO are responsible to the Trustees for the management of the portfolio, reporting directly to the Committee on Finance. PRINCO has a twelve-member Board of Directors. Eight members are elected; the President and the Vice President for Finance and Treasurer of the University, the President of PRINCO and the Chair of the Committee on Finance serve as *ex officio* members. Vince Tuohey is the President of PRINCO and Bob Peck is the Chair of its Board of Directors.

The policies of the Trustees are carried out under the direction of the President of the University, Christopher L. Eisgruber. Among the other principal officers of the University are the Provost – Jennifer Rexford; Executive Vice President – Katie Callow-Wright; Vice President for Finance and Treasurer – James S. Matteo; Vice President and Secretary – Hilary A. Parker; Vice President for Advancement – Kevin J. Heaney; Vice President for Facilities – KyuJung Whang; and Vice President and General Counsel – Ramona E. Romero.

A brief description of each of these University Officials, including the President of PRINCO, follows:

Christopher L. Eisgruber has served as the University's 20th president since July 2013. He is the Laurance S. Rockefeller Professor of Public Affairs in the Princeton School of Public and International Affairs and the University Center for Human Values. Before becoming president, he served as Princeton's provost from 2004 – 2013 and as director of Princeton's Program in Law and Public Affairs from 2001 – 2004. A renowned constitutional scholar, he is the author of *The Next Justice: Repairing the Supreme Court Appointments Process* (Princeton 2007), *Religious Freedom and the Constitution* (co-authored with Lawrence G. Sager, Harvard 2007) and *Constitutional Self-Government* (Harvard 2001), as well as numerous articles in books and academic journals. He is a member of the American Academy of Arts and Sciences. Before joining the Princeton faculty in 2001, he clerked for Judge Patrick Higginbotham of the United States Court of Appeals for the Fifth Circuit and for Justice John Paul Stevens of the United States Supreme Court, and then served on the faculty of the New York University School of Law for eleven years. President Eisgruber received an A.B. magna cum laude in physics from Princeton, an M.Litt. in politics from Oxford University, and a J.D. from the University of Chicago Law School. He serves as chair of the Association of American Universities (AAU) Board of Directors, on the steering committee of the American Talent Initiative (ATI), and on the Education for Seapower Advisory Board.

Jennifer Rexford was appointed Provost effective March 13, 2023. As provost, Jennifer Rexford ensures the continued vitality of Princeton's academic mission and its long-term financial security. Professor Rexford is the Gordon Y.S. Wu Professor in Engineering and a 1991 graduate of Princeton with a B.S.E. in electrical engineering. After completing her Ph.D. in electrical engineering and computer science at the University of Michigan in 1996, she worked as a researcher at AT&T Labs for more than eight years, creating techniques deployed in the company's backbone networks. Following her years in industry, Jen joined Princeton's Department of Computer Science as a full professor in 2005. She received her named professorship in 2012, became acting chair of computer science in 2013 and was named chair in 2015. Her research focuses on computer networking, with the larger goal of making the Internet worthy of society's trust. She is an affiliated faculty member in electrical and computer engineering, operations research and financial engineering, applied and computational mathematics, gender and sexuality studies, Center for Information Technology Policy, High Meadows Environmental Institute and Princeton Institute for Computational Science and Engineering. She is a member of the National Academy of Sciences, American Academy of Arts and Sciences and National Academy of Engineering.

Katie Callow-Wright was appointed Executive Vice President of the University effective July 24, 2023. Prior to coming to Princeton, she served as the University of Chicago's executive vice president from 2020 to 2023 after two decades of service there in other senior administrative

roles, including assistant vice president for campus life, assistant dean of the college, and chief of staff in the Office of the President. Ms. Callow-Wright's experience in higher education also includes previous appointments in student life at Baldwin Wallace College and Colorado College. She holds a bachelor's degree in economics from DePauw University and a master's degree in education from Bowling Green State University.

Jim Matteo was appointed Vice President for Finance and Treasurer effective February 2019 and is Princeton's chief financial officer. He oversees the offices of Treasury Services, Risk Management, Planning, Budget and Analysis, Controller, Financial Services (including procurement and bursar), Finance Technology, and Finance Administration. He is an ex officio member of the Princeton University Investment Company board and a member of the Princeton University Press board. Before coming to Princeton, Mr. Matteo was the University of Virginia's associate vice president and treasurer. Prior to that he worked in the internal audit and finance divisions at PPL Corporation. Matteo is a trustee of Bryn Mawr College, a board member of the National Association of College and University Business Officers (NACUBO), and the former board chair of the Treasury Institute for Higher Education. He has served on NACUBO's Research Universities Council, Awards Council, and the advisory board for the NACUBO-Commonfund Study of Endowments. Matteo holds a B.S. in Finance from Penn State University and an MBA from Moravian University. He is a Certified Treasury Professional (CTP) and a Certified Management Accountant (CMA).

Hilary A. Parker was appointed Vice President and Secretary of the University effective July 1, 2019. In this capacity, she has administrative responsibility for the Board of Trustees of the University; serves as a senior adviser to the president; oversees the Office of Community and Regional Affairs and the Office of State Affairs; oversees the official convocations of the University; and manages a range of projects related to the University's strategic initiatives, major development priorities, and presidential outreach. Prior to her appointment as Vice President and Secretary, Ms. Parker served as assistant vice president and chief of staff in the Office of the President and also previously worked in the Offices of the Executive Vice President, the Dean for Research, and the School of Engineering and Applied Science at the University. Before joining the University administration, she was a writer and science teacher in central New Jersey. She earned her bachelor's degree in ecology and evolutionary biology from Princeton in 2001 and also holds a master of arts in teaching degree from The College of New Jersey.

