

## **PRINCETON THEOLOGICAL SEMINARY**

### **Seminary Data Update**

The following represents data as published in the official statements dated April 13, 2009, January 14, 2003 and February 11, 2010 relative to the issuance of 2009 Series B Bonds, 2002 Series G Bonds and 2010 Series A Bonds respectively with updates for the year ended June 30, 2012 and, for certain information, through November 2012, as applicable.

### **Character and Location**

The Private College is a privately endowed co-educational institution of higher education operating exclusively at the graduate level. It offers professional preparation for persons who contemplate service in religious occupations, including various forms of chaplaincy, in educational settings, and in certain types of social agencies. At the graduate level, it provides programs of advanced training for persons already engaged in professional activities, and awards an academic doctorate in several fields for theological and cognate study. Established by the Presbyterian Church in 1812, the Private College draws its students, faculty, and staff from a wide range of religious traditions. Its purpose is not to inculcate a particular denominational perspective, but rather to enable each individual to serve effectively in the tradition and in the form of occupation that he or she has selected.

The Private College is situated on 35.6 acres in Princeton, New Jersey, approximately equal distance from New York and Philadelphia. The campus is in the proximity of Princeton University and the Institute for Advanced Study. A very large portion of the main campus is in the historic preservation district in Princeton, and many of the buildings and residences are over 100 years old. The construction of Alexander Hall, the original seminary building on the Private College's campus, began in 1815, three years after the Private College was founded on land obtained from Richard Stockton, son of one of the signers of the Declaration of Independence. Originally the building contained living accommodations, a refectory, a library and a chapel. Today it is used as a dormitory. The Administration Building was completed in 1847. Originally, it was intended as a refectory and a hospital. It later became a gymnasium and in 1945 was remodeled to furnish offices for administrative staff. Brown Hall, the second dormitory, was opened in 1865. Hodge Hall, the third dormitory, was built in 1893 and was designed so that all rooms receive sunlight during some part of the day. Mackay Campus Center was completed in 1952. Templeton Hall was completed in 1988 and contains administrative offices, speech studios and a modern media center. The financing for the construction of Templeton Hall was provided by the issuance of the 1985 Bonds. Scheide Hall was completed in 2000 and serves as a chapel office building. The Private College also owns a 200-unit apartment complex for married students on 76 acres of land in West Windsor Township about four miles from the main campus. The old apartments were replaced by new ones, completed in 2012. The new construction was financed by bonds issued in 2010. Also situated on this tract are the Witherspoon Apartments which were completed in 1998 and which provide 56 housing units for unmarried students. The Private College owns a housing development for faculty on 55.8 acres two miles north of the campus in Princeton Township and in 2011 acquired approximately 20 acres in Lawrence Township for future expansion purposes.

### **Governance and Administration**

When originally organized in 1812, and as incorporated by the legislature of New Jersey in 1822, the Private College was controlled by a Board of Trustees elected by the General Assembly of the Presbyterian Church. This pattern was in effect throughout the nineteenth century and until 1929. In that year, the right of election by the General Assembly was withdrawn, and the charter of the Private College was revised to provide for a self-perpetuating Board of Trustees. Trustees are now elected by the Board itself, and a committee of the Board recommends which Trustees shall be renewed at the conclusion of their three-year term and which new persons shall be invited into Board membership.

The Private College is governed by a Board of Trustees consisting of between twenty-five and forty persons, not more than twenty of whom are prominent business, professional, and philanthropic leaders, and not more than twenty of whom are distinguished members of the ministerial profession. Until 1995 the Board served under the provisions of the Charter (Certificate of Incorporation) granted by the Legislature of New Jersey in 1822 as revised periodically over the years, and under the provisions of the Plan adopted by the General Assembly of the Presbyterian Church (U.S.A.) in 1811, before the Private College was incorporated, as subsequently modified by the Board of Trustees. In October 1995 the Board adopted an amendment and restatement of the Certificate of Incorporation, the primary purpose of which was to simplify the Certificate and to include items prescribed by amendments to the New Jersey statutes. At that time, a few remaining relevant matters in the Plan were transferred

to the corporate by-laws and the Plan was acknowledged to be of historical value only. The Amended and Restated Certificate of Incorporation was filed with the Secretary of State of the State of New Jersey on February 25, 2010.

