# 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, 2024 and 2023

(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 years ended June 30, 2024 and 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, 2024 and June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for opinions**
We conducted our audits 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

**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 28 and the schedule of proportionate share of net pension liability, schedule of employer contributions, and schedule of proportionate share of the total other postemployment benefits (OPEB) liability on pages 92 through 94 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 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 11, 2025

**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, 2024 and 2023. 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, 2024 and 2023, and includes selected comparative information for the year ended June 30, 2022. 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 2024 and 2023, *U.S. News & World Report* ranked TCNJ fourth overall and placed first among public colleges, in the "Best Regional Universities—North" category, first 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 colleges in the nation in 2024 and 2023, 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 2023, the College's overall full-time equivalent (FTE) faculty count was 519. Approximately 70% of the total faculty FTE was full time (361) and the remaining 30% (158) included permanent part-time faculty, adjunct and teaching professional staff. During this same period, the total FTE student enrollment was 7,368 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**

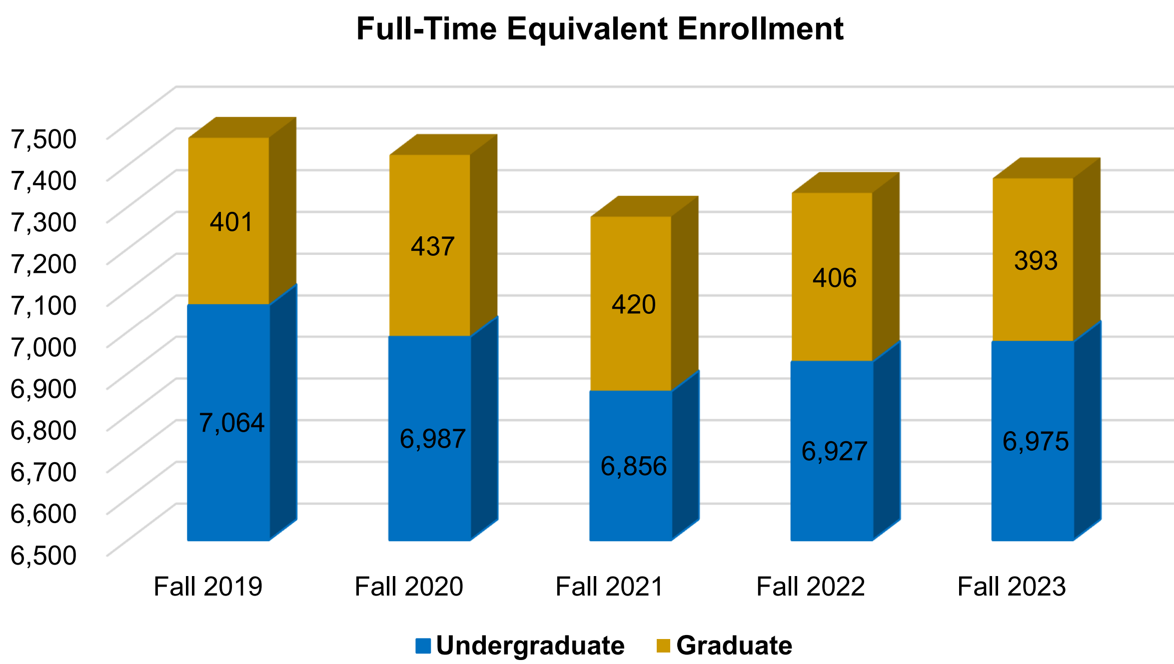
| Academic Year | Full-Time Faculty | Part-Time Faculty* | Tenured Faculty | Faculty with Terminal Degrees | Student/ Faculty Ratio |
|---|---|---|---|---|---|
| 2021 - 2022 | 371 | 154 | 259 | 350 | 13:1 |
| 2022 - 2023 | 365 | 156 | 255 | 331 | 13:1 |
| 2023 - 2024 | 361 | 158 | 258 | 320 | 13:1 |

*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 2023, the full-time freshmen class enrolled 1,547 students yielding a 21% matriculation ratio based upon a 51% acceptance ratio for 11,668 applicants. The 90% 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 2017 first time freshman cohort of 75% and 85%, respectively. In fall 2023, 86% of the freshmen class and 45% of all undergraduate students lived on campus in college owned housing.

In fall 2023, TCNJ enrolled 6,975 full-time equivalent undergraduate students and 393 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 decreasing by 1% from fall 2019 to fall 2023, as reflected in the graph below.




The 2023–2024 academic year concluded with the awarding of 1,725 bachelor's degrees, 347 master's degrees, and 89 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.

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 $53.9 million and $54.5 million for the years ended June 30, 2024 and 2023, 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, 2024 and 2023, scholarship allowance totaled $46.8 million and $41.9 million, respectively.

- The College is required to report depreciation on its capital assets. Depreciation and amortization expense totaled $31.3 million and $32.7 million, for the years ended June 30, 2024 and 2023, respectively.

- 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 2024 and 2023, respectively, the College recognized ($8) million and ($6) million in OPEB benefit and non-operating OPEB contra-revenue, to account for the College's portion of the OPEB benefit 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 2024:

| 2024<br>Condensed Statement of Net Position<br>(Amounts in thousands) | | | | |
|---|---|---|---|---|
| | | Before GASB 68 | GASB 68 Adjustment | As Reported |
| Assets: | | | | |
| Current assets | $ | 153,273 | — | 153,273 |
| Capital assets, net | | 598,824 | — | 598,824 |
| Other noncurrent assets | | 55,263 | — | 55,263 |
| Total assets | | 807,360 | — | 807,360 |
| Deferred outflows of resources | | 36,970 | 41,341 | 78,311 |
| Liabilities: | | | | |
| Current liabilities | | 54,021 | — | 54,021 |
| Noncurrent liabilities | | 368,531 | 142,897 | 511,428 |
| Total liabilities | | 422,552 | 142,897 | 565,449 |
| Deferred inflows of resources | | 16,785 | 42,862 | 59,647 |
| Net Position: | | | | |
| Net investment in capital assets | | 239,493 | — | 239,493 |
| Restricted expendable | | 42,053 | — | 42,053 |
| Unrestricted | | 158,659 | (179,630) | (20,971) |
| Total net position | $ | 440,205 | (179,630) | 260,575 |

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

| 2023<br>Condensed Statement of Net Position<br>(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 |

Under GASB 68, the College recorded its proportionate share of pension expense of $6.8 million and $777 thousand for fiscal years 2024 and 2023, respectively. In fiscal years 2024 and 2023, the State's contributions amounted to $11 million and $11.5 million, respectively.

| 2024<br>Condensed Statement of<br>Revenues, Expenses and Changes in Net Position<br>(Amounts in thousands) | | | | | |
|---|---|---|---|---|---|
| | | Before GASB 68 & 75 | GASB 68 Adjustment | GASB 75 Adjustment | As Reported |
| Net student revenues | $ | 152,525 | — | — | 152,525 |
| Government grants and contracts | | 35,322 | — | — | 35,322 |
| Auxiliary activities | | 5,728 | — | — | 5,728 |
| Other | | 5,732 | — | — | 5,732 |
| Operating revenues | | 199,307 | — | — | 199,307 |
| Instruction and research | | 72,681 | 2,435 | — | 75,116 |
| Academic support | | 25,733 | 1,656 | — | 27,389 |
| Student services | | 25,876 | 1,344 | — | 27,220 |
| Operation and maintenance of plant | | 23,803 | 1,390 | — | 25,193 |
| Institutional support | | 24,676 | 1,131 | — | 25,807 |
| Auxiliary activities | | 37,834 | — | — | 37,834 |
| Other postemployment benefits | | — | — | (8,108) | (8,108) |
| Depreciation and amortization | | 31,282 | — | — | 31,282 |
| Other | | 9,541 | 545 | — | 10,086 |
| Operating expenses | | 251,426 | 8,501 | (8,108) | 251,819 |
| Operating (loss) income | | (52,119) | (8,501) | 8,108 | (52,512) |
| State appropriations and fringe benefits | | 58,848 | — | — | 58,848 |
| Other postemployment benefits | | — | — | (8,108) | (8,108) |
| Other expenses, net | | (98) | — | — | (98) |
| Net nonoperating revenues (expenses) | | 58,750 | — | (8,108) | 50,642 |
| Capital grants and gifts | | 3,300 | — | — | 3,300 |
| Change in net position | | 9,931 | (8,501) | — | 1,430 |
| Net position, beginning of year | | 430,274 | (171,129) | — | 259,145 |
| Net position, end of year | $ | 440,205 | (179,630) | — | 260,575 |

| 2023<br>Condensed Statement of<br>Revenues, Expenses and Changes in Net Position<br>(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 benefits | | (170) | 170 | (5,996) | (5,996) |
| Depreciation and amortization | | 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 benefits | | — | — | (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 |

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 2024 and 2023, 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-to-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, 2024, 2023 and 2022 are as follows:

**Condensed Statements of Net Position**
**(Amounts in thousands)**

| | | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| Assets: | | | | |
| Current assets | $ | 153,273 | 106,014 | 113,742 |
| Capital assets, net | | 598,824 | 615,112 | 629,735 |
| Other noncurrent assets | | 55,263 | 54,361 | 50,648 |
| Total assets | | 807,360 | 775,487 | 794,125 |
| Deferred outflows of resources | | 78,311 | 95,754 | 113,288 |
| Liabilities: | | | | |
| Current liabilities | | 54,021 | 29,028 | 36,590 |
| Noncurrent liabilities | | 511,428 | 499,148 | 497,462 |
| Total liabilities | | 565,449 | 528,176 | 534,052 |
| Deferred inflows of resources | | 59,647 | 83,920 | 110,302 |
| Net Position: | | | | |
| Net investment in capital assets | | 239,493 | 256,790 | 270,723 |
| Restricted expendable | | 42,053 | 669 | 808 |
| Unrestricted | | (20,971) | 1,686 | (8,472) |
| Total net position | $ | 260,575 | 259,145 | 263,059 |

**Statement of Net Position Financial Highlights**

**Assets**

During fiscal years 2024 and 2023, respectively, the College's total assets increased by $31.9 million and decreased by $18.6 million, or 4.1% and 2.3%, primarily due to the receipt in fiscal year 2024 of four New Jersey State capital grants to fund academic equipment and various information technology and infrastructure improvements. At June 30, 2024 and 2023, respectively, the College's working capital, which is current assets less current liabilities, was $99.2 million and $77.0 million, an increase of $22.2 million and a decrease of

$166 thousand, respectively, from the previous year. Increase in working capital in 2024 is primarily due to the receipt of four New Jersey State capital grants to fund academic equipment and various information technology and infrastructure improvements at June 30, 2024 and a decrease in cash at June 30, 2023, 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 $153,273, $106,014, and $113,742 and 2.84, 3.65, and 3.11, times above current liabilities in fiscal years 2024, 2023 and 2022, respectively, the College had adequate liquidity to satisfy its current obligations.