Kevin J. Heaney was appointed the University's first Vice President for Advancement on November 19, 2016. In this role, he leads the University's alumni engagement and fundraising efforts in support of its mission. Heaney previously served as Acting Vice President for Development starting in March 2016 and joined Princeton in 2015 as Deputy Vice President for Development. Prior to his time at Princeton, he spent nearly a decade at Oregon State University Foundation, where he held leadership roles including Vice President for Constituent and Central Development Programs and Deputy Campaign Director. Heaney's extensive career also includes development positions at Georgetown University, Johns Hopkins University, and Harvard University. He holds a B.A. from the University of Cincinnati, an M.A. from Columbia University, and a J.D. from Boston College Law School.

KyuJung Whang was appointed Vice President for Facilities of the University effective January 2017. Prior to his appointment he led Cornell University's Division of Infrastructure, Properties and Planning which encompasses all the traditional facilities functions as well as Cornell Real Estate, the Office of Sustainability, and Transportation and Mail Services. Mr. Whang has been a licensed architect and professional planner since graduating from Syracuse University in 1981 with a Bachelors of Architecture degree. He has extensive backgrounds in capital project management, facilities management and campus planning in the private and public sectors. He previously served as the Vice President for Facilities and Capital Planning at Rutgers University. Mr. Whang currently serves as a board member for the Trenton Area Soup Kitchen. He previously served as a board member for Princeton Community Housing, the Princeton Plasma Physics Laboratory (PPPL), Association for the Advancement of Sustainability in Higher Education (AASHE), and both the New Jersey and New York State Boards of Architecture.

Ramona E. Romero is Vice President and General Counsel of the University. Ms. Romero was appointed to this position effective December 1, 2014. Previously, Ms. Romero served as General Counsel of the United States Department of Agriculture (USDA). As the USDA's chief legal officer, she collaborated with the White House, the Department of Justice and other federal agencies. She also interacted with Congress and led the USDA Office of Ethics. Before joining the USDA, Ms. Romero served in a series of roles as a lawyer at E.I. DuPont de Nemours & Co. in Wilmington, Delaware. She spent the first decade of her career as a litigator in Washington, D.C. Ms. Romero earned a B.A. from Barnard College and a J.D. from Harvard Law School.

Vince Tuohey became president of the Princeton University Investment Company (Princo) on May 23, 2024. Prior to joining Princeton, he was an investment director at the Massachusetts Institute of Technology Investment Management Company (MITIMCo). At MITIMCo, he managed a multi-billion-dollar portfolio of funds and direct investments across multiple asset classes, including private equity, venture capital, public equity, hedge funds, commodities, and real estate. Before working for MITIMCo, he was on the investment team at Littlejohn & Co., a private equity and distressed debt investment firm. Tuohey earned his M.B.A. from Harvard Business School, an M.Phil. from the University of Cambridge and a bachelor's degree in economics from Harvard University, which he attended on an Army ROTC scholarship. He served as an officer in the U.S. Army from 2002 to 2006, where he led reconnaissance units in combat in Iraq. Tuohey serves on the board of advisors for the Museum of Fine Arts in Boston and is a member of its investment committee and audit committee. He is also a member of the investment committee for the Buckingham Browne & Nichols School (BB&N), a private PreK-12 school in Cambridge, Massachusetts. He is a former term member of the Council on Foreign Relations.

Academic Programs and Facilities

The University is a relatively small university that combines many of the advantages of a small liberal arts college with those of a large research-oriented university. As measured by

enrollment, the University is smaller than most major research universities, yet its faculty is one of the most distinguished in the world and its research activities are internationally recognized.

The University offers two undergraduate degree programs: the Bachelor of Arts and the Bachelor of Science in Engineering. Programs of study in the humanities, the natural sciences and the social sciences lead to the Bachelor of Arts degree, and students choose to concentrate their studies in one of thirty-one different departments. The Bachelor of Science in Engineering degree is offered in the departments of Chemical and Biological Engineering, Civil and Environmental Engineering, Operations Research and Financial Engineering, Electrical and Computer Engineering, Computer Science and Mechanical and Aerospace Engineering.

The Graduate School comprises 45 degree granting academic departments and programs offering over 60 areas of concentration. Fields of study leading to doctorate degrees are offered in humanities, social and natural sciences, engineering, architecture and public affairs. In addition, the Graduate School offers courses of study leading to the degrees of Master of Architecture, Master of Arts in Near Eastern Studies, Master in Public Affairs, Master in Public Policy, Master of Engineering, Master of Finance and Master of Science in Engineering. The Master of Arts and Master of Fine Arts (music only) are incidental degrees for which doctoral students may apply after passing the appropriate department requirements.

The University is accredited by the Middle States Commission on Higher Education. It also has professional accreditation from the National Architectural Accreditation Board and the Council for the Accreditation of Educator Preparation. Programs of study in aerospace engineering, chemical engineering, civil engineering, electrical engineering, and mechanical engineering are accredited by the Engineering Accreditation Commission of ABET.

