



**NEW JERSEY INSTITUTE OF TECHNOLOGY
MONTHLY FINANCIAL STATUS REPORT
TO THE BOARD OF TRUSTEES
AS OF AUGUST 31, 2020**

EXECUTIVE SUMMARY

This Executive Summary provides the Board of Trustees with the August 31st status of three important financial metrics. Note that these items have been discussed in detail with the Audit & Finance Committee. Additional details are provided on the subsequent pages.

1. **FY21 Six-Month Board-approved Operating Budget** - The overall budget of \$266.3M is off to a very good start and is expected to be achieved.
 - a. Summer and fall semester tuition and fees total \$111.0M which is \$3.7M above the approved budget of \$107.3M
 - b. Auxiliary income totals approximately \$6.5M with a six month projection totaling \$7.0M, which is \$2.7M below budget.
 - c. Federal Programs (CARES Act) expected awards total \$10.4M, \$3.7M above the budget

Increased revenues of \$7.4 million from tuition and fees and Federal Programs offset a deficit of \$2.7 million from auxiliary income. With all other items being at our projected forecast, we are well on our way to meeting our approved operating budget for the first six months.

Note that the FY21 Annual Operating Budget is currently being developed which will incorporate updated revenue and expense assumptions. Prior to the annual budget being submitted to the full Board of Trustees for approval at their November meeting, the proposed budget will be jointly presented to the Executive and the Audit & Finance Committees.

2. **Cash balances** - The University's overall cash balance totals \$119.2M compared to \$109.1M at 8/31/19, an increase of \$10.1M (+9%).
3. **Investments and Managed Endowment**
 - a. **Operating funds** – Cash balances in various operating accounts generated \$1.7M in the first two months of FY21.
 - b. **Managed Endowment** – The market value has increased to \$140.7M compared to \$118.5M at 8/31/19, an increase of \$22.2M (19%).

CFO FINANCIAL DETAILS AS OF AUGUST 31, 2020

1. **FY21 Six-Month Operating Budget:** The six-month operating budget totals \$266.3M, including both NJIT and NJII operations and is comprised of an unrestricted budget of \$184.9M and a restricted budget of \$81.4M. August month-end status:
 - a. Overall YTD unrestricted income totals \$136.2M of the approved \$184.9M budget or 73.6%, this compares to \$142.9M through 8/31/19, a reduction of \$6.7M (4.7%)
 - b. Summer and Fall semester enrollment is exceeding the \$107.3M budget by approximately \$3.7M and is currently at \$111.0M
 - c. State Appropriations – To-date, received two-thirds of the Q5 funding totaling \$3.92M
 - d. Federal Programs (CARES Act) – Proposed budgets have been submitted to OSHE for GEERF (\$3.2M) & CRF (\$7.2M) programs. These awards exceed the six-month budget by \$3.7M
 - e. Auxiliary income totals approximately \$6.5M (primarily housing, student parking, and meal plan commissions) compared to the \$9.7M budget. This is primarily due to less on-campus housing (65%) compared to the expected 82%. At this time, the revised fall projection for auxiliary income is \$7.0M, \$2.7M less than the budget
 - f. All other operating expenses and restricted programs are performing on, or close to budget

2. **Cash balances:** Currently, the University banking operations are primarily through Wells Fargo Bank, though we are currently transitioning to J.P. Morgan Chase. August month-end status:
 - a. The University's overall cash balance totals \$119.2M compared to \$109.1M at 8/31/19, an increase of \$10.1M (+9%). This change is primarily due to the timing of student and external grant accounts receivable cash receipts, unexpended CARES Act funds, additional investment income receipts and the timing of operating and facilities vendor payments

3. **Investments:** The University invests operating funds with Wells Fargo, J.P. Morgan, and PFM Asset Management. The Joint Investment Committee oversees PFM Asset Management investment decisions involving the managed endowment. August month-end status:
 - a. **Operating funds** – Based on two very good months to start FY21, the operating fund generated \$1.7M in interest income compared to approximately \$1.6M for all of FY20
 - b. **Managed Endowment** – The market value has increased to \$140.7M compared to \$118.5M at 8/31/19, an increase of \$22.2M (19%). Note that the current year value includes the addition of \$3.7M from the former Alumni Association which was recently completed.