## **Academic Programs**

Although the Private College operates as a single institution with one faculty responsible for the full range of academic offerings, several distinct programs are available.

The Master of Divinity program, in which more than half of the student body is enrolled, provides academic and clinical preparation for the ministry in a wide variety of religious denominations. A minimum of three years of resident study is required for the degree.

The Master of Arts program presently offers the possibility of specialization in religious education and, in cooperation with Princeton University, offers a program for teacher certification. Two years of resident study are required for the degree.

The Master of Theology program, one year in length, provides concentrated advanced work in one of the disciplines of religious scholarship. Unlike the preceding programs, which are built upon a collegiate degree, the Master of Theology curriculum presupposes both a college degree and three additional years of seminary preparation.

The Doctor of Philosophy program prepares candidates to engage in original research and to serve on seminary and university faculties.

Admission to all programs is on a selective basis, with primary emphasis being placed on academic accomplishment, integrity of character, and clarity of vocational objectives. The Private College does not discriminate on the basis of race, sex, national origin, or denominational affiliation, and affirmatively encourages a broadly representative student body. Every year, up to ten percent of the students are drawn from countries other than the United States.

The Private College and all of its programs are fully accredited by the Middle States Association of Colleges and Schools and by the Association of Theological Schools in the United States and Canada.

An important component of the academic program is theological research, in which all members of the faculty are expected and encouraged to participate. A sabbatical or research leave of one semester is earned for each six semesters of teaching. Funds are available to assist faculty members financially with their research travel each year whether or not they are formally on leave.

## **Faculty**

In the fall of 2012, the full-time faculty consisted of 40 persons: 24 professors, 13 associate professors, 3 assistant professors. There are also 6 adjunct faculty members who are invited by the faculty to assist in courses and to enrich the curriculum in specialized ways. Of the full-time faculty, 37 are tenured and all 40 hold academic doctorates.

Scholarly attainment and teaching ability are essential criteria for appointment and promotion. Appointments are made subsequent to a public search, conducted in each case by a faculty committee. Committee recommendations are presented to the full faculty or to the faculty senate when tenure is involved, and the faculty's action is submitted to the President and the Board of Trustees for final disposition. Promotions from within the faculty are handled in an analogous manner.

## Libraries

The Private College is building a new library to replace the Speer Library in order to provide a world class modern facility. The Private College is also conducting a capital campaign to assist with the funding of this project.

Prior to its demolition, Speer Library was one of the major theological research libraries in North America. It's holdings, including more than 1,242,483 bound volumes, pamphlets, and microfilms and other substantial resources for theological study and research at all levels, as well as subscriptions to over 3,700 journals, will be housed in the new library. Special collections in the areas of religious pamphlets, antiquarian theological books and manuscript materials related to the history of American Presbyterianism will also be housed there.

The Luce Library building consists of approximately 42,000 square feet and provides stack space for 300,000+ volumes, accommodations for computer-assisted research, study rooms for doctoral candidates and visiting scholars, rare book and exhibit facilities, and public reading areas.

## Enrollment

The following table provides data on the fall enrollments, for the years indicated, in each of the Private College programs: Doctor of Philosophy (Ph.D.), Doctor of Ministry (D.Min.), Master of Theology (Th.M.), Master of Divinity (M.Div.), Master of Arts (M.A.) and non-degree students.

Academic						Non	Total
<u>Year</u>	<u>Ph.D.</u>	<u>D.Min.</u>	<u>Th.M.</u>	<u>M.Div.</u>	<u>M.A.</u>	<u>Degree</u>	
2007-08	121	54	35	416	29	5	660
2008-09	118	35	61	409	15	2	640
2009-10	108	25	36	411	26	9	615
2010-11	109	12	30	378	21	5	555
2011-12	97	6	23	386	24	3	539
2012-13	87	2	27	375	17	6	514

## Admissions

The Private College is a graduate professional school. Admission to its first professional degree programs, the Master of Divinity and the Master of Arts, requires that the applicant hold a Bachelor of Arts degree or its equivalent from a recognized college or university. Admission to its advanced degree programs, the Master of Theology and the Doctor of Philosophy requires, in addition to the Bachelor of Arts, the Master of Divinity degree or its academic equivalent. The Private College has set maximum enrollment figures in several of its programs in order to maintain the high quality of facilities and teaching services required for its advanced academic work of teaching and research.