The University is a member of roughly forty organizations focused on advancing higher education, research, scholarship, and community engagement. Most organizations are national in scope including the Association of American Universities and the Consortium on Financing Higher Education. A smaller number of organizations are regional including the Association of Independent Colleges and Universities in New Jersey, and the Chamber of Commerce of the Princeton Area. In addition to the memberships managed by the central administration, many departments are members of local, national, and international associations.

The Princeton University Library is one of the world's leading research libraries. Its holdings include more than ten million printed volumes, five million manuscripts, two million non-print items and extensive collections of digital text, data and images. The Library employs more than 300 staff members working in a large central library (Firestone Library), nine branch libraries and three storage facilities.

Faculty

The University consists of a single faculty that teaches both the graduate and undergraduate levels. There are 1,084 full-time faculty members with the titles Professor, Associate Professor, Assistant Professor, Instructor, Senior Lecturer, Professor of the Practice, University Lecturer, and Lecturer. In addition, approximately 156 people each year are appointed to the positions of part-

time faculty (excluding visiting faculty). Including all faculty, there is one faculty member for every five students (graduate plus undergraduate).

Approximately 61% of the University's full-time faculty is tenured. The University has generally followed a policy of not paying the academic year salaries of its tenured faculty members with sponsored research funds. Although there are certain exceptions to this policy, the University has been generally successful in allocating other funds to support faculty positions, including endowment earnings and tuition revenues. This policy is specifically designed to protect the University's instructional program from the inevitable fluctuations in federal support for sponsored research.

The table below sets forth the full-time equivalent faculty in the current year and in the last four academic years:

Full-Time Equivalent Faculty

Academic Year	Tenured	Non-Tenured on Tenure Track	Other Non-Tenured	Total
2020 – 21	619	181	198	998
2021 – 22	619	190	198	1,007
2022 – 23	617	190	212	1,019
2023 – 24	633	190	229	1,052
2024 – 25	665	180	239	1,084

Note: Totals may not add due to rounding.

Student Enrollments

The University places primary emphasis on undergraduate education within the setting of a major research university. The following table provides data on student enrollments and the number of degrees awarded in the current academic year and in the last four academic years:

Academic Year	Enrollments			Degrees Awarded	
	Undergraduate	Graduate	Total	Bachelor	Advanced
2020 – 21	4,688	3,079	7,767	1,175	898
2021 - 22	5,240	3,157	8,397	1,257	1,127
2022 - 23	5,540	3,238	8,778	1,284	1,106
2023 – 24	5,598	3,251	8,849	1,324	1,058
2024 - 25	5,726	3,324	9,050		

Note: Totals may not add due to rounding.

The University's students come from every section of the country, with students from each of the fifty states represented in the student body almost every year. The retention rate for students from their first-year to sophomore year is 98% in 2024-25. The 6-year graduation rate is approximately 97.6%.

The table below sets forth the recent undergraduate applicants to the University, the number of such applicants admitted by the University and the resulting enrollment number:

Undergraduate Application & Enrollment*

Academic Year of Matriculation	Completed Applications	Total Admitted	Selectivity Rate	Total Enrolled	Yield Rate**
2020 – 21	32,835	1,848	6%	1,154	62%
2021 – 22	37,601	1,647	4%	1,346*	67%
2022 – 23	38,019	2,167	6%	1,499	69%
2023 – 24	39,644	1,782	5%	1,366	75%
2024 – 25	40,468	1,868	5%	1,410	76%

* 2021-22 enrolled counts include 55 students that previously enrolled in Fall 2020, took a leave of absence, and returned to enroll in Fall 2021. Historically, returning students have not been included in enrolled counts, but given the unique circumstances of that year, they are including them with our enrolled counts for 2021-22.

** Beginning with 2021-22, the University is using a modified formula to calculate yield percentage. The new formula will include students deferring enrollment to a future term as part of the yield rate and exclude previous year deferrals from the yield rate.

The average freshman typically scores in the top 5% of the high school seniors who annually take the College Entrance Examination Board's SAT. The middle 50% of the fall 2024 freshman class scored between 740 and 780 on the evidence-based reading and writing section of the SAT and between 770 and 800 on the math section. 96.3% of the entering students had a GPA of 3.6 or higher in their high school careers. A significant percentage of Princeton graduates pursue graduate and professional education. In recent years, roughly 23% of each senior class has planned to attend graduate or professional school after graduation from the University.

The table below sets forth the annual first generation and Pell grant eligible students for each incoming class:

Percentage of Incoming Class
First Generation, Pell Grant Recipients

	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
First Generation	15.6%	17.8%	17.0%	17.4%	16.3%
Pell Grant Recipients	19.3%	21.6%	20.7%	22.3%	21.7%

For the 2023-24 academic year, approximately 20% of the entire student body will receive Pell grants.

The table below sets forth applications and acceptance statistics for the graduate school:

Graduate Applications & Acceptances*

Academic Year of Matriculation	Completed Applications	Total Admitted	Total Enrolled
2020 – 21	12,553	1,322	672
2021 – 22	14,343	1,268	675
2022 – 23	13,607	1,443	748
2023 – 24	14,577	1,369	742
2024 – 25	19,931	1,465	773

*Excludes visitors and non-degree candidates.

