

NEW JERSEY INSTITUTE OF TECHNOLOGY

**Financial Statements
and Management's Discussion and Analysis
Together with
Report of Independent Certified Public Accountants
June 30, 2021 and 2020**



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GRANT THORNTON LLP

2001 Market St., Suite 700
Philadelphia, PA 19103

T +1 215 561 4200
F +1 215 561 1066

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees of
New Jersey Institute of Technology:

We have audited the accompanying financial statements of the business-type activities of New Jersey Institute of Technology (the University), a component unit of the State of New Jersey, and its discretely presented component unit as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the University's preparation and fair presentation of the financial statements 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 University's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of New Jersey Institute of Technology and its discretely presented component unit as of June 30, 2021 and 2020, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis included on pages 3 through 16 and the Schedules of Proportionate Share of the Net Pension Liability, the Schedules of Employer Contributions, and the Schedules of Proportionate Share of the Total Other Postemployment Benefits Liability (OPEB) included on pages 53 through 58 be presented to supplement the basic financial statements. Such supplementary information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. This required supplementary information is the responsibility of management. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. 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 Management's Discussion and Analysis, the Schedules of Proportionate Share of the Net Pension Liability, the Schedules of Employer Contributions, and the Schedules of Proportionate Share of the Total Other Postemployment Benefits Liability (OPEB) because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Philadelphia, Pennsylvania
April 29, 2022

Management's Discussion and Analysis (unaudited) (Dollars in thousands)

Introduction

This Management's Discussion and Analysis section provides an analytical overview of the financial position and activities of New Jersey Institute of Technology (NJIT), Foundation at New Jersey Institute of Technology (the Foundation), New Jersey Innovation Institute, Inc. (NJII), and ten urban renewal limited liability companies (the UREs) (collectively, the University) at and for the years ended June 30, 2021 and 2020. This discussion and analysis has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

As New Jersey's science, technology and design university, NJIT has earned a solid reputation as one of the nation's preeminent STEM-based educational and research institutions. NJIT is a student-centered, urban research university, committed to the pursuit of excellence in undergraduate, graduate, and executive education and professional development programs, in the conduct of research, in contributing to the economic development of the State of New Jersey (the State), and in service to both its local communities and the broader society of the State and the nation. With enrollment of more than 11,600 undergraduate and graduate students, NJIT offers small-campus intimacy with the resources of a major public research university. NJIT offers over fifty undergraduate degree programs and over sixty-five graduate degree programs, including twenty programs leading to a Ph.D. degree in a professional discipline. The University also operates a small business incubator whose mission is to accelerate the successful development of entrepreneurial companies through an array of business support resources and services.

Since its founding in 1881, NJIT has been transformed from a local technical school to one of America's top tier national research universities. One of only 32 polytechnic universities in the United States, NJIT prepares students to become leaders in the technology-dependent economy of the 21st century. NJIT's multidisciplinary curriculum and computing-intensive approach to education provide technological proficiency, business acumen, and leadership skills. While moving steadily to increasingly higher levels of excellence in educational performance, NJIT has become a research and development hub, participating in entrepreneurial development and building business partnerships through research and development initiatives. NJIT's designation as an R1 research university by the Carnegie Classification places the University among the 131 most prolific research universities in the nation. NJIT has evolved into an international presence, both in the scope of its educational programs, including on-site and distance learning offerings, attraction of international students to its programs, and through the reach of its educational, scientific, and technological influence at international forums and in international research projects.

NJIT was formally recognized as a body corporate and politic by The New Jersey Institute of Technology Act of 1995. The Foundation is a separately incorporated 501(c)(3) tax-exempt resource development organization that encourages private philanthropy on behalf of NJIT. NJII is a separately incorporated 501(c)(3) tax-exempt charitable organization that applies the intellectual and technological resources of NJIT to challenges identified by industry partners. NJII includes the activities of Highlander Factory, Inc. (HF), formerly Healthcare Innovation Solutions, Inc. (HCIS), a separately incorporated for-profit entity that provides consulting services to the health care industry and commenced operations on July 1, 2018; NJII is the sole shareholder of HF. The UREs operate residential buildings for NJIT student Greek organizations.

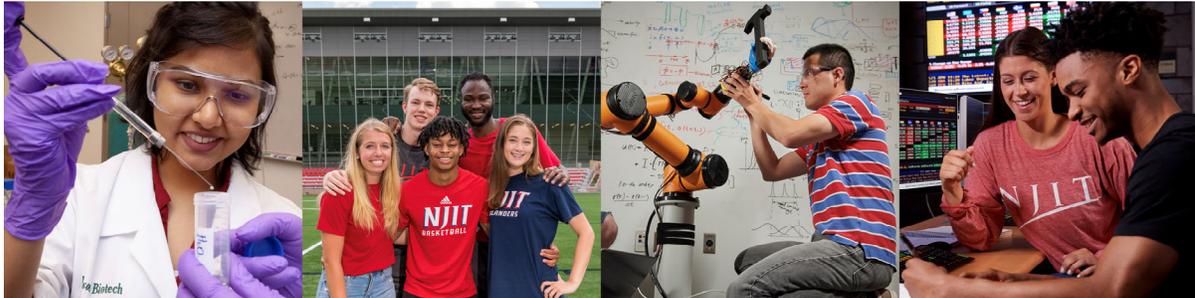
Management's Discussion and Analysis (unaudited) (Dollars in thousands)

CHF-Newark, LLC (CHF-Newark), an Alabama limited liability company, whose sole member is Collegiate Housing Foundation, was formed in January 2021 for the purpose of funding the development of a residence hall, on land leased to it by NJIT, with proceeds from bonds issued through the Essex County Improvement Authority. At the end of a fifty year ground lease or full repayment of the bonds (which have a final maturity as of August 1, 2060), ownership of the residence hall will transfer to NJIT. Because of the nature and significance of its relationship with NJIT, CHF-Newark is reported under the Governmental Accounting Standards Board (GASB) requirements as a discretely presented component unit of NJIT. This Management's Discussion and Analysis discusses the University's financial statements and not that of its discrete component unit.

The Financial Statements

The University's financial statements include a statement of net position at June 30, 2021 and 2020, and statements of revenues, expenses, and changes in net position and of cash flows for the years then ended. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB).

GASB Statement No. 84, *Fiduciary Activities* (GASB 84) became effective in fiscal year 2021. There was no material impact to the University's financial statements as a result of implementing GASB 84.



Financial Highlights

The University's financial position at June 30, 2021 and 2020 was sound, with total assets of \$895,077 and \$837,504, deferred outflows of resources of \$23,871 and \$26,755, total liabilities of \$568,593 and \$567,478, and deferred inflows of resources of \$36,715 and \$34,584, respectively. Net position, which represents the excess of the University's assets and deferred outflows of resources over its liabilities and deferred inflows of resources, totaled \$313,640 and \$262,197 at June 30, 2021 and 2020, respectively.

Fiscal year 2021 continued to be a challenging time for the University due to the effects and economic disruption caused by the novel coronavirus disease 2019 (COVID-19). At the onset of the pandemic, NJIT engaged in a comprehensive effort to plan for the long-term financial health of the University while addressing the serious fiscal impact of the pandemic. NJIT responded to the fiscal challenges in a thoughtful and measured way. The University developed an austere fiscal year 2021 budget and instituted cost-containing measures, including project deferrals. In addition, NJIT was awarded funding through the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act and Coronavirus

Management's Discussion and Analysis (unaudited) (Dollars in thousands)

Response and Relief Supplemental Appropriations Act (CRRSAA). These funds provided emergency grants to students as well as covered pandemic related institutional expenses and lost revenue related to the disruption of campus operations caused by the pandemic. During fiscal year 2021, NJIT utilized \$30,225 of CARES Act and CRRSAA funds, which is reflected in other non-operating revenues, net in the statement of revenues, expenses and changes in net position.

For the Fall 2020 semester, NJIT implemented three modes to deliver courses: converged learning mode where the class meets at a scheduled time with some students physically in the classroom and others joining remotely; synchronous online where the class meets at a scheduled time with all students attending remotely; and online only where students participate at the time that works for them and the entire course material is available digitally (reserved for fully online graduate programs). The Spring 2021 semester saw the return of converged learning with in-person instruction; restart of scholarly research activities; and resumption of intercollegiate athletic competitions and training. Residence halls occupancy was approximately sixty-five percent for the Fall 2020 and Spring 2021 semesters.



Management's Discussion and Analysis (unaudited) (Dollars in thousands)

Statement of Net Position

The statement of net position presents the University's financial position at June 30, 2021 and 2020, and is summarized as follows. The summarized statement of net position at June 30, 2019, is also presented for comparative purposes.

	June 30,		
	2021	2020	2019
Current assets	\$ 204,581	\$ 165,100	\$ 178,965
Endowment investments	166,087	129,183	122,812
Capital assets, net	505,260	528,671	525,106
Other assets	19,149	14,550	27,102
Total assets	<u>895,077</u>	<u>837,504</u>	<u>853,985</u>
Deferred outflows of resources	<u>23,871</u>	<u>26,755</u>	<u>36,956</u>
Current liabilities	83,261	74,224	69,255
Long-term debt, noncurrent portion	331,479	338,952	342,203
Other liabilities	153,853	154,302	164,398
Total liabilities	<u>568,593</u>	<u>567,478</u>	<u>575,856</u>
Deferred inflows of resources	<u>36,715</u>	<u>34,584</u>	<u>31,940</u>
Net investment in capital assets	163,548	181,178	186,635
Restricted nonexpendable	95,353	85,702	83,012
Restricted expendable	63,468	38,878	39,873
Unrestricted	(8,729)	(43,561)	(26,375)
Total net position	<u>\$ 313,640</u>	<u>\$ 262,197</u>	<u>\$ 283,145</u>

Current assets consist principally of cash and cash equivalents, grants and accounts receivable, net of allowances, deposits held with trustees, and short-term investments. The increase in current assets at June 30, 2021 as compared to June 30, 2020 of \$39,481 is primarily due to an increase in cash and cash equivalents, partially offset by decreases in grants and accounts receivable, net and short-term investments. The net increase of cash and cash equivalents and short-term investments at June 30, 2021 of \$48,050 results primarily from reduced unrestricted expenses due to a combination of cost-containing measures and expense savings as a result of pandemic restrictions, including use of restricted CARES Act and CRRSAA funds; deferral of capital projects and renovations; improved grants and contracts receivable collections; timing of State of New Jersey FICA reimbursement; an increase in unearned advance payments; and an increase in unrestricted investment income due to favorable market conditions. The decrease in current assets at June 30, 2020 as compared to June 30, 2019 of \$13,865 is primarily due to a decrease in cash and cash equivalents as well as grants and accounts receivable, net, partially offset by an increase in short-term investments. The net decrease of cash and cash equivalents and short-term investments at June 30, 2020 of \$9,900 principally relates to facilities project spending; reduction in State appropriations; timing of student receivable payments and State of New Jersey FICA reimbursement; and a decrease in unrestricted investment income; partially offset by unexpended CARES Act funds and restricted gifts; and grants and contracts receivable payments.