**Summary of Working Capital**
**(Amounts in thousands)**

| | | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| Current assets | $ | 153,273 | 106,014 | 113,742 |
| Current liabilities | | 54,021 | 29,028 | 36,590 |
| Working capital | $ | 99,252 | 76,986 | 77,152 |
| Ratio of current assets to current liabilities | | 2.84 | 3.65 | 3.11 |

*Cash and Investments*

The College's cash and cash equivalents and investments consisted of the following as of June 30, 2024, 2023 and 2022:

**Cash and Cash Equivalents and Investments**
**(Amounts in thousands)**

| | | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| Cash and cash equivalents | $ | 23,324 | 20,453 | 36,478 |
| Investments – current | | 66,617 | 56,096 | 51,702 |
| Investments – noncurrent | | 34,100 | 33,126 | 29,304 |
| Total cash and cash equivalents and investments | $ | 124,041 | 109,675 | 117,484 |

Cash and cash equivalents increased by $2.9 million and decreased by $16.0 million in fiscal years 2024 and 2023, respectively, primarily due to an increase in deposits in 2024 and primarily due to an increase in operating and capital cash outflows in 2023.

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, 2024 and 2023. The combined portfolio generated a gain of $13.1 million or 13.0% in fiscal year 2024 compared to a gain of $9.5 million or 10.8% in fiscal year 2023. This was the result of an increase in the market value of the portfolio in both fiscal years 2024 and 2023. The College's strategic investment continues in a long-term, diversified, multi-asset class portfolio. This portfolio returned 12.5% which was above its blended benchmark that returned 12.4% for fiscal year end 2024 and 10.4% which was below its blended benchmark that returned 10.9% for fiscal year end 2023.

*Lease Receivables*

Lease receivables of $19.3 million and $19.2 million at June 30, 2024 and 2023, respectively, were recorded in the statements of net position.

*Restricted Deposits Held with Trustees*

Restricted deposits held with trustees had a net increase of approximately $31.8 million and $3.1 million as of June 30, 2024 and 2023, respectively. The 2024 increase was due to the receipt of New Jersey State capital grants to fund academic equipment and various information technology and infrastructure improvements. Consistent with the prior fiscal year, debt service payments for July 1, 2024 and 2023 are reflected in the restricted deposits held with bond trustees as of June 30, 2024 and 2023.

*Capital Assets*

At June 30, 2024 and 2023, the College had $598.8 million and $615.1 million, invested in capital assets, net of accumulated depreciation of $468.4 million and $439.5 million, respectively, and right-to-use lease and subscription assets, net of accumulated amortization of $4.5 million and $4.4 million, respectively. Depreciation and amortization charges totaled $31.3 million and $32.7 million, for the years ended June 30, 2024 and 2023, respectively. Capital additions totaling $12.5 million and $13.9 million in fiscal years 2024 and 2023, 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 years ended June 30, 2024, 2023 and 2022:

| Capital Additions (Amounts in thousands) | | | | |
|---|---|---|---|---|
| | | 2024 | 2023 | 2022 |
| Net additions: | | | | |
| Land and land improvements | $ | — | — | 124 |
| Works of art/historical treasures | | — | — | — |
| Buildings and building improvements | | 1,834 | 2,041 | 1,100 |
| Infrastructure | | — | 1,847 | 10,388 |
| Equipment and other assets | | 1,904 | 1,739 | (2,840) |
| Construction in progress, net | | 8,743 | 8,274 | (3,435) |
| Net total additions | $ | 12,481 | 13,901 | 5,337 |

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.

**Deferred Outflows of Resources**

During fiscal years 2024 and 2023, the deferred outflows of resources consist of deferred amounts from debt refunding and pensions. In fiscal years 2024 and 2023, 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 $13.0 million and $13.1 million, respectively, due to changes in the proportion of the allocated pension liability and changes in actuarial assumptions used to calculate the pension liability.

**Liabilities**

*Current Liabilities*

Current liabilities increased by $25.0 million from $29.0 million as of June 30, 2023 to $54.0 million as of June 30, 2024 and decreased by $7.6 million from $36.6 million as of June 30, 2022 to $29.0 million as of June 30, 2023. The increase in 2024 was mainly due to addition of New Jersey Capital Grants. 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 2024, noncurrent liabilities increased by $12.3 million primarily due to two new bonds tied to New Jersey Capital Grants. 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.

**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, 2024 and 2023, the College had $366.1 million and $359.5 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 2024 and 2023, respectively, the deferred inflows of resources consisting of deferred amounts relating to pensions of $42.9 million and $66.7 million and deferred amounts from leases of $16.8 million and $17.2 million, respectively, decreased by $24.3 million and $26.4 million, respectively, 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 $9.9 million in fiscal year 2024 and increased by $7.1 million in fiscal year 2023. The impact of net pension expense under GASB 68 on the change in net position was a decrease of $8.5 million in fiscal year 2024 and a decrease of $11.1 million in fiscal year 2023. The reported net position showed an increase of $1.4 million and a decrease of $3.9 million, or 0.6% and 1.5% in fiscal years 2024 and 2023, respectively.

At June 30, 2024 and 2023 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 2024 and 2023, this category decreased by $17.3 million and $13.9 million, due to the net decrease of $16.3 million and $14.6 million in capital assets and the $6.6 million increase and $1.9 million decrease, 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 2024 and 2023, this category increased by $41.4 million due to receipt of NJ Higher Education Capital Grants and decreased by $139 thousand 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 2024 and 2023, this category had a decrease of $22.6 million and an increase of $10.1 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, 2024, 2023 and 2022 are as follows:

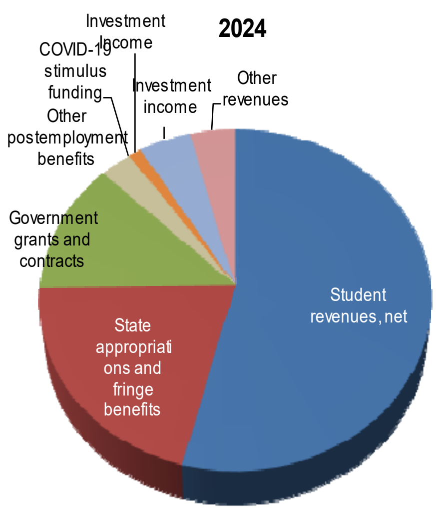
**Condensed Statements of**
**Revenues, Expenses and Changes in Net Position**
**(Amounts in thousands)**

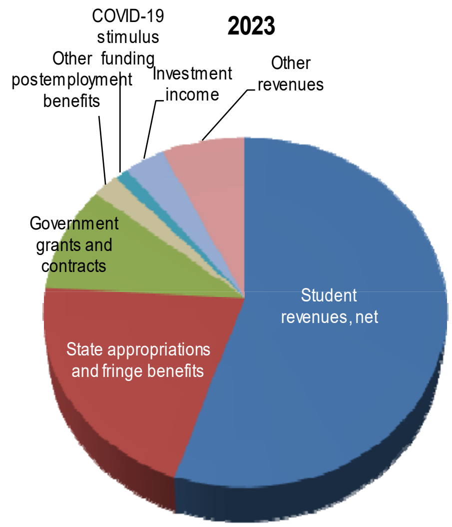
| | | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| Net student revenues | $ | 152,525 | 148,476 | 148,925 |
| Government grants and contracts | | 35,322 | 26,629 | 23,976 |
| Auxiliary activities | | 5,728 | 4,987 | 3,937 |
| Other | | 5,732 | 8,320 | 7,552 |
| Operating revenues | | 199,307 | 188,412 | 184,390 |
| Instruction and research | | 75,116 | 70,833 | 67,569 |
| Academic support | | 27,389 | 24,848 | 24,039 |
| Student services | | 27,220 | 25,956 | 23,718 |
| Operation and maintenance of plant | | 25,193 | 29,901 | 25,792 |
| Institutional support | | 25,807 | 22,663 | 28,663 |
| Auxiliary activities | | 37,834 | 35,598 | 31,286 |
| Other postemployment benefits | | (8,108) | (5,996) | 2,841 |
| Depreciation and amortization | | 31,282 | 32,713 | 31,227 |
| Other | | 10,086 | 10,283 | 14,205 |
| Operating expenses | | 251,819 | 246,799 | 249,340 |
| Operating loss | | (52,512) | (58,387) | (64,950) |
| State appropriations and fringe benefits | | 58,848 | 55,676 | 52,094 |
| Other postemployment benefits | | (8,108) | (5,996) | 2,841 |
| COVID-19 stimulus funding | | — | 3,345 | 15,042 |
| Investment income (loss) | | 13,106 | 9,557 | (13,558) |
| Other expenses, net | | (13,204) | (8,109) | (6,928) |
| Net nonoperating revenues | | 50,642 | 54,473 | 49,491 |
| Capital grants and gifts | | 3,300 | — | — |
| Change in net position | | 1,430 | (3,914) | (15,459) |
| Net position, beginning of year | | 259,145 | 263,059 | 278,518 |
| Net position, end of year | $ | 260,575 | 259,145 | 263,059 |

### 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, 2024 and 2023:




| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | | Amount | Percent | | Amount | Percent |
| | (Amounts in thousands) | | | | | |
| Student revenues, net | $ | 152,525 | 57.2% | $ | 148,476 | 57.8% |
| State appropriations and fringe benefits | | 58,848 | 22.1% | | 55,676 | 21.7% |
| Government grants and contracts | | 35,322 | 13.3% | | 26,629 | 10.4% |
| Other postemployment benefits | | (8,108) | -3.0% | | (5,996) | -2.3% |
| COVID-19 stimulus funding | | — | 0.0% | | 3,345 | 1.3% |
| Capital grants and gifts | | 3,300 | 1.2% | | — | 0.0% |
| Investment income | | 13,106 | 4.9% | | 9,557 | 3.7% |
| Other revenues | | 11,460 | 4.3% | | 19,467 | 7.4% |
| | $ | **266,453** | **100.0%** | $ | **257,154** | **100.0%** |

The College's revenue diversity is somewhat limited, with student-derived revenues (net tuition and housing revenues) accounting for 56.6% and 57.8% of the total revenue in fiscal 2024 and 2023, followed by state appropriations at 21.9% and 21.7%, and government grants and contracts at 13.1% and 10.4%, respectively.

