THE COLLEGE OF NEW JERSEY

(A Component Unit of the State of New Jersey)

Basic Financial Statements,
Management's Discussion and Analysis and
Required Supplementary Information

June 30, 2023 and 2022

(With Report of Independent Certified Public Accountants Thereon)

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
The College of New Jersey

Report on the financial statements

Opinions
We have audited the financial statements of the business-type activities, fiduciary activities, and the aggregate discretely presented component units of The College of New Jersey (the "College"), a component unit of the State of New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities, fiduciary activities, and the aggregate discretely presented component units of the College as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinions
We conducted our audit of the financial statements in accordance with auditing standards generally accepted in the United States of America ("US GAAS"). Our responsibilities under those standards are further described in the Auditor's 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Other matter
The financial statements of the College as of and for the year ended June 30, 2022 were audited by other auditors, who expressed an unmodified opinion on those financial statements in their report dated March 8, 2023.

Responsibilities of management for the financial statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 auditor's report that includes our opinions. 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 US 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 US 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.

Required supplementary information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, included on pages 4 through 27 and the schedule of proportionate share of the net pension liability, schedule of employer contributions, and schedule of proportionate share of the total other postemployment benefits (OPEB) liability on pages 94 through 96 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a required part of the basic financial statements, is required by the

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Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with US GAAS. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Grant Thornton LLP

Philadelphia, Pennsylvania
February 27, 2024

Overview of Financial Statements and Financial Analysis

This Management's Discussion and Analysis (MD&A) section provides an analytical overview of the business-type activities of The College of New Jersey's (TCNJ or the College) financial performance during the fiscal years ended June 30, 2023 and 2022. The MD&A section is intended to help readers of the financial statements better understand the financial position and operating activities for the years ended June 30, 2023 and 2022, and includes selected comparative information for the year ended June 30, 2021. As an unaudited discussion prepared by management, the MD&A should be read in-conjunction with the basic financial statements that follow.

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB), which establishes financial reporting standards for governments, including public colleges and universities. The College's significant accounting policies are summarized in note 2 to the financial statements of this report. Further information on the financial reporting entity can be found in note 1.

Because the financial statements of The College of New Jersey Foundation, Inc. and Trenton State College Corporation, component units of TCNJ, are discretely presented from the College, the MD&A focuses only on the business-type activities of the College. Information relating to the component units can be found in their separately issued financial statements. In addition, the MD&A does not focus on the statements of fiduciary net position and statements of revenues, expenses and changes in fiduciary net position.

College Overview

The College of New Jersey is a mid-sized, comprehensive public college that concentrates primarily on the undergraduate experience. The College gives primacy to teaching and has an achievement-oriented and diverse student body.

Acknowledged for the quality of its academic offerings, the College has been ranked as one of the top comprehensive colleges in the country. In 2023 and 2022*, U.S. News & World Report* ranked TCNJ fourth overall and placed first among public colleges, in the "Best Regional Universities—North" category, eighth in the region for best undergraduate teaching programs and first in the regional ranking for best colleges for veterans. TCNJ also tied for third among all institutions in the region in average freshman retention (90%) and in actual six-year graduation rate (86%). Additionally, in 2020, *MONEY Magazine* ranked TCNJ third in the nation among similarly sized public institutions on its annual "Best Colleges in America for your Money" list. The *Princeton Review* named TCNJ one of the best 389 and 388 colleges in the nation in 2023 and 2022, respectively, a review based on student evaluations. The College remains a top contender in the search for affordable education, once again ranking among *Princeton Review's* "Best Value Colleges." The *Princeton Review* also recognized TCNJ as one of the most academically outstanding colleges in the Northeast and is featured in the publication's "Guide to Green Colleges," which rewards colleges for their outstanding commitment to environmental sustainability.

A strong liberal arts core forms the foundation for a wealth of degree programs offered through the College's seven schools. These schools include Arts and Communication; Business; Education; Humanities and Social Science; Science; Nursing and Health Sciences; and Engineering. The College is enriched by an honors program and extensive opportunities to study abroad; its freshman orientation programs have helped make its retention and graduation rates among the highest in the country.

The College is recognized as a public institution of higher education by the State of New Jersey and, accordingly, the State Legislature appropriates funds annually to support operations and the cost of fringe benefits for state authorized positions. Under the law, the College is an instrumentality of the State with a high degree of autonomy and is subject to all of the laws and regulations applying to the state public colleges.

Governance

The governing board of the College is a Board of Trustees comprised of no more than fifteen publicly appointed trustees, two students and the President of the College (ex-officio non-voting). All citizen members are voting members, as is one of the two students. The Board also includes representatives from the staff and the faculty.

Under P.L. 1994, C. 48, the Board of Trustees is responsible for developing an institutional plan; determining academic programs; establishing administrative policies; borrowing money; awarding contracts; setting tuition and fees; granting degrees; appointing, evaluating and determining compensation of the president; appointing and promoting the faculty and staff; establishing admission standards and requirements and standards for granting diplomas, certificates and degrees; recommending members for appointments to the Board of Trustees by the Governor; having final authority to determine controversies and disputes pertaining to tenure and other personnel matters of employees; investing and reinvesting the funds of the College; retaining legal counsel of the College's choosing; and preparing and making public an annual financial statement.

Academic Profile

Faculty

Grounded in the liberal arts, TCNJ's personalized, collaborative, and rigorous education engages students at the highest level within and beyond the classroom. In fall 2022, the College's overall full-time equivalent (FTE) faculty count was 521. Approximately 70% of the total faculty FTE was full time (365) and the remaining 30% (156) included permanent part-time faculty, adjunct and teaching professional staff. During this same period, the total FTE student enrollment was 7,333 and the student to faculty ratio was 13:1. The College does not employ graduate teaching assistants, which increases faculty involvement in the curriculum and enriches student learning.

Faculty Data

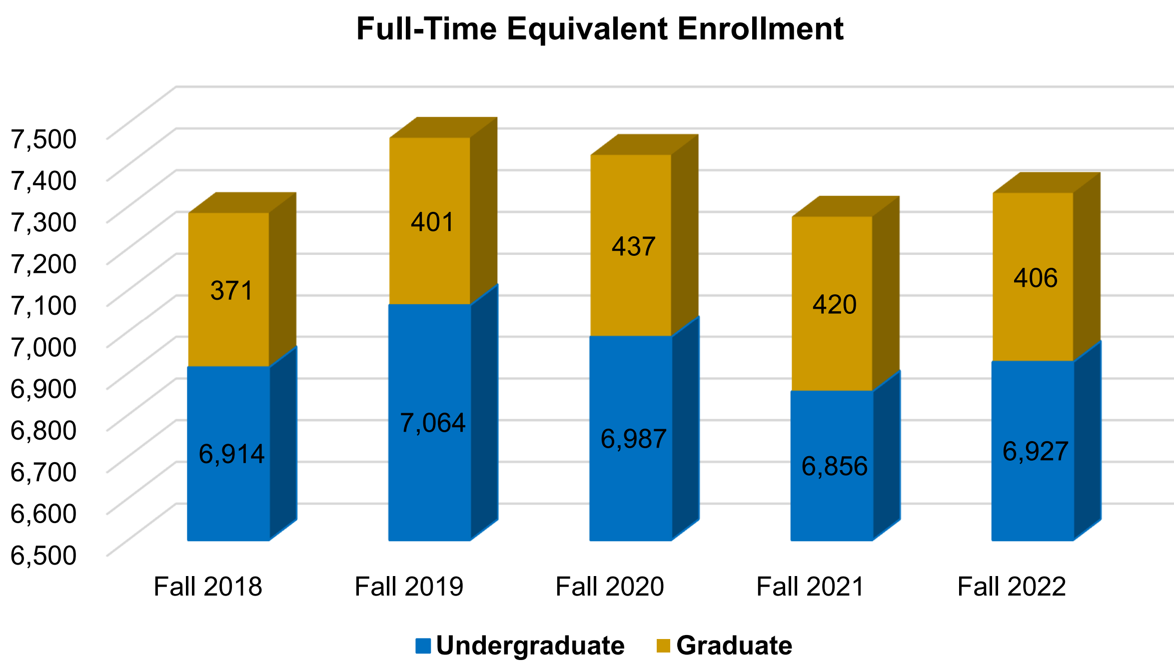
Academic Year	Full-Time Faculty	Part-Time Faculty*	Tenured Faculty	Faculty with Terminal Degrees	Student/ Faculty Ratio
2020 - 2021	375	159	258	344	13:1
2021 - 2022	371	154	259	350	13:1
2022 - 2023	365	156	255	331	13:1

*Part-time includes permanent part-time faculty, adjunct and teaching professional staff full-time equivalents.

Students

The College enjoys a healthy student demand and continues to attract academically talented students. In fall 2020, the full-time freshmen class enrolled 1,428 students yielding a 21% matriculation ratio based upon a 51% acceptance ratio for 13,199 applicants. The 94% freshman to sophomore retention rate demonstrates a high level of student satisfaction. The level of academic engagement is reflected in the high four year and six-year graduation rates for the 2014 first time freshman cohort of 75% and 87%, respectively. In fall 2022, 86% of the freshmen class and 46% of all undergraduate students lived on campus.

In fall 2022, TCNJ enrolled 6,927 full-time equivalent undergraduate students and 406 full-time equivalent graduate students. Over the last five years, TCNJ has targeted enrollment growth in line with its strategic enrollment plan goals, with the total full-time equivalent population growing by 48 from fall 2018 to fall 2022, with increased enrollment rates in both undergraduate and graduate students.



The 2022–2023 academic year concluded with the awarding of 1,721 bachelor's degrees, 391 master's degrees, and 112 pre-/post-master's certifications.

Using the Financial Statements

The basic financial statements present the financial position, the changes in financial position and cash flows of the College, through three primary financial statements and notes to the financial statements. The three financial statements consist of the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows. The notes to the financial statements provide additional information that is essential to a full understanding of the financial statements.

In fiscal year 2023, the College adopted GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94) and GASB Statement No. 96, *Subscriptions/SBITA's* (GASB 96). See note 2(n) regarding the effect of the adoption.

The College's net position is one indicator of the institution's financial health. Sustained increases or decreases in net position over time are indicators of the improvement or erosion of an institution's financial health when considered together with relevant non-financial factors such as enrollment levels, student retention and graduation rates and the condition of the facilities.

Significant Aspects of the Financial Statements

- Revenues and expenses are categorized as either operating or nonoperating. Significant recurring sources of the College's revenues, including state appropriations, OPEB revenue, and investment income, are considered nonoperating, as defined by GASB Statement No. 35, *Basic Financial Statements — and Management's Discussion and Analysis—for Public Colleges and Universities*—an amendment of GASB Statement No. 34 (GASB 35). The net nonoperating revenue totaled $54.5 million and $49.5 million for the years ended June 30, 2023 and 2022, respectively.

- Scholarships applied to student accounts are shown as a reduction of student tuition and housing fee revenue. Tuition waivers are reported as a scholarship expense. For the years ended June 30, 2023 and 2022, respectively, scholarship allowance totaled $41.9 million and $33.9 million.

- The College is required to report depreciation on its capital assets. Depreciation expense totaled $32.7 million and $31.2 million, respectively, for the years ended June 30, 2023 and 2022.

- Unrestricted net position comprised various subcategories of designated and committed funds; however, GASB 35 prohibits a breakdown of these designations on the face of the statement of net position. The College has many activities that require a certain level of reserves to be maintained. Examples include working capital reserves for auxiliary operations, educational and general activities, coverage for debt service and capital reserves for planned construction efforts. Unrestricted net position is negative due to the College's proportionate share of pension amounts as required by GASB 68 which is discussed further below.

GASB Statements No. 68 and 75

The College accounts for pensions according to GASB Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* and GASB Statement No. 71 (GASB 71), *Pension Transition for Contributions made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. GASB 68 requires state and local government employers to recognize a net pension liability for defined benefit plans where the entity is a participant. The College pension plans impacted by GASB 68 and 71 are the State of New Jersey Public Employees' Retirement System (PERS), the State of New Jersey Police and Firemen's Retirement System (PFRS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF).

The State provides the contributions to the plans while seeking reimbursement from the College for the College's non-State-authorized positions. The State provides an annual fringe benefit appropriation to the College based on a fully loaded fringe benefit appropriation. The College records the fringe benefit revenue (100% of the State-authorized positions) and expense (100% of State-authorized positions plus non-State-authorized positions reimbursed to the State) in its financial statements. The State has communicated that the GASB 68 pension liability "allocations do not impact state laws or past funding arrangements that have been established annually in the State budget."

The College's proportion of the respective plans' net pension liability is based on the ratio of the employer contributions made related to the College's employees to the total contributions made by all participating State-group employers. The changes in net pension liability adjusted for the deferred inflows and deferred outflows of resources result in pension expense. The amounts recorded as a result of following GASB 68 have been shown separately in the tables below.

The College accounts for other postemployment benefits (OPEB) other than pensions according to GASB Statement No. 75 (GASB 75), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The College's retirees participate in the State of New Jersey State Health Benefit State Retired Employees Plan (the Plan).

The State is legally obligated to pay the OPEB benefit coverage for eligible retirees of the College under N.J.S.A. 52:14-17.32. Since the College does not contribute directly to the Plan, there is no total OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the College's financial statements. The College's portion of the non-employer contributing entity's total proportionate share of the total OPEB liability that is associated with the College is disclosed in note 13.

The College's financial statements relating to the reporting of OPEB under GASB 75 reflect its proportionate share, as determined by the DPB, of the State's OPEB expenses under the Plan. The College's proportionate share was calculated based on the ratio of the members (active and retired) of an individual employer to the total members of the Plan. In fiscal years 2023 and 2022, respectively, the College recognized ($6) million and $2.8 million in OPEB (benefit) expense and non-operating OPEB revenue, to account for the College's portion of the OPEB (benefit) expense that was paid by the State. The amounts recorded in the Statement of Revenues, Expenses and Changes in Net Position as a result of GASB 75 have been shown separately in the tables below.

The tables below show the GASB 68 and GASB 75 adjustments to the financial statements for fiscal year 2023:

2023 **Condensed Statement of Net Position** (Amounts in thousands)			
	Before GASB 68	**GASB 68 Adjustment**	**As Reported**
Assets:			
Current assets	$ 106,014	—	106,014
Capital assets, net	615,112	—	615,112
Other noncurrent assets	54,361	—	54,361
Total assets	775,487	—	775,487
Deferred outflows of resources	41,405	54,349	95,754
Liabilities:			
Current liabilities	29,028	—	29,028
Noncurrent liabilities	362,485	136,663	499,148
Total liabilities	391,513	136,663	528,176
Deferred inflows of resources	17,246	66,674	83,920
Net Position:			
Net investment in capital assets	256,790	—	256,790
Restricted expendable	669	—	669
Unrestricted	172,815	(171,129)	1,686
Total net position	$ 430,274	(171,129)	259,145

The tables below show the GASB 68 and GASB 75 adjustments to the financial statements for fiscal year 2022:

2022 Condensed Statement of Net Position (Amounts in thousands)				
		Before GASB 68	GASB 68 Adjustment	As Reported
Assets:				
Current assets	$	113,742	—	113,742
Capital assets, net		629,735	—	629,735
Other noncurrent assets		50,648	—	50,648
Total assets		794,125	—	794,125
Deferred outflows of resources		45,840	67,448	113,288
Liabilities:				
Current liabilities		36,590	—	36,590
Noncurrent liabilities		362,542	134,920	497,462
Total liabilities		399,132	134,920	534,052
Deferred inflows of resources		17,707	92,595	110,302
Net Position:				
Net investment in capital assets		270,723	—	270,723
Restricted expendable		808	—	808
Unrestricted		151,595	(160,067)	(8,472)
Total net position	$	423,126	(160,067)	263,059

Under GASB 68, the College recorded its proportionate share of pension expense of $777 thousand and $1.1 million for fiscal years 2023 and 2022, respectively. In fiscal years 2023 and 2022, the State's contributions amounted to $11.5 million and $11.0 million, respectively.

2023
Condensed Statement of
Revenues, Expenses and Changes in Net Position
(Amounts in thousands)

		Before GASB 68 & 75	GASB 68 Adjustment	GASB 75 Adjustment	As Reported
Net student revenues	$	148,476	—	—	148,476
Government grants and contracts		26,629	—	—	26,629
Auxiliary activities		4,987	—	—	4,987
Other		8,320	—	—	8,320
Operating revenues		188,412	—	—	188,412
Instruction and research		66,331	4,502	—	70,833
Academic support		23,135	1,713	—	24,848
Student services		24,559	1,397	—	25,956
Operation and maintenance of plant		28,399	1,502	—	29,901
Institutional support		21,437	1,226	—	22,663
Auxiliary activities		35,046	552	—	35,598
Other postemployment benefit expense		(170)	170	(5,996)	(5,996)
Depreciation		32,713	—	—	32,713
Other		10,283	—	—	10,283
Operating expenses		241,733	11,062	(5,996)	246,799
Operating (loss) income		(53,321)	(11,062)	5,996	(58,387)
State appropriations and fringe benefits		55,676	—	—	55,676
Other postemployment benefit revenue		—	—	(5,996)	(5,996)
Other expenses, net		4,793	—	—	4,793
Net nonoperating revenues (expenses)		60,469	—	(5,996)	54,473
Change in net position		7,148	(11,062)	—	(3,914)
Net position, beginning of year		423,126	(160,067)	—	263,059
Net position, end of year	$	430,274	(171,129)	—	259,145

2022 Condensed Statement of Revenues, Expenses and Changes in Net Position (Amounts in thousands)					
		Before GASB 68 & 75	GASB 68 Adjustment	GASB 75 Adjustment	As Reported
Net student revenues	$	148,925	—	—	148,925
Government grants and contracts		23,976	—	—	23,976
Auxiliary activities		3,937	—	—	3,937
Other		7,552	—	—	7,552
Operating revenues		184,390	—	—	184,390
Instruction and research		71,747	(4,178)	—	67,569
Academic support		25,621	(1,582)	—	24,039
Student services		24,950	(1,232)	—	23,718
Operation and maintenance of plant		27,114	(1,322)	—	25,792
Institutional support		29,690	(1,027)	—	28,663
Auxiliary activities		31,824	(538)	—	31,286
Other postemployment benefit expense		—	—	2,841	2,841
Depreciation		31,227	—	—	31,227
Other		14,698	(493)	—	14,205
Operating expenses		256,871	(10,372)	2,841	249,340
Operating loss		(72,481)	10,372	(2,841)	(64,950)
State appropriations and fringe benefits		52,083	11	—	52,094
Other postemployment benefit revenue		—	—	2,841	2,841
Other expenses, net		(5,444)	—	—	(5,444)
Net nonoperating revenues		46,639	11	2,841	49,491
Change in net position		(25,842)	10,383	—	(15,459)
Net position, beginning of year		448,968	(170,450)	—	278,518
Net position, end of year	$	423,126	(160,067)	—	263,059

Refer to note 13 for additional information related to GASB 68 and 75.

Statement of Net Position

The statement of net position presents the College's financial position at the end of fiscal years 2023 and 2022, including all assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position using the accrual basis of accounting. Assets and liabilities are generally measured using current values with certain exceptions, such as capital assets which are stated at cost less accumulated depreciation, and long-term debt which is carried at cost.

Assets and liabilities are categorized as current and noncurrent and are shown in order of their relative liquidity. An asset's liquidity is determined by how readily it is expected to be converted to cash or whether restrictions limit the College's ability to use the resources. Current assets are generally considered to be convertible to cash within one year. Noncurrent assets are predominantly composed of long-term investments and capital assets (net) including right-of-use lease and subscription assets.

Deferred outflows of resources are a consumption of net position by the College that is applicable to a future reporting period. The College's deferred outflows of resources consist of bond deferred refunding amounts and changes in proportion of the allocated pension liability and differences in actuarial amounts used to calculate the pension liability.

A liability's liquidity is based on its maturity or when cash is expected to be used to liquidate it. Current liabilities are amounts becoming due and payable within the next year and consist primarily of accounts payable, accrued liabilities, and the portions of long-term lease obligations and bond principal due within a year. The College's net pension liability and long-term lease, subscription, and other obligations and bonds payable comprise the majority of its noncurrent liabilities.

Deferred inflows of resources are an acquisition of net position by the College that is applicable to a future reporting period. The College's deferred inflows of resources is composed of changes in proportion of the allocated pension liability, and differences in actuarial amounts used to calculate the pension liability and future long-term lease revenue amortized in a systematic and rational manner over the lease term.

Net position represents the residual interest in the College's assets and deferred outflows of resources after all liabilities and deferred inflows are deducted. Net position is one indicator of the financial condition of the College, while the change in net position during the year is a measure of whether the overall condition has improved or worsened during the year.

Net position is classified into three major categories. The first category, net investment in capital assets, provides the College's equity in property, plant, and equipment. The second category is restricted expendable net position, which are available resources to the College but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on their usage.

Finally, unrestricted net position represents those balances from operational activities that have not been restricted by parties external to the College, such as donors or granting agencies. Also included are working capital balances maintained for departmental and auxiliary enterprise activities.

From the data presented, readers of the Statement of Net Position have the information to determine the assets available to continue the operations of the College. They may also determine how much the College owes external vendors, bond holders and other parties. A summary of the College's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2023, 2022 and 2021 are as follows.