Tuition and Fees

The full-time tuition charge for the 2024 – 2025 academic year is \$62,400 for both the undergraduate and graduate students. The table below provides a five-year summary of annual tuition rates:

Academic Year	Tuition Rate (\$)
2020 – 21	53,890*
2021 – 22	56,010
2022 – 23	57,410
2023 – 24	59,710
2024 – 25	62,400

*Represents the approved tuition rate prior to the pandemic. The University subsequently discounted the tuition rate for all undergraduate students in FY21 by 10%, to \$48,501.

In addition, the approved standard room rate for undergraduates for the 2024–25 academic year is \$11,910 and the board rate is \$8,340.

For graduate students, the average room rate is \$8,315 and the average board rate is \$3,758.

Financial Aid

As a matter of policy, the University's undergraduate admission decisions are made without any consideration of a student's financial need, and all admitted students who have demonstrated financial need are provided the financial aid they require. The formulas for determining student and parental contributions were substantially liberalized for all classes entering in 1998 and subsequent years. Starting with fiscal year 2002, the Trustees approved further significant expansions in aid for undergraduate and graduate students, including the elimination of any loan requirement for all undergraduate aid students. Another pathbreaking change in financial aid methodology was approved and introduced starting in fiscal year 2024. The University has been able to sustain its commitment to financial aid for several reasons. First, financial aid is given a

high priority in the University's annual budgeting process. Second, alumni and other benefactors have been especially generous in providing endowment support for the financial aid program; earnings from the endowment are expected to provide approximately \$196 million for undergraduate scholarships in fiscal year 2025. Third, state and federal student aid programs complement the funds the University itself has provided in this area. The University expects to meet all of its commitments to students, using University funds as necessary in order to continue to admit students, without consideration of financial need.

Approximately 67% of the current undergraduate student body receives need-based financial aid from the University or from outside sources. In fiscal year 2025, a total of \$283 million is projected for undergraduate scholarship aid. State and federal government funds account for 3% of this figure, and outside scholarships (such as National Merit awards and other similar scholarships supported by non-University groups) and restricted gifts and trusts make up another 3% of the total. The remaining 94% is provided from income earned on restricted and designated scholarship endowment funds and from general University funds, including unrestricted central endowments.

Graduate student aid is substantial and awarded largely on the basis of merit. In fiscal year 2025, approximately \$341 million is projected for this purpose, including research and teaching assistantships. This total reflects expanded support for first-year fellowships in engineering and the natural sciences and summer support for students in the humanities and social sciences, both of which began in fiscal year 2002, along with the major step increase in graduate student stipends that took effect in fiscal year 2023.

Alumni

Princeton University alumni have contributed with leadership and distinction to many fields of human endeavor. Its alumni include Presidents of the United States, distinguished public servants and diplomats, Nobel Prize winners in several academic fields, outstanding writers, and recognized leaders in business, law and finance. The University has assisted in the education of talented and diverse individuals from throughout the country and the world. At present, the University has approximately 97,000 living alumni with the greatest concentrations in New York, California, New Jersey, Massachusetts, and Pennsylvania.

Fundraising

For the fiscal years 2020 through 2024, the University has received an average of \$430 million per year in gifts from alumni and other supporters of the University, not including the substantial support provided by the federal government for sponsored research and student aid. Support from alumni, corporations and foundations is generally used for capital projects or is added to the University's endowment, and substantial sums, primarily from the University's Annual Giving campaign, are included in the annual operating budget.

For the year ended June 30, 2024, private gifts and grants totaled \$361.9 million, while the present value of outstanding pledges at year-end is \$258 million. Annual Giving for fiscal year 2024 was \$66.7 million, with 45% participation by undergraduate alumni.

Financial Statements

The University presents its consolidated financial statements in accordance with the reporting and accounting standards established by the Financial Accounting Standards Board for not-for-profit organizations. Under these standards, resources are grouped into separate classes of net assets based on the existence or absence of donor-imposed use and/or time restrictions. Net assets that have similar characteristics are combined into one of the net asset classes briefly described below:

Net assets without donor restrictions are derived from gifts and other institutional resources that are not subject to explicit donor-imposed restrictions. This category also includes income and gains or losses on these funds.

Net assets with donor restrictions are generally established to fund specific purposes such as professorships, research, faculty support, scholarships and fellowships, athletics, library and art museum, building construction and other donor-specified purposes. Net assets with donor restrictions include donor-restricted gifts, pledges, trusts and remainder interests, and income and gains that can be expended but for which restrictions have not yet been met or that are required to be permanently retained. Such restrictions include purpose restrictions and time restrictions imposed by donors or implied by the nature of the gift, or by the interpretations of law. Restrictions are normally released upon the passage of time or the incurrence of expenditures that fulfill the donor-imposed purpose. Investment earnings are spent for general or specific purposes in accordance with donor wishes, based on the University's endowment spending rule.

The financial statements of the University include the Consolidated Statements of Financial Position as of June 30, 2024 and 2023, and the Consolidated Statements of Activities and the Consolidated Statements of Cash Flows for the years ended June 30, 2024 and 2023. The University's consolidated financial statements include the accounts of its wholly-owned subsidiaries, foundation, and investments controlled by the University.

The Consolidated Statement of Activities reflects the annual change in the amount and nature of the University's net assets. The following selected financial data for the five years ended June 30, 2024 are derived from the audited consolidated financial statements of the University. The data should be read in conjunction with the audited consolidated financial statements and related notes.