**Operating Revenues**

Operating revenues represent resources generated by the College in fulfilling its instruction, research and public service mandate. Total operating revenues increased by $10.9 million and increased by $4.0 million in fiscal years 2024 and 2023, respectively. The increase for fiscal year 2024 is attributed to the increase in State of New Jersey grants and contract revenues. 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.

*Tuition and Fees*

Tuition and fees revenues increased $3.1 million, or 2.8%, and decreased $2.2 million, or 2.0%, in fiscal years 2024 and 2023, respectively, primarily due to the College's continued strategic efforts to keep the cost of education affordable and maintain enrollment. In 2024, there was an overall 4.0% tuition rate increase as well as a 3.67% fee rate increase. In 2023, there was an overall 3.9% tuition rate increase as well as a 1.1% fee rate increase.

*Student Housing and Fees*

In fiscal years 2024 and 2023, student housing and fees increased by $951 thousand and $1.8 million, respectively. The increase in revenue in fiscal year 2024 is primarily due to a 2.0% increase in room and 5.0% increase in meal plan rates. The increase in revenue in fiscal year 2023 is primarily due the increase of 2.5% in room and 3.7% in meal plan rates.

*Scholarship Allowance*

Scholarship allowance increased by $4.9 million or 11.7% and increased by $7.9 million or 23.0%, in fiscal years 2024 and 2023, 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 2022 there was a decrease in the institutional funded tuition and housing scholarships as reflected below.

**Scholarship Allowance (Amounts in thousands)**

| | | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| State scholarships | $ | 14,519 | 9,449 | 8,742 |
| Federal scholarships | | 8,974 | 7,852 | 7,349 |
| Institutional scholarships | | 23,273 | 24,576 | 17,854 |
| Total scholarships | $ | 46,766 | 41,877 | 33,945 |

*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 2024 and 2023, respectively, government grants and contracts had a net increase of $8.6 million and $2.7 million primarily due to an increase in federal financial aid grants.

*Auxiliary Activities*

Auxiliary activities, which are self-supporting activities, increased $741 thousand from $5.0 million in fiscal year 2023 to $5.7 million in fiscal year 2024. 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 2024 and 2023 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 2024 and 2023, New Jersey state appropriations represented approximately 22.1% and 21.7%, 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 by $711 thousand and by $1.8 million, respectively, in fiscal years 2024 and 2023 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, 2024, 2023 and 2022 are as follows:

| State Appropriations (Amounts in thousands) | | | | |
|---|---|---|---|---|
| | | 2024 | 2023 | 2022 |
| State appropriations | $ | 32,586 | 31,875 | 30,062 |
| Fringe benefits | | 26,262 | 23,801 | 22,032 |
| Gross state support | $ | 58,848 | 55,676 | 52,094 |

*Other Postemployment Benefits*

Other postemployment benefits (OPEB) represent the College's proportionate share of OPEB expenses under GASB 75. This non-cash adjustment is a direct offset of the OPEB benefit that was recognized in fiscal years 2024 and 2023. 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 years 2024 and 2023, the stock market performance resulted in significant appreciation of the investment portfolio. A net gain of approximately $13.1 million was recognized in fiscal year 2024 compared to a net gain of approximately $9.6 million in fiscal year 2023.

*COVID-19 Stimulus Funding*

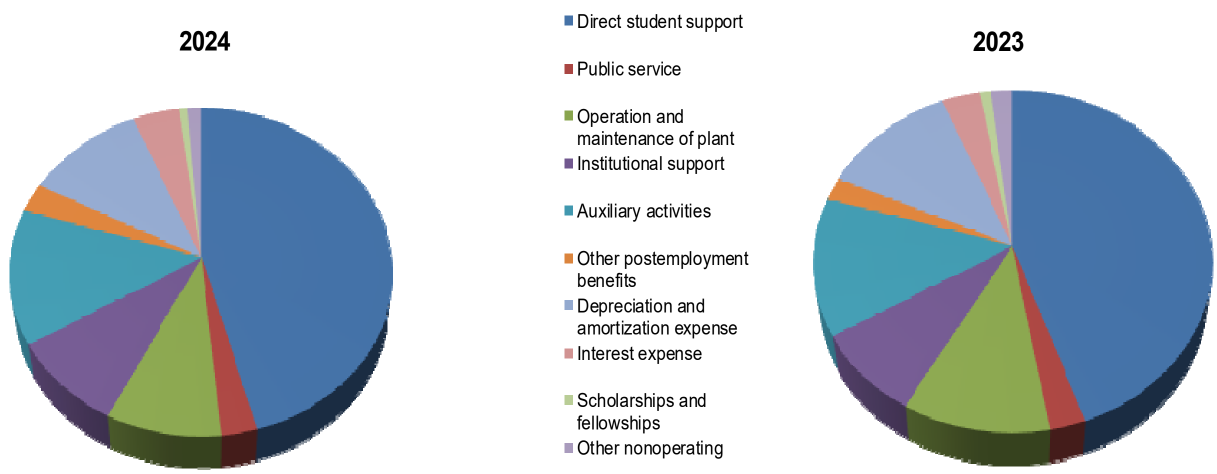
In fiscal year 2023, the College recognized the final $3.3 million in revenue from various COVID-19 stimulus funding sources, including Higher Education Emergency Relief Fund (HEERF), Governor's Emergency Education Relief Fund (GEERF), and Coronavirus Relief Fund (CRF). These funds were used to provide $1.1 million in grants to students and reimburse the College for $2.2 million in lost revenues and COVID-19 related expenses.

*Capital Grants and Gifts*

In fiscal year 2024, the College recognized $3.3 million in revenue related to the receipt of a number of New Jersey State capital grants to fund academic equipment and various information technology and infrastructure improvements. The revenue for these capital grants is recognized as 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 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, 2024 and 2023:




| | 2024 | | 2023 | |
|---|---|---|---|---|
| | Amount | Percent | Amount | Percent |
| Instruction and research | $ 75,116 | 28.0% | $ 70,833 | 27.2% |
| Academic support | 27,389 | 10.2% | 24,848 | 9.5% |
| Student services | 27,220 | 10.2% | 25,956 | 9.9% |
| Direct student support | 129,725 | 48.4% | 121,637 | 46.6% |
| Public service | 8,009 | 3.0% | 7,399 | 2.8% |
| Operation and maintenance of plant | 25,193 | 9.4% | 29,901 | 11.5% |
| Institutional support | 25,807 | 9.6% | 22,663 | 8.7% |
| Auxiliary activities | 37,834 | 14.1% | 35,598 | 13.6% |
| Other postemployment benefits | (8,108) | -3.0% | (5,996) | -2.3% |
| Depreciation and amortization expense | 31,282 | 11.7% | 32,713 | 12.5% |
| Interest expense | 12,475 | 4.7% | 9,170 | 3.5% |
| Scholarships and fellowships | 2,077 | 0.8% | 2,884 | 1.1% |
| Other nonoperating | 3,576 | 1.3% | 5,099 | 2.0% |
| | **$ 267,870** | **100.0%** | **$ 261,068** | **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 2024 and 2023, total operating expenses were $251.8 million and $246.8 million, representing an overall net increase of $5.0 million or 2.0%, and net decrease of $2.5 million, or 1.0%, over the previous fiscal year, respectively. The College experienced increases in instruction, auxiliary activities, academic support, institutional support, and student services expenses in fiscal year 2024. These increases were offset by a decrease in scholarships, fellowships and operations and maintenance expenses and a $2.1 million decrease in the College's proportionate share of the OPEB. 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 increase in the College's proportionate share of the OPEB benefit.

*Instruction and Research*

The combination of instruction and research represents the College's largest operating expense category. Instruction and research expenses increased $4.3 million in fiscal year 2024 primarily due to a $2.5 million decrease in net pension expense offset by an increase in salary, fringe and operating expenditures. 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.

*Academic Support*

In fiscal years 2024 and 2023, academic support expenses increased $2.5 million or 10.2% and $809 thousand or 3.4%, respectively. Fiscal year 2024 expenses increased in salary and fringe as well as a $956 thousand increase in net pension expense. Fiscal year 2023 expenses increased in salary and fringe as well as a $221 thousand increase 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 $610 thousand or 9.6%, and $1.0 million, or 15.9%, in fiscal years 2024 and 2023, respectively. Fiscal year 2024 salary and fringe decrease of $911 thousand combined with a $375 thousand decrease in net pension expense were offset by a $1.2 million increase in grant subawards. In fiscal year 2023 salary and fringe increases of $1.4 million were offset by a $626 thousand decrease in net pension expense.

*Student Services*

In fiscal years 2024 and 2023, student service expenses increased by $1.3 million, or 4.9%, and increased by $2.2 million, or 9.4%, respectively. The fiscal year 2024 change was due to a $2.2 million decrease in salary and fringe offset by an increase in operating expenditures combined with a $783 thousand increase in net pension expense. 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.

*Operation and Maintenance of Plant*

Operation and maintenance of plant decreased by $4.7 million, or 15.7%, in fiscal year 2024, primarily due to a decrease in utility and contractor expenditures offset by a $864 thousand increase in net pension expense. This category increased by $4.1 million, or 15.9%, in fiscal year 2023, primarily due to an increase in utility and contractor expenditures offset by a $1.5 million decrease in net pension expense.

*Institutional Support*

In fiscal years 2024 and 2023, institutional support increased by $3.1 million, or 13.9%, and decreased by $6.0 million, or 20.9%, respectively. The fiscal year 2024 increase was due to salary, fringe and non-salary expenses which were combined with a $707 thousand increase in net pension expense. Fiscal year 2023 decrease was due to salary and fringe savings and non-salary expense reductions supplemented by a $1.2 million decrease in net pension expense.

*Auxiliary Activities*

In fiscal years 2024 and 2023, auxiliary activities increased by $2.2 million, or 6.3%, and increased by $4.3 million, or 13.8%, respectively. The fiscal year 2024 increase was primarily due to a $2.4 million increase in food service costs and a $44 thousand increase in other scholarship expenses combined with a $207 thousand increase in net pension expense. 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.

*Other Postemployment Benefits*

The fiscal years 2024 and 2023 OPEB benefit represents the College's proportionate share of OPEB expenses under GASB 75. OPEB benefit increased from $6.0 million in fiscal year 2023 to $8.1 million in fiscal year 2024. See note 13 for additional information on OPEB.