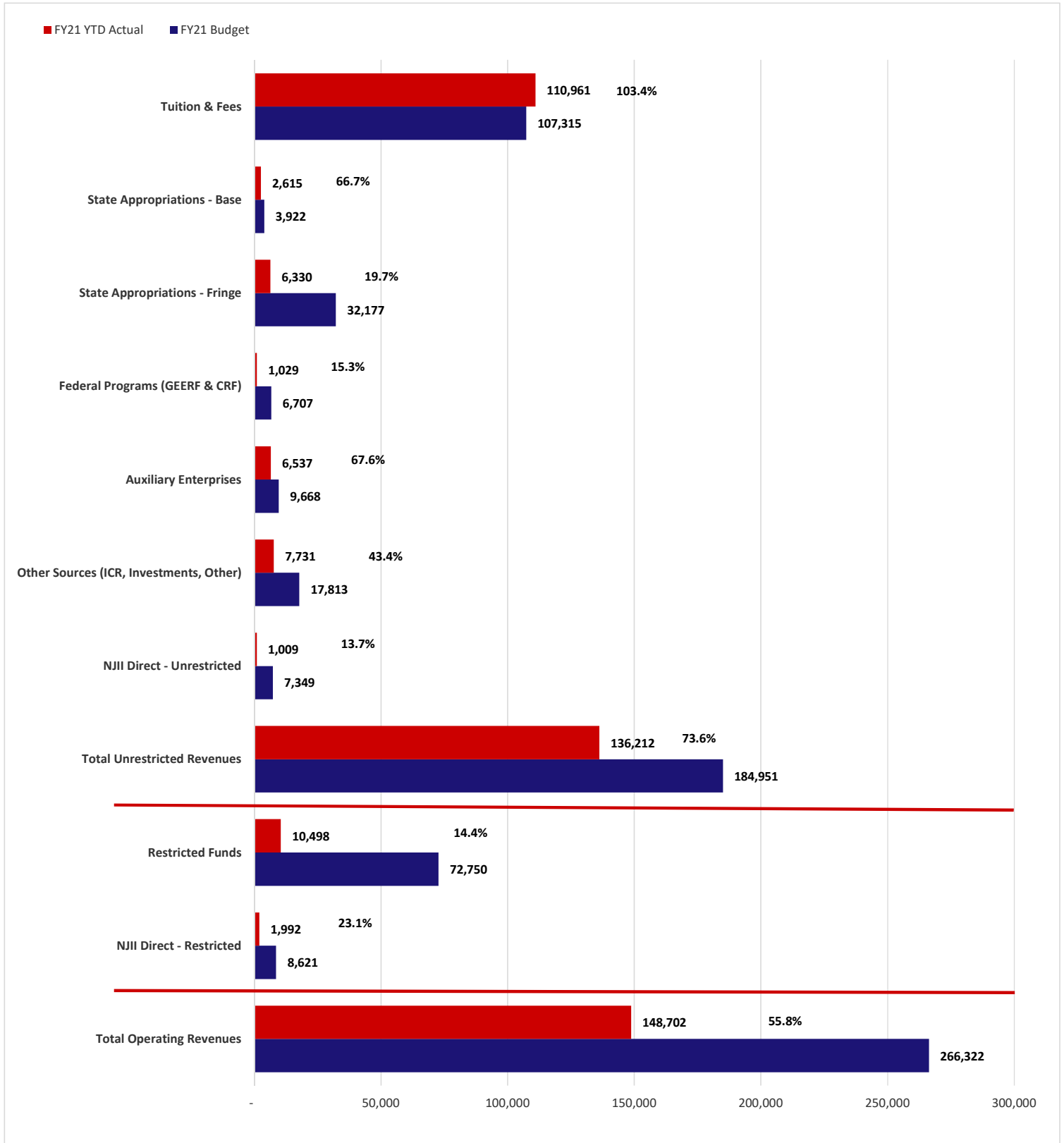
Please let me know if there are any questions on any of these financial materials.