<i>(in \$ thousands)</i>	As of June 30, 2020	As of June 30, 2021	As of June 30, 2022	As of June 30, 2023	As of June 30, 2024
Operating activities:					
Total revenues	\$2,173,076	\$2,162,491	\$2,357,149	\$2,489,634	\$2,609,708
Total expenses	<u>(1,796,225)</u>	<u>(1,839,930)</u>	<u>(1,999,188)</u>	<u>(2,263,259)</u>	<u>(2,468,072)</u>
Net increase	\$376,851	\$322,561	\$357,961	\$226,375	\$141,636
Non-operating activities:					
Net increase (decrease)	\$15,171	\$10,661,037	\$(1,634,060)	\$(2,000,794)	\$(191,285)
Change in non-controlling interest	<u>(8,388)</u>	<u>22,656</u>	<u>509</u>	<u>6,368</u>	<u>(45,559)</u>
Increase (decrease) in net assets	<u>\$383,634</u>	<u>\$11,006,254</u>	<u>\$(1,275,590)</u>	<u>\$(1,768,051)</u>	<u>\$(95,208)</u>

Note: Totals may not add due to rounding.

From fiscal year 2020 to fiscal year 2024, total revenues increased from approximately \$2.2 billion to \$2.6 billion. Over the same five-year period, total expenses increased from approximately \$1.8 billion to \$2.5 billion.

Operating activities include sources of revenue such as tuition, gifts and grants, auxiliary activities and investment income made available for spending pursuant to the University's spending rule. The costs and expenses necessary to meet the University's education and research mission are deducted from operating revenue. Non-operating activities include all investment income (less the amount made available for spending), including realized and unrealized gains, the present value of promises to give, certain contributions subject to donor-imposed restrictions, and other non-recurring activities.

The Consolidated Statement of Activities is designed to illustrate an organization's financial performance over a period of time, generally twelve months, and reflects the University's ability to meet its annual operating costs and expenses from current revenues. Explanations of the major revenue and expense categories in the Statement are given in the following paragraphs.

Tuition and Fees represent an important source of the University's income. Revenue from tuition and fees are presented at transaction prices, which typically are determined based on standard published rates for the services provided, less any institutional financial aid awarded by the University to qualifying students. For fiscal year 2025, the overall tuition and fee package rate increase is 4.5% on the base rates.

Government Grants and Contracts represent another important source of University income. Approximately 47% of the funds were for the Princeton Plasma Physics Laboratory. Although the bulk of total grant receipts comes from the federal government, the State of New Jersey contributed approximately \$1.5 million in fiscal year 2024 for a variety of specific purposes.

In addition to funds for direct research expenditures on federal government grants and contracts, the University is permitted to recover indirect costs for a percentage share of administrative costs, library expenditures, maintenance of the physical plant and similar items that are essential components of the University's operations, and therefore are necessary to conduct research. These facilities and administrative recoveries totaled approximately \$78 million of revenues in fiscal year 2024.

Private Gifts, Grants and Contracts consist of two major components: support for particular projects sponsored by foundations, corporations or individuals; and spendable gifts and grants, including the University's Annual Giving campaign. Gift revenues include amounts that are with and without restrictions imposed by donors. Under FASB Accounting Standards Codification 958-310, *Not-for-Profit Entities-Receivables*, unconditional promises to give are recognized as revenues in the year made, not in the year in which the cash is received, and the amounts are present-valued based on expected collections.

Sales and Services of Auxiliary Activities include revenues from dormitory and dining services, less any institutional financial aid awarded by the University to qualifying students, as well as conference services and faculty and senior staff rental housing.

Investment Income includes dividends, interest and realized and unrealized appreciation and depreciation arising from the investments in the University's portfolio. The University follows a policy of reinvesting a portion of the portfolio's return, in order to provide some protection against inflation and, in general, in managing the endowment in such a way that its value will be preserved in order to meet future needs. Consistent with the spending assumption, the amount of investment earnings made available for spending is shown as operating revenue and the balance as non-operating activities.

The University's spending policy is reviewed regularly by the Trustees in light of the actual investment performance of the endowment and inflation expectations, and adjustments are made as required. The current, standard assumption calls for the spending distribution to grow at a rate of 5% annually if the resulting spending rate, expressed as a percentage of the endowment market value, remains within a band between 4% and 6.25%. If the standard assumption results in a spending rate that falls outside of the recommended band, then it may be modified for a given year. The current spending rate is within the policy band.

The principal functions affecting expenditures of the University, which are disclosed in the notes to the financial statements, are as follows:

Academic and Research reflect instructional and research costs of the faculty during the academic year, plus all other direct costs of operating academic departments and programs and the University's library system.

Student Services and Support include the costs of those offices dealing directly with students, such as Admission, Financial Aid, Registrar, Career Services, University Health Services, and the Athletics Department, as well as auxiliary enterprises and related student aid.

General Administration and Operations reflect the expenditures of the departmental "business offices" and other administrative offices that serve the University.

Operation and Maintenance of Plant reflect the cost of operating and maintaining the University's buildings and grounds, and is allocated among the above functional expense categories. The University expenses operating maintenance as incurred, and has followed a policy of not deferring maintenance costs in order to avoid even larger capital rehabilitation expenditures in the future.

Independent Operations include the Princeton Plasma Physics Laboratory, which is operated by the University on behalf of the US Department of Energy.