*Depreciation and Amortization Expense*

Depreciation and amortization expense decreased by $1.4 million, or 4.4%, and increased by $1.5 million, or 4.8%, in fiscal years 2024 and 2023, respectively, due to changes in the composition of 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 $3.3 million, or 36.0% and increased by $3.0 million, or 50.1%, in fiscal years 2024 and 2023, respectively, primarily due to debt service savings achieved from the Series 2020D debt restructuring offset by interest expense on lease and subscription liabilities.

*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 2024 and 2023, transactions with affiliates decreased by $3.3 million, or 53.4%, and $2.8 million, or 82.9%, respectively, primarily due to changes in operating support and private grant transfers from the Foundation.

*Other Revenues (Expenses), Net*

In fiscal years 2024 and 2023, respectively, other nonoperating revenue had a net increase of $1.5 million and $911 thousand 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. The College developed a 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 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 its financial position.

A healthy student demand and favorable market position as evidenced by stable enrollment, 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, 2024

(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 (note 4) | $ | 23,324 | 2,617 | 3,638 | 29,579 |
| Receivables: | | | | | |
| Student accounts, net of allowance for doubtful accounts of $513 | | 4,160 | — | — | 4,160 |
| Student loans | | 87 | — | — | 87 |
| Grants, net of allowance for doubtful accounts of $113 | | 9,384 | — | — | 9,384 |
| Due from State of New Jersey (note 5) | | 1,982 | — | — | 1,982 |
| Due from affiliates (note 3) | | 2,921 | 17 | 99 | 3,037 |
| Other | | 4,837 | 400 | 813 | 6,050 |
| Total receivables | | 23,371 | 417 | 912 | 24,700 |
| Investments (notes 4 and 17) | | 66,617 | 1,442 | — | 68,059 |
| Restricted deposits held with trustees (note 9) | | 38,144 | — | — | 38,144 |
| Prepaid expenses and other assets | | 1,817 | 1 | — | 1,818 |
| Total current assets | | 153,273 | 4,477 | 4,550 | 162,300 |
| Noncurrent assets: | | | | | |
| Student loans receivable, net of allowance for doubtful loans of $30 | | 359 | — | — | 359 |
| Escrow deposits from tenants | | — | — | 71 | 71 |
| Lease receivables (note 7) | | 19,345 | — | — | 19,345 |
| Other assets | | 1,459 | — | — | 1,459 |
| Investments (notes 4 and 17) | | 34,100 | 4,862 | — | 38,962 |
| Restricted investments (note 17) | | — | 62,710 | — | 62,710 |
| Capital assets, net (notes 6, 7, 8 and 18) | | 598,824 | — | 6,140 | 604,964 |
| PPP receivable - bookstore commissions agreement (note 18) | | — | — | 54 | 54 |
| Total noncurrent assets | | 654,087 | 67,572 | 6,265 | 727,924 |
| Total assets | | 807,360 | 72,049 | 10,815 | 890,224 |
| **Deferred Outflows of Resources** | | | | | |
| Deferred amounts from debt refunding | | 36,970 | — | — | 36,970 |
| Deferred amounts from pensions (note 13) | | 41,341 | — | — | 41,341 |
| Total deferred outflows of resources | | 78,311 | — | — | 78,311 |
| **Liabilities** | | | | | |
| Current liabilities: | | | | | |
| Accounts payable and accrued expenses (note 10) | | 18,953 | 55 | 57 | 19,065 |
| Compensated absences – current portion (note 14) | | 4,794 | — | — | 4,794 |
| Due to affiliates (note 3) | | 579 | 2,313 | 306 | 3,198 |
| Unearned revenue and student deposits | | 26,687 | — | — | 26,687 |
| Lease liabilities – current portion (note 7) | | 436 | — | 382 | 818 |
| SBITA liabilities – current portion (note 8) | | 1,541 | — | — | 1,541 |
| Bonds payable – current portion, including net premium of $713 (note 11) | | 713 | — | — | 713 |
| Other long-term obligations – current portion (note 11) | | 318 | 166 | — | 484 |
| Total current liabilities | | 54,021 | 2,534 | 745 | 57,300 |
| Noncurrent liabilities (note 11): | | | | | |
| Compensated absences – noncurrent (note 14) | | 522 | — | — | 522 |
| U.S. and Government grants refundable | | 519 | — | — | 519 |
| Bonds payable – noncurrent, including net premium of $4,092 (note 11) | | 356,012 | — | — | 356,012 |
| Lease liabilities – noncurrent (note 7) | | 314 | — | 33 | 347 |
| SBITA liabilities – noncurrent (note 8) | | 2,056 | — | — | 2,056 |
| Other long-term obligations (note 11) | | 9,108 | 1,690 | 71 | 10,869 |
| Net pension liability (note 13) | | 142,897 | — | — | 142,897 |
| Total noncurrent liabilities | | 511,428 | 1,690 | 104 | 513,222 |
| Total liabilities | | 565,449 | 4,224 | 849 | 570,522 |
| **Deferred Inflows of Resources** | | | | | |
| Deferred amounts from pensions (note 13) | | 42,862 | — | — | 42,862 |
| Deferred amounts from leases (note 7) | | 16,785 | — | — | 16,785 |
| Deferred amounts from PPP bookstore commissions agreement (note 18) | | — | — | 704 | 704 |
| Deferred amounts from charitable gift annuities | | — | 1,533 | — | 1,533 |
| Total deferred inflows of resources | | 59,647 | 1,533 | 704 | 61,884 |
| **Net Position** | | | | | |
| Net investment in capital assets | | 239,493 | — | 5,725 | 245,218 |
| Restricted: | | | | | |
| Nonexpendable: | | | | | |
| Scholarships | | — | 20,296 | — | 20,296 |
| Other programs | | — | 11,280 | — | 11,280 |
| Expendable: | | | | | |
| Scholarships | | — | 15,838 | — | 15,838 |
| Other | | 41,247 | 11,907 | — | 53,154 |
| Student loans | | 806 | — | — | 806 |
| Unrestricted | | (20,971) | 6,971 | 3,537 | (10,463) |
| Total net position | $ | 260,575 | 66,292 | 9,262 | 336,129 |

See accompanying notes to financial statements.

## 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 (note 4) | $ | 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 (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 (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 REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR BUSINESS-TYPE ACTIVITIES

Year ended June 30, 2024

(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 | $ | 147,743 | — | — | 147,743 |
| Less tuition scholarship allowances | | (36,927) | — | — | (36,927) |
| Net student tuition and fees | | 110,816 | — | — | 110,816 |
| Student housing and fees | | 51,548 | — | — | 51,548 |
| Less housing scholarship allowances | | (9,839) | — | — | (9,839) |
| Net student housing and fees | | 41,709 | — | — | 41,709 |
| Federal grants and contracts | | 15,229 | — | — | 15,229 |
| State of New Jersey grants and contracts | | 20,093 | — | — | 20,093 |
| Auxiliary activities | | 5,728 | — | 1,485 | 7,213 |
| Contributions | | — | 4,431 | — | 4,431 |
| Interest on student loans receivable | | 63 | — | — | 63 |
| Other operating revenues | | 5,669 | 2,768 | — | 8,437 |
| Total operating revenues | | 199,307 | 7,199 | 1,485 | 207,991 |
| Operating expenses: | | | | | |
| Instruction | | 58,692 | — | — | 58,692 |
| Research | | 16,424 | — | — | 16,424 |
| Academic support | | 27,389 | — | — | 27,389 |
| Public service | | 8,009 | — | — | 8,009 |
| Student services | | 27,220 | — | — | 27,220 |
| Operation and maintenance of plant | | 25,193 | — | 624 | 25,817 |
| Institutional support | | 25,807 | — | — | 25,807 |
| Scholarships and fellowships | | 2,077 | 1,040 | — | 3,117 |
| Auxiliary activities | | 37,834 | — | 556 | 38,390 |
| Fundraising and program services | | — | 1,734 | — | 1,734 |
| Other postemployment benefits (note 13) | | (8,108) | — | — | (8,108) |
| Depreciation and amortization | | 31,282 | — | 634 | 31,916 |
| Other operating expenses | | — | 4,667 | — | 4,667 |
| Total operating expenses | | 251,819 | 7,441 | 1,814 | 261,074 |
| Operating loss | | (52,512) | (242) | (329) | (53,083) |
| Nonoperating revenues (expenses): | | | | | |
| State of New Jersey appropriations | | 32,586 | — | — | 32,586 |
| State of New Jersey fringe benefits (note 12) | | 26,262 | — | — | 26,262 |
| Other postemployment benefits (note 13) | | (8,108) | — | — | (8,108) |
| Investment income | | 13,106 | 7,189 | 166 | 20,461 |
| Interest expense | | (12,475) | — | (26) | (12,501) |
| Transactions with affiliates (note 3) | | 2,847 | — | (202) | 2,645 |
| Other (expenses) revenues, net | | (3,576) | — | 616 | (2,960) |
| Net nonoperating revenues | | 50,642 | 7,189 | 554 | 58,385 |
| (Loss) income before additions to permanent endowments and capital grants | | (1,870) | 6,947 | 225 | 5,302 |
| Additions to permanent endowments | | — | 1,720 | — | 1,720 |
| Capital grants | | 3,300 | — | — | 3,300 |
| Increase in net position | | 1,430 | 8,667 | 225 | 10,322 |
| Net position as of beginning of year | | 259,145 | 57,625 | 9,037 | 325,807 |
| Net position as of end of year | $ | 260,575 | 66,292 | 9,262 | 336,129 |

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 and amortization | | 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.