Respectfully submitted:

Edward J. Bishof Sr.
Sr. VP for Finance and CFO

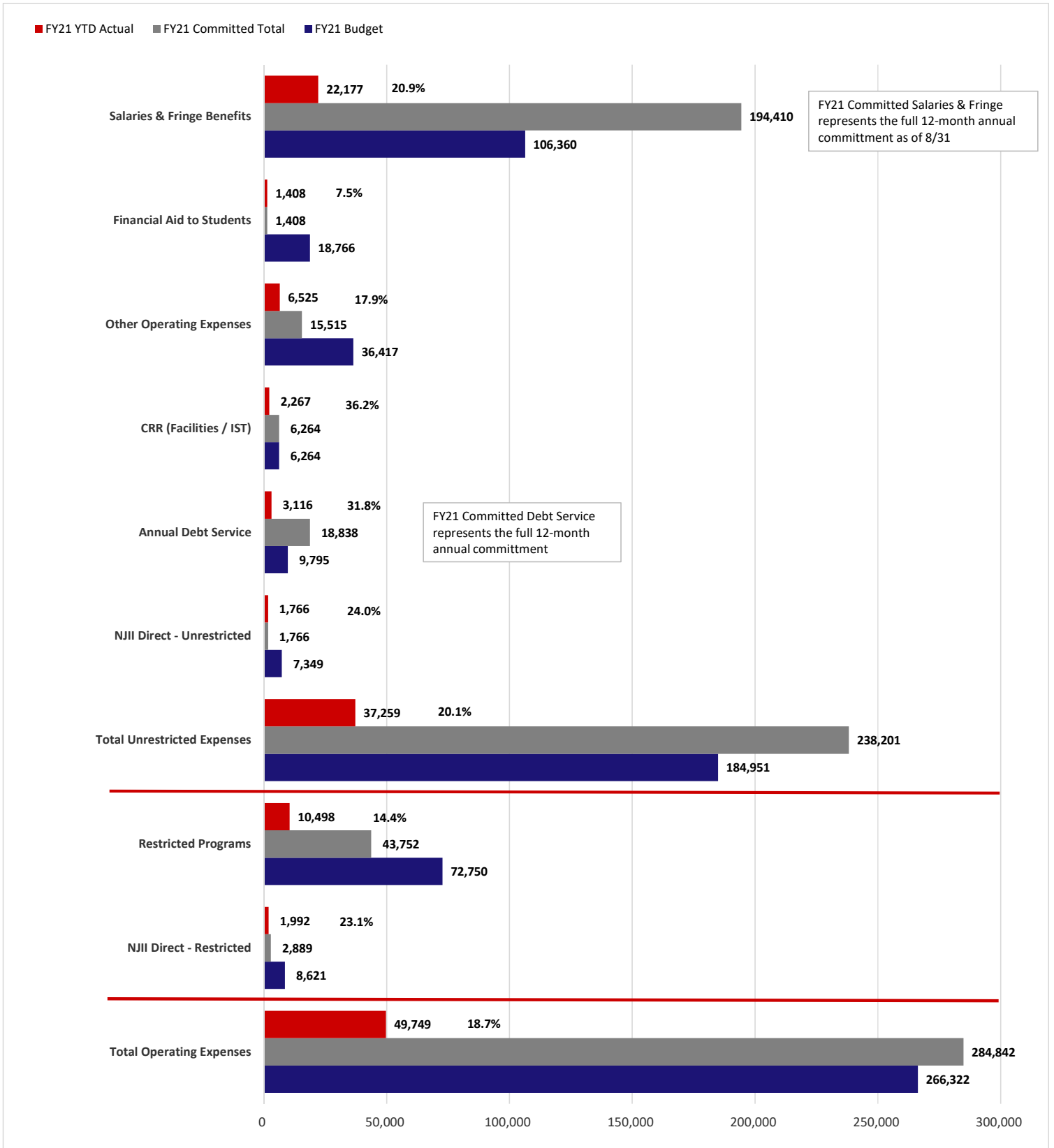


NEW JERSEY INSTITUTE OF TECHNOLOGY
FY21 SIX-MONTH OPERATING BUDGET STATUS
REVENUES AS OF AUGUST 31, 2020
 (\$000's)





**NEW JERSEY INSTITUTE OF TECHNOLOGY
FY21 SIX-MONTH OPERATING BUDGET STATUS
EXPENSES AS OF AUGUST 31, 2020
(\$'000's)**



(1) FY21 Committed includes YTD actual expenses, balance of FY21 current salary commitments, annual debt service payments and open purchase orders. Note that total committed personnel and annual debt service exceed their respective six-month budget as these represent full year commitments.



**NEW JERSEY INSTITUTE OF TECHNOLOGY
CASH & INVESTMENTS AND MANAGED ENDOWMENT
YEAR - OVER - YEAR COMPARISON
(\$000's)**