Management's Discussion and Analysis (unaudited) (Dollars in thousands)

Current liabilities are comprised of accounts payable and accrued liabilities, the current portion of long-term debt, unearned advance payments, and amounts due to affiliates. The increase in current liabilities at June 30, 2021 as compared to June 30, 2020 of \$9,037 is due an increase in accounts payable and accrued liabilities, primarily due to accruals for salaries and fringe benefits, and an increase in unearned advance payments, primarily due to grant-related payments, partially offset by a decrease in tuition deposits; partially offset by decreases in accounts payable – construction and the current portion of long term debt, primarily due to the forgiveness of the majority of the NJII Paycheck Protection Program (PPP) loan and payment of a note payable in connection with a strategic property acquisition. The increase in current liabilities at June 30, 2020 as compared to June 30, 2019 of \$4,969 results from increases in unearned advance payments, primarily due to unexpended CARES Act funds and student housing, parking, and meal plan credits, resulting from moving to a virtual learning environment, to be applied to future semesters; current portion of long-term debt, primarily due to the NJII PPP loan and a note payable in connection with a strategic property acquisition; partially offset by a decrease in accounts payable and accrued liabilities, primarily from a decrease in accounts payable – construction.

Excluding deposits held with trustees, which can only be used for debt service payments, and the current portion of long-term debt, current assets exceeded current liabilities by \$119,349 and \$90,883 at June 30, 2021 and 2020, respectively. The University had \$152,309 and \$104,259 in cash and cash equivalents and short-term investments to fund current operations, facilities rehabilitation projects, and other activities at June 30, 2021 and 2020, respectively.

Endowment investments include gifts from donors, the corpus of which is to be invested in perpetuity, annuity funds, unrestricted funds established by NJIT as quasi-endowment, and the related investment income. Endowment investments increased 28.6% and 5.2% during fiscal years 2021 and 2020, respectively, reflecting growth from new gifts and investment income, offset by endowment distributions in both fiscal years. In fiscal year 2021, The Independent Alumni Association (the Association), formerly known as the Alumni Association of New Jersey Institute of Technology, dissolved their organization and transferred its endowment investment assets, totaling \$3,845, to NJIT, through the Foundation, who will maintain and steward the funds on an ongoing basis as part of its endowment investments.

Capital assets, at cost, increased 1.2% and 3.8% during fiscal years 2021 and 2020, respectively. The fiscal year 2021 increase primarily results from the completion of Makerspace at NJIT Phase II renovation and The Cell and Gene Therapy Development Center; continued work on the Medical Devices Innovation Cluster and Mueller property site remediation; and rehabilitation and renovation of various campus facilities; partially offset by the write-off of equipment and other assets no longer in service. The fiscal year 2020 increase primarily results from the completion of the soccer field; several strategic property acquisitions; continued work on Phase II of the renovation of Makerspace at NJIT and construction of The Cell and Gene Therapy Development Center; and rehabilitation and renovation of various campus facilities; partially offset by the write-off of equipment and other assets no longer in service.

Management's Discussion and Analysis (unaudited) (Dollars in thousands)



Other assets are comprised of investments, investments – capital construction, beneficial interest trusts, and other noncurrent assets. The increase in other assets of \$4,599 at June 30, 2021 was primarily due to an increase in investments, partially offset by the utilization of investments – capital construction. The decrease in other assets of \$12,552 at June 30, 2020 was principally due to the utilization of investments – capital construction as well as a decrease in deposits held with trustees, resulting from the reimbursement of capital expenditures.

Deferred outflows of resources consist of loss on defeasance of debt and certain changes in the net pension liability. The decrease in deferred outflows of resources of \$2,884 and \$10,201 at June 30, 2021 and June 30, 2020, respectively, principally relates to changes in contributions made on behalf of the University subsequent to the measurement date and certain changes in the net pension liability.

Total long-term debt at June 30, 2021 and 2020 was \$338,046 and \$347,011, respectively. The decrease in fiscal year 2021 includes the forgiveness of \$2,464 of the NJII Paycheck Protection Program loan received in fiscal year 2020. During fiscal year 2020, the University issued 2020 Series A Bonds in the amount of \$16,385 for the purpose of advance refunding the 2010 Series I Bonds; 2020 Series B Bonds in the amount of \$53,100 for the purpose of advance refunding the 2012 Series A Bonds and a portion of the 2015 Series A Bonds; and 2020 Series Direct Placement Bonds in the amount of \$28,360 for the purpose of advance refunding all but \$980 of the 2010 Series H Bonds. The debt is comprised of both serial and term bonds bearing interest rates from 3.014% to 5.0% maturing at various dates through fiscal year 2043. Additionally, the University financed \$1,000 of the purchase price of a strategic property acquisition with an interest-free note and NJII received loan proceeds of \$2,671 under the Paycheck Protection Program payable over two years at an interest rate of 1.0%.

At June 30, 2021, the University's bond ratings by Moody's Investors Service and Standard & Poor's were A1 and A, respectively.

Management's Discussion and Analysis (unaudited) (Dollars in thousands)

Other liabilities consist of net pension liability, other noncurrent liabilities, and U.S. government grants refundable. The decrease in other liabilities of \$449 at June 30, 2021 is primarily due to reductions in the pension liability, retirement incentive programs, and the pollution remediation liability, largely offset by a long-term advance lease payment. The decrease in other liabilities of \$10,096 at June 30, 2020 principally relates to the reduction in the net pension liability, partially offset by an increase in the pollution remediation liability.

Deferred inflows of resources consist of gain on defeasance of debt, certain changes in the net pension liability, and certain changes in annuity funds liability. The increase in deferred inflows of resources of \$2,131 and \$2,644 at June 30, 2021 and 2020, respectively, principally relates to certain changes in the net pension liability.

Net investment in capital assets represents the University's interests in land and land improvements, buildings and building improvements, equipment and other assets, and construction in progress, less related depreciation and amortization, and the debt incurred to finance their acquisition. Net investment in capital assets decreased \$17,630 and \$5,457 during fiscal years 2021 and 2020, respectively, principally due to the increase in capital assets discussed above and a net decrease in long-term debt related to capital assets, more than offset by depreciation expense.

Restricted nonexpendable net position represents the original value of additions to the University's donor-restricted endowments and the fair value of beneficial interest in perpetual trusts. Restricted expendable net position includes gifts that are restricted to use for specific purposes by the donor, capital grants and gifts, endowment income, and other restricted resources. As discussed above, donor-restricted endowment funds represent gifts from donors that are to be invested in perpetuity.

Restricted net position increased \$34,241 during fiscal year 2021, primarily due to an increase in nonexpendable restricted net position for scholarships and fellowships and instructional and other resulting from additions to permanent endowments, as well as an increase in expendable scholarships and fellowships and instructional and other primarily resulting from an increase in endowment-related investment income. Restricted net position increased \$1,695 during fiscal year 2020, primarily due to an increase in nonexpendable restricted net position for scholarships and fellowships and instructional and other, resulting from additions to permanent endowments, as well as an increase in expendable instructional and other, partially offset by a decrease in restricted expendable capital projects, resulting from expenditures of capital grant funds.

Unrestricted net position is all other net position that is available for general operations in support of the University's mission. The fiscal year 2021 increase is principally due to reduced unrestricted expenditures due to cost containment measures and pandemic restrictions, including the use of CARES Act and CRRSAA funds for pandemic related expenses and lost revenue, increases in unrestricted and quasi-endowment related investment income, and deferral of capital and renovation projects. The fiscal year 2020 decrease is principally due to decreases in designated unrestricted net position for construction and capital projects due to expenditures on capital projects, such as the completion of the soccer field and continued work on Phase II of the renovation of Makerspace at NJIT, and renovation of various campus facilities. Even though unrestricted net position is not subject to external restrictions, management, with the approval of the Board, has designated a portion of the unrestricted net position for the following specified purposes. The June 30, 2019 unrestricted net position is also presented for comparative purposes.

Management's Discussion and Analysis (unaudited)
(Dollars in thousands)

	June 30,		
	2021	2020	2019
Designated unrestricted net position:			
Quasi-endowments	\$ 30,713	\$ 25,202	\$ 21,739
Instructional and other	8,995	6,107	4,616
Construction and capital programs	39,392	31,233	41,098
State bond funds required match	-	-	38
Debt service	19,066	18,508	17,710
Pollution remediation	1,599	2,412	2,035
Outstanding purchase orders	5,267	2,847	4,626
	<u>105,032</u>	<u>86,309</u>	<u>91,862</u>
Undesignated unrestricted net position:			
Pension related	(148,748)	(148,578)	(144,828)
Operations	34,987	18,708	26,591
	<u>\$ (8,729)</u>	<u>\$ (43,561)</u>	<u>\$ (26,375)</u>

Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position presents the operating results and the non-operating and other revenues and expenses of the University.

The components of revenues for the fiscal years ended June 30, 2021 and 2020 are as follows. The components of revenues for the fiscal year ended June 30, 2019 are also presented for comparative purposes:

	Fiscal Years Ended June 30,		
	2021	2020	2019
Operating revenues:			
Student tuition and fees, net	\$ 134,536	\$ 139,319	\$ 136,286
Federal, State, and other grants and contracts	142,531	134,887	136,492
Auxiliary enterprises, net	9,729	13,341	16,953
Other operating revenues	10,215	6,542	6,909
Total operating revenues	<u>297,011</u>	<u>294,089</u>	<u>296,640</u>
Non-operating and other revenues:			
State appropriations	109,409	91,560	109,440
Gifts and bequests, capital grants and gifts, and additions to permanent endowments	12,325	7,778	12,569
Investment income	42,526	7,059	12,086
Other non-operating and other revenues, net	34,803	7,984	4,776
Total non-operating and other revenues	<u>199,063</u>	<u>114,381</u>	<u>138,871</u>
Total revenues	<u>\$ 496,074</u>	<u>\$ 408,470</u>	<u>\$ 435,511</u>

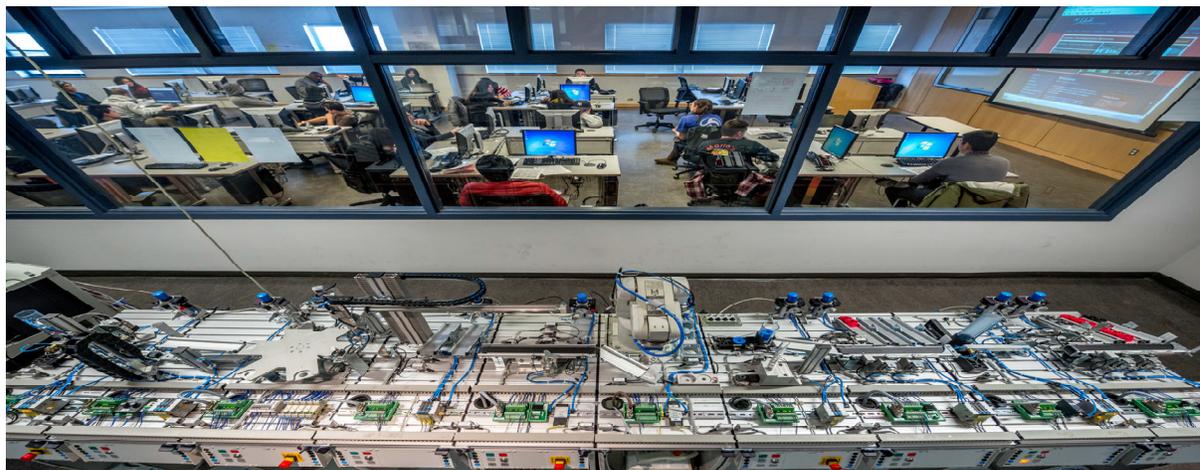
Management's Discussion and Analysis (unaudited) (Dollars in thousands)

The components of expenses for the fiscal years ended June 30, 2021 and 2020 are as follows. The components of expenses for the fiscal year ended June 30, 2019 are also presented for comparative purposes:

	Fiscal Years Ended June 30,		
	2021	2020	2019
Operating expenses:			
Instruction	\$ 123,005	\$ 115,325	\$ 116,451
Research and programs	93,659	88,470	92,619
Public service	4,803	2,458	2,153
Academic support	33,817	32,253	34,374
Student services	29,580	31,704	31,513
Institutional support	56,179	57,989	58,291
Operation and maintenance of plant	25,048	28,803	26,259
Scholarships and fellowships	18,830	12,309	10,455
Depreciation	37,719	36,522	35,166
Auxiliary enterprises	9,090	9,292	9,927
Total operating expenses	431,730	415,125	417,208
Non-operating expenses – interest expense	12,901	14,293	14,989
Total expenses	\$ 444,631	\$ 429,418	\$ 432,197

Student tuition and fees; Federal, State, and other grants and contracts; and State appropriations are the primary sources of funding for the University's operating expenses.