Condensed Statements of Net Position
(Amounts in thousands)

		2023	2022	2021
Assets:				
Current assets	$	106,014	113,742	127,622
Capital assets, net		615,112	629,735	647,444
Other noncurrent assets		54,361	50,648	38,545
Total assets		775,487	794,125	813,611
Deferred outflows of resources		95,754	113,288	139,841
Liabilities:				
Current liabilities		29,028	36,590	31,724
Noncurrent liabilities		499,148	497,462	575,495
Total liabilities		528,176	534,052	607,219
Deferred inflows of resources		83,920	110,302	67,715
Net Position:				
Net investment in capital assets		256,790	270,723	289,600
Restricted expendable		669	808	1,320
Unrestricted		1,686	(8,472)	(12,402)
Total net position	$	259,145	263,059	278,518

Statement of Net Position Financial Highlights

Assets

During fiscal years 2023 and 2022, respectively, the College's total assets decreased by $18.6 million and $19.5 million, or 2.3% and 2.4% primarily due to depreciation of capital assets. At June 30, 2023 and 2022, respectively, the College's working capital, which is current assets less current liabilities, was $77.0 million and $77.1 million, a decrease of $166 thousand and a decrease of $18.7 million, respectively, from the previous year. Decrease in working capital is primarily due to a decrease in cash at June 30, 2023 and an increase in accounts payable and accrued expenses at June 30, 2022, respectively.

Working capital is a key financial metric used to measure the College's liquidity for operations. It measures the institution's ability to satisfy its current obligations as they come due. With current assets at $106,014, $113,742, and $127,622 and 3.65, 3.11, and 4.02 times above current liabilities in fiscal years 2023, 2022 and 2021, respectively, the College had adequate liquidity to satisfy its current obligations.

Summary of Working Capital
(Amounts in thousands)

		2023	2022	2021
Current assets	$	106,014	113,742	127,622
Current liabilities		29,028	36,590	31,724
Working capital	$	76,986	77,152	95,898
Ratio of current assets to current liabilities		3.65	3.11	4.02

Cash and Investments

The College's cash and cash equivalents and investments consisted of the following as of June 30, 2023, 2022 and 2021:

Cash and Cash Equivalents and Investments
(Amounts in thousands)

		2023	2022	2021
Cash and cash equivalents	$	20,453	36,478	17,897
Investments – current		56,096	51,702	78,170
Investments – noncurrent		33,126	29,304	17,026
Total cash and cash equivalents and investments	$	109,675	117,484	113,093

Cash and cash equivalents decreased by $16.0 million and increased by $18.6 million in fiscal years 2023 and 2022, respectively, primarily due to an increase in operating and capital cash outflows in 2023 and in 2022, housing revenues reinstated to a full year and the 2020D debt refinancing reducing the principal payments on long term debt in 2022.

The College's investment portfolio has two components: a short duration fixed income segment, which holds high-quality liquid fixed income securities generally maturing between overnight and three years, and a longer-term multi-asset class segment, which employs a more diversified approach focused on global investments.

The investment portfolio produced mixed results for the fiscal years ended June 30, 2023 and 2022. The combined portfolio generated a gain of $9.5 million or 11% in fiscal year 2023 compared to a loss of $13.4 million or 17.6% in fiscal year 2022. This was the result of a decline in the market value of the portfolio in fiscal year 2022. The College's strategic investment continues in a long-term, diversified, multi-asset class portfolio. This portfolio returned 10.40% which was below its blended benchmark that returned 10.89% for fiscal year end 2023 and -14.67% which was below its blended benchmark that returned -13.03% for fiscal year end 2022.

Lease Receivables

Lease receivables of $19.2 million and $19.0 million at June 30, 2023 and 2022, respectively, were recorded on the statement of net position.

Restricted Deposits Held with Trustees

Restricted deposits held with trustees had a net increase of approximately $3.1 million and a net decrease of $853 thousand as of June 30, 2023 and 2022. Consistent with the prior fiscal year, debt service payments for July 1, 2023 and 2022 are reflected in the restricted deposits held with bond trustees as of June 30, 2023 and 2022.

Capital Assets

At June 30, 2023 and 2022, the College had $615.1 million and $629.7 million, invested in capital assets, net of accumulated depreciation of $439.5 million and $410.1 million, respectively, and right-to-use lease and subscription assets, net of $4.4 million and $3.6 million, respectively. Depreciation charges totaled $32.7 million and $31.2 million, or the years ended June 30, 2023 and 2022, respectively. Net capital additions totaling $13.9 million and $5.3 million in fiscal years 2023 and 2022, respectively, were comprised primarily of various infrastructure asset renewal projects. These additions were funded by institutional reserves and proceeds from bonds. The following is a breakdown of the net additions for fiscal year ended June 30, 2023, 2022 and 2021:

Net Capital Additions
(Amounts in thousands)

		2023	2022	2021
Net additions:				
Land and land improvements	$	—	124	164
Works of art/historical treasures		—	—	—
Buildings and building improvements		2,041	1,100	1,968
Infrastructure		1,847	10,388	7,434
Equipment and other assets		1,739	(2,840)	2,165
Construction in progress, net		8,274	(3,435)	(3,188)
Net total additions	$	13,901	5,337	8,543

See note 6 for further discussion of capital assets. See notes 2(g), 2(h), 7, and 8 for further discussion of leases, including right-to-use lease and subscription assets. See note 2(n) for further discussion of the impact of the adoption of GASB 96.

Deferred Outflows of Resources

During fiscal years 2023 and 2022, the deferred outflows of resources consist of deferred amounts from debt refunding and pensions. In fiscal years 2023 and 2022, the deferred outflows of resources related to debt refunding decreased by $4.4 million for both years, respectively, due to decrease in deferred outflows from the Series 2020D bond issuance, partially offset by the amortization of the deferred amounts, while the deferred outflows relating to pensions decreased by $13.1 million and $22.1 million, respectively, due to changes in proportion of the allocated pension liability and changes in actuarial assumptions used to calculate the pension liability.

Liabilities

Current Liabilities

Current liabilities decreased by $7.6 million from $36.6 million as of June 30, 2022 to $29.0 million as of June 30, 2023 and increased by $4.9 million from $31.7 million as of June 30, 2021 to $36.6 million as of June 30, 2022. The decrease in 2023 was mainly due to a decrease in accounts payable and accrued expenses and unearned revenue and student deposits. The debt service payments made by the College to the trustee in June for payment to bondholders on July 1 are reported in accounts payable and accrued expenses.

Noncurrent Liabilities

During fiscal year 2023, noncurrent liabilities increased by $1.7 million primarily due to a $2.1 million SBITA liability recognized in accordance with the implementation of GASB 96. During fiscal year 2022, noncurrent liabilities decreased by $78.0 million, primarily due to a $75.4 million decrease of the net pension liability under GASB 68 and a $1.9 million decrease in other long-term obligations from principal payments during the year.

Long-Term Debt

The use of debt has been a key component in the College's transformation into a selective institution that has earned national recognitions for its commitment to academic excellence. The attractiveness of the College's facilities is an important factor in the College's ability to recruit highly qualified students. At June 30, 2023 and 2022, the College had $359.5 million and $362.1 million, respectively, in outstanding bonds and other long-term obligations including bond premium, issued by the New Jersey Educational Facilities Authority. TCNJ's debt burden is a characteristic of many New Jersey state colleges and universities due primarily to the lack of state capital support historically and TCNJ's strategic choice to invest and reinvest in state-of-the-art facilities.

The College's long-term debt structure is all fixed-rate with no interest rate swaps. Additional information about the College's existing long-term liabilities is presented in note 11 to the financial statements.

Deferred Inflows of Resources

During fiscal years 2023 and 2022, respectively, the deferred inflows of resources consisting of deferred amounts relating to pensions of $66.7 million and $92.6 million and deferred amounts from leases of $17.2 million and $17.7 million, respectively, decreased by $26.4 million from the prior fiscal year. The deferred amounts from pensions represent the College's proportionate share recognized under GASB 68 for each fiscal year. The deferred amounts from leases represent future inflows of resources from lease payments received by the College amortized in a systematic and rational manner.

Net Position

Net position represents the residual interest in the College's assets and deferred outflows of resources after all liabilities and deferred inflows are deducted. Net position is one indicator of the financial condition of the College, while the change in net position during the year is a measure of whether the overall condition has improved or worsened during the year.

The College's net position before the GASB 68 adjustment to the financial statements increased by $3.2 million in fiscal year 2023 and decreased by $26.4 million in fiscal year 2022. The impact of net pension expense under GASB 68 on the change in net position was an increase of $7.1 million in fiscal year 2023 and an increase of $10.4 million in fiscal year 2022. The reported net position showed a decrease of $3.9 million and $15.4 million, or 1.5% and 5.6% in fiscal years 2023 and 2022, respectively.

At June 30, 2023 and 2022 the total net position was reflected in the following three component categories:

- Net investment in capital assets represents the College's capital assets, net of accumulated depreciation and outstanding debt attributable to the acquisition, construction, or improvement of those assets. During fiscal years 2023 and 2022, this category decreased $13.9 million and $18.8 million, due to the net decrease of $14.6 million and $20.5 million in capital assets and the $1.9 million decrease and $1.7 million increase, respectively, in outstanding debt attributable to those assets.

- Restricted expendable net position represents resources that are subject to externally imposed stipulations regarding their use, but are not required to be maintained in perpetuity. During fiscal years 2023 and 2022, this category decreased by $139 thousand and $512 thousand, respectively, due to the reduction in debt service payments from the Series 2021D bond restructuring.

- Unrestricted net position is not subject to externally imposed stipulations although these resources may be designated for specific purposes by the College's management or Board of Trustees. In fiscal years 2023 and 2022, this category had an increase of $10.1 million and $3.9 million, respectively, primarily due to the recording of the College's proportionate share of pension expense and related deferred outflows of resources, net pension liability and deferred inflows of resources under GASB 68 coupled with investment appreciation.

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position present the College's results of operations. The statement distinguishes revenues and expenses between operating and nonoperating categories, and provides a view of the College's performance. Generally speaking, operating revenues are received for providing goods and services to the various customers and constituencies of the College. Operating expenses are incurred in the normal operation of the College, including a provision for estimated depreciation on capital assets. Revenues and expenses are recognized when earned or incurred regardless of when the cash is received or paid.

Certain revenue sources that the College relies on for operations, including state appropriations and investment income, are required by GASB to be classified as nonoperating revenues. Nonoperating expenses primarily include interest expense and amortization expense related to the deferred outflows of resources from debt refunding and lease obligations. The College will likely always report an operating loss due to the types of revenues classified as nonoperating. Therefore, the change in net position is more indicative of the overall financial results for the fiscal year.

A summary of the College's revenues, expenses, and changes in net position for the fiscal years ended June 30, 2023, 2022 and 2021 are as follows. Fiscal year 2023 includes the adoption of GASB 96 and fiscal year 2022 has been restated for the adoption. Fiscal year 2022 includes the adoption of GASB 87 and fiscal year 2021 has been restated for the adoption.

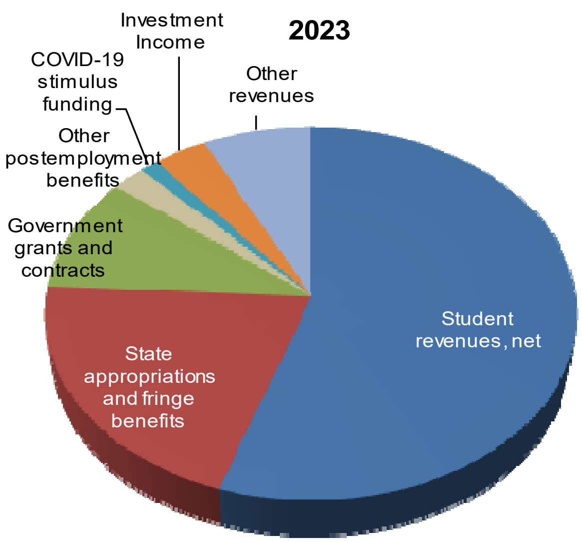
Condensed Statements of
Revenues, Expenses and Changes in Net Position
(Amounts in thousands)

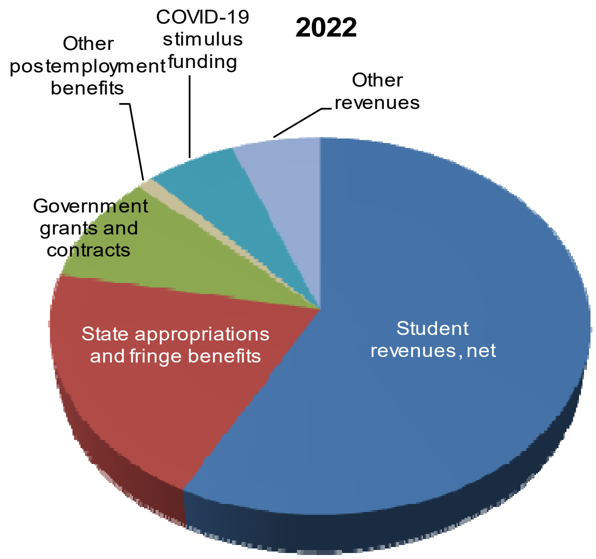
		2023	2022	2021
Net student revenues	$	148,476	148,925	111,382
Government grants and contracts		26,629	23,976	21,751
Auxiliary activities		4,987	3,937	2,792
Other		8,320	7,552	4,420
Operating revenues		188,412	184,390	140,345
Instruction and research		70,833	67,569	81,724
Academic support		24,848	24,039	17,339
Student services		25,956	23,718	21,359
Operation and maintenance of plant		29,901	25,792	27,088
Institutional support		22,663	28,663	27,277
Auxiliary activities		35,598	31,286	15,667
Other postemployment benefits		(5,996)	2,841	5,006
Depreciation		32,713	31,227	29,389
Other		10,283	14,205	9,029
Operating expenses		246,799	249,340	233,878
Operating loss		(58,387)	(64,950)	(93,533)
State appropriations and fringe benefits		55,676	52,094	51,664
Other postemployment benefit revenue		(5,996)	2,841	5,006
COVID-19 stimulus funding		3,345	15,042	13,530
Investment income (loss)		9,557	(13,558)	15,489
Other expenses, net		(8,109)	(6,928)	(5,876)
Net nonoperating revenues		54,473	49,491	79,813
Change in net position		(3,914)	(15,459)	(13,720)
Net position, beginning of year		263,059	278,518	292,238
Net position, end of year	$	259,145	263,059	278,518

Statement of Revenues, Expenses and Changes in Net Position Financial Highlights

Revenues

The following is an illustration of revenues by source (both operating and nonoperating), that were used to fund the College's activities for the fiscal years ended June 30, 2023 and 2022:





	2023		2022	
	Amount	Percent	Amount	Percent
	(Amounts in thousands)			
Student revenues, net	$ 148,476	57.8%	$ 148,925	57.8%
State appropriations and fringe benefits	55,676	21.7%	52,094	20.2%
Government grants and contracts	26,629	10.4%	23,976	9.3%
Other postemployment benefits	(5,996)	-2.3%	2,841	1.1%
COVID-19 stimulus funding	3,345	1.3%	15,042	5.8%
Investment income	9,557	3.7%	—	0.0%
Other revenues	19,467	7.4%	14,857	5.8%
	$ 257,154	**100.0%**	**$ 257,735**	**100.0%**

The College's revenue diversity is somewhat limited, with student-derived revenues (net tuition and housing revenues) accounting for 57.8% of the total revenue in fiscal 2023 and 2022, followed by state appropriations at 21.7% and 20.2%, and government grants and contracts at 10.4% and 9.3%, respectively. Net investment income was a loss of $13.6 million in fiscal year 2022 which is not included in the table of revenues above.

Operating Revenues

Operating revenues represent resources generated by the College in fulfilling its instruction, research and public service mandate. Total operating revenues increased by $4.0 million and increased by $44.0 million in fiscal years 2023 and 2022, respectively. The increase for fiscal year 2023 is attributed to the revenue from auxiliary activities and an increase in State of New Jersey grants and contract revenues. The increase for fiscal year 2022 is attributed to returning to full operations after the COVID-19 pandemic restrictions were lifted.

Tuition and Fees

Tuition and fees revenues decreased $2.2 million and increased $3.2 million, or 2.0% and 2.4%, in fiscal years 2023 and 2022, respectively, primarily due to the College's continued strategic efforts to keep the cost of education affordable and maintain enrollment coupled with the financial crisis that resulted from the COVID-19 pandemic. In 2022, there was an overall 2.75% tuition rate increase, and mandatory fees were restored to pre-COVID-19 rates. In 2023, there was an overall 3.95% tuition rate increase as well as a 1.12% fee rate increase.

Student Housing and Fees

In fiscal years 2023 and 2022, student housing and fees increased by $1.8 million and $37.1 million, respectively. The increase in revenue in fiscal year 2023 is primarily due to removing restrictions on housing from the COVID-19 pandemic coupled with the increase of 2.50% in room and 3.68% in meal plan rates. The increase in revenue in fiscal year 2022 is primarily due to removing restrictions on housing from the COVID-19 pandemic coupled with the increase of 2.0% in room and 3.75% in meal plan rates.

Scholarship Allowance

Scholarship allowance increased by $7.9 million or 23% and increased by $2.8 million or 9.0%, in fiscal years 2023 and 2022, respectively. This is primarily due to a strategic priority of the College to increase institutional scholarships coupled with an increase in federal and state scholarships. In fiscal year 2021 there was a decrease in institutional funded tuition and housing scholarships as reflected in the below.

Scholarship Allowance
(Amounts in thousands)

		2023	2022	2021
State scholarships	$	9,449	8,742	8,627
Federal scholarships		7,852	7,349	7,003
Institutional scholarships		24,576	17,854	15,511
Total scholarships	$	41,877	33,945	31,141

Government Grants and Contracts

The College recognizes revenues associated with the direct costs of grants and contracts as the related eligible expenditures are incurred. In fiscal years 2023 and 2022, respectively, government grants and contracts had a net increase of $2.7 million and $2.2 million primarily due to an increase in federal financial aid grants.

Auxiliary Activities

Auxiliary activities, which are self-supporting activities increased $1.1 million from $3.9 million in fiscal year 2022 to $5.0 million in fiscal year 2023. Included in auxiliary activities are revenues derived primarily from food service vendor contributions, commissions, student center and conference center operations, and summer camp activities. In fiscal year 2023 and 2022 food service vendor contributions, commissions, and student center revenues increased due to increased activity.

Nonoperating Revenues

Nonoperating revenues are those not generated by the College's core mission and include such funding sources as investment income and New Jersey State support, appropriations and funding for fringe and other postemployment benefits.

New Jersey State Appropriations

In fiscal years 2023 and 2022, New Jersey state appropriations represented approximately 21.7% and 20.2%, respectively, of all operating and non-operating revenues. The level of state support is a key factor influencing the College's overall financial condition. The state appropriations include amounts appropriated by the State Legislature and employees' fringe benefits paid by the State.

The College reimburses the State for the fringe benefit costs for the number of employees who exceed the state authorized position count of 859 for TCNJ. Even though state appropriations are considered nonoperating revenue for financial reporting purposes, the total amount supports operating expenses.

The operating state support to the College increased in fiscal year 2023 by $1.8 million due to an increase in the College's budgeted appropriation by the State. The operating state support to the College increased in fiscal year 2022 by $1.4 million due to an increase in the College's budgeted appropriation by the State. The increase in the state appropriation was supplemented by an increase in fringe benefit appropriations allocated for the state authorized positions.

The breakdown of the state appropriations at June 30, 2023, 2022 and 2021 are as follows:

State Appropriations
(Amounts in thousands)

		2023	2022	2021
State appropriations	$	31,875	30,062	28,708
Fringe benefits		23,801	22,032	22,956
Gross state support	$	55,676	52,094	51,664

Other Postemployment Benefit Revenue

Other postemployment benefit (OPEB) revenue represents the College's proportionate share of OPEB expenses under GASB 75. This non-cash revenue is a direct offset of the OPEB (benefit) expense that was recognized in fiscal years 2023 and 2022. See note 13 for additional information on OPEB.

Investment Income

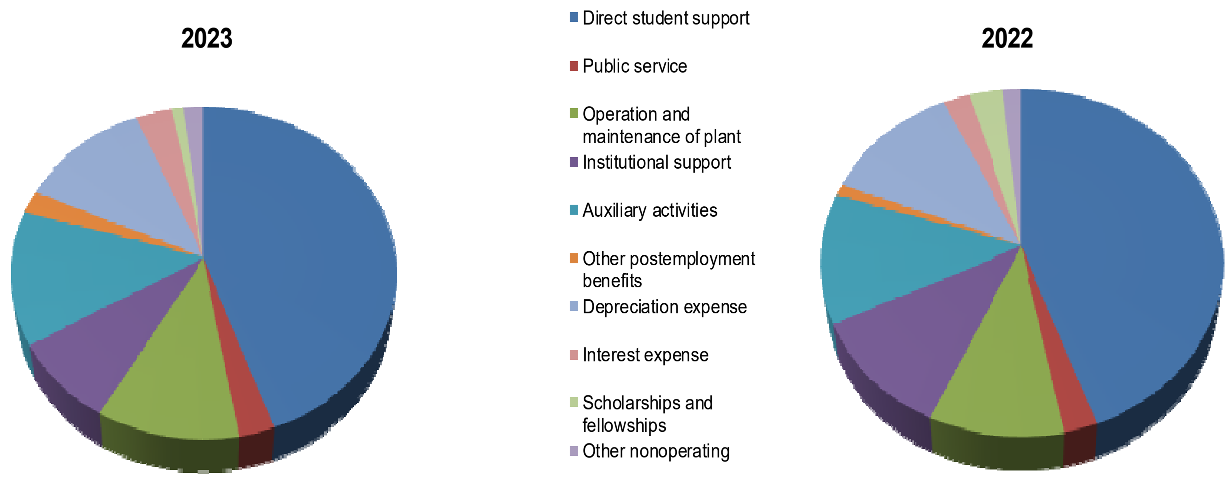
Investment income includes interest and dividend income as well as realized and unrealized gains and losses. During fiscal year 2022 the stock market performance resulted in significant depreciation of the investment portfolio as compared to the strong stock market performance in fiscal year 2023 which resulted in significant appreciation of the investment portfolio. A net gain of approximately $9.6 million was recognized in fiscal year 2023 compared to a net loss of approximately $13.6 million in fiscal year 2022.