## STATEMENTS OF CASH FLOWS FOR BUSINESS-TYPE ACTIVITIES

(College only)

Years ended June 30, 2024 and 2023

(Amounts in thousands)

| | | 2024 | 2023 |
|---|---|---|---|
| Cash flows from operating activities: | | | |
| Student tuition and fees | $ | 112,283 | 107,174 |
| Federal and State grants and contracts | | 54,145 | 28,568 |
| Payments to suppliers | | (71,113) | (71,500) |
| Payments to employees | | (127,611) | (124,501) |
| Payments for benefits | | (7,066) | (12,532) |
| Student housing and auxiliary activities | | 47,720 | 46,104 |
| Other receipts, net | | 6,667 | 3,620 |
| Net cash provided by (used in) operating activities | | 15,025 | (23,067) |
| Cash flows from noncapital financing activities: | | | |
| New Jersey State appropriations | | 32,586 | 32,373 |
| Other receipts, net | | 6,122 | 7,147 |
| Net cash provided by noncapital financing activities | | 38,708 | 39,520 |
| Cash flows from capital and related financing activities: | | | |
| Purchase of capital assets | | (14,890) | (18,285) |
| Net withdrawals from deposits held with trustees | | (24,279) | (3,099) |
| Principal payments on bonds and other obligations | | (107) | (1,931) |
| Interest payments on bonds and other obligations | | (13,017) | (9,797) |
| Right-to-use asset payments | | (148) | (681) |
| Net cash used in capital and related financing activities | | (52,441) | (33,793) |
| Cash flows from investing activities: | | | |
| Interest on investments | | 1,471 | 1,193 |
| Sales of investments | | 108 | 122 |
| Net cash provided by investing activities | | 1,579 | 1,315 |
| Net change in cash and cash equivalents | | 2,871 | (16,025) |
| Cash and cash equivalents as of beginning of year | | 20,453 | 36,478 |
| Cash and cash equivalents as of end of year | $ | 23,324 | 20,453 |
| Reconciliation of operating loss to net cash provided by (used in) operating activities: | | | |
| Operating loss | $ | (52,512) | (58,387) |
| Adjustments to reconcile operating loss to net cash provided by (used in) operating activities: | | | |
| Other postemployment benefits | | (8,108) | (5,996) |
| Depreciation and amortization | | 31,282 | 32,713 |
| State of New Jersey fringe benefits | | 26,262 | 23,801 |
| Changes in assets and liabilities: | | | |
| Receivables, net | | (1,975) | (908) |
| Prepaid expenses | | 80 | (211) |
| Deferred outflows of resources | | 13,008 | 13,099 |
| Accounts payable and accrued expenses | | 1,168 | (3,872) |
| Accrued salaries | | (293) | 561 |
| Other accrued expenses | | 190 | (216) |
| Due to affiliates | | (171) | 224 |
| Unearned revenue and student deposits | | 23,672 | (1,701) |
| Net pension liability | | 6,234 | 1,743 |
| Deferred inflows of resources | | (23,812) | (23,917) |
| Net cash provided by (used in) operating activities | $ | 15,025 | (23,067) |

See accompanying notes to financial statements.

# STATEMENTS OF FIDUCIARY NET POSITION

June 30, 2024 and 2023

(Amounts in thousands)

| Assets | | 2024 | 2023 |
|---|---|---|---|
| Current assets: | | | |
| Other receivables | $ | — | 3 |
| Prepaid expenses | | 235 | 244 |
| Total current assets | | 235 | 247 |
| Total assets | | 235 | 247 |
| **Liabilities** | | | |
| Current liabilities: | | | |
| Accounts payable and accrued expenses | | 107 | 124 |
| Total current liabilities | | 107 | 124 |
| Total liabilities | | 107 | 124 |
| **Net Position** | | — | — |
| Total net position | $ | 128 | 123 |

See accompanying notes to financial statements.

# STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FIDUCIARY NET POSITION

Years ended June 30, 2024 and 2023

(Amounts in thousands)

| | | 2024 | 2023 |
|---|---|---|---|
| Additions: | | | |
| Assessment income | $ | 4,547 | 4,325 |
| Total additions | | 4,547 | 4,325 |
| Deductions: | | | |
| Insurance premium payments | | 4,279 | 4,075 |
| Administrative expenses | | 263 | 263 |
| Total deductions | | 4,542 | 4,338 |
| Increase (decrease) in net position | | 5 | (13) |
| Net position as of beginning of year | | 123 | 136 |
| Net position as of end of year | $ | 128 | 123 |

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 2023, TCNJ enrolled 6,975 full-time equivalent undergraduate students and 393 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 3 and 17. Additional information about the Corporation is presented in notes 3 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-to-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 or 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.

Notes to the Financial Statements ($ in thousands)

**(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.

**(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-to-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 $13,328. 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-to-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) 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 depend 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 College in maintaining ongoing access to the underlying IT assets 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 did not 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 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 College 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 the 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 the College, 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, 2024 and 2023, respectively, $21 and $54 was due to be transferred from the College’s bank account to the Board’s bank account for SAF funds collected during fiscal years 2024 and 2023 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) ***Accounting Pronouncements Applicable to the College, Issued but Not Yet Effective***

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.

(o) ***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.

(p) ***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 $4,668 and $8,483 during fiscal years 2024 and 2023, respectively. In addition, the Foundation contributed $901 and $1,365 designated scholarship support to the College during fiscal years 2024 and 2023, 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 2024 and 2023.

As of June 30, 2024 and 2023, a receivable of $2,313 and $2,459 was due from the Foundation, respectively. 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 2024 and 2023, the College incurred $579 and $427, 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, 2024 and 2023, there were outstanding payables of $99 and $202, 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 $522 and $345 as of June 30, 2024 and 2023, of which $306 and $278 was due to the College as of June 30, 2024 and 2023, respectively.

The Corporation purchases and maintains student housing facilities in order to provide additional housing for the College's students. During fiscal years 2024 and 2023, 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 2024 and 2023 were $153 and $160, respectively.

**(4) Cash, Cash Equivalents and Investments**

The carrying amount of cash and cash equivalents was $23,324 and $20,453 as of June 30, 2024 and 2023, respectively, which included $8,431 and $7,186 held in the State of New Jersey Cash Management fund and $19,391 and $13,123 in various accounts at Wells Fargo and JP Morgan Chase Banks and on campus. The amount on deposit with Wells Fargo and JP Morgan Chase was $19,577 and $16,185 as of June 30, 2024 and 2023, respectively. Of the amounts on deposit at Wells Fargo and JP Morgan Chase Banks, $250 was insured by the Federal Deposit Insurance Corporation (FDIC) per bank and $13,932 was collateralized pursuant to New Jersey Statute 52:18-16-1. Cash on deposit at Wells Fargo Bank totaling $5,395 and $4,560, respectively, as of June 30, 2024 and 2023 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, 2024 and 2023. The Cash Management Fund is unrated with a portfolio maturity of less than one year.

Notes to the Financial Statements ($ in thousands)

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.

The College's investments as of June 30, 2024 and 2023 were as follows:

**Investments**

| | | 2024 | 2023 |
|---|---|---|---|
| Mutual funds: | | | |
| Domestic equities | $ | 12,888 | 18,307 |
| International equities | | 10,138 | 9,045 |
| Mutual funds total | | 23,026 | 27,352 |
| U.S. Treasury bonds and notes | | 14,281 | 13,676 |
| U.S. Government agencies | | 8,063 | 7,326 |
| Corporate bonds | | 11,486 | 11,552 |
| Municipal bonds | | — | 179 |
| Foreign bonds | | 585 | 745 |
| Exchange-traded funds | | 41,962 | 26,930 |
| Cash and cash equivalents | | 1,314 | 1,462 |
| Total | $ | 100,717 | 89,222 |

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, 2024 and 2023, the College's fixed income investments were rated as follows:

| 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|
| 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 | $ | 14,984 | 14,281 | — | 703 | — | — |
| A1 | | 1,699 | — | — | 1,447 | — | 252 |
| A2 | | 884 | — | — | 884 | — | — |
| A3 | | 1,652 | — | — | 1,652 | — | — |
| Aa2 | | 250 | — | — | 250 | — | — |
| Aa3 | | 116 | — | — | 116 | — | — |
| B2 | | 50 | — | — | 50 | — | — |
| Ba1 | | 169 | — | — | 169 | — | — |
| Ba2 | | 32 | — | — | 32 | — | — |
| Ba3 | | 31 | — | — | 31 | — | — |
| Baa1 | | 1,687 | — | — | 1,447 | — | 240 |
| Baa2 | | 2,762 | — | — | 2,762 | — | — |
| Baa3 | | 1,008 | — | — | 915 | — | 93 |
| NR | | 8,964 | — | 8,063 | 901 | — | — |
| WR | | 127 | — | — | 127 | — | — |
| | $ | 34,415 | 14,281 | 8,063 | 11,486 | — | 585 |

Notes to the Financial Statements ($ in thousands)

| 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 |

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.

Notes to the Financial Statements ($ in thousands)

- 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.

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, 2024 and 2023 the College's fixed income investments had maturity dates as follows:

| 2024 | | | | | | |
|---|---|---|---|---|---|---|
| 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 | $ 315 | — | — | 171 | — | 144 |
| 1 – 5 | 14,484 | 9,424 | 78 | 4,541 | — | 441 |
| 6 – 10 | 7,814 | 2,994 | 16 | 4,804 | — | — |
| Greater than 10 | 11,802 | 1,863 | 7,969 | 1,970 | — | — |
| | $ 34,415 | 14,281 | 8,063 | 11,486 | — | 585 |

Notes to the Financial Statements ($ in thousands)

| 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 |

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.

Notes to the Financial Statements ($ in thousands)

- 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 foreign bonds is 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.

The College's investments at June 30, 2024 and 2023 are summarized in the following table by their level within the fair value hierarchy:

**2024**

**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* | | | | |
| Mutual funds: | | | | |
| Domestic equities | $ 12,888 | 12,888 | — | — |
| International equities | 10,138 | 10,138 | — | — |
| U.S. Treasury bonds and notes | 14,281 | 14,281 | — | — |
| U.S. Government agencies | 8,063 | — | 8,063 | — |
| Corporate bonds | 11,486 | — | 11,486 | — |
| Municipal bonds | — | — | — | — |
| Foreign bonds | 585 | — | 585 | — |
| Exchange-traded funds | 41,962 | 41,962 | — | — |
| Total investments measured at fair value | $ 99,403 | 79,269 | 20,134 | — |

Notes to the Financial Statements ($ in thousands)

| 2023 Investments Measured at Fair Value | | | | | |
|---|---|---|---|---|---|
| | | | Fair value measurements using | | |
| Investment | | Total | 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* | | | | | |
| Mutual funds: | | | | | |
| Domestic equities | $ | 18,307 | 18,307 | — | — |
| International equities | | 9,045 | 9,045 | — | — |
| U.S. Treasury bonds and notes | | 13,676 | 13,676 | — | — |
| U.S. Government agencies | | 7,326 | — | 7,326 | — |
| Corporate bonds | | 11,552 | — | 11,552 | — |
| Municipal bonds | | 179 | — | 179 | — |
| Foreign bonds | | 745 | — | 745 | — |
| Exchange-traded funds | | 26,930 | 26,930 | — | — |
| Total investments measured at fair value | $ | 87,760 | 67,958 | 19,802 | — |