Investments

Below are the market values of all the University's investments at the end of the most recent five fiscal years:

Investment <i>(in thousands of dollars)</i>	
Year Ended June 30	Market Value
2020	27,511,276
2021	38,700,638
2022	37,353,038
2023	34,718,527
2024	35,228,163

In order to oversee the management of the endowment and related investments, the University established PRINCO in January 1987. PRINCO administers the procedure for selection and oversight of external investment managers and advisors who make daily decisions about investments.

Self-Liquidity

The University provides self-liquidity for its existing \$1 billion commercial paper programs from its investment resources. As of June 30, 2024, there was approximately \$1.8 billion in daily liquidity consisting primarily of United States Treasury Securities, Treasury repos and cash. The University provides detail on its commercial paper programs in the Short-Term Borrowing section further below.

Third-Party Indebtedness

As of June 30, 2024, the University had outstanding indebtedness of approximately \$5.42 billion (including unamortized premium/discount) in the form of taxable debt, loans through the New Jersey Educational Facilities Authority ("*NJEFA*"), advances from Bank of America to fund a parental loan program, and commercial paper.

University Indebtedness

	June 30, 2024	June 30, 2023
	<i>(dollars in thousands)</i>	
NJEFA Bonds – Tax-Exempt Revenue Bonds, 2014 Series A through 2024 Series A	\$3,555,525	\$2,165,446
Taxable Bonds, Series 2009A	499,176	499,121
Taxable Bonds, Series 2016A	75,000	75,000
Taxable Bonds, Series 2017A	150,000	150,000
Taxable Bonds, Series 2020A	500,000	500,000
Taxable Bonds, Series 2022	300,000	300,000
Taxable Notes, 2012 and 2013	245,000	245,000
NJEFA Higher Education Capital Improvement Fund, Series 2014 B	2,022	2,179
Parental Loans	32,516	34,212
Commercial Paper:		
Taxable	11,000	66,600
Tax-Exempt	64,800	
Total Borrowings	\$5,435,039	\$4,037,558
Unamortized Debt Issuance Costs	<u>(12,646)</u>	<u>(9,834)</u>
Total Borrowings Net of Unamortized Issuance Costs	<u>\$5,422,393</u>	<u>\$4,027,724</u>

Note: Totals may not add due to rounding.

The debt of the University described in the table above is unsecured general obligation debt of the University. Although the University has issued debt designated as "Senior Unsecured Taxable Notes," no debt of the University is senior in right of payment to any other debt of the University. The debt service on the NJEFA revenue bond issues in the above table is payable by the NJEFA from loan payments received from the University.

The 2015 Series A Bonds were issued to partially refund the 2005 Series A Bonds and the 2005 Series B Bonds. The 2015 Series D Bonds and 2016 Series A Bonds were issued to provide funds for the construction, renovation and repair of various University facilities and to refund taxable and tax-exempt commercial paper notes. The 2016 Series B Bonds were issued to partially refund the 2006 Series D Bonds and the 2006 Series E Bonds. The 2017 Series B Bonds were issued for the purpose of the current refunding and defeasance of the 2007 Series E, and 2007 Series F, and for the purpose of advance refunding and defeasance of a portion of the Series 2008 K Bonds. The 2017 Series C Bonds were issued for the purpose of funding new construction and renovations, and for the refunding of taxable and tax-exempt commercial paper notes. The 2017 Series I Bonds were issued for the purpose of the advance refunding and defeasance of a portion of the 2008 Series J and the 2010 Series B Bonds. The 2021 Series B Bonds were issued for the purpose of funding construction, renovation, and installation of certain capital assets and for the

refunding of all or a portion of taxable and tax-exempt commercial paper notes. The 2021 Series C Bonds were issued for the purpose of the current refunding and defeasance of the callable 2011 Series B Bonds. The 2022 Series A Bonds were issued for the purpose of financing the costs of the acquisition, construction, renovation, and installation of certain capital assets. The Series 2024 A/B and C bonds were issued for the purpose of financing the costs of the acquisition, construction, renovation, and installation of certain capital assets as well as the defeasance of the Series 2014 A bonds.

The 2009 Series A Taxable Bonds were issued to provide funds for working capital and other corporate purposes. In May 2018, the University completed an early partial redemption of the 2009 Series A Taxable Bonds, which resulted in a cash defeasance of \$250 million of the \$500 million bullet maturity due on March 1, 2019 and a make-whole redemption expense of \$4.3 million. In March 2019, the University paid off the remainder of the \$500 million bullet maturity. The 2016 Series A and 2017 Series A Taxable Bonds were issued to provide funds for general corporate purposes. The 2020 Series A Taxable Bonds were issued for general corporate purposes. The 2022 Taxable Bonds were issued for general corporate purposes.

In August 2012 and December 2013, the University privately placed Senior Unsecured Taxable Notes in the amounts of \$170 million and \$75 million, respectively, for capital and other purposes. The notes were structured as bullet maturities due July 1, 2042 and July 1, 2044, respectively.

In fiscal year 1999, the University entered into a loan facility (subsequently converted to two separate loan facilities) with a national bank to fund its parent loan program, which is currently authorized by the Trustees up to \$100 million. Fixed or variable rates may be selected on a pass-through basis to the borrowers; terms may be as long as 14 years.