COVID-19 Stimulus Funding

In fiscal years 2023 and 2022, the College recognized $3.3 million and $15.0 million, respectively, in revenue from various COVID-19 stimulus funding sources, including Higher Education Emergency Relief Fund (HEERF), Governor's Emergency Education Relief Fund (GEERF), and Coronavirus Relief Fund (CRF). These funds were used to provide $1.1 million in grants to students and reimburse the College for $2.2 million in lost revenues and COVID-19 related expenses. In fiscal year 2022, these funds were used to provide $6.4 million in grants to students and reimburse the College for $8.6 million in lost revenues and COVID-19 related expenses. Amounts received from grants for which eligibility requirements have not been met under the terms of the agreements are included in unearned revenue in the statements of net position.

Expenses

The following is an illustration of total expenses by function (both operating and nonoperating), for the fiscal years ended June 30, 2023 and 2022:



	2023 Amount	2023 Percent	2022 Amount	2022 Percent
Instruction and research	$ 70,833	27.2%	$ 67,569	26.1%
Academic support	24,848	9.5%	24,039	9.3%
Student services	25,956	9.9%	23,718	9.1%
Direct student support	121,637	46.6%	115,326	44.5%
Public service	7,399	2.8%	6,382	2.5%
Operation and maintenance of plant	29,901	11.5%	25,792	9.9%
Institutional support	22,663	8.7%	28,663	11.0%
Auxiliary activities	35,598	13.6%	31,286	12.0%
Other postemployment benefits	(5,996)	-2.3%	2,841	1.1%
Depreciation expense	32,713	12.5%	31,227	12.0%
Interest expense	9,170	3.5%	6,108	2.4%
Scholarships and fellowships	2,884	1.1%	7,823	3.0%
Other nonoperating	5,099	2.0%	4,188	1.6%
	$ 261,068	**100.0%**	**$ 259,636**	**100.0%**

The College has consistently demonstrated its commitment to preserving the quality of its academic programs despite the challenging state funding environment by continuing to allocate a significant portion of its expenses to direct student support (instruction, research, academic support and student services) and to college-funded scholarships which are reported as a reduction of student revenues in the financial statements.

Operating Expenses

In fiscal years 2023 and 2022, total operating expenses were $246.8 million and $249.3 million, representing an overall net decrease of $2.5 million or 1.0% and net increase of $15.5 million or 6.6%, over the previous fiscal year, respectively. The College experienced increases in instruction, auxiliary activities, academic support, student services, and operations and maintenance expenses in fiscal year 2023. These increases were offset by a decrease in institutional support and scholarship and fellowships and an $8.8 million decrease in the College's proportionate share of the OPEB expense. The College experienced increases in auxiliary activities, academic support, student services, and scholarship expenses in fiscal year 2022 as a result of the campus returning to full operations after the COVID-19 pandemic, including the end of the furloughs from fiscal year 2021. These increases were offset by a $28.1 million decrease in net pension expense and a $2.8 million increase in the College's proportionate share of the OPEB expense.

Instruction and Research

The combination of instruction and research represents the College's largest operating expense category. Instruction and research expenses increased $3.3 million in fiscal year 2023 primarily due to a $4.5 million decrease in net pension expense offset by an increase in salary, fringe and operating expenditures. Instruction and research expenses decreased $14.2 million in fiscal year 2022 primarily due to a $12.4 million decrease in net pension expense.

Academic Support

In fiscal years 2023 and 2022, academic support expenses increased $809 thousand or 3.4% and $6.7 million or 38.61%, respectively. Fiscal year 2023 expenses increased in salary and fringe as well as a $221 thousand increase in net pension expense. Fiscal year 2022 expenses increased in salary and fringe offset by a $3.1 million decrease in net pension expense.

Public Service

Public service represents grant activities and academic enterprise programs geared toward community involvement and benefit, such as the Center for Community Engagement, Small Business Development Center, Sustainability Institute, New Jersey AmeriCorps grants, and New Jersey Tutoring Corps grants. This category increased by $1.0 million or 15.9% and $618 thousand or 10.7%, in fiscal years 2023 and 2022, respectively. Fiscal year 2023 salary and fringe increases of $1.4 million were offset by a $626 thousand decrease in net pension expense. In fiscal year 2022, salary and fringe increases were offset by a $856 thousand decrease in net pension expense.

Student Services

In fiscal years 2023 and 2022, student service expenses increased by $2.2 million or 9.4% and increased by $2.4 million or 11.0%, respectively. The fiscal year 2023 change was due to increase in salary, fringe and operating expenditures offset by a $1.4 million decrease in net pension expense. Fiscal year 2022's decrease of

$3.2 million in net pension expense was offset by increases in expenses for salary and fringe, commencement and athletics which resumed normal operations.

Operation and Maintenance of Plant

Operation and maintenance of plant increased by $4.1 million or 15.9% in fiscal year 2023, this was primarily due to an increase in utility and contractor expenditures offset by a $1.5 million decrease in net pension expense. This category decreased by $1.3 million or 4.9% in fiscal year 2022, primarily due to a $3.6 million decrease in net pension expense that was offset by an increase in fuel and utility expenses.

Institutional Support

In fiscal years 2023 and 2022, institutional support decreased by $6.0 million or 20.9% and increased by $1.4 million or 5.1%, respectively. The fiscal year 2023 decrease was due to salary and fringe savings and non-salary expense reductions which were offset by a $1.2 million decrease in net pension expense. Fiscal year 2022 experienced increases in salary and fringe and non-salary expenses for strategic priorities. These increases were partially offset by a $3.4 million decrease in net pension expense.

Auxiliary Activities

In fiscal years 2023 and 2022, auxiliary activities increased by $4.3 million or 13.8% and increased by $15.6 million or 99.7%, respectively. The fiscal year 2023 increase was primarily due to a $2.3 million increase in food service costs and a $1.2 million increase in other scholarship expenses, partially offset by a $552 thousand decrease in net pension expense. The fiscal year 2022 increase was due to housing and food service operations being returned to normal operations after the COVID-19 pandemic, offset by a $1.6 million decrease in net pension expense.

Other Postemployment Benefit Expense

The fiscal years 2023 and 2022 OPEB expense represents the College's proportionate share of OPEB expenses under GASB 75, respectively. OPEB expense decreased by $8.8 million from $2.8 million in fiscal year 2022 to a negative $6.0 million in fiscal year 2023. This non-cash expense is directly offset by the OPEB revenue that were recognized in fiscal years 2023 and 2022. See note 13 for additional information on OPEB.

Depreciation Expense

Depreciation expense increased by $1.5 million or 4.8% and increased by $1.8 million or 6.3% in fiscal years 2023 and 2022, respectively, due to additional capital expenditures which were eligible to be depreciated and the recognition of amortization expense on right-to-use lease and subscription assets in conjunction with the adoption of GASB 87 and GASB 96.

Nonoperating Expenses

Nonoperating expenses are those not incurred by the College's core mission and include such activities as interest on debt and transactions with institutionally affiliated organizations.

Interest Expense

Interest expense increased by $3.0 million or 50.1% and decreased by $59 thousand or 1.0% in fiscal years 2023 and 2022, respectively, primarily due to debt service savings achieved from the Series 2020D debt restructuring.

Interest expense also includes interest expense on lease and subscription liabilities recognized in accordance with GASB 87 and GASB 96. See note 2(n) for further discussion of the impact of the GASB 87 and GASB 96 adoption.

Transactions with Affiliates

The College's affiliates include The College of New Jersey Foundation, Inc. (the Foundation) and the Trenton State College Corporation (the Corporation). Examples of transactions that are reflected in affiliate transfers include: funds disbursed from the Foundation for institutional scholarship support, restricted fund disbursements from the Foundation and transfer of properties from the Corporation. In fiscal years 2023 and 2022, transactions with affiliates increased by $2.8 million or 82.9% and $415 thousand or 14.1%, respectively, primarily due to increased operating support and private grant transfers from the Foundation.

Other Revenues (Expenses), Net

In fiscal years 2023 and 2022, respectively, other nonoperating revenue had a net increase of $911 thousand and $1.4 million primarily due to a decrease in bond administrative costs related to the Series 2020D bond issuance and the recognition of lease interest revenue in accordance with GASB 87.

Economic Factors that Will Affect the Future

The College's long tradition of prudent management, cost containment, conservative budgeting and sensible investment strategies has allowed it to continue to strengthen its financial position through positive operating results and to weather unforeseen fiscal challenges.

Cognizant of the College's responsibility to allocate resources strategically and keep the cost of education at TCNJ affordable, the College will continue to identify areas for focused review and strategies to ensure the maintenance of its long-term financial health. These focused reviews will be coordinated with two major institutional initiatives, the new strategic planning framework and the enterprise risk management program. In fiscal year 2022, the College developed a new strategic plan that sets forth a clear set of actionable strategies that can be enacted to deliver on its mission, grow impact, and sustain financial strength in a post-pandemic era. The College has retained the services of a premier consulting firm to work as a strategic thought partner in collaboration with the Board of Trustees and campus community.

The state and national economy will continue to pose financial challenges for the College in the future. However, as a result of strategic planning efforts and a commitment to prudent fiscal management, TCNJ will continue to make significant strategic investments over the next several years based on our financial position.

A healthy student demand and favorable market position as evidenced by stable enrollment, our sustained ability to attract and retain high-achieving students and its consistently strong operating cash from margins and liquidity, are all factors in the positive outlook for The College of New Jersey. Management believes that the College is well positioned to continue providing excellence in educational programs to its students and service to the State and to achieve its strategic goal of long-term financial sustainability.

STATEMENT OF NET POSITION FOR BUSINESS-TYPE ACTIVITIES

June 30, 2023

(Amounts in thousands)

Assets	The College of New Jersey	Component Unit The College of New Jersey Foundation, Inc.	Component Unit Trenton State College Corporation	Total
Current assets:				
Cash and cash equivalents	$ 20,453	1,133	3,777	25,363
Receivables:				
Student accounts, net of allowance for doubtful accounts of $714	5,328	—	—	5,328
Student loans	87	—	—	87
Grants, net of allowance for doubtful accounts of $113	5,095	—	—	5,095
Due from State of New Jersey (note 5)	3,434	—	—	3,434
Due from affiliates (note 3)	2,990	18	202	3,210
Other	4,250	796	163	5,209
Total receivables	21,184	814	365	22,363
Investments (notes 4 and 17)	56,096	1,361	—	57,457
Restricted deposits held with trustees (note 9)	6,384	—	—	6,384
Prepaid expenses and other assets	1,897	1	—	1,898
PPP receivable - bookstore commissions agreement (note 18)	—	—	650	650
Total current assets	106,014	3,309	4,792	114,115
Noncurrent assets:				
Student loans receivable, net of allowance for doubtful loans of $79	582	—	—	582
Escrow deposits from tenants	—	—	93	93
Lease receivables (note 7)	19,194	—	—	19,194
Other assets	1,459	—	—	1,459
Investments (notes 4 and 17)	33,126	5,020	—	38,146
Restricted investments (note 17)	—	54,671	—	54,671
Capital assets, net (notes 6, 7, 8 and 18)	615,112	—	6,082	621,194
PPP receivable - bookstore commissions agreement (note 18)	—	—	704	704
Total noncurrent assets	669,473	59,691	6,879	736,043
Total assets	775,487	63,000	11,671	850,158
Deferred Outflows of Resources				
Deferred amounts from debt refunding	41,405	—	—	41,405
Deferred amounts from pensions (note 13)	54,349	—	—	54,349
Total deferred outflows of resources	95,754	—	—	95,754
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses (note 10)	18,071	131	134	18,336
Compensated absences – current portion (note 14)	4,676	—	—	4,676
Due to affiliates (note 3)	771	2,459	278	3,508
Unearned revenue and student deposits	2,977	—	—	2,977
Lease liabilities – current portion (note 7)	461	—	360	821
SBITA liabilities – current portion (see note 8)	1,273	—	—	1,273
Bonds payable – current portion, including net premium of $692 (note 11)	692	—	—	692
Other long-term obligations – current portion (note 11)	107	144	—	251
Total current liabilities	29,028	2,734	772	32,534
Noncurrent liabilities (note 11):				
Compensated absences – noncurrent (note 14)	450	—	—	450
U.S. and Government grants refundable	820	—	—	820
Bonds payable – noncurrent, including net premium of $4,805 (note 11)	356,725	—	—	356,725
Lease liabilities – noncurrent (note 7)	424	—	415	839
SBITA liabilities – noncurrent (see note 8)	2,085	—	—	2,085
Other long-term obligations (note 11)	1,981	1,459	93	3,533
Net pension liability (note 13)	136,663	—	—	136,663
Total noncurrent liabilities	499,148	1,459	508	501,115
Total liabilities	528,176	4,193	1,280	533,649
Deferred Inflows of Resources				
Deferred amounts from pensions (note 13)	66,674	—	—	66,674
Deferred amounts from leases (note 7)	17,246	—	—	17,246
Deferred amounts from PPP bookstore commissions agreement (note 18)	—	—	1,354	1,354
Deferred amounts from charitable gift annuities	—	1,182	—	1,182
Total deferred inflows of resources	83,920	1,182	1,354	86,456
Net Position				
Net investment in capital assets	256,790	—	5,307	262,097
Restricted:				
Nonexpendable:				
Scholarships	—	18,646	—	18,646
Other programs	—	11,210	—	11,210
Expendable:				
Scholarships	—	12,120	—	12,120
Other	—	10,036	—	10,036
Student loans	669	—	—	669
Unrestricted	1,686	5,613	3,730	11,029
Total net position	$ 259,145	57,625	9,037	325,807

See accompanying notes to financial statements.

STATEMENT OF NET POSITION FOR BUSINESS-TYPE ACTIVITIES

June 30, 2022

(Amounts in thousands)

Assets	The College of New Jersey	Component Unit The College of New Jersey Foundation, Inc.	Component Unit Trenton State College Corporation	Total
Current assets:				
Cash and cash equivalents	$ 36,478	2,352	3,779	42,609
Receivables:				
Student accounts, net of allowance for doubtful accounts of $808	5,281	—	—	5,281
Student loans	762	—	—	762
Grants, net of allowance for doubtful accounts of $69	4,642	—	—	4,642
Due from State of New Jersey (note 5)	3,311	—	—	3,311
Due from affiliates (note 3)	2,519	18	83	2,620
Other	4,103	11	—	4,114
Total receivables	20,618	29	83	20,730
Investments (notes 4 and 17)	51,702	1,232	—	52,934
Restricted deposits held with trustees (note 9)	3,258	—	—	3,258
Prepaid expenses and other assets	1,686	—	—	1,686
PPP receivable - bookstore commissions agreement (note 18)	—	—	650	650
Total current assets	113,742	3,613	4,512	121,867
Noncurrent assets:				
Student loans receivable, net of allowance for doubtful loans of $53	862	—	—	862
Escrow deposits from tenants	—	—	90	90
Lease receivables (note 7)	19,023	—	—	19,023
Other assets	1,459	—	—	1,459
Investments (notes 4 and 17)	29,304	7,499	—	36,803
Restricted investments (note 17)	—	49,287	—	49,287
Capital assets, net (notes 6, 7, 8 and 18)	629,735	—	6,361	636,096
PPP receivable - bookstore commissions agreement (note 18)	—	—	1,354	1,354
Total noncurrent assets	680,383	56,786	7,805	744,974
Total assets	794,125	60,399	12,317	866,841
Deferred Outflows of Resources				
Deferred amounts from debt refunding	45,840	—	—	45,840
Deferred amounts from pensions (note 13)	67,448	—	—	67,448
Total deferred outflows of resources	113,288	—	—	113,288
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses (note 10)	21,380	156	134	21,670
Compensated absences – current portion (note 14)	4,883	—	—	4,883
Due to affiliates (note 3)	153	2,172	256	2,581
Unearned revenue and student deposits	5,771	—	—	5,771
Lease liabilities – current portion (note 7)	238	—	338	576
SBITA liabilities – current portion (see note 8)	1,634	—	—	1,634
Bonds payable – current portion, including net premium of $672 (note 11)	672	—	—	672
Other long-term obligations – current portion (note 11)	1,859	131	—	1,990
Total current liabilities	36,590	2,459	728	39,777
Noncurrent liabilities (note 11):				
Compensated absences – noncurrent (note 14)	459	—	—	459
U.S. and Government grants refundable	1,307	—	—	1,307
Bonds payable – noncurrent, including net premium of $5,496 (note 11)	357,416	—	—	357,416
Lease liabilities – noncurrent (note 7)	570	—	775	1,345
SBITA liabilities – noncurrent (see note 8)	630			630
Other long-term obligations (note 11)	2,160	1,284	90	3,534
Net pension liability (note 13)	134,920	—	—	134,920
Total noncurrent liabilities	497,462	1,284	865	499,611
Total liabilities	534,052	3,743	1,593	539,388
Deferred Inflows of Resources				
Deferred amounts from pensions (note 13)	92,595	—	—	92,595
Deferred amounts from leases (note 7)	17,707	—	—	17,707
Deferred amounts from PPP bookstore commissions agreement (note 18)	—	—	2,004	2,004
Deferred amounts from charitable gift annuities	—	936	—	936
Total deferred inflows of resources	110,302	936	2,004	113,242
Net Position				
Net investment in capital assets	270,723	—	5,248	275,971
Restricted:				
Nonexpendable:				
Scholarships	—	18,158	—	18,158
Other programs	—	11,001	—	11,001
Expendable:				
Scholarships	—	9,909	—	9,909
Other	—	7,869	—	7,869
Student loans	808	—	—	808
Unrestricted	(8,472)	8,783	3,472	3,783
Total net position	$ 263,059	55,720	8,720	327,499

See accompanying notes to financial statements.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR BUSINESS-TYPE ACTIVITIES

Year ended June 30, 2023

(Amounts in thousands)

		The College of New Jersey	Component Unit The College of New Jersey Foundation, Inc.	Component Unit Trenton State College Corporation	Total
Operating revenues:					
Student revenues:					
Student tuition and fees	$	141,187	—	—	141,187
Less tuition scholarship allowances		(33,469)	—	—	(33,469)
Net student tuition and fees		107,718	—	—	107,718
Student housing and fees		49,166	—	—	49,166
Less housing scholarship allowances		(8,408)	—	—	(8,408)
Net student housing and fees		40,758	—	—	40,758
Federal grants and contracts		13,792	—	—	13,792
State of New Jersey grants and contracts		12,837	—	—	12,837
Auxiliary activities		4,987	—	1,474	6,461
Contributions		—	4,843	—	4,843
Interest on student loans receivable		626	—	—	626
Other operating revenues		7,694	2,705	—	10,399
Total operating revenues		188,412	7,548	1,474	197,434
Operating expenses:					
Instruction		56,080	—	—	56,080
Research		14,753	—	—	14,753
Academic support		24,848	—	—	24,848
Public service		7,399	—	—	7,399
Student services		25,956	—	—	25,956
Operation and maintenance of plant		29,901	—	573	30,474
Institutional support		22,663	—	—	22,663
Scholarships and fellowships		2,884	1,466	—	4,350
Auxiliary activities		35,598	—	595	36,193
Fundraising and program services		—	2,035	—	2,035
Other postemployment benefits (note 13)		(5,996)	—	—	(5,996)
Depreciation		32,713	—	627	33,340
Other operating expenses		—	8,483	17	8,500
Total operating expenses		246,799	11,984	1,812	260,595
Operating loss		(58,387)	(4,436)	(338)	(63,161)
Nonoperating revenues (expenses):					
State of New Jersey appropriations		31,875	—	—	31,875
State of New Jersey fringe benefits (note 12)		23,801	—	—	23,801
Other postemployment benefits (note 13)		(5,996)	—	—	(5,996)
COVID-19 stimulus funding		3,345	—	—	3,345
Investment income		9,557	5,644	97	15,298
Interest expense		(9,170)	—	(38)	(9,208)
Transactions with affiliates (note 3)		6,160	—	(128)	6,032
Other (expenses) revenues, net		(5,099)	—	724	(4,375)
Net nonoperating revenues		54,473	5,644	655	60,772
(Loss) income before additions to permanent endowments		(3,914)	1,208	317	(2,389)
Additions to permanent endowments		—	697	—	697
(Decrease) increase in net position		(3,914)	1,905	317	(1,692)
Net position as of beginning of year		263,059	55,720	8,720	327,499
Net position as of end of year	$	259,145	57,625	9,037	325,807

See accompanying notes to financial statements.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR BUSINESS-TYPE ACTIVITIES

Year ended June 30, 2022

(Amounts in thousands)

	The College of New Jersey	Component Unit The College of New Jersey Foundation, Inc.	Component Unit Trenton State College Corporation	Total
Operating revenues:				
Student revenues:				
Student tuition and fees	$ 137,344	—	—	137,344
Less tuition scholarship allowances	(27,388)	—	—	(27,388)
Net student tuition and fees	109,956	—	—	109,956
Student housing and fees	45,526	—	—	45,526
Less housing scholarship allowances	(6,557)	—	—	(6,557)
Net student housing and fees	38,969	—	—	38,969
Federal grants and contracts	13,067	—	—	13,067
State of New Jersey grants and contracts	10,909	—	—	10,909
Auxiliary activities	3,937	—	1,538	5,475
Contributions	—	3,159	—	3,159
Interest on student loans receivable	85	—	—	85
Other operating revenues	7,467	3,654	—	11,121
Total operating revenues	184,390	6,813	1,538	192,741
Operating expenses:				
Instruction	51,914	—	—	51,914
Research	15,655	—	—	15,655
Academic support	24,039	—	—	24,039
Public service	6,382	—	—	6,382
Student services	23,718	—	—	23,718
Operation and maintenance of plant	25,792	—	503	26,295
Institutional support	28,663	—	—	28,663
Scholarships and fellowships	7,823	1,444	—	9,267
Auxiliary activities	31,286	—	532	31,818
Fundraising and program services	—	1,661	—	1,661
Other postemployment benefits (note 13)	2,841	—	—	2,841
Depreciation	31,227	—	630	31,857
Total operating expenses	249,340	3,105	1,665	254,110
Operating (loss) income	(64,950)	3,708	(127)	(61,369)
Nonoperating revenues (expenses):				
State of New Jersey appropriations	30,062	—	—	30,062
State of New Jersey fringe benefits (note 12)	22,032	—	—	22,032
Other postemployment benefits (note 13)	2,841	—	—	2,841
COVID-19 stimulus funding	15,042	—	—	15,042
Investment income	(13,558)	(8,334)	7	(21,885)
Interest expense	(6,108)	—	(51)	(6,159)
Transactions with affiliates (note 3)	3,368	(6,178)	(59)	(2,869)
Other (expenses) revenues, net	(4,188)	—	245	(3,943)
Net nonoperating revenues (expenses)	49,491	(14,512)	142	35,121
(Loss) income before additions to permanent endowments	(15,459)	(10,804)	15	(26,248)
Additions to permanent endowments	—	4,318	—	4,318
(Decrease) increase in net position	(15,459)	(6,486)	15	(21,930)
Net position as of beginning of year	278,518	62,206	8,705	349,429
Net position as of end of year	$ 263,059	55,720	8,720	327,499

See accompanying notes to financial statements.