Student tuition and fees totaled \$134,536, \$139,319, and \$136,286, net of scholarship allowances of \$73,177, \$69,528, and \$64,419 in fiscal years 2021, 2020, and 2019, respectively. The fiscal year 2021 decrease was primarily due to the composition of student enrollment as well as an increase in scholarship allowance. In light of the impact of the pandemic, there was no increase to tuition and mandatory fees during fiscal year 2021. The fiscal year 2020 increase was attributable to growth in enrollment and tuition and mandatory fees increase of 1.9%, partially offset by an increase in scholarship allowance.



Management's Discussion and Analysis (unaudited)
(Dollars in thousands)

Auxiliary enterprises revenues, net of scholarship allowances of \$4,247, \$4,811, and \$5,875 in fiscal years 2021, 2020, and 2019, respectively, decreased 27.1% to \$9,729 in fiscal year 2021 and 21.3% to \$13,341 in fiscal year 2020. The fiscal year 2021 decrease is primarily due to decreases in residence halls occupancy, food service and catering commissions, and parking fees due to NJIT's virtual teaching and learning environment, partially offset by a decrease in scholarship allowance. The fiscal year 2020 decrease is principally due to residence hall and parking fee credits totaling \$4,335 resulting from NJIT moving to a virtual teaching and learning environment in mid-March 2020 due to COVID-19, partially offset by a decrease in scholarship allowance.

In accordance with GASB requirements, State appropriations are reported as non-operating revenues despite the fact that their purpose is to fund operating activities.

The components of State appropriations are as follows:

	Fiscal Years Ended June 30,		
	2021	2020	2019
Direct appropriation for general operating purposes	\$ 36,676	\$ 30,684	\$ 35,440
Direct appropriation for Medical Devices Innovation Cluster	3,700	3,700	3,700
FICA and fringe benefits paid by the State for University employees	40,268	40,824	41,361
Other postemployment benefits	5,227	1,128	11,386
Fringe benefit equalization adjustment	23,538	15,224	17,553
	<u>\$ 109,409</u>	<u>\$ 91,560</u>	<u>\$ 109,440</u>

The fiscal year 2021 State appropriations increase was the result of the equalization adjustment to the State's fringe benefit rate, a return of the direct appropriations to a prepandemic level, and an increase in other postemployment benefits (OPEB). The fiscal year 2020 State appropriations decrease was primarily due to a \$5,971 reduction in funding, attributable to COVID-19, as well as a decrease in OPEB and the fringe benefit equalization adjustment.

Federal, State, and other grants and contracts revenues, which include facilities and administrative costs recovery, primarily fund the University's research and development activities and student financial assistance programs, and are comprised of the following:

	Fiscal Years Ended June 30,		
	2021	2020	2019
Federal grants and contracts	\$ 96,797	\$ 103,673	\$ 106,754
State grants and contracts	42,231	27,416	26,109
Other grants and contracts	3,503	3,798	3,629
	<u>\$ 142,531</u>	<u>\$ 134,887</u>	<u>\$ 136,492</u>

Management's Discussion and Analysis (unaudited) (Dollars in thousands)



Federal grants and contracts revenues decreased 6.6% and 2.9% in fiscal years 2021 and 2020, respectively, due to a decrease in research grants and contracts, partially offset by an increase in student financial assistance grants. State grants and contracts revenues increased 54.0% and 5.0% in fiscal years 2021 and 2020, respectively, primarily due to an increase in research grants and contracts as well as student financial assistance grants. Other grants and contracts revenues decreased 7.8% in fiscal year 2021 and increased 4.7% in fiscal year 2020.

Private support from corporations, foundations, alumni, and other donors is an important factor in the University's growth and development. In fiscal years 2021 and 2020, respectively, the University received gifts and bequests totaling \$3,337 and \$3,630, capital grants and gifts of \$765 and \$1,247, and additions to permanent endowments of \$8,223 and \$2,901. The fiscal year 2021 increase in additions to permanent endowments is primarily due to the transfer of the Association's endowment investment assets discussed above. The fiscal year 2021 decrease and fiscal year 2020 increase in capital grants and gifts is due to fiscal year 2020 donated equipment for The Cell and Gene Therapy Development Center. The fiscal year 2020 decreases in gifts and bequests and additions to permanent endowments are principally due to a 2019 pledge of approximately \$3,000 in support of scholarships, and a 2019 bequest of \$1,756, respectively.

Investment income includes interest and dividends, as well as realized and unrealized gains and losses. During fiscal years 2021 and 2020, the positive performance of the investment portfolio yielded a total return of \$42,526 and \$7,059, respectively.

Other non-operating revenues, net totaled \$34,803 and \$7,984 in fiscal years 2021 and 2020, respectively. The fiscal year 2021 increase is primarily due to an increase of \$26,131 in CARES Act and CRRSAA funds as well as NJII's PPP loan forgiveness, partially offset by a decrease in facility rental revenue. The fiscal year 2020 increase is primarily the result of CARES Act funds, partially offset by cost of issue expense related to bond advance refundings.

Instruction, academic support, student services, and scholarships and fellowships expenses totaled \$205,232, \$191,591, and \$192,793 in fiscal years 2021, 2020, and 2019, respectively. The increase of 7.1% in fiscal year 2021 is primarily due to increases in CARES Act, CRRSAA, and University funded scholarships and fellowships expense as well as payroll and fringe benefit expense, as a result of increases in the State fringe benefit equalization adjustment, OPEB expense, and the fiscal year

Management's Discussion and Analysis (unaudited) (Dollars in thousands)

vacation accrual, partially offset by decreases in travel related expenses due to the pandemic and pension expense. The decrease of 0.6% in fiscal year 2020 is primarily due to decreases in OPEB expense and pension expense, partially offset by increases in salary and fringe benefit expense, CARES Act funded student financial assistance, and expenses associated with the change of intercollegiate athletic program conference.

Research and programs expense increased 5.9% to \$93,659 and decreased 4.5% to \$88,470 in fiscal years 2021 and 2020, respectively, primarily due to increases in State research and program expenditures and OPEB expense, partially offset by decreases in Federal research and program expenditures and pension expense in fiscal year 2021, and decreases in Federal and State research and program expenditures, pension expense, and OPEB expense in fiscal year 2020.

Public service expense increased 95.4% to \$4,803 in fiscal year 2021, primarily due to the growth of the noncredit course program, partially offset by a decrease in travel related expenses due to the pandemic. Fiscal year 2020 expenses increased 14.2% to \$2,458, which was primarily as a result of an increase in salary and fringe benefit expense, partially offset by decreases in OPEB expense and pension expense.

Institutional support expense decreased 3.1% to \$56,179 and 0.5% to \$57,989 in fiscal years 2021 and 2020, respectively. The decrease in fiscal year 2021 is primarily due to decreases in salary and fringe benefit expense as a result of turnover and hiring delays, partially offset by increases in the State fringe benefit equalization adjustment, OPEB expense, and other operating expenses. The decrease in fiscal year 2020 is primarily due to decreases in OPEB expense, pension expense, travel expense, and tax expense as a result of the IRS repealing the fringe benefit transportation tax in December 2019, partially offset by increases in salary and fringe benefit expense and advertising expense.

Operation and maintenance of plant expense decreased 13.0% to \$25,048 in fiscal year 2021 and increased 9.7% in fiscal year 2020 to \$28,803. The fiscal year 2021 decrease was primarily due to decreases in repairs and maintenance expense, utility expense, and pension expense, partially offset by increases in the State fringe benefit equalization adjustment, OPEB expense, and pandemic related testing and services. The fiscal year 2020 increase was primarily due to increases in both repairs and maintenance expense and utility expense, partially offset by decreases in OPEB expense and pension expense.

Auxiliary enterprises expense decreased 2.2% to \$9,090 in fiscal year 2021 and 6.4% to \$9,292 in fiscal year 2020. The decrease in fiscal year 2021 was primarily due to decreases in repair and maintenance costs for residence halls and salary and fringe benefit expense, partially offset by an increase in pandemic related expenses. The decrease in fiscal year 2020 was primarily due to a decrease in repair and maintenance costs for residence halls and a reduction in resident assistant room and board awards, as a result of COVID-19.

During fiscal years 2021 and 2020, the University incurred long-term debt interest costs of \$12,901 and \$14,293, respectively.

Management's Discussion and Analysis (unaudited) (Dollars in thousands)

Summary and Outlook

Despite the challenges of fiscal year 2021 as a result of COVID-19, the University is in a sound financial position at June 30, 2021. The University saw a slight increase in enrollment for the fiscal 2021 academic year, with an increase in students seeking undergraduate degrees and postbaccalaureate certificates and a decrease in masters and doctoral students. The University continues to pursue its strategy of enhancing its research and development activities. The University's fundraising activities are successful, and have generated a significant endowment.

In late fiscal year 2021, NJIT was awarded federal grant funds of \$24.4 million under the Higher Education Emergency Relief Fund III (HEERF III) as authorized by the American Rescue Plan (ARP), with equal amounts dedicated to serving students and ensuring learning continues during the COVID-19 pandemic and assisting the institution in offsetting lost revenue and covering expenses related to pandemic mitigation and/or continuity of operations. NJIT will utilize these funds in fiscal year 2022. Additionally, in fiscal year 2022, NJIT was awarded \$1.4 million under the Governor's Emergency Education Relief Fund (GEERF II) Opportunity Meets Innovation Challenge Grant to implement best practices that will invest in students and increase college completion, particularly among populations most impacted by the COVID-19 pandemic.

Throughout the pandemic NJIT relied on three pillars of its Pandemic Recovery Plan - adherence to governmental mandates, reliance on guidance of health experts and agencies, and its own collective informed judgement - to keep the campus safe and minimize the impact of COVID-19 on its community. These three principles were applied to safely bring the campus back to its prepandemic vibrancy for the Fall 2021 semester. As COVID-19 remains a significant challenge and will be with us for the foreseeable future, NJIT will continue to use these three pillars to monitor conditions locally and globally and react accordingly.

As part of the approved State budget for fiscal year 2022, the University will receive \$42,864 of State appropriations funding, including \$3,700 for the Medical Devices Innovation Cluster.

Management has been and will continue to be an active participant in the State's planning process, in order to ensure that its voice is heard and the University's needs are properly presented and considered in the State's financial deliberations.

Union contracts are in place for all eight bargaining units. In addition, wage and salary freezes and/or vacation giveback/furlough programs were negotiated with five unions for fiscal year 2021.

The University's endowment is managed with a broad-based asset allocation. The University's endowment investment strategy is designed to maintain purchasing power of pooled endowment fund assets, with an emphasis on total return, via a group of managers, each focused on their sector of the asset allocation. The endowment spending policy provides for appropriate funding of donors' purposes.