**(5) Due from State of New Jersey**

Due from the State of New Jersey consists of the following as of June 30, 2024 and 2023:

| Due from State of New Jersey | | | |
|---|---|---|---|
| | | 2024 | 2023 |
| FICA benefit reimbursement | $ | 1,096 | 2,554 |
| Alternate Benefit Program | | 886 | 880 |
| Total | $ | 1,982 | 3,434 |

Notes to the Financial Statements ($ in thousands)

## (6) Capital Assets

Capital asset activity for the years ended June 30, 2024 and 2023 was as follows:

| 2024 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 | 15,737 | 10,775 | (2,032) | 24,480 |
| Total nondepreciable assets | 39,116 | 10,775 | (2,032) | 47,859 |
| Depreciable assets: | | | | |
| Land improvements | 1,049 | — | — | 1,049 |
| Buildings | 600,581 | — | — | 600,581 |
| Building improvements | 201,814 | 21 | 1,813 | 203,648 |
| Leasehold improvements | 1,456 | — | — | 1,456 |
| Infrastructure | 101,169 | — | — | 101,169 |
| Equipment and other assets | 104,994 | 1,807 | 97 | 106,898 |
| Total depreciable assets | 1,011,063 | 1,828 | 1,910 | 1,014,801 |
| Total capital assets | 1,050,179 | 12,603 | (122) | 1,062,660 |
| Accumulated depreciation: | | | | |
| Land improvements | (368) | (33) | — | (401) |
| Buildings | (234,437) | (12,100) | — | (246,537) |
| Building improvements | (78,940) | (7,641) | — | (86,581) |
| Leasehold improvements | (1,017) | (146) | — | (1,163) |
| Infrastructure | (36,679) | (4,517) | — | (41,196) |
| Equipment and other assets | (88,016) | (4,632) | 122 | (92,526) |
| Total accumulated depreciation | (439,457) | (29,069) | 122 | (468,404) |
| Total capital assets, net excluding ROU assets | 610,722 | (16,466) | — | 594,256 |
| Right-to-use assets, net | | | | 4,568 |
| Total capital assets, net | | | | $ 598,824 |

Notes to the Financial Statements ($ in thousands)

| 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)

## (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 liability is calculated based on the Market Data for AAA Index and Credit Spreads at the lease commencement date for fiscal year 2024 and average rate for the College's long-term debt for fiscal year 2023.

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, 2024 and 2023, $1.456 million of capital construction costs have been incurred and were recorded as leasehold improvements in the statements of net position. The cost of these leasehold improvements is depreciated on a straight-line basis over the 10-year term of the lease agreement.

The annual base rent for year one of the lease agreement was $196 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-to-use lease assets*

A summary of lease asset activity for the years ended June 30, 2024 and 2023 is as follows:

| 2024 — Right-to-Use Lease Assets | Beginning balance | Additions | Remeasurements | Deductions | Ending balance |
|---|---|---|---|---|---|
| Lease assets | | | | | |
| Campus Town fitness center | $ 1,057 | — | — | — | 1,057 |
| Equipment | 681 | 366 | — | — | 1,047 |
| Total lease assets | 1,738 | 366 | — | — | 2,104 |
| Less accumulated amortization | | | | | |
| Lease assets: | | | | | |
| Campus Town fitness center | (603) | (201) | — | — | (804) |
| Equipment | (302) | (288) | — | — | (590) |
| Total accumulated amortization | (905) | (489) | — | — | (1,394) |
| Total lease assets, net | $ 833 | (123) | — | — | 710 |

Notes to the Financial Statements ($ in thousands)

| 2023 Right-to-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 |

*Lease liability and interest expense*

A summary of lease liability activity for the years ended June 30, 2024 and 2023 is as follows:

| 2024 Lease Liabilities | | Beginning balance | Additions | Remeasurements | Deductions | Ending balance | Current portion |
|---|---|---|---|---|---|---|---|
| Campus Town fitness center | $ | 495 | — | — | (212) | 283 | 225 |
| Equipment | | 390 | 367 | — | (290) | 467 | 211 |
| Total lease liabilities | $ | 885 | 367 | — | (502) | 750 | 436 |

| 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 |

Notes to the Financial Statements ($ in thousands)

Future annual lease payments are as follows:

| Future Annual Lease Payments and Interest | | | | |
|---|---|---|---|---|
| | | Principal Amount | Interest Amount | Total |
| Year ending June 30: | | | | |
| 2025 | $ | 436 | 15 | 451 |
| 2026 | | 131 | 11 | 142 |
| 2027 | | 75 | 3 | 78 |
| 2028 | | 77 | 2 | 79 |
| | $ | 719 | 31 | 750 |

**(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% for both fiscal years 2024 and 2023.

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 $546 and $521 during fiscal years 2024 and 2023, 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, 2024 and 2023 is as follows:

| 2024 Lease Receivables | | | | | |
|---|---|---|---|---|---|
| | | Beginning balance | Additions | Deductions | Ending balance |
| Campus Town ground lease | $ | 19,001 | 218 | — | 19,219 |
| Cell tower roof space | | 193 | — | (67) | 126 |
| Total lease receivables | $ | 19,194 | 218 | (67) | 19,345 |

| 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 |

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: | | | | |
| 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 | $ | 19,345 | 26,550 | 45,895 |

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, 2024 and 2023 is as follows:

| 2024 Deferred Inflows from Leases | | | | | |
|---|---|---|---|---|---|
| | | Beginning balance | Additions | Deductions | Ending balance |
| Campus Town ground lease | $ | 17,068 | — | (395) | 16,673 |
| Cell tower roof space | | 178 | — | (66) | 112 |
| Total deferred inflows | $ | 17,246 | — | (461) | 16,785 |

| 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 |

**(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 Market Data for the AAA Index and Credit Spreads at the SBITA commencement.

Notes to the Financial Statements ($ in thousands)

*Intangible right-to-use SBITA assets*

A summary of SBITA asset activity for the years ended June 30, 2024 and 2023 is as follows:

| 2024 Right-to-Use SBITA Assets | | | | | | |
|---|---|---|---|---|---|---|
| | | Beginning balance | Additions | Remeasurements | Deductions | Ending balance |
| SBITA assets | | | | | | |
| Subscriptions | $ | 7,924 | 2,020 | — | — | 9,944 |
| Total SBITA assets | | 7,924 | 2,020 | — | — | 9,944 |
| Less accumulated amortization | | | | | | |
| SBITA assets: | | | | | | |
| Subscriptions | | (4,367) | (1,719) | — | — | (6,086) |
| Total accumulated amortization | | (4,367) | (1,719) | — | — | (6,086) |
| Total SBITA assets, net | $ | 3,557 | 301 | — | — | 3,858 |

| 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 |

*SBITA liability and interest expense*

A summary of SBITA liability activity for the years ended June 30, 2024 and 2023 is as follows:

| 2024 SBITA Liabilities | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | Beginning balance | Additions | Remeasurements | Deductions | Ending balance | Current portion |
| Subscriptions | $ | 3,358 | 2,019 | — | (1,780) | 3,597 | 1,541 |
| Total subscription liabilities | $ | 3,358 | 2,019 | — | (1,780) | 3,597 | 1,541 |

Notes to the Financial Statements ($ in thousands)

| 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 |

Future annual SBITA payments are as follows:

| Future Annual SBITA Payments and Interest | | Principal Amount | Interest Amount | Total |
|---|---|---|---|---|
| Year ending June 30: | | | | |
| 2025 | $ | 1,541 | 110 | 1,651 |
| 2026 | | 1,445 | 64 | 1,509 |
| 2027 | | 929 | 24 | 953 |
| 2028 | | 78 | 2 | 80 |
| | $ | 3,993 | 200 | 4,193 |

## (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, 2024 and 2023, deposits held with trustees include the following:

| Restricted Deposits Held with Trustees | | 2024 | 2023 |
|---|---|---|---|
| Debt service (principal and interest) | $ | 38,144 | 6,384 |
| | $ | 38,144 | 6,384 |

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As of June 30, 2024 and 2023, the College holds $38,144 and $6,384, 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, 2024 and 2023.

Notes to the Financial Statements ($ in thousands)

**(10) Accounts Payable and Accrued Expenses**

Accounts payable and accrued expenses consist of the following as of June 30, 2024 and 2023:

| Accounts Payable and Accrued Expenses | | | |
|---|---|---|---|
| | | **2024** | **2023** |
| Bond principal and interest | $ | 3,363 | 3,258 |
| Vendors | | 6,786 | 7,378 |
| Accrued salaries and benefits | | 6,790 | 6,436 |
| Accrued expenses – construction | | 2,014 | 999 |
| Total | $ | 18,953 | 18,071 |

**(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, 2024 and 2023:

| Bonds Payable and Other Long-Term Obligations | | 2024 | 2023 |
|---|---|---|---|
| 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 | | 4,805 | 5,497 |
| Total bonds payable | $ | 356,725 | 357,417 |
| Other long-term obligations: | | | |
| Higher Education Capital Improvement Fund (interest 4.00% to 5.50%, maturing on August 15, 2036) | | 1,980 | 2,088 |
| Higher Education Equipment Lease Fund (interest 5.0%, maturing on February 1, 2034) | | 1,178 | — |
| Higher Education Capital Improvement Fund (interest 4.625% to 5.25%, maturing on February 1, 2051) | | 6,268 | — |
| Total other long-term obligations | $ | 9,426 | 2,088 |

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, 2024:

| Principal and Interest Repayments | | | | | |
|---|---|---|---|---|---|
| | | Bond Principal | Other long-term obligations principal | Bond interest | Other long-term obligations interest |
| Year ending June 30: | | | | | |
| 2025 | $ | — | 318 | 12,767 | 460 |
| 2026 | | 13,200 | 334 | 12,767 | 444 |
| 2027 | | 13,745 | 350 | 12,223 | 429 |
| 2028-2032 | | 76,760 | 2,032 | 53,093 | 1,858 |
| 2033-2037 | | 73,665 | 2,141 | 38,320 | 1,299 |
| 2038-2042 | | 57,970 | 1,199 | 27,223 | 897 |
| 2043-2047 | | 68,945 | 1,534 | 16,255 | 562 |
| 2048-2050 | | 47,635 | 1,109 | 3,483 | 149 |
| 2051-2053 | | — | 409 | — | 10 |
| | $ | 351,920 | 9,426 | 176,131 | 6,108 |

Noncurrent liabilities activity for the years ended June 30, 2024 and 2023 are as follows:

| 2024 Noncurrent Liabilities Activity | | | | | | |
|---|---|---|---|---|---|---|
| | | Beginning balance | Additions | Deductions | Ending balance | Current portion |
| Noncurrent liabilities: | | | | | | |
| Compensated absences | $ | 5,126 | 278 | (88) | 5,316 | 4,794 |
| U.S. and Government grants refundable | | 820 | — | (301) | 519 | — |
| Lease liabilities | | 885 | 367 | (502) | 750 | 436 |
| SBITA liabilities | | 3,358 | 2,019 | (1,780) | 3,597 | 1,541 |
| Bonds payable, net | | 357,417 | — | (692) | 356,725 | 713 |
| Other long-term obligations | | 2,088 | 7,446 | (108) | 9,426 | 318 |
| Net pension liability | | 136,663 | 30,583 | (24,349) | 142,897 | — |
| Total noncurrent liabilities | $ | 506,357 | 40,693 | (27,820) | 519,230 | 7,802 |

Notes to the Financial Statements ($ in thousands)

| 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 |

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.