STATEMENTS OF CASH FLOWS FOR BUSINESS-TYPE ACTIVITIES

(College only)

Years ended June 30, 2023 and 2022

(Amounts in thousands)

		2023	2022
Cash flows from operating activities:			
Student tuition and fees	$	107,174	111,032
Federal and State grants and contracts		28,568	29,832
Payments to suppliers		(71,500)	(74,960)
Payments to employees		(124,501)	(122,052)
Payments for benefits		(12,532)	(3,529)
Student housing and auxiliary activities		46,104	42,684
Other receipts, net		3,620	2,472
Net cash used in operating activities		(23,067)	(14,521)
Cash flows from noncapital financing activities:			
New Jersey State appropriations		32,373	29,564
Other receipts, net		7,147	18,909
Net cash provided by noncapital financing activities		39,520	48,473
Cash flows from capital and related financing activities:			
Purchase of capital assets		(18,285)	(7,678)
Net withdrawals from deposits held with trustees		(3,099)	512
Principal payments on bonds and other obligations		(1,931)	(1,863)
Interest payments on bonds and other obligations		(9,797)	(6,721)
Right-of-use asset payments		(681)	(254)
Net cash used in capital and related financing activities		(33,793)	(16,004)
Cash flows from investing activities:			
Interest on investments		1,193	139
Sales of investments		123	494
Net cash provided by investing activities		1,316	633
Net change in cash and cash equivalents		(16,025)	18,581
Cash and cash equivalents as of beginning of year		36,478	17,897
Cash and cash equivalents as of end of year	$	20,453	36,478
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	$	(58,387)	(64,950)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Other postemployment benefits	$	(5,996)	2,841
Depreciation		32,713	31,227
State of New Jersey fringe benefits		23,801	22,032
Gifts-in-kind		—	1
Changes in assets and liabilities:			
Receivables, net		(908)	5,350
Prepaid expenses		(211)	(35)
Deferred outflows of resources		13,099	22,117
Accounts payable and accrued expenses		(3,872)	3,023
Accrued salaries		561	(1,388)
Other accrued expenses		(216)	(174)
Due to affiliates		224	(55)
Unearned revenue and student deposits		(1,701)	(4)
Net pension liability		1,743	(75,380)
Deferred inflows of resources		(23,917)	40,874
Net cash used in operating activities	$	(23,067)	(14,521)

See accompanying notes to financial statements.

STATEMENTS OF FIDUCIARY NET POSITION

June 30, 2023 and 2022

(Amounts in thousands)

Assets		2023	2022
Current assets:			
Other receivables	$	3	101
Prepaid expenses		244	51
Total current assets		247	152
Total assets		247	152
Liabilities			
Current liabilities:			
Accounts payable and accrued expenses		124	16
Total current liabilities		124	16
Total liabilities		124	16
Net Position			
Total net position	$	123	136

See accompanying notes to financial statements.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FIDUCIARY NET POSITION

Years ended June 30, 2023 and 2022

(Amounts in thousands)

		2023	2022
Additions:			
Assessment income	$	4,325	3,903
Total additions		4,325	3,903
Deductions:			
Insurance premium payments		4,075	3,712
Administrative expenses		263	190
Total deductions		4,338	3,902
(Decrease) increase in net position		(13)	1
Net position as of beginning of year		136	135
Net position as of end of year	$	123	136

See accompanying notes to financial statements.

(1) Organization

The College of New Jersey (the College or TCNJ) is a mid-sized, comprehensive public college that concentrates primarily on the undergraduate experience. Baccalaureate and master's degrees are offered through the academic programs of the College's seven schools (Arts and Communication; Business; Education; Humanities and Social Sciences; Science; Nursing and Health Sciences; and Engineering). In the fall of 2022, TCNJ enrolled 6,927 full-time equivalent undergraduate students and 406 full-time equivalent graduate students. The College has residential facilities that house more than half of the students on campus.

The College is recognized as a public institution of higher education by the State of New Jersey (the State) and, accordingly, the State Legislature appropriates funds annually to support the College. Under the law, the College is an instrumentality of the State with a high degree of autonomy. However, pursuant to the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended, the College is considered to be a component unit of the State for financial reporting purposes. Accordingly, the financial statements of the College are included in the State's Annual Comprehensive Financial Report.

The College's financial statements and notes thereto include the financial statements of The College of New Jersey Foundation, Inc. (the Foundation) and The Trenton State College Corporation (the Corporation). The Foundation and the Corporation are discretely presented component units in the College's financial statements. Additional information about the Foundation is presented in notes 4 and 17. Additional information about the Corporation is presented in notes 4 and 18.

The College's financial statements and notes also include the New Jersey Risk Management consortium (NJRM) as a fiduciary component unit of the College in accordance with GASB Statement No. 84, *Fiduciary Activities* (GASB 84). Pursuant to New Jersey Statute 18A:64-88, any two or more state colleges or universities may form and become members of a risk management group. Such a group may participate in any joint liability funds, risk management programs or related services offered or provided by the group; has the power to establish funds for authorized coverages and to jointly purchase insurance or coverages under a master policy or contract of insurance for participating members; has the power to take other actions necessary to develop, administer, and provide risk management programs, joint liability funds, joint insurance purchases, and related services; and; is not considered or deemed to be an insurance company or insurer.

The participating institutions in the NJRM are supported by the Risk Manager for the New Jersey State Colleges and Universities, who is based out of TCNJ. The Risk Manager reports to the New Jersey State Colleges and Universities Vice Presidents for Administration and Finance Council, who delegates the supervision of the Risk Manager to TCNJ's Vice President and Treasurer. The Risk Manager oversees the purchase of various insurances either directly with insurance agents or through insurance brokers, and provides general risk management support services to the colleges and universities in the group.

TCNJ serves as the fiscal agent for NJRM. As the fiscal agent, TCNJ receives purchasing approval or waiver of advertising via the College's Board of Trustees; issues premium payments on behalf of the group; and; invoices and receives reimbursement from group members for their share. TCNJ also invoices and receives reimbursement from group members for their share of the risk management program operating assessment, which includes administrative expenses for the program.

(2) Summary of Significant Accounting Policies

(a) *Basis of Presentation*

The accounting policies of the College conform to all U.S. generally accepted accounting principles as applicable to public colleges and universities.

GASB Statement No. 35, *Basic Financial Statements — and Management's Discussion and Analysis—for Public Colleges and Universities—an amendment of GASB Statement No. 34* (GASB 35), establishes standards for external financial reporting for public colleges and universities and requires that resources be classified for accounting and reporting purposes into the following net position categories.

- ***Net investment in capital assets:*** Capital assets, net of accumulated depreciation, including right-of-use lease and subscription assets, net, outstanding principal balances of debt, lease and subscription liabilities, and restricted deposits held with trustees attributable to the acquisition, construction, or improvement of those assets.

- ***Restricted:***

  Nonexpendable: Net position that is subject to externally imposed stipulations and must be maintained permanently by the College.

  Expendable: Net position that is subject to externally imposed stipulations that can be fulfilled by actions of the College pursuant to the stipulations or that expire by the passage of time.

- ***Unrestricted:*** *Net position that is not subject to externally imposed stipulations and may be designated for specific purposes by action of management to the board of trustees.*

When an expense is incurred that can be paid using either restricted or unrestricted resources, the College's policy is to first apply the expense towards restricted resources and then towards unrestricted resources.

(b) *Measurement Focus and Basis of Accounting*

The accompanying financial statements have been prepared on the accrual basis of accounting using the economic resources measurement focus. The College reports as a business-type activity, as defined by GASB 35. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services. The College reports NJRM as a fiduciary activity, as defined by GASB 84. Assets, liabilities, net position, additions, and deductions related to NJRM are accounted for in a fiduciary fund.

(c) *Cash and Cash Equivalents*

Cash and cash equivalents consist of cash on hand and all highly liquid investments purchased with an original maturity of three months or less, except for those managed as a component of the College's investment portfolio. The balance includes deposits with Wells Fargo Bank and the State of New Jersey Cash Management Fund. The State of New Jersey Cash Management Fund is a large-scale investment program with amounts contributed by other state entities. These investments consist primarily of U.S. Treasury issues, commercial paper, certificates of deposit, obligations of government agencies and corporate bonds. The State of New Jersey Cash Management Fund is classified as a cash equivalent as it is a highly liquid investment purchased with an original maturity of three months or less and it is used to support the daily cash flow needs of the College.

(d) *Restricted Deposits Held with Trustees*

Restricted deposits held with trustees are reflected at fair value, which is based on quoted or published market prices in an active market. Purchases and sales of investments are accounted for on the trade-date basis. Investment income is recorded on an accrual basis.

(e) *Investments*

Investments are reflected at fair value, which is based on quoted or published market prices or other fair value measurement methods allowed by GASB Statement No. 72, *Fair Value Measurement and Application*. Purchases and sales of investments are accounted for on the trade-date basis. Investment income is recorded on an accrual basis. Changes in fair value (including both realized and unrealized gains and losses) are reported in investment income.

(f) *Capital Assets*

Capital assets (excluding intangible right-of-use lease and subscription assets) are land, buildings, equipment, works of art, and infrastructure assets, such as roads and sidewalks. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Building improvements and infrastructure costing over $5, equipment items with a unit cost of $5 or more, land improvements over $20, and software implementation over $100 are capitalized. Leasehold improvements are capitalized using the building improvement and equipment thresholds and are depreciated over the life of the lease. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Works of art or historical treasures that are held for public exhibition, education, or research in furtherance of public service are capitalized.

Capital assets of the College are depreciated using the straight-line method over the following useful lives:

Capital asset	Useful lives
Buildings	30 to 50 years
Infrastructure	5 to 35 years
Land and building improvements	5 to 25 years
Leasehold improvements	10 years
Equipment and other assets	5 to 10 years

Estimated costs to complete the projects classified as construction in progress are approximately $19,591. Such construction costs are anticipated to be financed by capital reserves.

(g) ***Leases***

Lessee

The College is a lessee for noncancelable leases of building space and equipment. For leases with a with a maximum possible term of 12 months or less at commencement, the College recognizes lease expense based on the provisions of the lease contract. For all other leases that are not 12 months or less, the College recognizes a lease liability and an offsetting intangible right-of-use lease asset.

At lease commencement, the College initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, less lease payments made at or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the lease asset is amortized into depreciation expense on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. If the College is reasonably certain of exercising a purchase option contained in a lease, the lease asset will be amortized over the useful life of the underlying asset.

Key estimates and judgments include how the College determines the (1) discount rate it uses to calculate the present value of the expected lease payments, (2) lease term, and (3) lease payments.

(1) The College generally uses its estimated incremental borrowing rate as the discount rate for leases unless the rate that the lessor/vendor charges is known. The College's incremental borrowing rate for leases is based on calculating the average rate of interest on long term bond obligation to borrow an amount equal to the lease, under similar terms at the commencement or remeasurement date.

(2) The lease term includes the noncancelable period of the lease plus any additional periods covered by either a College or lessor option to (1) extend for which it is reasonably certain to be exercised, or (2) terminate for which it is reasonably certain not to be exercised. Periods in which both the College and the lessor/vendor have a unilateral option to terminate (or if both parties have to agree to extend) are excluded from the lease term.

(3) Payments are evaluated by the College to determine if they should be included in the measurement of the lease liabilities, including those payments that require a determination of whether they are reasonably certain of being made, such as residual value guarantees, purchase options, payments for termination penalties, and other payments.

The College monitors changes in circumstances that may require remeasurement of a lease arrangement. When certain changes occur that are expected to significantly affect the amount of the lease liability, the liability is remeasured and a corresponding adjustment is made to the lease asset. Lease assets are reported with capital assets, net and lease liabilities are reported with noncurrent liabilities in the statement of net position, net of the short-term portion of the lease liabilities which are reported as current liabilities.

Lessor

The College is a lessor for noncancelable leases of land and building space. For leases with a maximum possible term of 12 months or less at commencement, the College recognizes lease revenue based on the provisions of the lease contract. For all other leases that are not 12 months or less, the College recognizes a lease receivable and an offsetting deferred inflow of resources.

At lease commencement, the College initially measures the lease receivable at the present value of payments expected to be made during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods. The College recognizes interest income on the lease receivable and lease revenue from the deferred inflows of resources in a systematic and rational manner over the term of the lease.

Key estimates and judgments include how the College determines the (1) discount rate it uses to calculate the present value of the expected lease payments to be received, (2) lease term, and (3) lease payments to be received.

(1) The College generally uses its estimated incremental borrowing rate as the discount rate for leases unless the actual interest rate is known. The College’s incremental borrowing rate for leases is based on calculating the average rate of interest on long term bond obligations to borrow an amount equal to the lease, under similar terms at the commencement or remeasurement date.

(2) The lease term includes the noncancelable period of the lease plus any additional periods covered by either a College or lessee unilateral option to (1) extend for which it is reasonably certain to be exercised, or (2) terminate for which it is reasonably certain not to be exercised. Periods in which both the College and the lessee have an option to terminate are excluded from the lease term.

(3) Lease payments to be received are evaluated by the College to determine if they should be included in the measurement of the lease receivable, including those payments that require a determination of whether they are reasonably certain of being received.

The College monitors changes in circumstances that may require remeasurement of a lease arrangement. When certain changes occur that are expected to significantly affect the amount of the lease receivable, the receivable is remeasured and a corresponding adjustment is made to the deferred inflow of resources. Lease receivables are reported within the noncurrent asset section of the statement of net position, net of the short-term portion of the lease receivable reported as a current asset.

(h) *Subscriptions-Based Information Technology Arrangements (SBITA's)*

In accordance with GASB 96, the College evaluates all subscription like transactions and contracts to determine whether the agreements meet the GASB 96 definition of a SBITA by the following method:

(1) Identify the population of potential SBITAs

(2) Gather the agreements, amendments, and extensions

(3) Excerpt key terms and provisions

(4) Determine the applicability of GASB 96 to each agreement

(5) (5) If GASB 96 does apply, calculate the initial measurement of the amounts to be placed on the statement of net position by recording a gross subscription underlying IT asset and a SBITA liability

The SBITA liability is the present value of:

(1) Fixed payments

(2) Variable payments that depends on rate as of the commencement of the subscription

(3) Variable payments that are fixed in substance

(4) Termination penalties, if the subscription term reflects the government exercising either an option to terminate the agreement or a fiscal funding or cancellation clause

(5) Incentives receivable from the vendor

(6) Other payments the College is reasonably certain will be required to be made to the vendor

The College will accrue interest on the remaining subscription liability at the applicable discount rate if the SBITA meets the criteria. The subscription payments will be allocated first to the accrued interest, then to reduce the outstanding subscription liability for all SBITA's for which GASB 96 applies.

The SBITA asset is measured as the initial value of the subscription liability plus:

(1) payments made to the vendor at the commencement of the subscription term

(2) capitalizable initial implementation costs

(3) minus any vendor incentives received at the commencement of the subscription term

Subsequently, the College will amortize the subscription asset in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT asset. Amortization of the subscription asset begins at the commencement of the subscription term and is reported as an outflow of resources.

In addition to subscription payments, there may be cash outlays for other activities associated with SBITAs. The type and timing of the activity dictates the accounting treatment of these cash outlays. Other activities associated with SBITAs are grouped into three stages:

(1) Preliminary project stage

The preliminary project stage includes activities associated with the decision to procure the technology provided by the SBITA. Any cash outlays while in this stage are expensed in the period incurred.

(2) Initial implementation stage

During the initial implementation stage, any charges incurred while placing the subscription asset into service are included in this stage for implementing the selected system through system customizations, testing, data migration, installation, etc. After the subscription asset is placed into service, this stage of the project is complete. Cash outlays during this initial implementation stage are generally capitalized as part of the subscription asset.

(3) Operation and additional implementation stage

Throughout the subscription term, any operational costs related to challenges which require technical support, maintenance, troubleshooting, or other measures to assist the entity in maintaining ongoing access to the underlying IT assets on stage are expensed in the period incurred, unless the activity is related to increasing the efficiency of or adding to the functionality of the subscription asset in a way that didn't exist before. For these types of activities, the costs are capitalized as an addition to the subscription asset.

Key estimates and judgments include how the College determines (1) the discount rate it uses to calculate the present value of the expected payments, (2) arrangement term, and (3) arrangement payments.

1. The College generally uses an estimated incremental borrowing rate as the discount rate for SBITA's unless the rate that the vendor charges is known. The incremental borrowing rate for 2023 was calculated by using a combination of a risk-free rate of return based on the cost of funds for an AAA-rated municipal bond issuer and adjusted for a credit spread. The College's incremental borrowing rate for SBITAs is based on the rate of interest it would need to pay if it issued general obligation bonds to borrow an amount equal to the SBITA's payments, respectively, under similar terms at the commencement or remeasurement date.

2. If a SBITA is identified, a subscription liability and a subscription asset at the commencement of the subscription term of the SBITA, which occurs when the College obtains control of the right to use the underlying IT asset. The subscription term is the period that the government has the noncancelable right to use the underlying IT assets, plus the following periods, if applicable:

    1. Periods covered by the College's extension option if it is reasonably certain that the College will exercise that option

    2. Periods covered by a College's termination option if it is reasonably certain that the College will not exercise that option

    3. Periods covered by a vendor's extension option if it is reasonably certain that the SBITA vendor will exercise that option

    4. Periods covered by a vendor's termination option if it is reasonably certain that the vendor will not exercise that option

(i) ***Deferred Outflows of Resources***

Deferred outflows of resources represent unamortized amounts from debt refunding and amounts related to changes in the net pension liability.

(j) ***Deferred Inflows of Resources***

Deferred inflows of resources represent amounts related to changes in the net pension liability, future long-term lease revenue amortized in a systematic and rational manner over the lease term, amounts related to The College of New Jersey Foundation's (the Foundation) remainder interest in irrevocable charitable gift annuity agreements, and amounts related to Trenton State College Corporation's (the Corporation) bookstore commissions agreement.

(k) ***Revenue Recognition***

Revenues from student tuition and fees and auxiliary activities are presented net of scholarships applied to student accounts and are recognized in the period earned. Tuition waivers and other payments made directly to students are presented as scholarships and are included in operating expenses in the period incurred. Student tuition and fees and deposits collected in advance of the fiscal year are recorded as unearned revenue in the accompanying statement of net position.

Grant revenue is comprised mainly of funds received from grants from Federal and State of New Jersey sources and is recognized when all eligibility requirements for revenue recognition are met which is generally the period in which related expenses are incurred. Amounts received from grants for which eligibility requirements have not been met under the terms of the agreements are included in unearned revenue in the accompanying statement of net position.

Revenue from State of New Jersey appropriations is recognized in the fiscal year during which the State of New Jersey appropriates the funds to the College.