As part of its long-range plan, the University expects that its activities will continue to increase the total operating budget. Included in the University's strategic plan are a greater emphasis on expanded outreach programs, increased scholarships, the establishment of new programs and extension sites in order to generate increases in enrollment, and the hiring of new faculty members who have a stronger inclination to become involved in research activities in addition to their teaching responsibilities

Management's Discussion and Analysis (unaudited) (Dollars in thousands)

in order to expand the University's research and development program. The University's efforts in these resource generating and expense management initiatives have been and are anticipated to continue to be successful.

All in all, the University's management is of the opinion that the University's financial condition is strong.



Statement of Net Position
(Dollars in thousands)
At June 30, 2021 and 2020

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 113,329	\$ 55,727
Short-term investments	38,980	48,532
Grants and accounts receivable, net	41,387	51,045
Deposits held with trustees	8,538	8,052
Other current assets	2,347	1,744
Total current assets	<u>204,581</u>	<u>165,100</u>
Noncurrent assets:		
Endowment investments	166,087	129,183
Investments	7,362	1,933
Beneficial interest trusts	6,846	5,013
Investments – capital construction	834	4,140
Other assets	4,107	3,464
Capital assets, net of accumulated depreciation of \$494,370 and \$459,368, respectively	505,260	528,671
Total noncurrent assets	<u>690,496</u>	<u>672,404</u>
Total assets	<u>895,077</u>	<u>837,504</u>
Deferred outflows of resources	<u>23,871</u>	<u>26,755</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	51,286	43,764
Long-term debt, current portion	6,567	8,059
Unearned advance payments	23,860	21,172
Due to affiliates	1,548	1,229
Total current liabilities	<u>83,261</u>	<u>74,224</u>
Noncurrent liabilities:		
Long-term debt	331,479	338,952
Other noncurrent liabilities	18,293	15,030
Net pension liability	135,400	139,186
U.S. government grants refundable	160	86
Total noncurrent liabilities	<u>485,332</u>	<u>493,254</u>
Total liabilities	<u>568,593</u>	<u>567,478</u>
Deferred inflows of resources	<u>36,715</u>	<u>34,584</u>
Net Position		
Net investment in capital assets	163,548	181,178
Restricted for:		
Nonexpendable:		
Scholarships and fellowships	78,825	71,026
Instructional and other	16,528	14,676
Expendable:		
Capital projects	2,365	2,369
Scholarships and fellowships	40,655	21,182
Instructional and other	15,342	10,979
Research and programs	2,048	1,944
Debt service	3,005	2,355
Loans	53	49
Unrestricted (see note 11)	(8,729)	(43,561)
Total net position	<u>\$ 313,640</u>	<u>\$ 262,197</u>

The accompanying notes are an integral part of these financial statements.

Statement of Revenues, Expenses, and Changes in Net Position
(Dollars in thousands)
For the years ended June 30, 2021 and 2020

	2021	2020
Operating revenues		
Student tuition and fees, net of scholarship allowances of \$73,177 and \$69,528, respectively	\$ 134,536	\$ 139,319
Federal grants and contracts	96,797	103,673
State grants and contracts	42,231	27,416
Other grants and contracts	3,503	3,798
Auxiliary enterprises, net of scholarship allowances of \$4,247 and \$4,811, respectively	9,729	13,341
Other operating revenues	10,215	6,542
Total operating revenues	<u>297,011</u>	<u>294,089</u>
Operating expenses		
Instruction	123,005	115,325
Research and programs	93,659	88,470
Public service	4,803	2,458
Academic support	33,817	32,253
Student services	29,580	31,704
Institutional support	56,179	57,989
Operation and maintenance of plant	25,048	28,803
Scholarships and fellowships	18,830	12,309
Depreciation	37,719	36,522
Auxiliary enterprises	9,090	9,292
Total operating expenses	<u>431,730</u>	<u>415,125</u>
Operating loss	<u>(134,719)</u>	<u>(121,036)</u>
Non-operating revenues (expenses)		
State appropriations	109,409	91,560
Gifts and bequests	3,337	3,630
Interest expense	(12,901)	(14,293)
Investment income	42,526	7,059
Other non-operating revenues, net	34,803	7,984
Net non-operating revenues	<u>177,174</u>	<u>95,940</u>
Income (loss) before other revenues	<u>42,455</u>	<u>(25,096)</u>
Other revenues		
Capital grants and gifts	765	1,247
Additions to permanent endowments	8,223	2,901
Total other revenues	<u>8,988</u>	<u>4,148</u>
Increase (decrease) in net position	51,443	(20,948)
Net position, beginning of year	<u>262,197</u>	<u>283,145</u>
Net position, end of year	<u>\$ 313,640</u>	<u>\$ 262,197</u>

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows
(Dollars in thousands)
For the years ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Student tuition and fees	\$ 133,420	\$ 138,939
Grants and contracts	167,515	140,210
Payments for salaries and benefits	(203,535)	(205,404)
Payments for goods and services	(104,070)	(106,473)
Payments for scholarships and fellowships	(18,830)	(12,309)
Loans collected from students	159	239
Auxiliary enterprises	9,722	13,199
University programs	285	(882)
Affiliates	331	114
Other receipts	11,278	7,822
Net cash used by operating activities	<u>(3,725)</u>	<u>(24,545)</u>
Cash flows from noncapital financing activities		
State appropriations	52,759	39,431
Gifts and bequests for other than capital purposes	2,342	6,046
Additions to permanent endowments	7,790	2,322
Other receipts	24,283	12,791
Net cash provided by noncapital financing activities	<u>87,174</u>	<u>60,590</u>
Cash flows from capital financing activities		
Proceeds from capital debt	-	103,560
Mortgage payments received	83	81
Capital grants and gifts	765	44
Purchase of capital assets	(17,021)	(43,016)
Principal paid on long-term debt	(8,084)	(3,849)
Refunding of bonds	-	(101,710)
Interest paid on long-term debt	(13,760)	(16,170)
Purchase of investments – capital construction	(5,914)	(10,093)
Sale of investments – capital construction	9,667	20,519
Deposits with trustees	(21,356)	(20,445)
Withdrawals from trustees	20,871	23,208
Net cash used by capital financing activities	<u>(34,749)</u>	<u>(47,871)</u>
Cash flows from investing activities		
Proceeds from sales and maturities of investments	223,472	286,552
Interest and dividends on investments	4,815	5,311
Purchase of investments	(219,385)	(312,946)
Net cash provided (used) by investing activities	<u>8,902</u>	<u>(21,083)</u>
Net increase (decrease) in cash and cash equivalents	<u>57,602</u>	<u>(32,909)</u>
Cash and cash equivalents, beginning of year	<u>55,727</u>	<u>88,636</u>
Cash and cash equivalents, end of year	<u>\$ 113,329</u>	<u>\$ 55,727</u>
Reconciliation of operating loss to net cash used by operating activities		
Operating loss	\$ (134,719)	\$ (121,036)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	37,719	36,522
Noncash operating expenses	66,346	53,415
Changes in assets and liabilities:		
Accounts receivable	13,152	4,412
Other assets, current and noncurrent	(800)	459
Accounts payable and accrued liabilities	7,553	(579)
Unearned advance payments	6,705	2,141
Due to affiliates	319	121
Net cash used by operating activities	<u>\$ (3,725)</u>	<u>\$ (24,545)</u>
Noncash transactions:		
State appropriations for fringe benefits	\$ 58,596	\$ 48,128
Gifts and bequests for other than capital purposes	681	748
Gifts for capital purposes	133	1,203
Additions to permanent endowments	433	579
Capital assets	(2,631)	(4,007)
PPP loan forgiveness	2,464	-

The accompanying notes are an integral part of these financial statements.

CHF-Newark, LLC
Discrete Component Unit Statement of Financial Position
(Dollars in thousands)
At June 30, 2021

Assets	2021
Noncurrent assets:	
Investments – capital construction	\$ 88,861
Prepaid ground lease	5,611
Construction in progress	<u>14,297</u>
Total assets	<u>108,769</u>
 Liabilities and Net Position	
Current liabilities:	
Accounts payable and accrued liabilities	<u>4,348</u>
Noncurrent liabilities:	
Long-term debt	<u>104,421</u>
Total liabilities	<u>\$ 108,769</u>

The accompanying notes are an integral part of this financial statement.

Notes to the Financial Statements (Dollars in thousands)

1. Organization and Summary of Significant Accounting Policies

New Jersey Institute of Technology (NJIT), a public research university, includes six collegiate units: Newark College of Engineering, Ying Wu College of Computing, Hillier College of Architecture and Design, College of Science and Liberal Arts, Martin Tuchman School of Management, and Albert Dorman Honors College; a graduate division; an executive education and professional development program; and a number of research centers. Fields of study include engineering, computer science, architecture, applied sciences, management, statistics, and actuarial science. NJIT offers programs and courses leading to bachelors, masters, and doctoral degrees, and also conducts an extensive research program.

The New Jersey Institute of Technology Act of 1995 established NJIT as a body corporate and politic and determined that the exercise of NJIT's powers was a public and essential government function. NJIT has its origins in an 1881 New Jersey statute.

Foundation at New Jersey Institute of Technology (the Foundation) is a component unit of NJIT. The Foundation raises and manages funds to support the further development and growth of programs at NJIT. Because of the significance of its operational and financial relationships with NJIT and because it exclusively benefits NJIT, the Foundation's financial statements are combined and reported on a blended basis with those of NJIT. Copies of the Foundation's financial statements can be obtained by writing to Foundation at New Jersey Institute of Technology, University Heights, Newark, New Jersey 07102, Attention: Development and Alumni Relations.

New Jersey Innovation Institute, Inc. (NJII) is a component unit of NJIT. NJII applies the intellectual and technological resources of NJIT to challenges identified by industry partners in order to spur product creation and enhancement, develop solutions for sector-wide and/or company-focused challenges, and serve as a catalyst for regional economic growth. NJII, the sole shareholder, established Healthcare Innovation Solutions, Inc. (HCIS), a separately incorporated for-profit entity that provides consulting services to the healthcare industry. HCIS commenced operations on July 1, 2018. In September 2020, HCIS changed its name to Highlander Factory, Inc. (HF). The financial position and activities of HF are included with the financial position and activities of NJII. Because of the significance of its operational and financial relationships with NJIT, NJII's financial statements are combined and reported on a blended basis with those of NJIT. Copies of NJII's financial statements can be obtained by writing to New Jersey Innovation Institute, Inc., c/o New Jersey Institute of Technology, University Heights, Newark, New Jersey 07102.

Ten urban renewal limited liability companies (the UREs) are component units of NJIT. The UREs operate residential buildings for NJIT student Greek organizations. Because of the significance of their operational and financial relationships with NJIT, the UREs' financial statements are combined and reported on a blended basis with those of NJIT.

Pursuant to the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, as amended, NJIT, which is financially dependent on the State of New Jersey (the State), is considered to be a component unit of the State for its financial reporting purposes. Accordingly, the financial statements of NJIT, the Foundation, NJII, and the UREs (collectively, the University) are included in the State's Comprehensive Annual Financial Report.

Notes to the Financial Statements (Dollars in thousands)

The University's financial statements also includes the financial information of the University's discretely presented component unit, CHF-Newark, LLC (CHF-Newark), an Alabama limited liability company, whose sole member is Collegiate Housing Foundation. CHF-Newark was formed for the purpose of funding the development of a residence hall, on land leased to it by NJIT under a ground lease agreement, with proceeds from bonds issued through the Essex County Improvement Authority. At the end of a fifty year ground lease or full repayment of the bonds (which have a final maturity as of August 1, 2060), ownership of the residence hall will transfer to NJIT. CHF-Newark is included in the financial statements due to the nature and significance of its financial relationship with the University and is separately presented as a discrete component unit on page 20 of these financial statements.