The Private College is able to be highly selective in all of its degree programs and this is reflected in the record of acceptances and enrollments in the table that follows. The present catalogue indicates that the current year's enrollment of students includes persons from 44 states and territories of the United States and 23 countries outside of the United States. A wide variety of geographic, national, ethnic and religious backgrounds are thus represented in the student body and in the faculty. For the present academic year, racial and ethnic minority students represent 37% of all those enrolled. Forty two percent of the enrollees are women.

The following table presents the total applications, acceptances, and enrollments for the Private College Masters Degree Programs, Doctor of Philosophy Program, and Doctor of Ministry Program for the academic years indicated.

	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
Masters Programs*						
Applications	565	467	492	467	408	383
Acceptances	236	188	306	257	251	241
Enrolled	168	166	181	148	149	158

	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
Doctor of Philosophy Program						
Applications	182	186	174	171	148	150
Acceptances	21	23	11	13	11	11
Enrolled	19	20	11	13	11	11

Doctor of Ministry Program						
Applications	A	A	A	A	A	A
Acceptances	A	A	A	A	A	A
Enrolled	A	A	A	A	A	A

\* Includes Master of Divinity, Master of Arts and Master of Theology

A - The D.Min program has been discontinued effective with the fall 2008 semester. Two previously admitted candidates are in the process of completing the program.

### Tuition and Fees

The following table presents certain information with respect to tuition and fees for Masters and Doctoral programs at the Private College.

	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
Masters Programs						
Tuition	\$9,250	\$9,500	\$9,750	\$10,000	\$11,000	\$11,250
Fees*	720	765	800	880	1,000	1,200
Room & Board	7,130	7,230	7,480	7,730	7,970	8,030
Graduation Fee	30	40	75	75	75	95
Ph.D. Program (2 years residence, plus up to 4 years on dissertation)						
Tuition	\$9,250	\$9,250	\$9,750	\$10,000	\$11,000	\$11,250
Fees*	720	765	800	880	1,000	1,200
Room & Board	7,130	7,230	7,480	7,730	7,970	8,030
Graduation Fee	80	80	100	100	100	110
Continuation Fee**	720	765	800	820	1,000	1,050
D.Min. Program (3 workshops over 2 years, plus period for thesis)						
Tuition	\$9,250	N/A	N/A	N/A	N/A	N/A
Graduation Fee	80	80	100	100	100	110
Continuation Fee ***	1,000	1,000	1,000	1,000	1,000	1,050

\* covers services such as student publications, student organizations, certain medical and counseling services.

\*\* charged each year following completion of residence period (two years).

\*\*\* charged for 4<sup>th</sup> year and each additional year, if granted, for the duration of the program.

## Financial Aid

The primary purpose of the Private College's financial aid program is to assist students who demonstrate financial need in their educational preparation for ministry by providing financial assistance to matriculated students, regardless of race, national or ethnic origin, sex, handicap, or denominational affiliation.

The total amount of financial aid offered generally does not exceed the amount of a student's total calculated need, which is defined as the difference between the total cost of attending the Private College and the amount of calculated resources available to the student.

The types, amount and proportions of each form of financial assistance (consisting of grants, loans and part-time employment) is determined by an approved funding formula in conjunction with variables including a student's degree program, course load, funds available and individual need situation. Currently, approximately 95% of full-time M. Div. and M.A. students receive financial support from the Private College.

In addition to the need based financial aid program, the Private College awards a number of prizes, scholarships and fellowships to students. These funds are awarded on the basis of merit and are separate from the funds available for need based programs.

## Financial Condition

The Private College follows a conservative fiscal management policy. The budget is compiled each year by management and approved by the Board of Trustees. Departments are instructed to charge unforeseen expenses to the proper budget line rather than to a line that has available funds. All budget officers have real time access to the Seminary's accounting system and can see budget and actual revenues and expenses for each of their accounts, including any variances. Exceptions are noted and corrective action taken.