(l) ***Student Activity Fees***

It is the policy of the College to collect the student activity fees (SAF) for the Student Finance Board (the Board) and periodically transfer SAF funds to the Board as the SAF is paid by students. The Board is a student-represented board of nineteen undergraduates who are delegated the responsibility to assess, allocate and distribute the SAF and the student activities fund (the total amount of money available from the SAF) in a financially responsible manner for the purpose of engaging TCNJ students in constructive programming and services that promote the values of education, entertainment, service, diversity and recreation. The Board of Trustees has delegated responsibility for SAF funds to the President of the College, who in turn has delegated it to the Vice President for Student Affairs, who has delegated it to the Board. The Board has separate cash accounts with Wells Fargo and the New Jersey Cash Management Fund to facilitate management of the student activities fund. However, the Board is not a legally separate entity and the financial activities of the Board are reported within the financial statements of the College.

The Board is responsible for determining the allocation of funds and the ultimate distribution of funds to various clubs, service organizations and other student groups for the purpose of enriching the co-curricular life of the College community.

The Board is also responsible for administering funds for certain organizations controlled by TCNJ, such as the Residence Hall Association.

In addition, some student organizations choose to have the Board act as a “bank” for their fundraising dollars. The Board administers the funds as requested by each student organization, and balances carry over from year-to-year.

As of June 30, 2023 and 2022, respectively, $54 and $59 was due to be transferred from the College’s bank account to the Board’s bank account for SAF funds collected during fiscal years 2023 and 2022 from prior year student accounts receivable.

(m) ***Operating Activities***

The College’s policy for defining operating activities as reported on the statement of revenues, expenses and changes in net position are those that serve the College’s principal purpose and generally result from exchange transactions such as the payment received for services and payment made for the purchase of goods and services. Examples include: student tuition and fees, net of scholarship allowances, and most Federal, State and private grants and contracts. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenue, as defined by GASB 35, including state appropriations, gifts, and investment income. Interest expense is reported as a nonoperating expense.

(n) ***Adoption of Accounting Pronouncements***

Effective July 1, 2021, the College adopted GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This Statement improves the accounting and financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPP). This Statement requires the recognition of a receivable for installment payments and a deferred inflow of resources to account for a PPP in financial statements based on the provisions detailed in the arrangement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022 (fiscal year 2023).

The College considered the application of GASB 94 as it relates to the College's agreement with PRC for the operation of Campus Town, specifically for the buildings that were built by and will be operated by PRC over the term of the agreement. Given the length of the agreement term, the carrying value of the buildings will be zero (buildings will be fully depreciated) at the time of the transfer to the College and therefore, no incremental PPP receivable or deferred inflow was recorded as a result of the College's adoption of GASB 94 in fiscal year 2023. Additional information about the College's agreement with PRC is presented in note 7.

Related to the installment payments under the Corporation's bookstore service management agreement with Barnes & Noble (see note 18), the Corporation recognized a PPP receivable of $1,354,000 and $2,004,000 as of June 30, 2023 and 2022, respectively. A corresponding deferred inflow from PPP (bookstore commissions agreement) of $1,354,000 and $2,004,000 was recognized as of June 30, 2023 and 2022, respectively. The PPP receivable and the deferred inflow of resources are reported separately within the Statements of Net Position.

In June 2017, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022 (fiscal year 2023).

The College's adoption of GASB 96 is reported retroactively, effective July 1, 2021, for comparative purposes. Right-of-use subscription assets, net as of June 30, 2023 and 2022 of $3,557 and $2,813, respectively, were recognized. As of June 30, 2023, and 2022, respectively, subscription liabilities of $3,358 and $2,264 were recognized. The right-of-use subscription assets are reported in capital assets, net and the subscription liabilities are reported as noncurrent liabilities, with the subscription principal payments for the next fiscal year reported as current liabilities. Amortization expense is reported as depreciation expense and interest expense is reported as a nonoperating expense. Additional information about the College's adoption of GASB 96 is presented in note 8.

Notes to the Financial Statements ($ in thousands)

The table below illustrates the restatement of fiscal year 2022 for the adoption of GASB 96:

GASB 96 SBITA Adoption Restatement of 2022			
	July 1, 2021 as previously reported	**GASB 96 adoption**	**July 1, 2021 as restated**
Capital assets, net	647,444	3,377	650,821
SBITA liabilities	—	3,377	3,377
Net position, beginning of year	278,518	—	278,518
	June 30, 2022 as previously reported	**GASB 96 adoption**	**June 30, 2022 as restated**
Capital assets, net	626,922	2,813	629,735
SBITA liabilities	—	2,264	2,264
Net position, end of year	262,510	549	263,059
	For the year ended June 30, 2022 as previously reported	**GASB 96 adoption**	**For the year ended June 30, 2022 as restated**
Operating expenses:			
Instruction	53,628	(1,714)	51,914
Academic Support	24,223	(184)	24,039
Auxiliary activities	31,392	(106)	31,286
Depreciation expense	29,775	1,452	31,227
Nonoperating expenses:			
Interest expense	(6,105)	(3)	(6,108)
Decrease in net position	(16,008)	549	(15,459)

(o) ***Accounting Pronouncements Applicable to the College, Issued but Not Yet Effective***

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. This Statement enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023 (fiscal year 2024). The College is evaluating the impact of this new standard.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement aligns the recognition and measurement guidance for compensated absences under a unified model to better meet the information needs of financial statement users. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023 (fiscal year 2025). The College is evaluating the impact of this new standard.

(p) ***Income Taxes***

The College is exempt from income taxes on related income pursuant to Federal and State tax laws as an instrumentality of the State of New Jersey.

(q) ***Use of Estimates***

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

(3) Transactions with Affiliates

(a) ***The College of New Jersey Foundation, Inc.***

The College of New Jersey Foundation, Inc. (the Foundation) has approved payments to the College for restricted scholarships, private grants, departmental funds, and institutional scholarship and operating support of $8,483 and $6,178 during fiscal years 2023 and 2022, respectively. In addition, the Foundation contributed $1,365 and $1,304 of designated scholarship support to the College during fiscal years 2023 and 2022, respectively, which is part of students' financial aid. The College provides certain administrative functions on behalf of the Foundation. The costs of salaries and benefits for administrative functions were not charged to the Foundation in fiscal years 2023 and 2022.

As of June 30, 2023, and 2022, respectively, a receivable of $2,459 and $2,172 was due from the Foundation. Additional information about the Foundation is presented in note 17 to the financial statements.

(b) ***Trenton State College Corporation***

The Trenton State College Corporation (the Corporation) assists in the development and growth of the College through property acquisitions and facilities management. The New Jersey Board of Higher Education approved the Corporation on April 15, 1988, in accordance with the Public College Auxiliary Organizations Act, P.L. 1982. Additional information about the Corporation is presented in note 18 to the financial statements.

During fiscal years 2023 and 2022, the College incurred $427 and $458, respectively, in rent and related expenses paid to the Corporation for usage of space in homes owned by the Corporation. In addition, the College reimbursed the Corporation for expenses associated with the maintenance of College owned properties. As of June 30, 2023, and 2022, there were outstanding payables of $202 and $83, respectively, due to the Corporation relating to these expenses.

Additionally, the Corporation pays the College for the portion of salaries and benefits of College employees who perform functions for the Corporation and any expenses applicable to the Corporation. This amounted to $345 and $368 as of June 30, 2023 and 2022, of which $278 and $256 was due to the College as of June 30, 2023 and 2022, respectively.

The Corporation purchases and maintains student housing facilities in order to provide additional housing for the College's students. During fiscal years 2023 and 2022, the College reimbursed the Corporation for expenses incurred while maintaining the transfer housing facilities plus a management fee. The expenses reimbursed to the Corporation for transfer housing during fiscal years 2023 and 2022 were $160 and $215, respectively.

(4) Cash, Cash Equivalents and Investments

The carrying amount of cash and cash equivalents was $20,453 and $36,478 as of June 30, 2023 and 2022, respectively, which included $7,186 and $28,679 held in the State of New Jersey Cash Management fund and $13,123 and $7,799 in various accounts at Wells Fargo Bank and on campus. The amount on deposit with Wells Fargo was $16,185 and $10,436 as of June 30, 2023 and 2022, respectively. Of the amounts on deposit at Wells Fargo Bank, $250 was insured by the Federal Deposit Insurance Corporation (FDIC) and $11,375 was collateralized pursuant to New Jersey Statute 52:18-16-1. Cash on deposit at Wells Fargo Bank totaling $4,560 and $3,190, respectively, as of June 30, 2023 and 2022 was uncollateralized.

The College participates in the State of New Jersey Cash Management Fund wherein amounts also contributed by other State entities are combined into a large-scale investment program. The operations of the State of New Jersey Cash Management Fund are governed by the provisions of the State Investment Council Regulations for the purpose of determining authorized investments. Statutes of the State of New Jersey and Regulations of the State Investment Council authorize the New Jersey Division of Investment to invest in obligations of the U.S. Treasury, agencies, and municipal or political subdivisions of the State, commercial paper, bankers acceptances, revenue obligations of public authorities, debt instruments of banks, collateralized notes, mortgages, certificates of deposit, repurchase agreements, equity, and convertible equity securities and other common types of investment securities. Investee institutions and organizations are prescribed by the statutes and regulations based on such criteria as minimum capital, dividend paying history, credit history and other evaluation factors. The fair value of the State of New Jersey Cash Management Fund is based on the number of shares held by the College and the market price of those shares as of June 30, 2023 and 2022. The Cash Management Fund is unrated with a portfolio maturity of less than one year.

The College has an investment policy approved by the Board of Trustees that establishes guidelines for permissible investments. The College may invest in equities, real estate assets, inflation hedge and fixed income assets.

Notes to the Financial Statements ($ in thousands)

The College's investments as of June 30, 2023 and 2022 were as follows:

Investments			
		2023	2022
Mutual funds:			
Domestic equities	$	18,307	15,312
International equities		9,045	7,396
Mutual funds total		27,352	22,708
U.S. Treasury bonds and notes		13,676	11,723
U.S. Government agencies		7,326	6,104
Corporate bonds		11,552	11,047
Municipal bonds		179	292
Foreign bonds		745	780
Certificates of deposit		—	1,450
Exchange-traded funds		26,930	25,140
Cash and cash equivalents		1,462	1,762
Total	$	89,222	81,006

The College's investments are subject to various risks. Among these risks are credit risk and interest rate risk. Each one of these risks is discussed in more detail below.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt instrument is measured by nationally recognized statistical rating agencies such as Moody's Investors Service, Inc. (Moody's).

Notes to the Financial Statements ($ in thousands)

As of June 30, 2023 and 2022, the College's fixed income investments were rated as follows:

2023

Fixed Income Investments Ratings

Moody's Rating		Total	U.S. Treasury bonds and notes	U.S. Government agencies	Corporate bonds	Municipal bonds	Foreign bonds
Aaa	$	12,887	12,204	—	683	—	—
A1		1,586	—	—	1,447	—	139
A2		1,011	—	—	900	—	111
A3		1,725	—	—	1,725	—	—
Aa2		317	—	—	317	—	—
Aa3		116	—	—	116	—	—
B2		47	—	—	47	—	—
B3		69	—	—	69	—	—
Ba1		160	—	—	160	—	—
Ba2		18	—	—	—	—	18
Baa1		1,843	—	—	1,753	—	90
Baa2		2,427	—	—	2,283	—	144
Baa3		1,387	—	—	1,144	—	243
NR		9,885	1,472	7,326	908	179	—
	$	33,478	13,676	7,326	11,552	179	745

2022

Fixed Income Investments Ratings

Moody's Rating		Total	U.S. Treasury bonds and notes	U.S. Government agencies	Corporate bonds	Municipal bonds	Foreign bonds	Certificates of deposit
Aaa	$	10,683	10,194	—	489	—	—	—
A1		517	—	—	378	—	139	—
A2		1,895	—	—	1,780	—	115	—
A3		1,308	—	—	1,308	—	—	—
Aa2		276	—	—	161	115	—	—
B2		52	—	—	52	—	—	—
Ba1		134	—	—	134	—	—	—
Ba2		145	—	—	72	—	73	—
Ba3		45	—	—	45	—	—	—
Baa1		2,196	—	—	2,196	—	—	—
Baa2		1,688	—	—	1,688	—	—	—
Baa3		2,749	—	—	2,296	—	453	—
NR		9,708	1,529	6,104	448	177	—	1,450
	$	31,396	11,723	6,104	11,047	292	780	1,450

The College's investment policy requires the following limits:

- Equities – No single corporation shall exceed 5% of the College's total stock portfolio. The College's ownership of the shares of one company shall not exceed 2% of those outstanding. Not more than 25% of stock valued at market value may be held in any one industry category. Non-U.S. equity portfolio shall be no more than 35% in emerging markets exposure as defined by Morgan Stanley Capital International Inc. (MSCI). Real estate assets will be held in pooled vehicles, primarily holding Real Estate Investment Trusts (REITs) and servicing companies. Inflation hedging assets held in pooled vehicles, such as the equity of companies in businesses thought to hedge inflation.

- Fixed Income – Securities, in the form of mutual funds and individual securities of the following sectors:

    - United States Government Securities

    - Government Agencies Securities

- Corporate notes and bonds – Issuers must have a long-term rating of at least A- by Standard & Poor's or A3 by Moody's. The maximum maturity of any investment in this sector is limited to five years from time of purchase. No single issuer shall exceed 5% of the College's portfolio.

- U.S. Agencies Mortgage-Backed Securities (MBS), preferred stock, Collateralized Mortgage Obligations, Asset Backed Securities, Commercial Mortgage Backed Securities (CMBS).

- Certificates of deposit –The maximum maturity of any investment in this sector is limited to five years from time of purchase.

- Commercial paper – Issuers must have a short-term rating of at least A-1 by Standard & Poor's or P1 by Moody's. The maximum maturity of any investment in this sector is limited to 270 days from time of purchase.

- Bankers' acceptances – Issuers must have a short-term rating of at least A-1 by Standard & Poor's and P1 by Moody's. The maximum maturity of any investment in this sector is limited to 180 days from time of purchase.

- Municipal debt obligations – The maximum maturity of any investment in this sector is limited to five years from time of purchase. No single issuer shall exceed 5% of the College's portfolio.

- Repurchase agreements – The maximum maturity of any investment in this sector is limited to 90 days at time of purchase. No single repurchase agreement counterparty shall exceed 15% of the College's portfolio. Shall only be entered into with U.S. government securities dealers, as posted by the Federal Reserve Bank of New York.

- State of New Jersey Cash Management Fund.

- Money market funds – Funds must be rated AAm by Standard & Poor's or Aa-mf by Moody's. No single fund in this category shall exceed 15% of the College's portfolio.

Notes to the Financial Statements ($ in thousands)

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of a debt investment. The College's investment policy provides limitations in the maturities of various types of investments as a means of managing its exposure to fair value losses arising from interest rate fluctuations.

As of June 30, 2023 and 2022 the College's fixed income investments had maturity dates as follows:

2023 Fixed Income Investments Maturity							
Maturing in years		Total	U.S. Treasury bonds and notes	U.S. Government agencies	Corporate bonds	Municipal bonds	Foreign bonds
Less than 1	$	352	—	3	170	179	—
1 – 5		10,952	1,752	7,145	1,954	—	101
6 – 10		14,394	8,068	156	5,689	—	481
Greater than 10		7,780	3,856	22	3,739	—	163
	$	33,478	13,676	7,326	11,552	179	745

2022 Fixed Income Investments Maturity								
Maturing in years		Total	U.S. Treasury bonds and notes	U.S. Government agencies	Corporate bonds	Municipal bonds	Foreign bonds	Certificates of deposit
Less than 1	$	2,092	—	—	527	115	—	1,450
1 – 5		11,768	6,991	39	4,129	177	432	—
6 – 10		8,622	3,745	262	4,371	—	244	—
Greater than 10		8,914	987	5,803	2,020	—	104	—
	$	31,396	11,723	6,104	11,047	292	780	1,450

(a) ***Fair Value Measurement***

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the financial statements' measurement date. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1 – unadjusted quoted or published prices for identical assets or liabilities in active markets that a government can access at the measurement date;

- Level 2 – quoted or published prices other than those included within Level 1 and other inputs that are observable for an asset or liability, either directly or indirectly; and
- Level 3 – unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3. When the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level that is significant to the entire measurement.

While the College believes its valuation, methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following is a description of the valuation methodologies used for instruments measured at fair value:

- Mutual funds – The fair value of mutual funds are based on quoted market prices, when available, or market prices provided by recognized broker-dealers.
- U.S. Treasury bonds and notes – The fair value of debt and equity securities and funds are based on prices quoted in active markets for those securities.
- U.S. Government agencies – The fair value of government agencies are based on institutional bond quotes and evaluations based on various market and industry inputs.
- Corporate bonds – The fair value of corporate bonds are based on institutional bond quotes and evaluations based on various market and industry inputs.
- Municipal bonds – The fair value of municipal bonds are based on institutional bond quotes and evaluations based on various market and industry inputs.
- Foreign bonds – The fair value of commercial paper is based on evaluations based on various market and industry inputs.
- Commercial paper – The fair value of commercial paper is based on evaluations based on various market and industry inputs.
- Certificates of deposit – The fair value of certificates of deposit are based on evaluations based on various market and industry inputs.
- Exchange-traded funds – The fair value of exchange-traded funds are based on quoted market prices.
- Cash and cash equivalents – These investments are measured at amortized cost and have been excluded from fair value leveling.

Notes to the Financial Statements ($ in thousands)

The College's investments at June 30, 2023 and 2022 are summarized in the following table by their fair value hierarchy:

2023
Investments Measured at Fair Value

Investment		Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
			Fair value measurements using		
Investments by fair value level					
Mutual funds:					
Domestic equities	$	18,307	18,307	—	—
International equities		9,045	9,045	—	—
U.S. Treasury bonds and notes		13,676	13,676	—	—
Exchange-traded funds		26,930	26,930	—	—
U.S. Government agencies		7,326	—	7,326	—
Corporate bonds		11,552	—	11,552	—
Municipal bonds		179	—	179	—
Foreign bonds		745	—	745	—
Total investments measured at fair value	$	87,760	67,958	19,802	—

2022
Investments Measured at Fair Value

Investment		Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
			Fair value measurements using		
Investments by fair value level					
Mutual funds:					
Domestic equities	$	15,312	15,312	—	—
International equities		7,398	7,398	—	—
U.S. Treasury bonds and notes		11,723	11,723	—	—
Exchange-traded funds		25,140	25,140	—	—
U.S. Government agencies		6,104	—	6,104	—
Corporate bonds		11,047	—	11,047	—
Municipal bonds		292	—	292	—
Foreign bonds		780	—	780	—
Certificates of deposit		1,450	—	1,450	—
Total investments measured at fair value	$	79,246	59,573	19,673	—

Notes to the Financial Statements ($ in thousands)

(5) Due from State of New Jersey

Due from the State of New Jersey consists of the following as of June 30, 2023 and 2022:

Due from State of New Jersey			
		2023	2022
State appropriation	$	—	498
FICA benefit reimbursement		2,554	1,947
Alternative Benefit Program		880	866
Total	$	3,434	3,311

Notes to the Financial Statements ($ in thousands)

(6) Capital Assets

Capital asset activity for the year ended June 30, 2023 and 2022 was as follows:

2023 Capital Asset Activity	Beginning balance	Additions	Transfers/ retirements	Ending balance
Nondepreciable assets:				
Land	$ 22,464	—	—	$ 22,464
Works of art/historical treasures	915	—	—	915
Construction in progress	7,463	12,618	(4,344)	15,737
Total nondepreciable assets	30,842	12,618	(4,344)	39,116
Depreciable assets:				
Land improvements	1,049	—	—	1,049
Buildings	600,581	—	—	600,581
Building improvements	199,773	—	2,041	201,814
Leasehold improvements	1,456	—	—	1,456
Infrastructure	99,322	—	1,847	101,169
Equipment and other assets	103,255	1,299	440	104,994
Total depreciable assets	1,005,436	1,299	4,328	1,011,063
Total capital assets	1,036,278	13,917	(16)	1,050,179
Accumulated depreciation:				
Land improvements	(335)	(33)	—	(368)
Buildings	(222,337)	(12,100)	—	(234,437)
Building improvements	(71,313)	(7,627)	—	(78,940)
Leasehold improvements	(871)	(146)	—	(1,017)
Infrastructure	(32,164)	(4,515)	—	(36,679)
Equipment and other assets	(83,102)	(4,930)	16	(88,016)
Total accumulated depreciation	(410,122)	(29,351)	16	(439,457)
Total capital assets, net excluding ROU assets	$ 626,156	(15,434)	—	610,722
Right-to-use assets, net				4,390
Total capital assets, net				$ 615,112

Notes to the Financial Statements ($ in thousands)

2022 Capital Asset Activity		Beginning balance	Additions	Transfers/ retirements		Ending balance
Nondepreciable assets:						
Land	$	22,464	—	—	$	22,464
Works of art/historical treasures		915	—	—		915
Construction in progress		10,898	5,075	(8,510)		7,463
Total nondepreciable assets		34,277	5,075	(8,510)		30,842
Depreciable assets:						
Land improvements		925	121	3		1,049
Buildings		600,581	—	—		600,581
Building improvements		198,673	755	345		199,773
Leasehold improvements		1,456	—	—		1,456
Infrastructure		88,934	2,268	8,120		99,322
Equipment and other assets		106,095	990	(3,830)		103,255
Total depreciable assets		996,664	4,134	4,638		1,005,436
Total capital assets		1,030,941	9,209	(3,872)		1,036,278
Accumulated depreciation:						
Land improvements		(304)	(31)	—		(335)
Buildings		(210,236)	(12,101)	—		(222,337)
Building improvements		(63,651)	(7,676)	14		(71,313)
Leasehold improvements		(725)	(146)	—		(871)
Infrastructure		(27,833)	(4,339)	8		(32,164)
Equipment and other assets		(81,704)	(5,228)	3,830		(83,102)
Total accumulated depreciation		(384,453)	(29,521)	3,852		(410,122)
Total capital assets, net excluding ROU assets	$	646,488	(20,312)	(20)		626,156
Right-to-use assets, net						3,579
Total capital assets, net					$	629,735

Notes to the Financial Statements ($ in thousands)

(7) Leases

(a) *Lessee*

As discussed in note 2(g), the College is a lessee for various noncancelable leases of building space and equipment. Lease terms vary from three to ten years. The discount rate used for the calculation of the lease receivable is calculated based on the average rate for the College's long-term debt, at 4% respectively for fiscal year 2023 and 2022.