(a) Basis of Presentation

The University's financial statements have been prepared on the accrual basis of accounting using the economic resources measurement focus, in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB). All significant transactions between NJIT, the Foundation, NJII, and the UREs have been eliminated.

GASB Statement No. 84, *Fiduciary Activities* (GASB 84) became effective in fiscal year 2021. There was no material impact to the University's financial statements as a result of implementing GASB 84.

(b) Use of Estimates

The financial statements include estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the statement of net position dates, as well as the reported amounts of revenues and expenses for the fiscal years then ended. Actual results could differ from those estimates.

(c) Cash and Cash Equivalents

The University considers money market funds, investments with original maturities of three months or less, and investments in sweep accounts with original maturities of twelve months or less to be cash equivalents, except for those included in endowment investments and deposits held with trustees.

(d) Fair Value Measurement

The University's investments are measured at fair value using valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs are based on market assumptions. The fair value hierarchy is comprised of the following three levels of inputs, of which the first two are considered observable and the last unobservable:

Notes to the Financial Statements (Dollars in thousands)

- Level 1: Quoted prices in active markets for identical assets.
- Level 2: Inputs other than Level 1 that are observable either directly or indirectly, such as quoted prices in markets that are not as active, or other inputs that are observable or can be corroborated by observable market data.
- Level 3: Significant unobservable inputs that are supported by little or no market activity.

A financial instrument's categorization within the valuation hierarchy is based on the lowest level of input significant to the fair value measurement. The categorization of an investment is based upon its pricing transparency and liquidity and does not necessarily correspond to the University's perceived risk of that investment.

(e) Investments and Deposits Held with Trustees

Investments and deposits held with trustees include investments in marketable equity securities, debt instruments, and mutual funds and are carried at fair value, based on quoted market prices. Hedge and other investment funds are carried at estimated fair value based principally on the net asset values (NAV) reported by the fund managers, which are reviewed by management for reasonableness. Those estimated fair values may differ from the values that would have been used had a ready market for these securities existed.

Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, changes in the values of investment securities could occur. Such changes could materially affect the amounts reported in the statement of net position.

(f) Beneficial Interest Trusts

Beneficial interest trusts are donor-established and funded trusts, which are not in the possession of, nor under the control of the University. Under the terms of the trusts, the University has the irrevocable right to receive all or a portion of the income earned on the trust assets in perpetuity or for the life of the trust. Annual distributions from the trusts are reported as investment income in the statement of revenues, expenses, and changes in net position. The assets are carried at fair value (\$5,530 and \$4,212 at June 30, 2021 and 2020, respectively) based on the NAV reported by the trusts' managers. The University also has beneficial interest in charitable remainder annuity trusts, with a present value of \$1,316 and \$801 at June 30, 2021 and 2020, respectively.

(g) Capital Assets

Capital assets are carried at cost or, in the case of gifts, fair value at date of donation. Expenditures for replacements are capitalized, and the replaced items are retired. Gains or losses resulting from disposal of property are included in other non-operating revenues, net.

Notes to the Financial Statements (Dollars in thousands)

Depreciation is calculated on the straight-line basis. The University's capital assets policy establishes the following capitalization thresholds and estimated useful lives:

	Capitalization Threshold	Estimated Useful Life
Land improvements	\$ 50	20 years
Buildings and building improvements	50	20 to 40 years
Software	50	5 to 10 years
Equipment and other assets	5	3 to 10 years

(h) Due to Affiliates

Due to affiliates consists of amounts the University is holding as agent for the following entities:

	June 30,	
	2021	2020
Student organizations	\$ 1,421	\$ 1,097
Other organizations	127	132
	\$ 1,548	\$ 1,229

(i) Classification of Net Position

The University classifies its resources into three net position categories:

- Net investment in capital assets is comprised of land and land improvements, buildings and building improvements, equipment and other assets, and construction in progress of the University, net of depreciation and amortization and the indebtedness incurred to finance their acquisition and construction. Title to capital assets acquired through research grants and contracts remains with the University at the conclusion of the grant or contract period with the permission of the grantor.
- Restricted nonexpendable net position is comprised of endowment and beneficial interest in perpetual trusts funds. Endowments are subject to restrictions of gift instruments requiring that the principal be invested in perpetuity. Beneficial interest in perpetual trusts represent funds for which the University is the beneficiary whose assets are not under its control.

Restricted expendable net position includes gifts that are restricted to use for specific purposes by the donor, capital grants and gifts, endowment income and appreciation, and other restricted resources. Funds that are restricted are utilized only for the specified purposes.

- Unrestricted net position is derived principally from student tuition and fees, gifts and bequests, and investment income, and is expended to meet the objectives of the University. The University designates portions of its unrestricted net position for certain specific purposes (see Note 11).

Notes to the Financial Statements (Dollars in thousands)

The University's policy is to first utilize available restricted expendable, and then unrestricted, resources in the conduct of its operations.

(j) Classification of Revenue and Expense

Operating revenues are those that result from the provision of services related to the University's principal purposes of instruction and research, and are generally associated with exchange transactions. Non-operating revenues result from activities that are not directly related to the University's principal purposes, but that exist in order to support them, and generally consist of nonexchange transactions. Other revenues arise from nonexchange transactions, which provide funding for acquisitions of capital assets and additions to permanent endowments.

Interest expense is reported as a non-operating activity.

(k) Revenue Recognition

Student tuition and fees revenues are recognized in the period earned. Student tuition and fees collected in advance of the fiscal year-end are recorded as unearned advance payments in the statement of net position.

Grants and contracts revenues are recognized when the related expenses are incurred. The unexpended portion of advance grant payments is recorded as unearned advance payments in the statement of net position.

Investment income, which includes interest, dividends, and realized and unrealized gains and losses, is recognized on the accrual basis. Gains and losses on investments are determined using specific identification, except for mutual funds, which are based on average cost.

Gifts and bequests are recorded upon receipt by the University. Pledges, other than endowment, are recognized as gift income and recorded at their present value. Additions to permanent endowments are recognized upon their receipt.

(l) Facilities and Administrative Costs Recovery

Facilities and administrative costs are recovered at rates specified under the various grants and contracts or at a predetermined rate negotiated with the U.S. Department of Health and Human Services, the University's cognizant Federal agency, and are recorded as grants and contracts revenues as expenses are incurred.

(m) Auxiliary Activities

Auxiliary activities consist primarily of residence hall, parking operations, and food service commissions.

Notes to the Financial Statements (Dollars in thousands)

(n) Fringe Benefits Paid by the State

Certain fringe benefits for the University's employees are paid by the State. Such amounts (\$69,033 and \$57,176 in fiscal years 2021 and 2020, respectively) are included in State appropriations. The offsetting expenses are recorded within the appropriate operating expense categories.

(o) Risk Management

The University carries commercial insurance covering its risks of loss related to real and personal property, personal injuries, torts, errors and omissions, environmental damage, and natural and other unforeseen disasters.

(p) Tax Status

NJIT is a public research university that is exempt from income tax as a governmental organization under Section 115(a)(2) of the Internal Revenue Code. The Foundation and NJII are both recognized by the Internal Revenue Service as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code (the Code). All three organizations are exempt from Federal income taxes under Section 501(a) of the Code on income generated from activities that are substantially related to their tax-exempt purposes. NJIT, the Foundation, and NJII have determined that they do not generate any material revenues from an unrelated trade or business; accordingly, a tax provision has not been calculated within these financial statements. HF, formerly HCIS, is a New Jersey for-profit company that is subject to Federal and New Jersey state income taxes. HF has incurred losses since inception and determined that its tax exposure is immaterial and therefore, no income tax provision has been recorded. The UREs are limited liability companies wholly-owned by NJIT that are treated as disregarded entities for Federal income tax purposes.

(q) Pending Accounting Pronouncement

In June 2017, GASB issued Statement No. 87, *Leases*. This statement will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. This statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements. The requirements of this statement, as amended, are effective for financial statements for periods beginning after June 15, 2021. NJIT is evaluating the impact of adopting this statement.

Notes to the Financial Statements (Dollars in thousands)

2. Cash and Cash Equivalents, Investments, and Deposits Held with Trustees

Cash and cash equivalents, comprised of cash and money market funds, total \$113,329 and \$55,727 at June 30, 2021 and 2020, respectively.

The investments and deposits held with trustees, and their fair value measurements within the fair value hierarchy, are as follows:

	June 30, 2021				
	Total	Fair Value Measurements			
		Level 1	Level 2	Level 3	NAV
Investments:					
Money market funds	\$ 9,739	\$ 9,333	\$ 406	\$ -	\$ -
Corporate debt securities	192	-	192	-	-
Corporate equity securities	55	4	51	-	-
Mutual equity funds	110,612	69,538	41,074	-	-
Mutual bond funds	84,102	43,743	40,359	-	-
Hedge and other investment funds	8,563	-	-	73	8,490
	<u>213,263</u>	<u>122,618</u>	<u>82,082</u>	<u>73</u>	<u>8,490</u>
Deposits held with trustees:					
Money market funds	8,538	-	8,538	-	-
	<u>\$ 221,801</u>	<u>\$ 122,618</u>	<u>\$ 90,620</u>	<u>\$ 73</u>	<u>\$ 8,490</u>
	June 30, 2020				
	Fair Value Measurements				
	Total	Level 1	Level 2	Level 3	NAV
Investments:					
Money market funds	\$ 9,694	\$ 9,315	\$ 379	\$ -	\$ -
Corporate equity securities	5	5	-	-	-
Mutual equity funds	74,209	7,948	66,261	-	-
Mutual bond funds	93,251	46,471	46,780	-	-
Hedge and other investment funds	6,629	-	-	79	6,550
	<u>183,788</u>	<u>63,739</u>	<u>113,420</u>	<u>79</u>	<u>6,550</u>
Deposits held with trustees:					
Money market funds	8,052	-	8,052	-	-
	<u>\$ 191,840</u>	<u>\$ 63,739</u>	<u>\$ 121,472</u>	<u>\$ 79</u>	<u>\$ 6,550</u>

Hedge and other investment funds are comprised of private equity, real assets, and private debt. At June 30, 2021, the University is committed to invest an additional \$7,740 in these funds over the next several fiscal years.

Investments – capital construction represent the proceeds of the 2017 Series A bonds (see Note 6). These funds are separately invested and are designated for the acquisition and rehabilitation of certain capital projects.

Deposits held with trustees represent restricted funds held by U.S. Bank under terms of the general obligation bond agreements (see Note 6).

The University invests its endowment funds in accordance with applicable limitations set forth in gift instruments or guidelines established by NJIT's Board of Trustees and the Foundation's Board of Overseers. The University's investment strategy is to maintain purchasing power of pooled

Notes to the Financial Statements (Dollars in thousands)

endowment fund assets, with an emphasis on total return, as well as provide diversification with regard to the concentration of holdings in individual issues, issuers, countries, governments or industries. The following are the University's allocation guidelines by asset class and specific investment categories within each asset class:

Asset Class	Range
Equity Assets:	
Domestic equity	6% - 56%
International equity	0% - 9%
Other equity	0% - 20%
Income Assets:	
Fixed income	10% - 50%
Other income	0% - 20%
Alternative Assets:	
Private equity	0% - 25%
Private debt	0% - 25%
Real assets	0% - 25%
Hedge funds	0% - 20%
Cash Equivalents	0% - 20%

Custodial credit risk – deposits is the risk that, in the event of the failure of a depository financial institution, the University will not be able to recover deposits that are in that institution's possession. The University's investment policy does not address custodial credit risk - deposits. Cash and cash equivalents have a bank balance of \$114,626 and \$56,401, including cash held by depositories of \$9,498 and \$270 at June 30, 2021 and 2020, respectively, of which \$632 and \$270 are insured by the Federal Deposit Insurance Corporation (FDIC).