In September 2023, NJEFA awarded the College $19,510 Higher Education Capital Improvement Fund (HECIF) grant to fund the renovation of the School of Nursing building, Forcina Hall and a $5,030 Equipment Leasing Fund (ELF) grant to upgrade academic equipment. The grants were contingent upon NJEFA issuing the bonds necessary to finance the project. In October 2023, NJEFA issued the HECIF 2023 Series A bond and in September 2023, they issued the 2023 HEELF 2023 Series A bond to finance the projects. In exchange for the receipt of the grants, the College will pay one third of the $19,510 HECIF grant and one quarter of the HEELF grant as debt service of the bonds allocable to the College which is reported in other long-term obligations in the statement of net position.

## (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, 2024 and 2023 were as follows:

| Defined Benefit Retirement Plan Employee Contribution Rates | | |
|---|---|---|
| | 2024 | 2023 |
| 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, 2024 and 2023.

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 years ended June 30, 2024 and 2023 were as follows:

| Defined Benefit Retirement Plan Employer Contributions | | | |
|---|---|---|---|
| | | 2024 | 2023 |
| Public Employees' Retirement System | $ | 9,820 | 10,316 |
| Police and Firemen's Retirement System | | 1,131 | 1,202 |

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 2024 and 2023 financial statements are measured as of June 30, 2023 and 2022, 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.

| 2024 Summary of Pension Amounts | | | |
|---|---|---|---|
| | | PERS | PFRS |
| College proportionate share of the net pension liability | $ | 134,379 | 8,518 |
| College proportion of the net pension liability - State group: 2024 | | 0.598% | 0.192% |
| College proportion of the net pension liability - Plan as a whole: 2024 | | 0.363% | 0.049% |
| Deferred outflows of resources | | 37,800 | 3,541 |
| Deferred inflows of resources | | 41,979 | 883 |
| Pension expense | | 5,900 | 873 |

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)

| 2024 Deferred Outflows of Resources from Pensions | | | |
|---|---|---|---|
| | | PERS | PFRS |
| Difference between expected and actual experience | $ | 2,980 | 238 |
| Changes in assumptions | | 136 | 6 |
| Net difference between projected and actual investment earnings | | 2,055 | 207 |
| Changes in proportionate share | | 22,809 | 1,959 |
| Contributions paid to plan subsequent to measurement date** | | 9,820 | 1,131 |
| Total | $ | 37,800 | 3,541 |

** The contributions paid to the plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in fiscal year 2025.

| 2024 Deferred Inflows of Resources from Pensions | | | |
|---|---|---|---|
| | | PERS | PFRS |
| Difference between expected and actual experience | $ | 400 | 139 |
| Changes in assumptions | | 3,857 | 205 |
| Changes in proportionate share | | 37,722 | 539 |
| Total | $ | 41,979 | 883 |

Notes to the Financial Statements ($ in thousands)

| 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.

| 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 proportionate share | | 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 will be recognized as a reduction of the net pension liability in fiscal year 2024.

Notes to the Financial Statements ($ in thousands)

| 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 proportionate share | | 55,163 | 828 |
| Total | $ | 65,314 | 1,360 |

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 (Inflows) Outflows of Resources | | | |
|---|---|---|---|
| | | PERS | PFRS |
| 2025 | $ | (1,310) | 231 |
| 2026 | | (13,539) | 154 |
| 2027 | | (473) | 448 |
| 2028 | | 1,214 | 407 |
| 2029 | | 109 | 253 |
| Thereafter | | — | 34 |
| Total deferrals recognized as pension expense | | (13,999) | 1,527 |
| Deferred outflows recognized as a reduction to net pension liability in fiscal year 2025 | | 9,820 | 1,131 |
| Net deferred (inflows) outflows | $ | (4,179) | 2,658 |

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

The College's June 30, 2024 net pension liability for each plan was measured as of June 30, 2023 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, 2022 rolled forward to June 30, 2023.

Notes to the Financial Statements ($ in thousands)

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

| 2024 Actuarial Methods and Assumptions | PERS | PFRS | TPAF |
|---|---|---|---|
| Valuation date | 7/1/2022 | 7/1/2022 | 7/1/2022 |
| Measurement date | 6/30/2023 | 6/30/2023 | 6/30/2023 |
| 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 - 4.25% based on years of service |
| Long-term expected rate of return | 7.00% | 7.00% | 7.00% |
| Municipal bond rate: | | | |
| 2023 | Not applicable | Not applicable | Not applicable |
| Discount rate: | | | |
| 2023 | 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 |

| 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 | Not applicable | Not applicable | Not applicable |
| 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 |

For the June 30, 2023 and 2022 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, 2023 and 2022 measurement dates the mortality improvement is based on Scale MP-2021.

For the June 30, 2023 and 2022 measurement dates, PFRS pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with no adjustments for 2023 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, 2023 and 2022 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, 2023 and 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.

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 the June 30, 2023 and 2022 measurement dates are summarized in the following tables for fiscal years June,30, 2024 and 2023 respectively:

| 2024 | | |
|---|---|---|
| **Target Asset Allocation and Long-Term Expected Rate of Return** | | |
| | **PERS and PFRS** | |
| | **Target Allocation** | **Long-term Expected Real Rate of Return** |
| US equity | 28.00% | 8.98% |
| Non-U.S. developed markets equity | 12.75% | 9.22% |
| International Small Cap Equity | 1.25% | 9.22% |
| Emerging markets equity | 5.50% | 11.13% |
| Private equity | 13.00% | 12.50% |
| Real assets | 3.00% | 8.40% |
| Real estate | 8.00% | 8.58% |
| High yield | 4.50% | 6.97% |
| Private credit | 8.00% | 9.20% |
| Investment grade credit | 7.00% | 5.19% |
| Cash equivalents | 2.00% | 3.31% |
| U.S. Treasuries | 4.00% | 3.31% |
| Risk mitigation strategies | 3.00% | 6.21% |

Notes to the Financial Statements ($ in thousands)

| 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% |

*Change in Assumptions*

For the valuation used in the measurement of the net pension liability for PERS as of June 30, 2023, the discount rate did not change from 7.00% at June 30, 2022. For the valuation used in the measurement of the net pension liability for PFRS as of June 30, 2023, the discount rate did not change from 7.00% at June 30, 2022. For the valuation used in the measurement of the net pension liability for TPAF as of June 30, 2023, the discount rate did not change from 7.00% at June 30, 2022. In addition, for all other actuarial assumptions for all systems, there were no changes from the prior year.

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. In addition, based on recommendations from the respective experience studies, there were demographic and economic assumption changes for each of the systems.

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:

| 2024<br>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%) | 153,657 | 134,379 | 118,014 |
| PFRS (6.00%, 7.00%, 8.00%) | 9,941 | 8,518 | 7,332 |

| 2023<br>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 |

**(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 years ended June 30, 2024 and 2023 ABP investment carriers received employer and employee contributions as follows:

| ABP Employer and Employee Contributions | | | |
|---|---|---|---|
| | | 2024 | 2023 |
| Employer contributions | $ | 6,385 | 6,183 |
| Employee contributions | | 3,994 | 3,877 |
| Participating employees' salaries | | 79,813 | 77,283 |

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 years 2024 and 2023 is $175. There were no employee contributions during fiscal years 2024 and 2023. The employer contributions made during fiscal years 2024 and 2023 were both $85 thousand.

**(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).

Notes to the Financial Statements ($ in thousands)

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, 2024 and 2023, the State recorded a liability of $202,629 and $206,847, 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, 2024 and 2023, respectively, the College's share was 3.66% and 0.96% and 3.72% and 0.99% of the special funding situation and of the Plan, respectively.

For the years ended June 30, 2024 and 2023, the College recognized OPEB benefit of ($8,108) and ($5,996), respectively.

*Actuarial Assumptions and Other Inputs*

The State's liability associated with the College at June 30, 2024 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to the measurement date of June 30, 2023. 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 following actuarial assumptions were utilized:

**Actuarial Methods and Assumptions**

| | 2024 | 2023 |
|---|---|---|
| Price inflation | 2.75% | 2.75% |
| Wage inflation | 3.25% | 3.25% |
| Projected salary increases: | | |
| Through 2027 | N/A | N/A |
| Thereafter | 2.75% - 16.25% | 2.75% - 16.25% |
| Discount rate | 3.65% | 3.54% |

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, 2022 and June 30, 2021 valuations were based on the results of actuarial experience studies of the State's defined benefit plans, as follows: For the June 30, 2022 valuations this included ABP (using the experience of TPAF), PERS, and PRFS (July 1, 2018 through June 30, 2021). For the June 30, 2021 valuations this included ABP (using the experience of TPAF), PERS, and PRFS (July 1, 2018 through June 30, 2021)

The June 30, 2022 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, 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.

*Health Care Trend Assumptions*

For the June 30, 2022 valuation, the trend rate for pre-Medicare medical benefits is initially 6.50% and decreases to a 4.75% long-term trend rate after seven years. The actual fully insured Medicare Advantage trend rates for fiscal years 2024 through 2026 are reflected. For PPO the trend is initially 13.59% in fiscal year 2027 and decreases to 4.5% after seven years. For HMO the trend is initially 15.08% in fiscal year 2027 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 pre-65 prescription drug benefits, the initial prescription drug rate is initially 14.00% and decreases to a 4.5% long-term trend rate after seven years For post-65 prescription drug benefits, the initial trend rate is 9.50% 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, 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%.