The College entered into a noncancelable ten-year lease agreement with PRC Campus Partners, LLC (PRC) on April 4, 2014 to lease a space in the Campus Town development (a mixed-use retail/student housing complex on approximately 13 acres of land adjacent to the College developed by a private real estate corporation through participation in a public private partnership with the College) to operate a campus fitness center. The College has two options to renew the agreement for an additional five-year term. The College is not reasonably certain that the option to renew will be exercised, therefore the extension periods are not included in the lease term. Under the fitness center lease agreement, the College is responsible for the capital tenant improvements to prepare the leased property for its intended use. As of June 30, 2023, and 2022, $1.456 million of capital construction costs have been incurred and were recorded as leasehold improvements in the statement of net position. The cost of these leasehold improvements is depreciated on a straight-line basis over the 10-years term of the lease agreement.

The annual base rent for year one of the lease agreement was $196 thousand plus additional rent equal to the College's share of common area maintenance expenses as included in the lease agreement. Rental payments began on the Rent Commencement Date (September 14, 2015) in accordance with the agreement.

Intangible right-of-use lease assets

A summary of lease asset activity for the years ended June 30, 2023 and 2022 is as follows:

2023 — Right-of-Use Lease Assets		Beginning balance	Additions	Remeasurements	Deductions	Ending balance
Lease assets						
Campus Town fitness center	$	1,057	—	—	—	1,057
Equipment		168	513	—	—	681
Total lease assets		1,225	513	—	—	1,738
Less accumulated amortization						
Lease assets:						
Campus Town fitness center		(402)	(201)	—	—	(603)
Equipment		(57)	(245)	—	—	(302)
Total accumulated amortization		(459)	(446)	—	—	(905)
Total lease assets, net	$	766	67	—	—	833

Notes to the Financial Statements ($ in thousands)

2022 Right-of-Use Lease Assets		Beginning balance	Additions	Remeasurements	Deductions	Ending balance
Lease assets						
Campus Town fitness center	$	1,057	—	—	—	1,057
Equipment		125	43	—	—	168
Total lease assets		1,182	43	—	—	1,225
Less accumulated amortization						
Lease assets:						
Campus Town fitness center		(201)	(201)	—	—	(402)
Equipment		(25)	(32)	—	—	(57)
Total accumulated amortization		(226)	(233)	—	—	(459)
Total lease assets, net	$	956	(190)	—	—	766

Lease liability and interest expense

A summary of lease liability activity for the years ended June 30, 2023 and 2022 is as follows:

2023 Lease Liabilities		Beginning balance	Additions	Remeasurements	Deductions	Ending balance	Current portion
Campus Town fitness center	$	694	—	—	(199)	495	212
Equipment		114	514	—	(238)	390	249
Total lease liabilities	$	808	514	—	(437)	885	461

2022 Lease Liabilities		Beginning balance	Additions	Remeasurements	Deductions	Ending balance	Current portion
Campus Town fitness center	$	881	—	—	(187)	694	199
Equipment		102	43	—	(31)	114	39
Total lease liabilities	$	983	43	—	(218)	808	238

Future annual lease payments are as follows:

Future Annual Lease Payments and Interest		Principal Amount	Interest Amount	Total
Year ending June 30:				
2024	$	461	12	473
2025		357	9	366
2026		46	—	46
	$	864	21	885

(b) ***Lessor***

As discussed in note 2(g), the College is the lessor for various noncancelable long-term leases of land and building space. Lease terms for the leases vary from one year to 50 years. The discount rate used for the calculation of the lease receivable is calculated based on the average rate for the College's long-term debt, at 4% respectively for fiscal year 2023 and 2022.

The College is participating in a public-private partnership with a private real estate corporation to develop approximately 13 acres of land adjacent to the College into a mixed use retail/student housing complex. This project, called Campus Town, was made possible pursuant to the provisions of the New Jersey Economic Stimulus Act of 2009. The partnership has been structured to include no direct financial obligation of the College to support the project. Planning, design, construction, operation, preventative maintenance and capital renewal of the project are all borne by the developer.

The Ground Lease for Campus Town was executed by all parties at closing on April 4, 2014. The term of the Ground Lease is 50 years and the Developer agrees to make Basic Rent payments of $400 on the rent commencement date (September 1, 2017) in accordance with the lease agreement, increasing by an Additional Applicable Increase Rent of $25 annually for the duration of the Ground Lease term. In addition to the Basic and Applicable Increase Rent, after the seventh year of the lease, the Developer will also pay Supplemental Rent in accordance with the lease agreement. The developer will set rental rates for the student housing units and the College will treat this similarly to other off-campus housing it does not own and manage. The developer made ground lease rental payments of $521 thousand and $496 thousand during fiscal years 2023 and 2022, respectively. The College will not be providing any financial assistance to the developer. Upon expiration of the lease term the premises will revert to the College.

Phase One of the project opened on schedule for student housing in August 2015 for the fall semester of 2015. Phase Two of the project opened on schedule for student housing in August 2016 for the fall semester of 2016. Bond rating agencies do not include any Campus Town debt in their calculations of the College's debt burden given the state's legislation prohibiting the College from financing any portion of Campus Town, or being financially obligated.

Notes to the Financial Statements ($ in thousands)

Lease Receivable

A summary of lease receivable activity for the years ended June 30, 2023 and 2022 is as follows:

2023 Lease Receivables					
		Beginning balance	Additions	Deductions	Ending balance
Campus Town ground lease	$	18,767	234	—	19,001
Cell tower roof space		256	—	(63)	193
Total lease receivables	$	19,023	234	(63)	19,194

2022 Lease Receivables					
		Beginning balance	Additions	Deductions	Ending balance
Campus Town ground lease	$	18,517	250	—	18,767
Cell tower roof space		147	169	(60)	256
Total lease receivables	$	18,664	419	(60)	19,023

Future minimum lease payments to be received under noncancelable leases, are as follows:

Future Annual Lease Payments and Interest				
		Principal Amount	Interest Amount	Total
Year ending June 30:				
2024	$	(151)	771	620
2025		(130)	776	646
2026		(131)	781	650
2027		(166)	787	621
2028-2032		(536)	4,016	3,480
2033-2037		36	4,068	4,104
2038-2042		734	3,994	4,728
2043-2047		1,587	3,768	5,355
2048-2052		2,628	3,351	5,979
2053-2057		3,899	2,705	6,604
2058-2062		5,452	1,777	7,229
2063-2067		5,972	527	6,499
Total	$	19,194	27,321	46,515

Notes to the Financial Statements ($ in thousands)

Deferred inflows from leases

A summary of deferred inflows of leases activity for the years ended June 30, 2023 and 2022 is as follows:

2023 Deferred Inflows from Leases					
		Beginning balance	Additions	Deductions	Ending balance
Campus Town ground lease	$	17,463	—	(395)	17,068
Cell tower roof space		244	—	(66)	178
Total deferred inflows	$	17,707	—	(461)	17,246

2022 Deferred Inflows from Leases					
		Beginning balance	Additions	Deductions	Ending balance
Campus Town ground lease	$	17,858	—	(395)	17,463
Cell tower roof space		141	169	(66)	244
Total deferred inflows	$	17,999	169	(461)	17,707

Notes to the Financial Statements ($ in thousands)

(8) Subscription-Based Information Technology Arrangements (SBITAs)

As discussed in note 2(h), the College obtains the right to use vendors' information technology software through various long-term contracts. Subscription terms vary from three to five years. The discount rate used for the calculation of the SBITA asset and liability is calculated based on the average rate for the College's long-term debt, at 4% respectively for fiscal year 2023 and 2022, unless the rate that the vendor charges is known.

Intangible right-of-use SBITA assets

A summary of SBITA asset activity for the years ended June 30, 2023 and 2022 is as follows:

2023 Right-to-Use SBITA Assets		Beginning balance	Additions	Remeasurements	Deductions	Ending balance
SBITA assets						
Subscriptions	$	4,265	3,659	—	—	7,924
Total SBITA assets		4,265	3,659	—	—	7,924
Less accumulated amortization						
SBITA assets:						
Subscriptions		(1,452)	(2,915)	—	—	(4,367)
Total accumulated amortization		(1,452)	(2,915)	—	—	(4,367)
Total SBITA assets, net	$	2,813	744	—	—	3,557

2022 Right-to-Use SBITA Assets		Beginning balance	Additions	Remeasurements	Deductions	Ending balance
SBITA assets						
Subscriptions	$	3,377	888	—	—	4,265
Total SBITA assets		3,377	888	—	—	4,265
Less accumulated amortization						
SBITA assets:						
Subscriptions		—	(1,452)	—	—	(1,452)
Total accumulated amortization		—	(1,452)	—	—	(1,452)
Total SBITA assets, net	$	3,377	(564)	—	—	2,813

Notes to the Financial Statements ($ in thousands)

SBITA liability and interest expense

A summary of SBITA liability activity for the years ended June 30, 2023 and 2022 is as follows:

2023 SBITA Liabilities		Beginning balance	Additions	Remeasurements	Deductions	Ending balance	Current portion
Subscriptions	$	2,264	3,662	—	(2,568)	3,358	1,273
Total subscription liabilities	$	2,264	3,662	—	(2,568)	3,358	1,273

2022 SBITA Liabilities		Beginning balance	Additions	Remeasurements	Deductions	Ending balance	Current portion
Subscriptions	$	3,377	888	—	(2,001)	2,264	1,634
Total subscription liabilities	$	3,377	888	—	(2,001)	2,264	1,634

Future annual SBITA payments are as follows:

Future Annual SBITA Payments and Interest		Principal Amount	Interest Amount	Total
Year ending June 30:				
2024	$	1,273	90	1,363
2025		931	64	995
2026		808	38	846
2027		744	18	762
	$	3,756	210	3,966

Notes to the Financial Statements ($ in thousands)

(9) Restricted Deposits Held with Trustees

Deposits held with trustees represent restricted funds held by U.S. Bank and BNY Mellon (the trustees), under the terms of various lease agreements, bond indentures and grant agreements. Restricted deposits held with trustees are carried in the financial statements at fair value and consist of short-term investments and government securities. As of June 30, 2023 and 2022, deposits held with trustees include the following:

Restricted Deposits Held with Trustees			
		2023	2022
Debt service (principal and interest)	$	6,384	3,258
	$	6,384	3,258

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As of June 30, 2023 and 2022, the College holds $6,384 and $3,258, respectively, in restricted deposits held with trustees which are invested in money market funds. All money market fund investments are rated Aaa-mf. The money market funds are invested in U.S. Treasury notes and government securities which are categorized as Level 1. The maturities for all restricted deposits held by trustees' investments were less than one year as of June 30, 2023 and 2022.

(10) Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following as of June 30, 2023 and 2022:

Accounts Payable and Accrued Expenses			
		2023	2022
Bond principal and interest	$	3,258	3,258
Vendors		7,378	6,924
Accrued salaries and benefits		6,436	9,275
Accrued expenses – construction		999	1,923
Total	$	18,071	21,380

(11) Noncurrent Liabilities

The College is obligated under lease agreements associated with various revenue bonds issued by the New Jersey Educational Facilities Authority to finance the construction and acquisition of dormitories, parking garages, equipment, academic facilities, a co-generation plant, and student recreational facilities.

Notes to the Financial Statements ($ in thousands)

The following is a breakout of bonds payable and other long-term obligations, as of June 30, 2023 and 2022:

Bonds Payable and Other Long-Term Obligations			
		2023	**2022**
Bonds payable:			
New Jersey Educational Facilities Authority:			
2015 Series G (interest 3.25% to 5.00%, due serially starting July 1, 2026 to July 1, 2031)	$	41,185	41,185
2016 Series F (interest 4.00% to 5.00%, due serially starting on July 1, 2017 to July 1, 2035)		36,165	36,165
2016 Series F (interest 3.00%, maturing on July 1, 2040)		12,975	12,975
2016 Series G (interest 2.829% to 3.459%, due serially starting on July 1, 2026 to July 1, 2032)		49,475	49,475
2016 Series G (interest 3.64%, maturing on July 1, 2034)		29,935	29,935
2020 Series D (interest 3.513%, maturing on July 1, 2042)		65,605	65,605
2020 Series D (interest 3.613%, maturing on July 1, 2050)		116,580	116,580
Subtotal bonds payable		351,920	351,920
Add:			
Bond premium		5,497	6,168
Total bonds payable	$	357,417	358,088
Other long-term obligations:			
Higher Education Capital Improvement Fund (interest 2.27% to 4.75%, maturing on August 15, 2022)	$	—	1,624
Higher Education Equipment Leasing Fund (interest 5.00%, maturing on May 1, 2023)		—	205
Higher Education Capital Improvement Fund (interest 4.00% to 5.50%, maturing on August 15, 2036)		2,088	2,190
Total other long-term obligations	$	2,088	4,019

Notes to the Financial Statements ($ in thousands)

Aggregate principal and interest repayments required during the next five fiscal years and in five years increments thereafter are as follows as of June 30, 2023:

Principal and Interest Repayments		Bond Principal	Other long-term obligations principal	Bond interest	Other long-term obligations interest
Year ending June 30:					
2024	$	—	107	12,767	102
2025		—	112	12,767	97
2026		13,200	117	12,767	92
2027		13,745	122	12,223	87
2028-2032		76,760	706	53,093	340
2033-2037		73,665	924	38,320	122
2038-2042		57,970	—	27,223	—
2043-2047		68,945	—	16,255	—
2048-2050		47,635	—	3,483	—
	$	351,920	2,088	188,898	840

Noncurrent liabilities activity for the years ended June 30, 2023 and 2022 are as follows:

2023 Noncurrent Liabilities Activity		Beginning balance	Additions	Deductions	Ending balance	Current portion
Noncurrent liabilities:						
Compensated absences	$	5,342	340	(556)	5,126	4,676
U.S. and Government grants refundable		1,307	—	(487)	820	—
Lease liabilities		808	514	(437)	885	461
SBITA liabilities		2,264	3,662	(2,568)	3,358	1,273
Bonds payable, net		358,088	—	(671)	357,417	692
Other long-term obligations		4,019	—	(1,931)	2,088	107
Net pension liability		134,920	26,997	(25,254)	136,663	—
Total noncurrent liabilities	$	506,748	31,513	(31,904)	506,357	7,209

Notes to the Financial Statements ($ in thousands)

2022 Noncurrent Liabilities Activity						
		Beginning balance	Additions	Deductions	Ending balance	Current portion
Noncurrent liabilities:						
Compensated absences	$	5,516	1,080	(1,254)	5,342	4,883
U.S. and Government grants refundable		1,760	—	(453)	1,307	—
Lease liabilities		983	43	(218)	808	238
SBITA liabilities		3,377	888	(2,001)	2,264	1,634
Bonds payable, net		358,740	—	(652)	358,088	672
Other long-term obligations		5,882	—	(1,863)	4,019	1,859
Net pension liability		210,300	76,451	(151,831)	134,920	—
Total noncurrent liabilities	$	586,558	78,462	(158,272)	506,748	9,286

In July 2020, the New Jersey Educational Facilities Authority (NJEFA) issued Series 2020 D (Federally Taxable) Revenue Refunding Bonds on behalf of the College to refund all or a portion of the principal and interest payments on the College's outstanding Series 2013 A, Series 2015 G, Series 2016 F and Series 2016 G bonds and to pay certain costs of issuance associated with the bond issuance.

The Series 2020 D bonds, totaling $182,185, consist of a $65,605 term bond with an interest rate of 3.513% maturing on July 1, 2042 and a $116,580 term bond with an interest rate of 3.613% maturing on July 1, 2050. The College paid $2,657 in bond issuance costs from the bond proceeds in fiscal year 2021, which included the underwriters' discount. This also included $1,627 of prepaid bond insurance that will be expensed on a straight-line basis over the life of the 2020 D bonds.

The refunding provided the College with cash flow savings of $87,724 in fiscal years 2021-2026 and helped achieve level annual debt service payments for fiscal years 2027-2036. The College's final bond maturity was extended to 2050.

(12) Benefits Paid by the State of New Jersey

The State, through separate appropriations, funds certain fringe benefits, principally healthcare costs and FICA taxes, on behalf of College employees and retirees. The costs of these benefits were funded directly by the State on behalf of the College and are included in the accompanying financial statements as part of nonoperating revenues and as operating expenses in various functional expense categories.

(13) Retirement Plans

(a) *Introduction*

The College participates in three cost-sharing, multiple-employer defined benefit retirement plans administered by the State of New Jersey, Division of Pensions and Benefits as follows:

- Public Employees' Retirement System (PERS) – The College was determined to be a separate employer within the State Group of the plan. Although the State has historically provided the contribution, the special funding situation criteria were not met and the New Jersey statutes are silent as to the legal obligation. The College has recorded its proportionate share of the net pension liability, pension expense, deferred outflows of resources and deferred inflows of resources related to the PERS plan in the financial statements.

- Police and Firemen's Retirement System (PFRS) – The College was determined to be a separate employer within the State Group of the plan. Although the State has historically provided the contribution, the special funding situation criteria were not met and the New Jersey statutes are silent as to the legal obligation. The College has recorded its proportionate share of the net pension liability, pension expense, deferred outflows of resources and deferred inflows of resources related to the PFRS plan in the financial statements.

- Teachers' Pension and Annuity Fund (TPAF) – TPAF met the GASB 68 special funding situation criteria per the New Jersey statute and thus the net pension liability is recorded by the State of New Jersey. The College has disclosed its proportionate share of the net pension liability and recorded its proportionate share of the pension expense and related revenue in the statement of revenues, expenses and changes in net position.

Benefit and employer contribution provisions are established by state statute and the provisions of the aforementioned plans can only be amended by new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for PERS, PFRS and TPAF once a Target Funded Ratio (TFR) is met, that will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation or final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible for and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30 years projection period. Chapter 78, P.L. 2011 also suspended COLA increases for all active and future retirees of all State of New Jersey retirement plans.

A publicly available Annual Comprehensive Financial Report of the State of New Jersey Division of Pensions and Benefits, which includes financial statements, required supplementary information, and detailed information about the PERS, PFRS and TPAF plan's fiduciary net position, can be obtained at https://www.state.nj.us/treasury/pensions/annual-reports.shtml or_by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

The College also participates in several defined contribution retirement plans, primarily the Alternative Benefit Program (ABP). Generally, all employees, except certain part-time employees, participate in one of these plans. Under these plans, participants make annual contributions, and the State, in accordance with annual appropriations, makes employer contributions on behalf of the College for these plans. The College is charged for pension costs through a fringe benefit charge assessed by the State which is included within the state paid fringe benefits in the accompanying financial statements.

Notes to the Financial Statements ($ in thousands)

(b) ***Plan Descriptions***

Public Employees' Retirement System

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division).

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Police and Firemen's Retirement System

The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division).

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits, which vest after four years of service.

Notes to the Financial Statements ($ in thousands)

The following represents the membership tiers for PFRS:

Tier	Definition
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years, but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Teachers' Pension and Annuity Fund

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division).

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Notes to the Financial Statements ($ in thousands)

Defined Contribution Plans

The ABP is a defined contribution plan that provides retirement and death benefits for or on behalf of those full-time professional employees and faculty members electing to participate in this optional retirement program. The ABP is an agency fund overseen by the State of New Jersey Division of Pensions and Benefits.

Effective July 1, 2010, the College established two supplemental retirement plans – Supplemental Alternate Benefit Plan and Supplemental Retirement Plan – for the benefit of its eligible employees and the eligible employees of certain subsidiaries and affiliates that adopt the plans. The objective of the plans is to help provide for additional security on retirement, by means of employer contributions supplemental to those under the Alternate Benefit Program for the Supplemental Alternate Benefit Plan and supplemental to those under the Alternate Benefit Program and the Supplemental Alternate Benefit Plan for the Supplemental Retirement Plan.

(c) *Basis of Accounting and Valuation of Investments*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS, PFRS and TPAF and additions to/deductions from PERS', PFRS' and TPAF's fiduciary net position have been determined on the same basis as they are reported by the respective plans. Benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(d) *Contributions*

PERS, PFRS and TPAF covered employees are required by State statute to contribute a certain percentage of their salaries to the plan. The contribution requirements of employees are established and may be amended by the Pension Plan Design Committee of the respective plan. Each member's percentage is based on age determined at the effective date of enrollment. The employee contribution rates as a percentage of salary for the fiscal years ended June 30, 2023 and 2022 were as follows:

Defined Benefit Retirement Plan Employee Contribution Rates

	2023	2022
Public Employees' Retirement System	7.50 %	7.50 %
Police and Firemen's Retirement System	10.00 %	10.00 %

The College had no active employees enrolled in TPAF in the fiscal years ended June 30, 2023 and 2022.

The required employer contributions are actuarially determined. Chapter 1, P.L. 2010 required the State of New Jersey to resume making actuarially recommended contributions to the defined benefit pension plans on behalf of the employers on a phased-in basis over a seven-year period beginning in the fiscal year ended June 30, 2012.