Custodial credit risk – investments is the risk that, in the event of the failure of a counterparty, the University will not be able to recover the value of the investments that are in that counterparty's possession. The University's investment policy does not address custodial credit risk – investments. The University's investment securities are exposed to custodial credit risk if the securities are uninsured and unregistered and held by the counterparty, or by its trust department or agent, but not in the University's name. At June 30, 2021 and 2020, \$221,801 and \$191,840, respectively, of investments and deposits held with trustees are either insured or held by the University or its agent in the University's name.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The University's investment policy places no limitation on the ratings for debt instruments. The money market funds and mutual bond funds included in the University's investment portfolio are not rated. The University's investments in corporate debt securities at June 30, 2021 are convertible bonds and are not rated.

Concentration of credit risk is the risk of loss attributed to the magnitude of the University's investment in a single issuer. There is a limit on the amount the University may invest in any issuer. The University's investments are diversified.

Notes to the Financial Statements (Dollars in thousands)

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The University's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

At June 30, 2021 and 2020, fixed income investments included in cash and cash equivalents, investments, and deposits held with trustees have the following maturities:

Maturing in Years	June 30, 2021		June 30, 2020
	Money market funds	Corporate debt securities	Money market funds
Less than 1	\$ 122,915	\$ -	\$ 73,175
1 to 5	-	192	-
	<u>\$ 122,915</u>	<u>\$ 192</u>	<u>\$ 73,175</u>

A portion of the University's endowment investments are held in an endowment investment pool, as follows:

	June 30,	
	2021	2020
Money market funds	\$ 3,714	\$ 4,946
Corporate equity securities	4	-
Corporate debt securities	192	-
Mutual equity funds	108,593	73,184
Mutual bond funds	42,823	42,356
Hedge and other investment funds	8,490	6,550
	<u>\$ 163,816</u>	<u>\$ 127,036</u>

For the years ended June 30, 2021 and 2020, the average return for the endowment investment pool was 26.0% and 3.7%, respectively.

The spending policy for endowment funds requires an annual calculation based on a three year rolling average of the fair value per pool unit. The spending rate for the years ended June 30, 2021 and 2020 was 4.6% and 4.7%, respectively. The University complies with the State's Uniform Prudent Management of Institutional Funds Act, which governs the management and use of funds held by it.

Notes to the Financial Statements (Dollars in thousands)

3. Capital Assets

The activity in capital assets and accumulated depreciation for the years ended June 30, 2021 and 2020 was as follows:

	June 30, 2020	Additions	Retirements	Placed Into Service	June 30, 2021
Depreciable assets:					
Land improvements	\$ 20,194	\$ -	\$ -	\$ -	\$ 20,194
Buildings and building improvements	768,944	3,166	-	14,625	786,735
Equipment and other assets	155,218	6,114	(2,844)	561	159,049
Total depreciable assets	944,356	9,280	(2,844)	15,186	965,978
Accumulated depreciation:					
Land improvements	6,568	987	-	-	7,555
Buildings and building improvements	341,635	24,432	-	-	366,067
Equipment and other assets	111,165	12,300	(2,717)	-	120,748
Total accumulated depreciation	459,368	37,719	(2,717)	-	494,370
Net depreciable assets	484,988	(28,439)	(127)	15,186	471,608
Nondepreciable assets:					
Land	22,353	1,261	-	-	23,614
Construction in progress	21,330	3,894	-	(15,186)	10,038
Capital assets, net	\$ 528,671	\$ (23,284)	\$ (127)	\$ -	\$ 505,260

	June 30, 2019	Additions	Retirements	Placed Into Service	June 30, 2020
Depreciable assets:					
Land improvements	\$ 12,322	\$ -	\$ -	\$ 7,872	\$ 20,194
Buildings and building improvements	729,295	15,238	-	24,411	768,944
Equipment and other assets	149,670	6,564	(4,054)	3,038	155,218
Total depreciable assets	891,287	21,802	(4,054)	35,321	944,356
Accumulated depreciation:					
Land improvements	5,778	790	-	-	6,568
Buildings and building improvements	318,210	23,425	-	-	341,635
Equipment and other assets	102,874	12,307	(4,016)	-	111,165
Total accumulated depreciation	426,862	36,522	(4,016)	-	459,368
Net depreciable assets	464,425	(14,720)	(38)	35,321	484,988
Nondepreciable assets:					
Land	18,375	3,678	-	300	22,353
Construction in progress	42,306	14,645	-	(35,621)	21,330
Capital assets, net	\$ 525,106	\$ 3,603	\$ (38)	\$ -	\$ 528,671

Notes to the Financial Statements
(Dollars in thousands)

4. Supplementary Statement of Net Position Detail

	June 30,	
	2021	2020
Grants and accounts receivable:		
Federal and state grants and accounts receivable	\$ 34,836	\$ 43,156
Student accounts receivable	7,482	7,660
Program services accounts receivable	1,705	2,252
Other grants and accounts receivable	2,000	2,567
Pledges receivable, current portion	1,352	1,283
Student loans receivable, current portion	126	131
Mortgages receivable, current portion	76	73
Accrued interest receivable	-	1
	<u>47,577</u>	<u>57,123</u>
Less: allowance for doubtful accounts	6,190	6,078
	<u>\$ 41,387</u>	<u>\$ 51,045</u>
Other assets, noncurrent:		
Building Our Future Bonds proceeds receivable	\$ -	\$ 24
Student loans receivable, net	43	-
Mortgages receivable	2,565	2,652
Pledges receivable, net	745	214
Other	754	574
	<u>\$ 4,107</u>	<u>\$ 3,464</u>
Deferred outflows of resources:		
Loss on defeasance of debt	\$ 3,333	\$ 3,687
Pension related	20,538	23,068
	<u>\$ 23,871</u>	<u>\$ 26,755</u>
Accounts payable and accrued liabilities:		
Salaries and fringe benefits	\$ 19,681	\$ 11,820
Accrued interest expense	5,766	6,010
Accounts payable – construction	3,164	5,795
Accounts payable – other	21,221	18,187
Other noncurrent liabilities, current portion	1,454	1,952
	<u>\$ 51,286</u>	<u>\$ 43,764</u>
Deferred inflows of resources:		
Gain on defeasance of debt	\$ 200	\$ 292
Annuity funds related	2,629	1,832
Pension related	33,886	32,460
	<u>\$ 36,715</u>	<u>\$ 34,584</u>

Notes to the Financial Statements (Dollars in thousands)

5. Noncurrent Liabilities

The activity in noncurrent liabilities for the years ended June 30, 2021 and 2020 was as follows:

	June 30, 2020	Additions	Reductions	June 30, 2021	Current Portion
Long-term debt	\$ 331,565	\$ -	\$ (8,084)	\$ 323,481	\$ 5,675
Unamortized net premium	15,446	-	(881)	14,565	892
Total long-term debt	347,011	-	(8,965)	338,046	6,567
Retirement incentive programs	4,230	179	(1,563)	2,846	681
Annuity funds liability	606	441	(391)	656	110
Insurance liability reserve	1,497	500	-	1,997	-
Pollution remediation liability	2,412	-	(813)	1,599	-
Compensated absences	2,997	60	(555)	2,502	420
Other	5,240	6,226	(1,319)	10,147	243
Total other noncurrent liabilities	16,982	7,406	(4,641)	19,747	1,454
Net pension liability	139,186	1,965	(5,751)	135,400	-
U.S. government grants refundable	86	206	(132)	160	-
	\$ 503,265	\$ 9,577	\$ (19,489)	\$ 493,353	\$ 8,021

	June 30, 2019	Additions	Reductions	June 30, 2020	Current Portion
Long-term debt	\$ 331,188	\$ 101,516	\$ (101,139)	\$ 331,565	\$ 7,178
Unamortized net premium	15,535	4,715	(4,804)	15,446	881
Total long-term debt	346,723	106,231	(105,943)	347,011	8,059
Retirement incentive programs	6,026	139	(1,935)	4,230	1,433
Annuity funds liability	646	252	(292)	606	99
Insurance liability reserve	1,417	186	(106)	1,497	-
Pollution remediation liability	2,035	377	-	2,412	-
Compensated absences	3,274	85	(362)	2,997	360
Other	5,318	98	(176)	5,240	60
Total other noncurrent liabilities	18,716	1,137	(2,871)	16,982	1,952
Net pension liability	147,616	10,232	(18,662)	139,186	-
U.S. government grants refundable	440	15	(369)	86	-
	\$ 513,495	\$ 117,615	\$ (127,845)	\$ 503,265	\$ 10,011

The current portion of other noncurrent liabilities is included in accounts payable and accrued liabilities.

Notes to the Financial Statements (Dollars in thousands)

6. Long-Term Debt

Long-term debt is comprised of:

	June 30,	
	2021	2020
General Obligation Bonds:		
2020 Series Direct Placement issue:		
Serial bonds (interest rates from 3.75% to 4.00%, due on various dates through fiscal year 2026)	\$ 7,155	\$ 7,155
Term bonds (interest rate at 5.00%, final maturity in fiscal year 2032)	21,205	21,205
2020 Series A issue:		
Serial bonds (interest rate at 5.00%, due on various dates through fiscal year 2034)	16,385	16,385
2020 Series B issue:		
Serial bonds (interest rate at 3.064%, due on various dates through fiscal year 2036)	5,560	5,560
Term bonds (interest rates from 3.014% to 3.415%, final maturity in fiscal year 2043)	47,540	47,540
2017 Series A issue:		
Term bonds (interest rates from 3.887% to 4.357%, final maturity in fiscal year 2048)	77,995	77,995
2015 Series A issue:		
Serial bonds (interest rates from 3.00% to 5.00%, due on various dates through fiscal year 2032)	9,425	9,425
Step coupon bonds (interest rates from 3.75% to 5.50%, final maturity in fiscal year 2036)	15,080	15,080
Term bonds (interest rate at 5.00%, final maturity in fiscal year 2046)	89,080	89,080
2012 Series B issue:		
Serial bonds (interest rates from 2.17% to 3.723%, due on various dates through fiscal year 2026)	8,620	9,995
Term bond (interest rate at 3.323%, maturity in fiscal year 2025)	5,630	5,630
Revenue Bonds:		
2010 Series H issue	-	980
Other Long-Term Debt:		
Higher Education Capital Improvement Fund	18,207	20,142
Equipment Leasing Fund	411	602
New Jersey Economic Development Authority note	981	1,120
Paycheck Protection Program loan	207	2,671
Other	-	1,000
	<u>323,481</u>	<u>331,565</u>
Unamortized net premium on obligations	14,565	15,446
	338,046	347,011
Less: current portion	6,567	8,059
	<u>\$ 331,479</u>	<u>\$ 338,952</u>

The interest rates on all of the University's long-term debt are fixed.

The 2020 Series Direct Placement Bonds were issued by the University for the purpose of advance refunding various bonds. The 2020 Series Direct Placement Bonds are subject to optional redemption prior to maturity, as defined in the bond documents.

Notes to the Financial Statements (Dollars in thousands)

The 2020 Series A Bonds were issued by the University for the purpose of advance refunding various bonds. The 2020 Series A bonds were issued at a premium of \$4,715, which is being amortized against interest expense over the life of the bonds. The 2020 Series A Bonds are subject to optional redemption prior to maturity on or after July 1, 2029 at a price of 100%.