**(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 $522 and $450 as of June 30, 2024 and 2023, 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 $4,503 and $4,385, respectively, as of June 30, 2024 and 2023, 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, 2024 and 2023, a liability of $291 was included in compensated absences, current, in the accompanying financial statements.

**(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 years ended June 30, 2024 and 2023 the College expended $358 and $315, respectively, for government and public relations, and $97 and $262, 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.

Notes to the Financial Statements ($ in thousands)

*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, 2024 and 2023:

**Investments**

| | | 2024 | 2023 |
|---|---|---|---|
| Cash and cash equivalents | $ | 1,611 | 1,545 |
| Equity securities | | 2,571 | 2,298 |
| Mutual funds | | 60,189 | 52,976 |
| Exchange-traded funds | | 405 | 376 |
| Alternative investments: | | | |
| Hedge funds | | 3,324 | 3,035 |
| Common trust funds | | 914 | 822 |
| | $ | 69,014 | 61,052 |

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.

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 is 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, 2024 and 2023 are summarized in the following table by their fair value hierarchy:

| 2024 Investments Measured at Fair Value | | | | | |
|---|---|---|---|---|---|
| | | | Fair value measurements using | | |
| Investment | | Total | 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 | $ | 2,571 | 2,571 | — | — |
| Mutual funds | | 60,189 | 60,189 | — | — |
| Exchange-traded funds | | 405 | 405 | — | — |
| Total investments by fair value level | | 63,165 | 63,165 | — | — |
| *Investments measured at NAV* | | | | | |
| Hedge funds | | 3,324 | | | |
| Common trust funds | | 914 | | | |
| Total investments measured at NAV | | 4,238 | | | |
| Total investments measured at fair value | $ | 67,403 | | | |

Notes to the Financial Statements ($ in thousands)

| 2023<br>Investments Measured at Fair Value | | | | | |
|---|---|---|---|---|---|
| | | | Fair value measurements using | | |
| Investment | | Total | 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 | | | |

The fair value as of June 30, 2024 and 2023 and redemption terms for investments measured at the NAV per share (or its equivalent) is presented in the following table:

| 2024<br>Investments Measured at NAV | | | | |
|---|---|---|---|---|
| Investment | | Fair value | Redemption frequency (if currently eligible) | Redemption notice period |
| Hedge funds | $ | 3,324 | Quarterly | 95 days |
| Common trust funds | | 914 | N/A | N/A |
| Total investments measured at NAV | $ | 4,238 | | |

Notes to the Financial Statements ($ in thousands)

| 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 | | |

As of June 30, 2024 and 2023, 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, 2024 and one fund as of June 30, 2023 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, 2024 and 2023 may be redeemed semi-annually based on the investment anniversary date with at least 95 days. 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. The investments in these common trust funds cannot currently 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.

## (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*

Notes to the Financial Statements ($ in thousands)

Capital asset activity for the Corporation for years ended June 30, 2024 and 2023 was as follows:

| 2024 Capital Assets | | | | | |
|---|---|---|---|---|---|
| 2023 | | Beginning balance | Additions | Property disposed/ transferred | Ending balance |
| Depreciable assets: | | | | | |
| Buildings | $ | 5,891 | 803 | (324) | 6,370 |
| Building improvements | | 1,566 | — | (63) | 1,503 |
| Leasehold improvements | | 1,214 | — | — | 1,214 |
| Furniture | | 30 | — | — | 30 |
| Vehicles | | 64 | — | — | 64 |
| Nondepreciable assets: | | | | | |
| Construction in progress | | — | — | — | — |
| Land | | 2,688 | 164 | (98) | 2,754 |
| Total capital assets | | 11,453 | 967 | (485) | 11,935 |
| Accumulated depreciation: | | | | | |
| Buildings | | (4,395) | (113) | 189 | (4,319) |
| Building improvements | | (747) | (54) | 20 | (781) |
| Leasehold improvements | | (850) | (121) | — | (971) |
| Furniture | | (30) | — | — | (30) |
| Vehicles | | (58) | (5) | — | (63) |
| Total accumulated depreciation | | (6,080) | (293) | 209 | (6,164) |
| Total capital assets, net excluding lease assets | $ | 5,373 | 674 | (276) | 5,771 |
| Right-to-use lease assets, net | $ | 709 | | | 369 |
| Total capital assets, net | $ | 6,082 | | | 6,140 |

Notes to the Financial Statements ($ in thousands)

| 2023 | | Beginning balance | Additions | Property disposed/ transferred | Ending balance |
|---|---|---|---|---|---|
| **2023** | | | | | |
| **Capital Assets** | | | | | |
| Depreciable assets: | | | | | |
| Buildings | $ | 5,985 | 333 | (427) | 5,891 |
| 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 | | 11,534 | 445 | (526) | 11,453 |
| Accumulated depreciation: | | | | | |
| Buildings | | (4,715) | (107) | 427 | (4,395) |
| Building improvements | | (695) | (54) | 2 | (747) |
| Leasehold improvements | | (729) | (121) | — | (850) |
| Furniture | | (30) | — | — | (30) |
| Vehicles | | (53) | (5) | — | (58) |
| Total accumulated depreciation | | (6,222) | (287) | 429 | (6,080) |
| Total capital assets, net excluding lease assets | $ | 5,312 | 158 | (97) | 5,373 |
| Right-to-use lease assets, net | $ | 1,049 | | | 709 |
| Total capital assets, net | $ | 6,361 | | | 6,082 |

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. he 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 Barnes & Noble, the Corporation agrees to negotiate in good faith with Barnes & Noble an the appropriate reduction in the payments set forth in the agreement. The total commission payments the Corporation received in both fiscal year 2024 and 2023 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 2024 there was a surplus of $202 commission to be transferred to the College from the fiscal year 2024 operations. In fiscal year 2023 there was a surplus of $127 commission to be transferred to the College from the fiscal year 2023 operations.

Under its bookstore service management agreement with Barnes & Noble, the Corporation recognized a PPP receivable of $704,000 and $1,354,000 as of June 30, 2024 and 2023, respectively. A deferred inflow from PPP (bookstore commissions agreement) of $704,000 and $1,354,000 was recognized as of June 30, 2024 and 2023, 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 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 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, as well as on its own. The College’s risk management program involves insurance for certain property risk and certain liability risk through the joint insurance program, insurance for certain property risk and certain liability risk through insurance purchased by the college, and all remaining 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 maximum limit of liability per occurrence of $20,000,000. Commercial Crime Insurance coverage provides limits of liability of: $5,000 for Employee Theft, Computer Fraud, and Funds Transfer Fraud Coverages, subject to $150 retention; $5,000 limits of liability for Premises, In Transit, Forgery, Money Orders and Counterfeit Currency Fraud, and Credit Card, subject to $50 retention; and; $50 limit of liability for Social Engineering Fraud Coverage, subject to $150 retention. Student blanket professional liability insurance coverage provides liability coverage with a limit of $2,000 per claim and a $4,000 aggregate. Executive Auto Liability insurance provides coverage for one executive vehicle, with a limit of liability of $1,000 and a $1 deductible applying to collision & comprehensive coverage.

In addition to the insurance purchased and maintained through the consortium, the College maintains two additional insurance policies. The first is a cyber liability insurance policy with primary limits of $5,000, subject to a $75 retention. The second is a museum collection and temporary loans policy with a $500 limit of liability, subject to a $1 deductible, and a $2.5 deductible applying to outdoor sculpture. 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.

Notes to the Financial Statements ($ in thousands)

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.

**(20) Impact of COVID-19**

In fiscal year 2023, 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 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 |

**(21) Subsequent Events**

Management evaluated events subsequent to June 30, 2024 and through February 11, 2025, the date on which the financial statements were available to be issued.

**The College of New Jersey**

Schedule of Proportionate Share of the Net Pension Liability
(Unaudited)

June 30,
(In thousands)

**Public Employees' Retirement System**

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| College proportion of the net pension liability - State group | 0.598% | 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 | 0.363% | 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 | $ 134,379 | 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) | 25,081 | 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 | 535.78% | 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 | 48.45% | 46.54% | 51.52% | 42.90% | 42.04% | 40.45% | 36.78% | 31.20% | 38.21% | 42.74% |

**Police and Firemen's Retirement System**

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| College proportion of the net pension liability - State group | 0.192% | 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 | 0.049% | 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 | $ 8,518 | 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) | 906 | 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 | 940.18% | 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 | 65.04% | 63.29% | 71.41% | 58.78% | 60.20% | 57.91% | 54.52% | 48.55% | 52.84% | 58.86% |

**Teachers' Pension and Annuity Fund**

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| College proportion of the net pension liability | 0.001% | 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 | 513 | 557 | 527 | 824 | 756 | 822 | 928 | 2,024 | 4,749 | 4,666 |
| Total net pension liability | $ 513 | 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 | N/A | N/A |
| Plan fiduciary net position as a percentage of the total pension liability | 34.68% | 32.29% | 35.52% | 24.60% | 26.95% | 26.49% | 25.41% | 22.33% | 28.71% | 33.64% |

See accompanying independent auditors' report.

**The College of New Jersey**

Schedule of Employer Contributions
(Unaudited)

June 30,
(in thousands)

**Public Employees' Retirement System**

| | | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Contractually required contribution (amount provided by the State of New Jersey) | $ | 9,820 | 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) | | 9,820 | 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) | $ | 25,876 | 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 | | 37.95% | 41.13% | 39.11% | 26.14% | 30.30% | 18.13% | 14.38% | 10.88% | 7.53% | 4.99% |

**Police and Firemen's Retirement System**

| | | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Contractually required contribution (amount provided by the State of New Jersey) | $ | 1,131 | 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) | | 1,131 | 1,201 | 1,082 | 620 | 558 | 547 | 387 | 306 | 231 | 120 |
| Contribution deficiency (excess) | $ | — | — | — | — | — | — | — | — | — | — |
| College covered-employee payroll (as of the fiscal year end) | $ | 1,111 | 906 | 953 | 886 | 804 | 764 | 766 | 785 | 772 | 763 |
| Contributions as a percentage of employee covered payroll | | 101.80% | 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**

| | | 2024 | 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% | 0.000% |
| College proportionate share of the collective OPEB liability | $ | — | — | — | — | — | — | — |
| State's proportionate share of the collective OPEB liability associated with the College | | 202,629 | 206,847 | 247,514 | 285,593 | 186,302 | 296,779 | 289,555 |
| Total proportionate share of the collective OPEB liability | $ | 202,629 | 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) | | 88,356 | 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% | 0.000% |

**Notes:**

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

See accompanying independent auditors' report.