The Seminary's endowment policy is designed to stabilize annual spending levels and to preserve the real value of the endowment portfolio over time. The Seminary adopted a new spending policy during the year ended June 30, 2006. The policy, which was originally developed by and for Yale University, provides for a spending rate equal to 70 percent of spending in the previous year, adjusted by an inflationary index, plus 30 percent of the current market value of endowment assets multiplied by the Seminary's long-term spending rate. The Board of Trustees may approve the expenditure of additional endowment return for current operations as deemed necessary. The following table shows the Private College's Revenues for the last five fiscal years. Authorized spendable endowment return for operations for the year ended June 30, 2012 amounted to \$38.4 million.

	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Total revenue	\$ 27,987,591	\$ 20,963,067	\$ 24,288,318	\$ 20,860,351	\$ 15,395,986
Total expenses	51,917,782	52,794,797	51,768,983	53,294,877	50,532,524
Increase (decrease) in fair value of investments	(72,527,064)	(239,794,327)	94,452,902	148,403,310	(13,879,933)
Loss on early retirement of 1997 Series A bonds	-	(192,761)	-	-	-
Cumulative effect of change in accounting principle re:					
Pension and post-retirement obligations	<u>3,671,392</u>	<u>(6,287,567)</u>	<u>4,352,168</u>	<u>2,171,142</u>	<u>8,235,604</u>
Increase (decrease) in net assets	<u>\$ (92,785,863)</u>	<u>\$ (278,106,385)</u>	<u>\$ 71,324,405</u>	<u>\$ 118,139,926</u>	<u>\$ 57,252,075</u>

## Endowment Funds and Other Investments

The Seminary's Vice President for Investment Management and Chief Investment Officer works with the Investment Committee to oversee the Private College's investment portfolios.

The following table presents the Seminary's total investment portfolio, including funds held in trust by others and excluding cash and equivalents, for the most recent five years:

Year Ended June 30	Market Value
2008	1,011,907,077
2009	748,615,813
2010	812,980,502
2011	929,304,466
2012	888,857,531

Following is a summary of endowment only investment returns including cash and cash equivalents for the recent five years:

Year Ended June 30	Returns
2008	(5.02%)
2009	(22.00%)
2010	12.40%
2011	18.39%
2012	(0.33%)

## Fund Raising

Gross contributions for the 10 most recent calendar years are as follows:

Calendar Year	Current Unrestricted and Restricted	Capital Gifts	Total
2003	5,258,866	3,895,787	9,154,653
2004	1,239,302	4,669,662	5,908,964
2005	1,740,672	1,317,587	3,058,259
2006	2,035,991	1,494,223	3,530,214
2007	2,125,472	1,969,339	4,094,811
2008	2,772,033	4,403,628	7,175,661
2009	1,276,514	3,368,017	4,644,531
2010	1,248,552	5,434,831	6,683,383
2011	1,710,230	3,383,387	5,093,617
2012*	879,752	2,205,136	3,084,888

\*Through November 30, 2012

No part of the Private College is unionized. Faculty and administrators have regular monthly meetings with the President. Senior officers of the Private College meet regularly with the President to discuss financial and other institutional matters.

An elected Student Government coordinates student activities and concerns subject to institutional administrative oversight. Representatives of the Student Government also interface with faculty and the administration through regular meetings and service on standing committees of the institution.

### **Outstanding Indebtedness of the Private College**

As of June 30, 2012 the Private College had outstanding indebtedness of \$104,245,000 under various loan agreements with the Authority as detailed below:

<u>NJ Educational Facilities Authority Revenue Bonds:</u>	<u>Interest Rate</u>	<u>Amount</u>
2002 Series G, due serially to 7/1/2032	2.00% to 5.00%	\$25,360,000
2009 Series B, due serially to 7/1/2022	3.00% to 5.00%	\$12,655,000
2010 Series A, due serially to 7/1/2030	2.50% to 5.00%	\$66,230,000

The indebtedness set forth in the foregoing table is secured by the legally available funds of the Private College and constitutes a general obligation of the Private College. The 2009 bonds were used to refinance bonds issued in 1997 and the 2002 bonds were used to refinance bonds issued in 1996 and for the construction of a parking facility. The 2010 bonds were used primarily for the construction of student housing at the Private College's West Windsor location and for construction of the new library on the main campus.

### **Litigation**

The Private College carries liability insurance including directors' and officers' liability coverage. The Private College is not aware of any legal action that would materially affect the Private College's financial condition.

### **Tax-Exempt Status**

The Private College is a tax-exempt entity under Section 501(c) 3 of the Internal Revenue Code of 1986, as amended.