The 2020 Series B Bonds were issued by the University for the purpose of advance refunding various bonds. The 2020 Series B Bonds are subject to optional redemption prior to maturity on any business day, in order of maturity and pro rata within a maturity, at the Make-Whole Redemption Price, as defined in the bond documents.

The 2017 Series A Bonds were issued by the University for the purpose of financing the acquisition of certain capital projects and advance refunding various bonds. The 2017 Series A Bonds are subject to optional redemption prior to maturity on or after July 1, 2027 at a price of 100%.

The 2015 Series A Bonds were issued by the University to provide funds to partially finance the costs of constructing a wellness and events center and a parking facility. The bonds were issued at a premium of \$11,148 which is being amortized against interest expense over the life of the bonds. The 2015 Series A Serial Bonds and Term Bonds are subject to optional redemption prior to maturity on or after July 1, 2025, and the 2015 Series A Step Coupon Bonds are subject to optional redemption prior to maturity on or after July 1, 2020 at a price of 100%.

The 2012 Series B Bonds were issued by the University for the purpose of advance refunding various bonds. The 2012 Series B Bonds are subject to optional redemption prior to maturity at any time at a price equal to the greater of 100% or the sum of the present value of the remaining scheduled payments of principal and interest.

The Higher Education Capital Improvement Fund (HECIF) debt was issued by NJEFA to provide funds for certain construction and facilities improvements at the State's public institutions of higher education. The University is responsible for one-third of its allocated debt service payments and related program service expenses. The HECIF debt bears interest rates from 3.00% to 5.50% and matures at various dates through fiscal year 2037.

The Equipment Leasing Fund (ELF) debt was issued by NJEFA to provide funds to finance certain equipment at the State's public institutions of higher education. The University is responsible for twenty-five percent of the debt service payments and related program expenses. The ELF debt matures in fiscal year 2023.

The New Jersey Economic Development Authority note, which matures in fiscal year 2028, is noninterest bearing and payable monthly. Imputed interest expense totaled \$47 and \$40 in fiscal years 2021 and 2020, respectively.

In April 2020, NJIT received loan proceeds of \$2,671 under the Paycheck Protection Program (PPP) from Mid Penn Bank. The PPP, established as part of the Federal Coronavirus Aid, Relief and Economic Security (CARES) Act, provided loans to qualifying businesses. The loans and accrued interest are forgivable after twenty four weeks providing certain criteria are met. In fiscal year 2021, \$2,464 of the PPP loan was forgiven. The unforgiven portion of the PPP loan is payable in fiscal year 2022 at an interest rate of 1.0%.

Notes to the Financial Statements (Dollars in thousands)

All long-term debt agreements contain acceleration repayment clauses related to events of default whereby outstanding principal and related accrued interest may be immediately due and payable.

At June 30, 2021, deposits held with trustees included \$3,005 for principal payments on bonds due on July 1, 2021. Payments due on long-term debt, including mandatory sinking fund payments on the bonds, are as follows for the fiscal years ending June 30:

	Principal	Interest	Total
2022	\$ 6,709	\$ 13,470	\$ 20,179
2023	7,092	13,208	20,300
2024	7,014	12,945	19,959
2025	6,882	12,685	19,567
2026	6,546	12,607	19,153
2027 to 2031	44,669	58,736	103,405
2032 to 2036	70,611	46,988	117,599
2037 to 2041	67,567	33,003	100,570
2042 to 2046	84,100	16,503	100,603
2047	19,286	840	20,126
	<u>\$ 320,476</u>	<u>\$ 220,985</u>	<u>\$ 541,461</u>

The University entered into a line of credit agreement with a bank permitting it to borrow up to \$8,000 at the London Interbank Offered Rate (LIBOR) plus the applicable margin (1.65%) at the time of utilization. There were no borrowings against the agreement in fiscal year 2021 nor in fiscal year 2022 as of the date of financial statement issuance. In December 2021, the University's line of credit agreement was amended to replace LIBOR with the Secured Overnight Financing Rate (SOFR) as administered by the New York Federal Reserve Bank (NYFRB) plus the applicable margin (1.65%) at the time of utilization.

Deferred loss on refunding associated with the University's long-term debt totaled \$3,333 and \$3,687, net of accumulated amortization of \$2,561 and \$2,207, at June 30, 2021 and 2020, respectively.

Deferred gain on refunding associated with the University's long-term debt totaled \$200 and \$292, net of accumulated amortization of \$706 and \$614, at June 30, 2021 and 2020, respectively.

Interest charges incurred in fiscal years 2021 and 2020 totaled \$12,901 and \$14,293, respectively.

The University has defeased various bonds with the proceeds of new debt. The funds are deposited to an irrevocable escrow trust account for the payment of the principal and interest on the refunded bonds. The defeased bonds and the related trusts are not reflected in the accompanying financial statements. As of June 30, 2021, the University's defeased debt is as follows:

	Amount Defeased	Final Maturity	Amount Outstanding
2012 Series A General Obligation Bonds	\$ 65,400	7/1/2022	\$ 65,150
2015 Series A General Obligation Bonds	3,095	7/1/2025	3,095
	<u>\$ 68,495</u>		<u>\$ 68,245</u>

Notes to the Financial Statements (Dollars in thousands)

7. Compensated Absences

Eligible employees accrue vacation leave based upon time employed with a maximum accumulation at June 30 of 10 to 50 days. In addition, eligible employees who retire are paid 50% of their unused sick time up to a maximum of \$15 per employee.

At June 30, 2021 and 2020, accounts payable and accrued liabilities include accrued vacation and related fringe benefits of \$7,101 and \$5,089, respectively, and unused sick time of \$420 and \$360, respectively. At June 30, 2021 and 2020, other noncurrent liabilities include \$2,082 and \$2,637, respectively, of unused sick time. In fiscal years 2021 and 2020, payments for unused sick time totaled \$555 and \$362, respectively.

8. Retirement Programs

General Information about Pension Plans

The University participates in several retirement plans covering its employees – the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), the Teachers' Pension and Annuity Fund (TPAF), and the Alternate Benefit Program (ABP), which are administered by the State of New Jersey, Division of Pensions and Benefits (the Division); New Jersey Institute of Technology Supplemental Benefit Program and Trust (the Supplemental Program) administered by the Teachers Insurance and Annuity Association (TIAA) governed by NJIT's Board of Trustees; and the NJII 401(k) Plan (the NJII Plan) administered by Principal Life Insurance Company. PERS, PFRS, and TPAF are defined benefit pension plans; ABP, the Supplemental Program, and the NJII Plan are defined contribution pension plans. Generally, all employees, except certain part-time employees, are eligible to participate in one of these plans.

The State issues a publicly available Comprehensive Annual 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 fiduciary net position. These reports can be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295, or obtained at www.state.nj.us/treasury/pensions/financial-reports.shtml.

Defined Benefit Plans

Public Employees' Retirement System

PERS is a cost sharing multi-employer defined benefit pension plan, which provides coverage to substantially all full-time employees and certain part-time employees of the State or public agencies who generally are not members of another State-administered retirement system.

Membership is mandatory for eligible employees. The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, life insurance, and disability benefits, including post-retirement health care benefits. All benefits vest after ten years of service, except for health care benefits, which vest after 25 years of service, or under the disability provisions of PERS. Pension benefits are determined by a member's tier (based on date of enrollment), as defined in the PERS plan documents, member's age, years of service, and final average salary.

Notes to the Financial Statements (Dollars in thousands)

The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. The current employee contribution rate is 7.50% of base salary. Employer contributions are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The State's contribution on behalf of NJIT (State Contribution) to PERS was \$5,414 and \$4,535 for the fiscal years ended June 30, 2021 and 2020, respectively, which is recognized as deferred outflows of resources in the statement of net position.

NJIT participated in the State's early retirement incentive programs and is responsible for retirement incentive program contributions to PERS, which were \$235 and \$227 for the years ended June 30, 2021 and 2020, respectively.

Police and Firemen's Retirement System

PFRS is a cost sharing multiple-employer defined benefit pension plan, which provides coverage for substantially all permanent, full-time police officers and firefighters in the State.

Membership is mandatory for eligible employees. The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death, and disability benefits, including post-retirement health care benefits. All benefits vest after ten years of service, except disability benefits, which vest after four years of service. Pension benefits are determined by member's tier (based on date of enrollment), as defined in the PFRS plan documents, member's age, years of service, and final compensation.

The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. The current employee contribution rate is 10% of base salary. Employer contributions are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The State Contribution to PFRS was \$2,156 and \$1,885 for the fiscal years ended June 30, 2021 and 2020, respectively, which is recognized as deferred outflows of resources in the statement of net position.

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 is responsible to fund 100% of NJIT's contributions, excluding any of NJIT's early retirement incentive contributions. NJIT does not have any active members in TPAF.

Membership is mandatory for eligible employees. The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits, including post-retirement health care benefits. All benefits vest after ten years of service, except medical benefits, which vest after 25 years of service or under the disability provision of TPAF. Members are always fully vested in 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. Pension benefits are based on member's tier (based on date of enrollment), as defined in the TPAF plan documents, member's age, years of service, and final average salary.

Notes to the Financial Statements (Dollars in thousands)

The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The State Contribution is based on an actuarially determined rate, and includes funding for basic retirement allowances and noncontributory death benefits for all participating employers. For the fiscal years ended June 30, 2021 and 2020, NJIT recognized both state appropriation revenue and pension expense of \$97 and \$84, respectively, for contributions by the State.

NJIT participated in the State's early retirement incentive programs and is responsible for retirement incentive program contributions to TPAF, which were \$62 and \$60 for the years ended June 30, 2021 and 2020, respectively.

Net pension liabilities, pension expense, deferred outflows of resources, and deferred inflows of resources related to pensions

Net pension liabilities, pension expense, deferred outflows of resources, and deferred inflows of resources amounts are reflective of the respective plan's published financial statements and actuarial valuations as of June 30, 2020 and 2019.

NJIT's respective net pension liability, deferred outflows of resources, deferred inflows of resources, and net pension expense related to PERS and PFRS, at and for the fiscal years ended June 30, 2021 and 2020, are as follows:

	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Proportionate share of the net pension liability (\$)			
2021	\$ 113,053	\$ 22,347	\$ 135,400
2020	\$ 118,803	\$ 20,383	\$ 139,186
Proportionate share of the net pension liability (%)			
2021	0.509%	0.520%	
2020	0.516%	0.485%	
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Deferred outflows of resources			
2021	\$ 15,819	\$ 4,719	\$ 20,538
2020	\$ 19,651	\$ 3,417	\$ 23,068
Deferred inflows of resources			
2021	\$ 29,146	\$ 4,740	\$ 33,886
2020	\$ 26,745	\$ 5,715	\$ 32,460
Net pension expense			
2021	\$ 481	\$ (311)	\$ 170
2020	\$ 4,067	\$ (318)	\$ 3,749

Notes to the Financial Statements (Dollars in thousands)

NJIT's proportionate share of each respective plan's 2021 and 2020 net pension liability was based on the State Contribution to the respective plans from July 1, 2019 to June 30, 2020 and July 1, 2018 to June 30, 2019, respectively, relative to the total contributions from all participating employers.