Notes to the Financial Statements ($ in thousands)

The State's contributions made subsequent to the measurement date to the PERS and PFRS plans on behalf of the College for the fiscal year ended June 30, 2023 and 2022 were as follows:

Defined Benefit Retirement Plan Employer Contributions			
		2023	2022
Public Employees' Retirement System	$	10,316	9,965
Police and Firemen's Retirement System		1,202	1,082

The above contributions are recognized in the financial statements as deferred outflows of resources.

(e) ***Pension Amounts***

Net pension liability amounts recorded within the College's 2023 and 2022 financial statements are measured as of June 30, 2022 and 2021, respectively. The College's proportion of the respective plans' net pension liability was based on the ratio of the employer contributions made related to the College's employees to the total contributions made by all participating State-group employers for the fiscal year ended June 30, 2023 and 2022, respectively. Pension expense is recognized within the functional classifications in the statement of revenues, expenses and changes in net position.

2023 Summary of Pension Amounts			
		PERS	PFRS
College proportionate share of the net pension liability	$	129,359	7,304
College proportion of the net pension liability - State group: 2023		0.578 %	0.169 %
College proportion of the net pension liability - Plan as a whole: 2023		0.344 %	0.041 %
Deferred outflows of resources		51,368	2,981
Deferred inflows of resources		65,314	1,360
Pension expense		375	402

The proportionate share of the net pension liability shown here is the portion of the State's net pension liability attributable to the College, and is 100% of the amount attributable to the College. Pension expense is recognized as expense and revenue by the College.

Notes to the Financial Statements ($ in thousands)

2023 Deferred Outflows of Resources from Pensions			
		PERS	PFRS
Difference between expected and actual experience	$	2,086	54
Changes in assumptions		193	7
Net difference between projected and actual investment earnings		3,125	259
Changes in proportion		35,648	1,459
Contributions paid to plan subsequent to measurement date**		10,316	1,202
Total	$	51,368	2,981

** The contributions paid to the plan subsequent to the measurement date are recognized as a reduction of the net pension liability in fiscal year 2024.

2023 Deferred Inflows of Resources from Pensions			
		PERS	PFRS
Difference between expected and actual experience	$	681	181
Changes in assumptions		9,470	351
Changes in proportion		55,163	828
Total	$	65,314	1,360

Notes to the Financial Statements ($ in thousands)

2022 Summary of Pension Amounts		PERS	PFRS
College proportionate share of the net pension liability	$	129,249	5,671
College proportion of the net pension liability - State group: 2022		0.598 %	0.140 %
College proportion of the net pension liability - Plan as a whole: 2022		0.385 %	0.042 %
Deferred outflows of resources		65,871	1,577
Deferred inflows of resources		90,612	1,983
Pension expense (benefit)		1,112	(40)

*TPAF meets the special funding situation criteria of the GASB 68. The proportionate share of the net pension liability shown here is the portion of the State's net pension liability attributable to the College, and is 100% of the amount attributable to the College. Pension expense is recognized as expense and revenue by the College.

2022 Deferred Outflows of Resources from Pensions		PERS	PFRS
Difference between expected and actual experience	$	3,141	—
Changes in assumptions		264	9
Changes in proportion		52,501	486
Contributions paid to plan subsequent to measurement date**		9,965	1,082
Total	$	65,871	1,577

** The contributions paid to the plan subsequent to the measurement date are recognized as a reduction of the net pension liability in fiscal year 2023.

Notes to the Financial Statements ($ in thousands)

2022			
Deferred Inflows of Resources from Pensions			
		PERS	PFRS
Difference between expected and actual experience	$	447	205
Changes in assumptions		18,318	450
Net difference between actual and projected investment earnings		4,064	148
Changes in proportion		67,783	1,180
Total	$	90,612	1,983

The following table displays the net deferred outflows of resources and deferred inflows of resources that will be recognized in pension expense or that will be recognized as a reduction of the net pension liability:

Future Recognition of Net Deferred Outflows (Inflows) of Resources			
		PERS	PFRS
2024	$	(5,115)	(49)
2025		(2,517)	36
2026		(14,799)	(47)
2027		(1,783)	231
2028		(49)	201
Thereafter		—	48
Total deferrals recognized as pension expense		(24,263)	420
Deferred outflows recognized as a reduction to net pension liability in fiscal year 2024		10,317	1,201
Net deferred (inflows) outflows	$	(13,946)	1,621

(f) ***Defined Benefit Plan Assumptions***

The College’s June 30, 2023 net pension liability for each plan was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability for each plan was determined by an actuarial valuation as of July 1, 2021 rolled forward to June 30, 2022.

Notes to the Financial Statements ($ in thousands)

The total pension liability for each plan was determined using the following actuarial assumptions:

2023 Actuarial Methods and Assumptions	PERS	PFRS	TPAF
Valuation date	7/1/2021	7/1/2021	7/1/2021
Measurement date	6/30/2022	6/30/2022	6/30/2022
Inflation rate			
Price	2.75 %	2.75 %	2.75 %
Wage	3.25 %	3.25 %	3.25 %
Salary increases:			
Through 2027 and thereafter			
Rate	2.75 - 6.55% based on years of service	3.25 - 16.25% based on years of service	2.75 - 5.65% based on years of service
Long-term expected rate of return	7.00%	7.00%	7.00%
Municipal bond rate:			
2022	3.54 %	3.54 %	3.54 %
Discount rate:			
2022	7.00%	7.00%	7.00%
Experience study dates	7/1/2018 - 6/30/2021	7/1/2018 - 6/30/2021	7/1/2018 - 6/30/2021

2022 Actuarial Methods and Assumptions	PERS	PFRS	TPAF
Valuation date	7/1/2020	7/1/2020	7/1/2020
Measurement date	6/30/2021	6/30/2021	6/30/2021
Inflation rate			
Price	2.75 %	2.75 %	2.75 %
Wage	3.25 %	2.75 %	3.25 %
Salary increases:			
Initial fiscal year applied through	2026	All future years	2026
Rate	2.00 - 6.00% based on years of service	3.25 - 15.25% based on years of service	1.55 - 4.45% based on years of service
Thereafter	3.00 - 7.00% based on years of service	Not applicable	2.75 - 5.65% based on years of service
Long-term expected rate of return	7.00 %	7.00 %	7.00 %
Municipal bond rate:			
2021	Not applicable	Not applicable	Not applicable
Discount rate:			
2021	7.00 %	7.00 %	7.00 %
Experience study dates	7/1/2014 - 6/30/2018	7/1/2013 - 6/30/2018	7/1/2015 - 6/30/2018

For the June 30, 2022 and 2021 measurement dates, PERS Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For the June 30, 2022 and 2021 measurement dates the mortality improvement is based on Scale MP-2021.

For the June 30, 2022 and 2021 measurement dates, PFRS pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with no adjustments for 2022 and a 105.6% adjustment for males and 102.5% adjustment for females for 2021, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with no adjustments for 2022 and a 96.7% adjustment for males and 96.0% adjustment for females for 2021, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 144.0% adjustment for males and no adjustment for females (152.0% and 109.3% for males and females, respectively, for 2021), and with future improvement from the base year of 2010 on a generational basis. For the June 30, 2022 and 2021 measurement dates the mortality improvement is based on Scale MP-2021.

Discount Rate

The discount rate used to measure the total pension liabilities for PERS and PFRS, respectively, as of June 30, 2022 is in the table above. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for PERS and PFRS. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments for PERS and PFRS to determine the total pension liability.

The discount rate used to measure the total pension liabilities for PERS and PFRS, respectively, as of June 30, 2021 is in the table above. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for PERS and PFRS. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments for PERS and PFRS to determine the total pension liability.

Notes to the Financial Statements ($ in thousands)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments in the table above was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans target asset allocation as of June 30, 2023 and 2022 are summarized in the following tables:

2023		
Target Asset Allocation and Long-Term Expected Rate of Return		
	PERS and PFRS	
	Target Allocation	**Long-term Expected Real Rate of Return**
US equity	27.00%	8.12%
Non-U.S. developed markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real assets	8.00%	11.19%
Real estate	3.00%	7.60%
High yield	4.00%	4.95%
Private credit	8.00%	8.10%
Investment grade credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk mitigation strategies	3.00%	4.91%

Notes to the Financial Statements ($ in thousands)

2022		
Target Asset Allocation and Long-Term Expected Rate of Return		
	PERS and PFRS	
	Target Allocation	**Long-term Expected Real Rate of Return**
US equity	27.00%	8.09%
Non-U.S. developed markets equity	13.50%	8.71%
Emerging markets equity	5.50%	10.96%
Private equity	13.00%	11.30%
Real assets	3.00%	7.40%
Real estate	8.00%	9.15%
High yield	2.00%	3.75%
Private credit	8.00%	7.60%
Investment grade credit	8.00%	1.68%
Cash equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk mitigation strategies	3.00%	3.35%

Change in Assumptions

For the valuation used in the measurement of the net pension liability for PERS as of June 30, 2022, the discount rate did not change from 7.00% at June 30, 2021. For the valuation used in the measurement of the net pension liability for PFRS as of June 30, 2022, the discount rate did not change from 7.00% at June 30, 2021. For the valuation used in the measurement of the net pension liability for TPAF as of June 30, 2022, the discount rate did not change from 7.00% at June 30, 2021.

For the valuation used in the measurement of the net pension liability for PERS as of June 30, 2021, the discount rate did not change from 7.00% at June 30, 2020. For the valuation used in the measurement of the net pension liability for PFRS as of June 30, 2021, the discount rate did not change from 7.00% at June 30, 2020.

Notes to the Financial Statements ($ in thousands)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following table presents the College's proportionate share of the collective net pension liability for PERS and PFRS as of June 30, 2023 calculated using the discount rate as disclosed above for each plan as well as what the College's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

2023 Sensitivity of the Net Pension Liability			
Pension Plan	**1.0% decrease in discount rate**	**At current discount rate**	**1.0% increase in discount rate**
PERS (6.00%, 7.00%, 8.00%)	147,609	129,359	113,868
PFRS (6.00%, 7.00%, 8.00%)	8,500	7,304	6,308

2022 Sensitivity of the Net Pension Liability			
Pension Plan	**1.0% decrease in discount rate**	**At current discount rate**	**1.0% increase in discount rate**
PERS (6.00%, 7.00%, 8.00%)	148,342	129,249	113,094
PFRS (6.00%, 7.00%, 8.00%)	6,637	5,671	4,866

(g) ***Alternate Benefit Program***

The ABP currently provides the choice of seven investment carriers: Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA/CREF), VALIC, AXA Financial (Equitable), Met Life, MassMutual (formerly The Hartford), VOYA Financial Services and Prudential Retirement Services. The College assumes no liability for ABP members other than payment of contributions. A separate board of trustees administers ABP alternatives. The State and Social Security Law establishes participation eligibility as well as contributory and noncontributory requirements.

Notes to the Financial Statements ($ in thousands)

Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits vest after the completion of one year of service. Individually owned annuity contracts that provide for full ownership of retirement and survivor benefits are purchased at the time of vesting. Participating College employees contribute 5% of salary and may contribute a voluntary additional contribution up to the maximum Federal statutory limit, on a pretax basis. Employer contributions for the ABP are 8%. During the year ended June 30, 2023 and 2022 ABP investment carriers received employer and employee contributions as follows:

ABP Employer and Employee Contributions			
		2023	2022
Employer contributions	$	6,183	6,040
Employee contributions		3,877	3,779
Participating employees' salaries		77,283	75,500

Employer contributions to the ABP are paid by the State and are reflected in the accompanying financial statements as nonoperating revenue under New Jersey State appropriations and as operating expenses in various functional expense categories.

(h) ***Supplemental Alternate Benefit Program***

The plan is administered by the College. TIAA-CREF is the privately-operated investment carrier for this defined contribution retirement plan. All contributions are made by the College with non-State funds. The plan is intended to qualify as a governmental plan that is a tax-sheltered annuity plan under section 403(b) of the Internal Revenue Code of 1986, as amended. It is also intended that the Plan be exempt from the Employee Retiree Income Security Act of 1974, as amended, pursuant to Department of Labor regulations section 2510.3-2(f). Each employee whose compensation exceeds the State limit on contributions for the ABP in a given year shall be eligible to participate in the plan and have employer contributions made on their behalf. The College will contribute 8% of the employee's compensation in excess of the State limit on compensation. The accumulated base salary limit during calendar year 2022 and 2023 is $175 thousand respectively. There were no employee contributions during fiscal years 2023 and 2022. The employer contributions made during fiscal years 2023 and 2022 were $86 and $78 thousand, respectively.

(i) ***Postemployment Benefits Other Than Pensions***

The College's retirees participate in the State Health Benefit State Retired Employees Plan (the Plan).

Plan Description, Including Benefits Provided

The Plan is a single-employer defined benefit other postemployment benefit (OPEB) plan, which provides medical, prescription drug, and Medicare Part B reimbursements to retirees and their covered dependents. Although the Plan is a single-employer plan, it is treated as a cost-sharing multiple employer plan for standalone reporting purposes. In accordance N.J.S.A. 52:14-17.32, the State is required to pay the premiums and periodic charges for OPEB of State employees who retire with 25 years or more of credited service, or on a disability pension, from one or more of the following pension plans: PERS, TPAF, ABP or PFRS. In addition, Chapter 302, P.L. 1996 provides that for purposes of this Plan, the College's employees retain any and all rights to the health benefits in the Plan, even though the College is considered autonomous from the State, therefore, its employees are classified as State employees. As such, the State is legally obligated for the benefit payments on behalf of the retirees of the College; therefore, the Plan meets the definition of a special funding situation as defined in GASB Statement No. 75, *Accounting and Financial Reporting for Other Postemployment Benefits Other Than Pensions* (GASB 75).

Retirees who are not eligible for employer-paid health coverage at retirement can continue in the program by paying the cost of the insurance for themselves and their covered dependents. Pursuant to Chapter 78, P.L, 2011, future retirees eligible for postretirement medical coverage, who have less than 20 years of creditable service on June 28, 2011, will be required to pay a percentage of the cost of their healthcare coverage in retirement provided they retire with 25 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible for will be determined based on the retiree’s annual retirement benefit and level of coverage.

The Plan is administered on a pay-as-you-go-basis. Accordingly, no assets are accumulated in a qualifying trust that meets the definition of a trust as per GASB 75.

Total OPEB Liability and OPEB Expense

As of June 30, 2023, and 2022, the State recorded a liability of $206,847 and $247,514, respectively, which represents the portion of the State’s total proportionate share of the collective total OPEB liability that is associated with the College (the College’s share). The College’s share was based on the ratio of its members to the total members of the Plan. At June 30, 2023 and 2022, respectively, the College's share was 3.72% and 0.99% and 3.64% and 0.99% of the special funding situation and of the Plan, respectively.

For the year ended June 30, 2023 and 2022, the College recognized OPEB (benefit) expense of ($5,996) and $2,841, respectively. As the State is legally obligated for benefit payments on behalf of the College, the College recognized revenue related to the support provided by the State of ($5,996) and $2,841, respectively.

Notes to the Financial Statements ($ in thousands)

Actuarial Assumptions and Other Inputs

The State's liability associated with the College at June 30, 2023 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to the measurement date of June 30, 2022. The State's liability associated with the College at June 30, 2022 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to the measurement date of June 30, 2021. The following actuarial assumptions were utilized:

Actuarial Methods and Assumptions		
	2023	**2022**
Price inflation	2.75%	2.75%
Wage inflation	3.25%	3.25%
Projected salary increases:		
Through 2026	N/A	1.55% - 15.25%
Thereafter	2.75% - 16.25%	2.75% - 15.25%
Discount rate	3.54%	2.16%

The discount rate is based on the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Salary increases depend on the pension plan a member is enrolled in. In addition, they are based on age or years of service.

Mortality Rate Assumptions

Certain actuarial assumptions used in both the June 30, 2021 and June 30, 2020 valuations were based on the results of actuarial experience studies of the State's defined benefit plans, as follows: For the June 30, 2021 valuations this included ABP (using the experience of TPAF), PERS, and PRFS (July 1, 2018 through June 30, 2021). For the June 30, 2020 valuations this included: ABP (using the experience of TPAF - July 1, 2015 through June 30, 2018), PERS (July 1, 2014 through June 30, 2018), and PFRS (July 1, 2013 through June 30, 2018).

The June 30, 2021 valuation used preretirement mortality rates based on the PUB-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the PUB-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the PUB-2010 "Safety" (PFRS), "Teachers" (TPAF/ABP), and "General (PERS) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The June 30, 2020 valuation used preretirement mortality rates based on the PUB-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Postretirement mortality rates were based on the PUB-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the PUB-2010 “Safety” (PFRS), “Teachers” (TPAF/ABP), and “General (PERS) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Health Care Trend Assumptions

For the June 30, 2021 valuation, the trend rate for pre-Medicare medical benefits is initially 6.25% and decreases to a 4.5% long-term trend rate after seven years. the actual fully insured Medicare Advantage trend rates for fiscal years 2023 through 2025 are reflected. For PPO the trend is initially 14.35% in fiscal year 2026 and decreases to 4.5% after seven years. For HMO the trend is initially 15.47% in fiscal year 2026 and decreases to 4.5% after seven years. For post-65 medical benefits, the Medicare Advantage trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 8.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

For the June 30, 2020 valuation, the trend rate for pre-Medicare medical benefits is initially 5.65% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates for fiscal years 2022 through 2024 are reflected. For PPO the trend is initially 5.79% in fiscal year 2025, increasing to 13.79% in fiscal year 2026 and decreases to 4.5% after seven years. For HMO the trend is initially 5.98% in fiscal year 2025, increasing to 15.49% in fiscal year 2026 and decreases to 4.5% after seven years. For post-65 medical benefits, the Medicare Advantage trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

(14) Compensated Absences

Payments for accumulated sick leave balances are made to retiring employees upon regular retirement. The payment is based on 50% of the sick leave accumulation at the pay rate in effect at the time of retirement up to a maximum of $15 per employee. Employees separating from College service prior to retirement are not entitled to payments for accumulated sick leave balances. Accordingly, the College recorded a liability for accumulated sick leave balances in the amount of $450 and $459 as of June 30, 2023 and 2022, respectively, which is reflected in compensated absences, noncurrent, in the accompanying financial statements.

The College is required to pay non-faculty employees for their accumulated vacation time upon their separation or retirement. The liability was $4,385 and $4,592, respectively, as of June 30, 2023 and 2022, and is reflected in compensated absences, current, in the accompanying financial statements.

The College is required to pay employees for their accumulated bank leave time upon their separation or retirement. As of June 30, 2023, and 2022, a liability of $291 was included in compensated absences, current, in the accompanying financial statements.

Notes to the Financial Statements ($ in thousands)

(15) Contingencies

The College is a party to various pending legal actions and other claims in the normal course of business. Management of the College is of the opinion that the outcome thereof will not have a material effect on its financial position based on legal representation letters obtained from outside counsel.

(16) Government Relations and Legal Fees

The New Jersey Higher Education Restructuring Act of 1994 requires the College to disclose the costs incurred associated with government and public relations and legal costs. During the year ended June 30, 2023 and 2022 the College expended $315 and $180, respectively, for government and public relations, and $262 and $117, respectively, for legal fees.

(17) The College of New Jersey Foundation, Inc.

(a) ***Component Unit***

The College of New Jersey Foundation, Inc. (the Foundation) is a legally separate, tax-exempt component unit of the organization with a fiscal year end of June 30. The Foundation has received a determination letter from the Internal Revenue Service concluding that it is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation acts primarily as a fundraising entity to supplement the resources that are available to the College in support of its programs. Although the College does not control the timing or amount of receipts from the Foundation, the Foundation’s assets are used exclusively for the benefit, support, and promotion of the College and its educational activities. The Foundation meets the criteria to be discretely presented in the College’s financial statements. Complete financial statements for the Foundation can be obtained from the Foundation at 2000 Pennington Road, Green Hall Room 214, Ewing, NJ 08628.

Investments

The Foundation has an investment policy which establishes guidelines for permissible investments. The primary investment objective is to preserve and increase the value of endowment funds and maximize the long-term total rate of return on all invested assets while assuming a level of risk consistent with prudent investment practices for such funds. The Foundation may invest in obligations of the U.S. Government, certificates of deposit, money market funds, equities and stock funds, bonds and bond funds, and alternative investments. Investments consist of the following as of June 30, 2023 and 2022:

Investments

		2023	2022
Cash and cash equivalents	$	1,545	2,757
Equity securities		2,298	550
Mutual funds		52,976	50,557
Exchange-traded funds		376	317
Alternative investments:			
Hedge funds		3,035	2,970
Common trust funds		822	867
	$	61,052	58,018

The Foundation's investments are subject to various risks. Among these risks are credit risk and interest rate risk. Each one of these risks is discussed in more detail below.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt instrument is measured by nationally recognized statistical rating agencies such as Moody's Investors Service, Inc. (Moody's).

Within the Foundation's investment policy guidelines, the policy gives investment money managers and investment funds full responsibility for security selection, diversification, turnover and allocation of holdings among selected securities and industry groups.