In fiscal year 2023, the University entered into a new fixed rate loan facility of up to \$30 million and increased the amount of the variable rate loan facility from \$25 million to \$48.5 million. As of June 30, 2024 and 2023, the balances outstanding were \$32.5 million and \$34.2 million, respectively.

As of June 30, 2024, the University had available bank lines of credit totaling \$900 million under which the University may borrow on an unsecured basis. In fiscal year 2024, the University increased its committed bank lines of credit from \$675 million to \$900 million, in addition to the two fixed and variable rate loan facilities noted above, under which the University may borrow on an unsecured basis at agreed-upon rates. As of June 30, 2024, approximately \$8.9 million was utilized in the form of outstanding letters of credit. There are currently no drawn balances on these lines.

Long-term debt service for each of the past five fiscal years has been (\$ in thousands):

2020	224,859
2021	244,832
2022	226,994
2023	236,613
2024	247,709

The following is the long-term projected debt service for fiscal years 2025 through 2029 for the debt outstanding as of June 30, 2024 (\$ in thousands):

Year Ended June 30	Principal	Interest	Total
2025	99,976	217,892	317,868
2026	115,078	214,482	329,560
2027	260,927	209,402	470,329
2028	111,802	196,398	308,200
2029	113,099	190,826	303,925

Note: Totals may not add due to rounding.

Short-Term Borrowing

In fiscal year 1998, a commercial paper program of \$120 million was authorized and the University's first commercial paper program was implemented through the NJEFA. In fiscal year 2024, the University increased the capacity of the commercial paper program through the NJEFA from \$120 million to \$300 million. In fiscal year 2013, the University initiated a separate taxable commercial paper program of \$180 million under which the University directly issues commercial paper. The University implemented a \$100 million increase to the authorized limit of the taxable commercial paper program in fiscal year 2019 to \$280 million. In fiscal year 2021, the University increased the authorized amount for its taxable commercial paper program from \$280 million to \$480 million. In fiscal year 2024, the University increased the authorized amount for its taxable commercial paper program from \$480 million to \$700 million. Proceeds of the NJEFA and University commercial paper programs are authorized to a maximum combined level of \$1 billion. As of June 30, 2024 and 2023, the University's tax-exempt commercial paper outstanding was \$64.8 and \$0 million, respectively. As of June 30, 2024 and 2023, the University's taxable commercial paper outstanding was \$11 million and \$66.6 million, respectively.

Capital Planning

The University employed a ten-year planning framework for its recently completed capital plan (FY08-FY17), which ended officially on June 30, 2017 at a final plan total of \$3.25 billion (some residual portion of this amount was expended in FY18 and beyond). A similar planning structure was utilized for the University's second Capital Plan (the "*Plan*"). The University initiated the Plan in the beginning of FY18 to serve as an overarching framework for its capital activity from FY18 through FY30. The Plan integrates capital activity undertaken by the University during this period, including the construction of new facilities, the renovation of existing buildings, as well as implementing infrastructure upgrades. The Plan also includes ongoing annual commitments to major maintenance and other renewal programs – which include health, safety, security, and accessibility initiatives, laboratories, classrooms, furnishings and landscaping – as well as the University's real estate activity. Also included under the Plan umbrella is the enabling of expansion of the University student body, which includes residential accommodations, as well as expansions to facilities supporting health and wellness and campus life. The Plan incorporates funding from multiple sources including annual contributions from the operating budget, donor gifts, strategic reserves, and other revenue allocated to capital purposes. In addition, the University plans to issue long-term debt to finance a portion of its capital program – which focuses on long-term assets. As of FY24, the University moved to a rolling Capital Plan and plans to extend the planning window each year. In the spring of FY25, the Plan window will be extended through 2031. The Plan is updated regularly and is reviewed in detail with the Trustees no less than annually and each individual project within the Plan undergoes a separate review and approval process.

The Plan calls for projected new construction that includes the following major initiatives: expanding and enhancing computer science, engineering and environmental studies; development of a new campus across Lake Carnegie from the main campus, as well as updating and expanding the University's energy, transportation, and technology infrastructure. Investments in undergraduate and graduate student and faculty/staff housing, athletic fields and complexes, the art museum and other improvements are also included in the period covered by the Plan.

The Plan also incorporates a significant investment in the maintenance of the University's physical assets through its renovation, major maintenance and annual renewal program components. Included in the renovation component are academic projects, campus life, health services, housing, athletics projects, and infrastructure improvements. The University anticipates that it will access the capital markets from time to time to provide a portion of the financing for the Plan during the period covered by the Plan.

Sustainability

Green House Gas Reductions

Released on Earth Day 2019, Princeton University's Sustainability Action Plan sets bold sustainability targets across seven performance areas. The plan centers around the University's aim to achieve net zero Scope 1 and 2 greenhouse gas emissions by 2046, Princeton's 300th anniversary. Since 2008, Princeton has reduced emissions by over 124,000 metric tons of carbon dioxide equivalent compared to business-as-usual projections. To achieve these reductions,

the University conducted energy conservation projects, central plant improvements, renewable energy expansion, and behavior change initiatives, including:

- Launching an all-electric bus fleet to serve the campus and local community.
- Significant expansion of solar power on main and satellite campuses.
- Coordinated energy conservation and behavioral science efforts in laboratories and event spaces across campus.