The following are guidelines to be followed by the investment advisors in the selection of investment money managers:

- Domestic equities may be selected from the New York, American and Regional Stock Exchanges, or the NASDAQ markets. The cost of an individual security in the portfolio at purchase may not exceed 5% of the total market value of that portfolio. Individual securities held in a portfolio must not exceed 5% of the portfolio on a cost basis. Mutual funds and investment money managers are not to be included in this limitation.
- Only international managers experienced in trade on foreign exchanges shall handle investments in international equities.
- Managers may use a mutual fund as a means of participating in international equities, with prior approval of the Investment Committee.
- Managers may invest in commercial paper, bankers' acceptances, repurchase agreements, U.S. Treasury bills, certificates of deposit, and money market funds to provide income, liquidity for expense payments, and preservation of the portfolio's principal value. All such assets must represent maturities of one year or less at the time of purchase.
- Commercial paper must be rated A-1 or P-1 by Standard & Poor's and Moody's, respectively.
- Bankers' acceptances and certificates of deposit should only be purchased from larger, well-capitalized domestic and foreign banks with a minimum of an A rating from one of the major rating agencies. Uninvested cash reserves should be kept to minimum levels. In any instance where the total funds on deposit with a financial institution exceeds the insurance coverage provided by the FDIC or FSLIC, collateral security or its equivalent shall be required.
- Fixed income investments will include U.S. Treasury and Federal agency debt obligations, corporate bonds, mortgages, asset backed securities and preferred stocks. By design, the managers should focus on fixed income securities of the highest quality, thereby reducing investment risk. With the exception of Federal Government issues, no single issue should exceed 4% and no industry group should exceed 10% of the aggregate fixed income portfolio without the Investment Committee's prior approval. The average credit quality of the fixed income or convertible portfolio should be rated investment grade or better. The average maturity of the fixed income portfolio may not exceed 12 years and the average duration of the fixed income portfolio should not exceed 10 years.

As of June 30, 2023 and 2022, the Foundation was not invested in fixed income securities.

While the Foundation believes its valuation, methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following is a description of the valuation methodologies used for instruments measured at fair value by the Foundation:

- Equity securities – The fair value of equity securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker-dealers. These investments are classified as Level 1.
- Mutual funds – The fair value of mutual funds is the market value based on quoted market prices, when available, or market prices provided by recognized broker-dealers.
- Exchange-traded funds – The fair value of exchange-traded funds are based on the quoted market price on an active market as of the measurement date.
- Alternative investments – Alternative investments are valued using current estimates of net asset value (NAV) obtained from the investment manager in the absence of readily determinable public market values. The estimated fair value of these investments is based on the most recent valuations provided by external investment managers. Because alternative investments are not readily marketable, their estimated value is subject to uncertainty and therefore may differ from the value that would have been used had a ready market for such investments existed.
- Cash and cash equivalents – These investments are measured at amortized cost and have been excluded from fair value leveling.

Notes to the Financial Statements ($ in thousands)

The Foundation's investments at June 30, 2023 and 2022 are summarized in the following table by their fair value hierarchy:

2023
Investments Measured at Fair Value

Investment		Total	Fair value measurements using: Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments by fair value level					
Equity securities	$	2,298	2,298	—	—
Mutual funds		52,976	52,976	—	—
Exchange-traded funds		376	376	—	—
Total investments by fair value level		55,650	55,650	—	—
Investments measured at NAV					
Hedge funds		3,035			
Common trust funds		822			
Total investments measured at NAV		3,857			
Total investments measured at fair value	$	59,507			

2022
Investments Measured at Fair Value

Investment		Total	Fair value measurements using: Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments by fair value level					
Equity securities	$	550	550	—	—
Mutual funds		50,557	50,557	—	—
Exchange-traded funds		317	317	—	—
Total investments by fair value level		51,424	51,424	—	—
Investments measured at NAV					
Hedge funds		2,970			
Common trust funds		867			
Total investments measured at NAV		3,837			
Total investments measured at fair value	$	55,261			

Notes to the Financial Statements ($ in thousands)

The fair value as of June 30, 2023 and 2022 and redemption terms for investments measured at the NAV per share (or its equivalent) is presented in the following table:

2023 Investments Measured at NAV				
Investment		Fair value	Redemption frequency (if currently eligible)	Redemption notice period
Hedge funds	$	3,035	Quarterly	95 days
Common trust funds		822	N/A	N/A
Total investments measured at NAV	$	3,857		

2022 Investments Measured at NAV				
Investment		Fair value	Redemption frequency (if currently eligible)	Redemption notice period
Hedge funds	$	2,970	Quarterly	95 days
Common trust funds		867	N/A	N/A
Total investments measured at NAV	$	3,837		

As of June 30, 2023 and 2022, the Foundation had no unfunded commitments for investments measured at NAV.

The investment strategy, valuation method and redemption terms for the investments measured as NAV are discussed below.

Hedge funds: This type consisted of investments in one fund as of June 30, 2023 and one fund as of June 30, 2022 that employ a variety of alternative investment strategies including multi strategy equity, relative value, and multi strategy funds of funds. Redemption terms vary by fund. One fund's board of directors has the sole discretion to repurchase units with a tender offer. This fund limits the redemptions each quarter to 5-25% of the fund's NAV.

The fund held as of June 30, 2023 and 2022 may be redeemed semi-annually based on the investment anniversary date with at least 95 days subject to a one-year soft lock up which expires in February 2023. The fair value of the investments in this type has been determined using the NAV per share (or its equivalent) of the investment.

Common trust funds: This type consists of investments in eleven common trust funds that invest in a variety of debt and equity strategies including small- and mid-cap growth and value, small-, mid-, and large-cap core, emerging markets, international equities, dividend income, and aggregate bonds. These funds are held within an irrevocable trust of which the Foundation is a beneficiary. The investments in these common trust funds cannot be redeemed. The Foundation is currently receiving income earned on the investments. Distributions from the liquidation of the underlying assets are unknown at this time. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the investment.

Notes to the Financial Statements ($ in thousands)

(18) Trenton State College Corporation

(a) *Component Unit*

The Trenton State College Corporation (the Corporation or TSCC) is a legally separate, tax-exempt component unit of the organization with a fiscal year end of June 30. The Corporation is qualified under Section 115 of the Internal Revenue Code as an organization exempt from Federal income taxes by its relationship with the College and the State of New Jersey. The Corporation assists in the development and growth of the College through property acquisitions and facilities management. The Corporation meets the criteria to be discretely presented in the College's financial statements. Complete financial statements for the Corporation can be obtained from the Corporation at 54 Carlton Avenue, Ewing Township, NJ 08618.

Capital Assets

Capital asset activity for the Corporation for years ended June 30, 2023 and 2022 was as follows:

2023 Capital Assets					
2023		Beginning balance	Additions	Property disposed/ transferred	Ending balance
Depreciable assets:					
Buildings	$	5,986	333	(427)	5,892
Building improvements		1,540	—	26	1,566
Leasehold improvements		1,214	—	—	1,214
Furniture		30	—	—	30
Vehicles		64	—	—	64
Nondepreciable assets:					—
Construction in progress		—	35	(35)	—
Land		2,701	77	(90)	2,688
Total capital assets		11,535	445	(526)	11,454
Accumulated depreciation:					
Buildings		(4,716)	(107)	427	(4,396)
Building improvements		(695)	(54)	2	(747)
Leasehold improvements		(729)	(121)	—	(850)
Furniture		(30)	—	—	(30)
Vehicles		(53)	(5)	—	(58)
Total accumulated depreciation		(6,223)	(287)	429	(6,081)
Total capital assets, net excluding lease assets	$	5,312	158	(97)	5,373
Right-of-use lease assets, net	$	1,049			709
Total capital assets, net	$	6,361			6,082

Notes to the Financial Statements ($ in thousands)

2022		Beginning balance	Additions	Property disposed/ transferred		Ending balance
2022 Capital Assets						
Depreciable assets:						
Buildings	$	6,111	—	(125)		5,986
Building improvements		1,524	—	16		1,540
Leasehold improvements		1,214	—	—		1,214
Furniture		30	—	—		30
Vehicles		64	—	—		64
Nondepreciable assets:						
Construction in progress		4	13	(17)		—
Land		2,751		(50)		2,701
Total capital assets		11,698	13	(176)		11,535
Accumulated depreciation:						
Buildings		(4,738)	(103)	125		(4,716)
Building improvements		(639)	(56)	—		(695)
Leasehold improvements		(607)	(122)	—		(729)
Furniture		(30)	—	—		(30)
Vehicles		(44)	(9)	—		(53)
Total accumulated depreciation		(6,058)	(290)	125		(6,223)
Total capital assets, net excluding lease assets	$	5,640	(277)	(51)		5,312
Right-of-use lease assets, net					$	1,049
Total capital assets, net					$	6,361

The Corporation entered into a ten-year service management agreement dated April 4, 2014 with Barnes & Noble to manage and operate a hybrid campus and general interest retail bookstore in the space leased by the Corporation in the Campus Town development. The bookstore service management agreement has one option to renew the agreement for an additional five years term. The agreement term began on the Bookstore Services Commencement Date (August 3, 2015) as defined by the agreement.

Beginning on the Bookstore Services Commencement Date, Barnes & Noble will pay the Corporation a minimum annual guaranteed commission of $650 with additional commission paid based on the specified percentages of gross sales in accordance with the agreement terms. If annual gross sales of the Bookstore shall materially decline as a result of declining enrollment, public legislation, other conflicting campus agreements, material changes in school policies or business module of the industry, such as digital books, sales directly from the publisher, or other reasons outside control of Contractor, the Corporation agrees to negotiate in good faith with Barnes & Noble an appropriate reduction in the payments set forth in the agreement. The total commission payments the Corporation received in both fiscal year 2023 and 2022 was $650.

After the Corporation pays the space rental payments to the landlord and other operational costs, excess commission, if any will be transferred to the College. In fiscal year 2023 there was a surplus of

$127 commission to be transferred to the College from the fiscal year 2023 operations. In fiscal year 2022 there was $196 of excess commission to be transferred to the College from the fiscal year 2022 operations.

As disclosed in note 2(n), effective July 1, 2022, the Corporation adopted GASB Statement No. 94. The adoption is reported retroactively to June 30, 2022 for comparative purposes. Related to the installment payments under its bookstore service management agreement with Barnes & Noble, the Corporation recognized a PPP receivable of $1,354,000 and $2,004,000 as of June 30, 2023 and 2022, respectively. A deferred inflow from PPP (bookstore commissions agreement) of $1,354,000 and $2,004,000 was recognized as of June 30, 2023 and 2022, respectively. The PPP receivable and the deferred inflow of resources are reported separately within the Statements of Net Position.

The receivable for PPP installment payments was measured by the present value of payments expected to be received during the remaining service agreement term. No provision for estimated uncollectible amounts was determined to be necessary. The receivable will be reduced over the duration of the expected payment term. The deferred inflow of resources from bookstore commissions installment payments is measured by the initial amount of the receivable for the installment payments, plus any payments received from the operator (Barnes & Noble) at or before the commencement of the agreement term that relates to future periods, less any incentives paid to, or on behalf of, the operator (the Corporation) at or before the agreement commenced. The deferred inflow of resources for bookstore commission installment payments will be amortized over the agreement term.

(19) Risk Management

The College is exposed to various risks of loss. The College purchases and funds property and casualty insurances through the NJRM joint insurance program with the nine State of New Jersey Public Colleges and Universities. The College's risk management program involves insurance for all property risk in the joint insurance program and all liability risk and employee benefit exposures are self-funded programs maintained and administered by the State of New Jersey (including tort liability, auto liability, trustees and officer's liability, workers' compensation, unemployment, temporary and long-term disability, unemployment liability, life insurance and employee retirement programs).

Subject to policy conditions, exclusions, and limits, buildings, plants, and equipment and lost revenue are fully insured on an all risk replacement basis to the extent that losses exceed $1,000 per occurrence with a per occurrence limit of $2,000. Commercial crime insurance coverage provides money and securities coverage for an actual loss in excess of $150 with a per loss limit of $5,000. In addition to the insurance purchased and maintained through the consortium, the College maintains two additional policies. The first is a student blanket professional liability insurance policy with a limit of $2,000 per claim and a $5,000 aggregate. The second is a museum collection and temporary loans policy with a $500 limit.

As an instrumentality of the State of New Jersey the liability of the College is subject to all of the provisions of the New Jersey Tort Claims Act (NJSA 59:1-1 et seq.), the New Jersey Contractual Liability Act (NJSA 59:13-1 et seq.), and the availability of appropriations. The Tort Claims Act also creates a fund and provides for payment of claims under the Act against the State of New Jersey or against its employees for which the State of New Jersey is obligated to indemnify against tort claims, which arise out of the performance of their duties.

All insurance policies are renewed on an annual basis. All of the State of New Jersey self-funded programs are statutory with an annual appropriation provided by the legislature. There has been no decrease in insurance coverage during the current year.

Notes to the Financial Statements ($ in thousands)

(20) Impact of COVID-19

In fiscal year 2023 and 2022, the College accepted federal emergency relief funds from the Higher Education Emergency Relief Fund (HEERF), and the Federal Emergency Relief Agency (FEMA) to offset institutional losses and provide student grants. The tables below illustrate the revenue recognized from the COVID-19 stimulus funds in fiscal year 2023 and 2022 which are reported as non-operating revenues:

2023 COVID-19 Stimulus Funding		Student Grant	Institutional	Total
HEERF III	$	1,142	1,142	2,284
FEMA		—	1,061	1,061
Total	$	1,142	2,203	3,345

2022 COVID-19 Stimulus Funding		Student Grant	Institutional	Total
HEERF II	$	1,000	1,000	2,000
HEERF III		5,393	5,393	10,786
FEMA		—	2,256	2,256
Total	$	6,393	8,649	15,042

(21) Subsequent Events

Management evaluated events subsequent to June 30, 2023 and through February 27, 2024, the date on which the financial statements were issued.

In October 2023, the College was awarded a $19,510 Higher Education Capital Improvement Fund (CIF) grant from the NJEFA to fund the renovation of Forcina Hall and a $5,030 Higher Education Equipment Leasing Fund (ELF) grant to purchase equipment for various academic areas. The grants are contingent upon NJEFA issuing the bonds necessary to finance the project. In exchange for the receipt of the grant, the College will pay one third of the debt service and fees of the bonds allocable to the College.

The College of New Jersey

Schedule of Proportionate Share of the Net Pension Liability

(Unaudited)

June 30,

(In thousands)

Public Employees' Retirement System

		2023	2022	2021	2020	2019	2018	2017	2016	2015
College proportion of the net pension liability - State group		0.578%	0.598%	0.918%	0.598%	0.590%	0.595%	0.586%	0.571%	0.557%
College proportion of the net pension liability - Plan as a whole		0.344%	0.385%	0.528%	0.334%	0.322%	0.312%	0.292%	0.294%	0.289%
College proportionate share of the net pension liability	$	129,359	129,249	203,981	137,504	139,891	152,684	172,328	135,548	112,127
College covered-employee payroll (for the year ended as of the measurement date)		10,709	27,406	27,283	26,684	26,648	26,046	25,776	25,823	25,380
College proportionate share of the net pension liability as a percentage of the employee covered-payroll		1207.95%	471.61%	747.65%	515.31%	524.96%	586.21%	668.56%	524.91%	441.79%
Plan fiduciary net position as a percentage of the total pension liability		46.54%	51.52%	42.90%	42.04%	40.45%	36.78%	31.20%	38.21%	42.74%

Police and Firemen's Retirement System

		2023	2022	2021	2020	2019	2018	2017	2016	2015
College proportion of the net pension liability - State group		0.169%	0.140%	0.147%	0.170%	0.149%	0.157%	0.167%	0.169%	0.153%
College proportion of the net pension liability - Plan as a whole		0.041%	0.042%	0.033%	0.039%	0.033%	0.032%	0.031%	0.032%	0.031%
College proportionate share of the net pension liability	$	7,304	5,671	6,319	7,147	6,452	6,890	7,878	7,262	5,420
College covered-employee payroll (for the year ended as of the measurement date)		675	886	804	764	766	785	772	763	822
College proportionate share of the net pension liability as a percentage of the employee covered-payroll		1082.07%	640.07%	785.95%	935.47%	842.30%	877.71%	1020.47%	951.77%	659.37%
Plan fiduciary net position as a percentage of the total pension liability		63.29%	71.41%	58.78%	60.20%	57.91%	54.52%	48.55%	52.84%	58.86%

Teachers' Pension and Annuity Fund

		2023	2022	2021	2020	2019	2018	2017	2016	2015
College proportion of the net pension liability		0.100%	0.001%	0.001%	0.001%	0.001%	0.001%	0.000%	0.000%	0.000%
College proportionate share of the net pension liability	$	—	—	—	—	—	—	—	—	—
State's proportionate share of the net pension liability associated with the College		557	527	824	756	822	928	2,024	4,749	4,666
Total net pension liability	$	557	527	824	756	822	928	2,024	4,749	4,666
College covered-employee payroll (for the year ended as of the measurement date)		—	—	—	—	—	—	—	—	122
College proportionate share of the net pension liability as a percentage of the employee covered-payroll		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3824.59%
Plan fiduciary net position as a percentage of the total pension liability		32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%

Notes:

1. Information provided for Required Supplementary Information will be provided for ten years as the information becomes available in subsequent years.
2. There were no significant changes in benefits for any of the actuarial valuations used to determine required contributions.
3. There were no significant changes in assumptions except for the annual changes as follows:

PERS

For 2023, the discount rate remained at 7%. For 2022, the discount rate remained at 7.00%. For 2021, the discount rate changed to 7.00%. For 2020, the discount rate changed to 6.28% and the mortality tables changed from the RP-2000 tables to the Pub-2010 tables. For 2019, the discount rate changed to 5.66%. For 2018, the discount rate changed to 5.00% and the long-term rate of return changed to 7.00%. For 2017, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65% from 7.90%.

PFRS

For 2023, the discount rate changed to 7%. For 2022 and 2021, the discount rate remained at 7.00%. For 2020, the discount rate changed to 6.85% and the mortality tables changed from the RP-2000 tables to the Pub-2010 tables. For 2019, the discount rate changed to 6.51%. For 2018, the discount rate changed to 6.14% and the long-term rate of returned changed to 7.00%. For 2017, the discount rate changed to 5.55%, the long-term expected rate of return changed to 7.65% from 7.90%.

See accompanying independent auditors' report.

The College of New Jersey

Schedule of Employer Contributions

(Unaudited)

June 30,

(in thousands)

Public Employees' Retirement System

		2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (amount provided by the State of New Jersey)	$	10,316	9,965	7,163	8,268	4,837	3,833	2,835	1,941	1,289
Contributions in relation to the contractually required contribution (amount provided by the State of New Jersey)		10,316	9,965	7,163	8,268	4,837	3,833	2,835	1,941	1,289
Contribution deficiency (excess)	$	—	—	—	—	—	—	—	—	—
College covered-employee payroll (as of the fiscal year end)	$	25,081	25,480	27,406	27,283	26,684	26,648	26,046	25,776	25,823
Contributions as a percentage of covered-employee payroll		41.13%	39.11%	26.14%	30.30%	18.13%	14.38%	10.88%	7.53%	4.99%

Police and Firemen's Retirement System

		2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (amount provided by the State of New Jersey)	$	1,201	1,082	620	558	547	387	306	231	120
Contributions in relation to the contractually required contribution (amount provided by the State of New Jersey)		1,201	1,082	620	558	547	387	306	231	120
Contribution deficiency (excess)	$	—	—	—	—	—	—	—	—	—
College covered-employee payroll (as of the fiscal year end)	$	906	953	886	804	764	766	785	772	763
Contributions as a percentage of employee covered payroll		132.56%	113.54%	69.98%	69.40%	71.60%	50.52%	38.98%	29.92%	15.73%

Notes:
See notes included on the Schedules of Proportionate Share of the Net Pension Liability.

See accompanying independent auditors' report.

The College of New Jersey

Schedule of Proportionate Share of the Total Other Postemployment Benefits (OPEB) Liability

(Unaudited)

June 30,

(In thousands)

State Health Benefit State Retired Employees Plan

		2023	2022	2021	2020	2019	2018
College proportion of the collective total OPEB liability		0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
College proportionate share of the collective OPEB liability	$	—	—	—	—	—	—
State's proportionate share of the collective OPEB liability associated with the College		206,847	247,514	285,593	186,302	296,779	289,555
Total proportionate share of the collective OPEB liability	$	206,847	247,514	285,593	186,302	296,779	289,555
College covered-employee payroll (for the year ended as of the measurement date)		88,209	86,905	87,512	90,895	108,347	77,708
College proportionate share of the collective OPEB liability as a percentage of the employee covered-payroll		0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

Notes:

1. Information provided for Required Supplementary Information will be provided for ten years as the information becomes available in subsequent years.

2. For the State Health Benefit State Retired Employees Plan, there are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Other Postemployment Benefits Other Than Pensions* .

3. Changes in assumptions – There were no significant changes in assumptions except for the annual change in the discount rate.
For fiscal year 2023, the discount rate changed to 3.54% from 2.16%. The mortality tables utilized Pub-2010 and Scale MP-2021.
For fiscal year 2022, the discount rate changed to 2.16% from 2.21%. The mortality tables utilized Pub-2010 and Scale MP-2021.
For fiscal year 2021, the discount rate changed to 2.21% from 3.50%. The mortality tables utilized Pub-2010 and Scale MP-2020.
For fiscal year 2020, the discount rate changed to 3.50% from 3.87%. The mortality tables utilized changed from RP 2000 in 2018 to Pub-2010 in 2019.
For fiscal year 2019, the discount rate changed to 3.87% from 3.58%.
For fiscal year 2018, the discount rate changed to 3.58% from 2.85%.

See accompanying independent auditors' report.