Princeton has invested hundreds of millions of dollars to overhaul its heating and cooling system with state-of-the-art geo-exchange technology. This once-in-a-generation construction project will allow the University to reach its net-zero goal while drastically improving its energy efficiency and resilience. The system will rely on over 2,000 geo-exchange bores and upgraded central plants to heat and cool the growing campus, reducing energy needs by up to 80%.

The Sustainability Action plan also features goals, strategies, and tactics related to Water Reduction, Stormwater Management, and Sustainable Design and Development.

Stormwater Management

The 2026 Campus Plan established the University's approach to stormwater management by focusing on restoring natural resources, incorporating an ecological systems approach, and promoting the implementation of green infrastructure (GI) for all new developments on campus. Through the 2016 and 2026 Campus Plans, the University has built an extensive network of green infrastructure best management practices (GI BMPs) to reduce rainwater runoff and improve water quality. These GI BMPs include green roofs, bioretention systems, porous pavement on paths and parking, infiltrating turf fields, subsurface storage, rainwater harvesting systems, and manufactured treatment devices. Today, there are over 150 GI BMP installations on campus. This equates to 191 acres under enhanced stormwater management throughout campus.

Water Reduction

Princeton looks to improve water efficiencies on a per-person and campus-wide level, with a target to reduce 2046 annual campus water usage by 26% compared to 2008 levels. The University intends to reduce water consumption primarily through the aforementioned heating and cooling improvements, implementing landscape management practices, and installing low-flow and high-efficiency infrastructure. Currently, the University is tracking and 15% reduction in water consumption per person from the 2008 baseline.

Waste Reduction

The University is in a process to evaluate various waste streams to improve data quality. This includes planning several waste audits in the coming year, and identifying waste data streams that were not previously accounted for. There are also significant waste reduction programs stood up including sending all pre-consumer organic waste to Trenton Renewables, operating an on campus aerobic composting system for post-consumer organics and compostables, an end of year

move out collections and beginning of year resale program and moving towards the elimination of single use plastics.

Sustainable Design and Development

The University intends to be an exemplar of green design and infrastructure in the community. The University recently achieved its first Phius certification for Passive House design and construction for one of the modules of graduate housing at the Meadows Campus and expects several more certifications. The University is seeking LEED certification for the following currently-in-construction projects: the Environmental Studies and School of Engineering and Applied Science buildings, the Princeton University Art Museum and the TIGER building, which combines geo-exchange utility facilities and operations space for thermal energy. Additionally, the University has adopted bird safe glass requirement in the Design Standards Manual and is wrapping up the first phase of work for an Embodied Carbon and Healthy Materials Framework that will assist all future projects to incorporate impactful solutions into the design and then construction.

Employees

As of June 30, 2024, 8,191 people were employed by the University (not including students), consisting of 1,362 faculty members, 4,930 other professionals and 1,899 other employees. Included in these totals are 980 maintenance, service and support staff who are represented by six unions. In recent years, relationships with both organized and unorganized groups have been good with no significant labor disputes in about thirty years.

Retirement Plans

Effective January 1, 1994, faculty and staff who meet specific employment requirements participate in the Princeton University Retirement Plan. This is a non-contributory, tax-qualified defined contribution plan funded through a third-party administrator, TIAA. The University also provides a voluntary contributory 403(b) retirement savings plan through TIAA with qualified pre-tax and Roth options for all faculty and staff.

Prior to January 1, 1994, faculty and monthly paid staff who met specific requirements participated in a non-contributory defined contribution plan and biweekly staff who met certain requirements participated in a non-contributory, tax-qualified benefit plan. The latter was terminated in 2000.

Litigation

The University is subject to certain legal claims that have arisen in the normal course of operations. In the opinion of management, the ultimate outcome of these actions will not have a material effect on the University's financial position, statement of activities or cash flows.

Insurance

The University currently has a primary general liability policy in the amount of \$5 million, with a deductible of \$500,000 per occurrence. The University has an automobile liability policy in

the amount of \$3 million, with a deductible of \$25,000 per occurrence. Above the primary layer for general liability, the University has various umbrella and excess layers of coverage, which generally follow the form of the commercial primary coverage, with total umbrella and excess limits of \$145 million. The University also carries property insurance for all of its buildings and contents with a limit of liability of \$1 billion for any occurrence at replacement cost with a deductible amount of \$250,000 per occurrence. The University separately insures its fine arts and rare books in the amount of \$1 billion with a deductible of \$1,000. The University has Trustees and Officers liability coverage in the amount of \$35 million with a \$300,000 deductible for all claims. The University has Cyber Liability coverage of \$7.5 million with a per occurrence deductible of \$500,000; this policy provides coverage for network security/privacy breach, cyber extortion, reputation harm and business interruption from a covered loss.

Cybersecurity

To address evolving cybersecurity threats and risks facing similar large institutions, Princeton has a dedicated Information Security Office, whose mission is to make information security programmatic and cultural throughout the University. The University has developed and invested in multiple forms of cybersecurity and operational controls, including system-wide policies and procedures for incident management and a written information security plan (WISP) that follows the NIST Cybersecurity Framework model.

The University is staffed with expertise in architecture, engineering, operations, training and awareness, and risk assessment and has both disaster recovery and business continuity capabilities under the leadership of the security office. Princeton currently maintains a cyber insurance policy as described hereinabove under the heading “Insurance” to provide coverage for network security/privacy breach, cyber extortion, reputation harm and business interruption from a covered loss.