The components of pension related deferred outflows of resources and deferred inflows of resources as of June 30, 2021 and June 30, 2020 are as follows:

Deferred outflows of resources

	June 30, 2021		
	PERS	PFRS	Total
Differences between expected and actual experience	\$ 2,972	\$ -	\$ 2,972
Net difference between projected and actual earnings on pension plan investments	1,283	542	1,825
Changes in assumptions	1,886	16	1,902
Changes in proportion	4,264	2,005	6,269
Contributions paid subsequent to June 30, 2020	5,414	2,156	7,570
	<u>\$ 15,819</u>	<u>\$ 4,719</u>	<u>\$ 20,538</u>

	June 30, 2020		
	PERS	PFRS	Total
Differences between expected and actual experience	\$ 1,227	\$ -	\$ 1,227
Net difference between projected and actual earnings on pension plan investments	115	259	374
Changes in assumptions	6,596	270	6,866
Changes in proportion	7,178	1,003	8,181
Contributions paid subsequent to June 30, 2019	4,535	1,885	6,420
	<u>\$ 19,651</u>	<u>\$ 3,417</u>	<u>\$ 23,068</u>

Deferred inflows of resources

	June 30, 2021		
	PERS	PFRS	Total
Differences between expected and actual experience	\$ 609	\$ 390	\$ 999
Changes in assumptions	25,454	2,653	28,107
Changes in proportion	3,083	1,697	4,780
	<u>\$ 29,146</u>	<u>\$ 4,740</u>	<u>\$ 33,886</u>

	June 30, 2020		
	PERS	PFRS	Total
Differences between expected and actual experience	\$ 851	\$ 480	\$ 1,331
Changes in assumptions	23,826	2,853	26,679
Changes in proportion	2,068	2,382	4,450
	<u>\$ 26,745</u>	<u>\$ 5,715</u>	<u>\$ 32,460</u>

Notes to the Financial Statements (Dollars in thousands)

The State is legally obligated to fund TPAF on behalf of NJIT. NJIT's proportionate share of deferred outflows of resources, deferred inflows of resources, and the collective net pension liability of \$1,557 and \$1,430 as of June 30, 2021 and 2020, respectively, are reported by the State.

The \$7,570 and \$6,420 reported as deferred outflows of resources related to pensions resulting from State Contributions paid subsequent to June 30, 2020 and 2019, respectively, are recorded as deferred outflows of resources as of June 30, 2021 and 2020, respectively, and will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2022 and fiscal year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be reflected in pension expense in the fiscal years ended June 30, as follows:

	PERS	PFRS	Total
2022	\$ (3,191)	\$ (896)	\$ (4,087)
2023	(6,174)	(651)	(6,825)
2024	(5,905)	(441)	(6,346)
2025	(3,143)	(326)	(3,469)
2026	(328)	137	(191)
	(18,741)	(2,177)	(20,918)
Contributions paid subsequent to June 30, 2020	5,414	2,156	7,570
	<u>\$ (13,327)</u>	<u>\$ (21)</u>	<u>\$ (13,348)</u>

Defined Benefit Actuarial Assumptions

NJIT's net pension liability as of June 30, 2021 for each plan was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. NJIT's net pension liability as of June 30, 2020 for each plan was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The total pension liability for each plan was determined using the following actuarial assumptions:

	2021		
	PERS	PFRS	TPAF
Valuation date	7/1/2019	7/1/2019	7/1/2019
Measurement date	6/30/2020	6/30/2020	6/30/2020
Inflation rate:			
Price	2.75%	2.75%	2.75%
Wage	3.25%	3.25%	3.25%
Salary increases:			
Through 2026	2.00% - 6.00% based on years of service	3.25% - 15.25% based on years of service	1.55% - 4.45% based on years of service
Thereafter	3.00% - 7.00% based on years of service	3.25% - 15.25% based on years of service	2.75% - 5.65% based on years of service
Investment rate of return	7.00%	7.00%	7.00%
Municipal bond rate - 2020	2.21%	2.21%	2.21%
Discount rate - 2020	7.00%	7.00%	5.40%
Experience study dates	7/1/2014-6/30/2018	7/1/2013-6/30/2018	7/1/2015-6/30/2018

Notes to the Financial Statements (Dollars in thousands)

	2020		
	PERS	PFRS	TPAF
Valuation date	7/1/2018	7/1/2018	7/1/2018
Measurement date	6/30/2019	6/30/2019	6/30/2019
Inflation rate:			
Price	2.75%	2.75%	2.75%
Wage	3.25%	3.25%	3.25%
Salary increases:			
Through 2026	2.00% - 6.00% based on years of service	3.25% - 15.25% based on years of service	1.55% - 4.45% based on years of service
Thereafter	3.00% - 7.00% based on years of service	3.25% - 15.25% based on years of service	2.75% - 5.65% based on years of service
Investment rate of return	7.00%	7.00%	7.00%
Municipal bond rate – 2019	3.50%	3.50%	3.50%
Discount rate – 2019	6.28%	6.85%	5.60%
Experience study dates	7/1/2014-6/30/2018	7/1/2013-6/30/2018	7/1/2015-6/30/2018

For the June 30, 2020 and 2019 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 a 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. Mortality improvement is based on Scale MP-2020 and Scale MP-2019 for June 30, 2020 and 2019 measurement dates, respectively.

For the June 30, 2020 and 2019 measurement dates, PFRS pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% 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 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries, 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 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020 and Scale MP-2019 for June 30, 2020 and 2019 measurement dates, respectively.

For the June 30, 2020 and 2019 measurement dates, TPAF pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% 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 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment

Notes to the Financial Statements (Dollars in thousands)

for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020 and Scale MP-2019 for June 30, 2020 and 2019 measurement dates, respectively.

Discount Rate

The discount rates in the above tables used to measure the total pension liabilities for PERS, PFRS, and TPAF, respectively, are single blended discount rates based on the long-term expected rate of return on pension plan investments and the municipal bond rates specified in the tables. The municipal bond rate is based on the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rate of AA/Aa or higher.

For the June 30, 2020 measurement date, 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 78% of the actuarially determined contributions for the State for PERS, PFRS, and TPAF. Based upon 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, and projected future benefit payments through 2062 for TPAF. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability for PERS and PFRS, and projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability for TPAF.

For the June 30, 2019 measurement date, 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 70% of the actuarially determined contributions for the State for PERS, PFRS, and TPAF. Based upon those assumptions, each plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057, 2076, and 2054 for PERS, PFRS, and TPAF, respectively. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, 2076, and 2054 for PERS, PFRS, and TPAF, respectively, and the municipal bond rate was applied to projected benefit payments after these dates in determining the total pension liability for each plan.

Long-Term Expected Rate of Return

The long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and the Division of Pensions and Benefits, each pension plan's board of trustees, and the actuaries. Best estimates of real rates of return for each major asset class included in each of PERS, PFRS, and TPAF's target asset allocations as of June 30, 2021 and 2020 are as follows:

Notes to the Financial Statements (Dollars in thousands)

Asset Class	June 30, 2021		June 30, 2020	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equity	27.00%	7.71%	28.00%	8.26%
Non-U.S. developed markets equity	13.50%	8.57%	12.50%	9.00%
Emerging markets equity	5.50%	10.23%	6.50%	11.37%
Private equity	13.00%	11.42%	12.00%	10.85%
Real assets	3.00%	9.73%	2.50%	9.31%
Real estate	8.00%	9.56%	7.50%	8.33%
High yield	2.00%	5.95%	2.00%	5.37%
Private credit	8.00%	7.59%	6.00%	7.92%
Investment grade credit	8.00%	2.67%	10.00%	4.25%
Cash equivalents	4.00%	0.50%	5.00%	2.00%
U.S. treasuries	5.00%	1.94%	5.00%	2.68%
Risk mitigation strategies	3.00%	3.40%	3.00%	4.67%

Discount Rate Sensitivity

NJIT's proportionate share of the net pension liability as of June 30, 2021 and 2020, calculated using the respective discount rate, as well as what NJIT's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate are as follows:

	June 30, 2021			
	PERS		PFRS	
	Rate	Amount	Rate	Amount
1% decrease	6.0%	\$ 128,974	6.0%	\$ 25,985
Current discount rate	7.0%	113,053	7.0%	22,347
1% increase	8.0%	99,584	8.0%	19,326

	June 30, 2020			
	PERS		PFRS	
	Rate	Amount	Rate	Amount
1% decrease	5.28%	\$ 136,683	5.85%	\$ 23,840
Current discount rate	6.28%	118,803	6.85%	20,383
1% increase	7.28%	103,779	7.85%	17,523

Notes to the Financial Statements (Dollars in thousands)

Defined Contribution Pension Plans

Alternate Benefits Program

The Alternate Benefit Program (ABP) is a defined contribution retirement program administered by the Division for eligible full-time employees in accordance with N.J.S.A. 52:18A.

Membership is mandatory for eligible employees. ABP provides retirement benefits, life insurance, and long-term disability coverage. Employee contributions are immediately vested and non-forfeitable. Employer contributions vest after one year of service and become non-forfeitable. Disability benefits vest after one year of service, life insurance benefits vest after ten years of service, and health care benefits vest after 25 years of service. Benefits are determined by the amount of individuals' account accumulations and the retirement income option selected.

The current employee contribution rate is 5% of base salary. Employees may contribute a voluntary additional contribution up to the maximum Federal statutory limit, on a pre-tax basis. Employer contributions are 8% of base salary up to \$175. For the fiscal years ended June 30, 2021 and 2020, NJIT's contributions to ABP were \$8,672 and \$8,760, respectively.

New Jersey Institute of Technology Supplemental Benefit Program and Trust

The Supplemental Program is a defined contribution plan administered by TIAA and governed by NJIT's Board of Trustees for ABP participants whose base salary is in excess of \$175, but not in excess of the Federal limit. All plan assets are held in trust. Employer contributions vest after one year of service and become non-forfeitable.

Employer contributions are at the discretion of NJIT, while employees may not contribute. NJIT's contributions were \$17 and \$356 for the fiscal years ended June 30, 2021 and 2020, respectively.

NJII 401(k) Plan

Employees eligible to participate in the NJII 401(k) Plan are able to contribute up to 5% of base salary, with an employer safe harbor matching contribution equal to 160% of the elective deferral that does not exceed the 5% of base compensation. The NJII 401(k) Plan is administered by Principal Life Insurance Company. Employee contributions and employer safe harbor contributions and earnings are immediately 100% vested. NJII's contributions to the NJII 401(k) Plan were \$643 and \$629 for the fiscal years ended June 30, 2021 and 2020, respectively.

9. Other Postemployment Benefits

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

The Plan is a single-employer defined benefit other postemployment benefits (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 with 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

Notes to the Financial Statements (Dollars in thousands)

one or more of the following pension plans: PERS, ABP, or PFRS. In addition, N.J.S.A. 52-14-17.26 provides that for purposes of the Plan, an employee of NJIT shall be deemed to be an employee of the State. As such, the State is legally obligated for the benefit payments on behalf of the retirees of NJIT; therefore, the Plan meets the definition of a special funding situation as defined in GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75).

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

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

Total OPEB liability and OPEB expense

At June 30, 2021 and 2020, the State recorded a liability for NJIT, which represents the portion of the State's total proportionate share of the collective total OPEB liability that is associated with NJIT (NJIT's share). NJIT's share was based on the ratio of its members to the total members of the Plan. As the State is legally obligated for benefit payments on behalf of NJIT, NJIT recognized revenue related to the support provided by the State as well as OPEB expense.

NJIT's share of the State liability, special funding situation, and the Plan as well as NJIT's OPEB revenue and expense as of June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
NJIT's share of State liability	\$ 298,235	\$ 188,943
NJIT's share of special funding situation	3.729%	3.440%
NJIT's share of the Plan	1.054%	1.038%
NJIT's OPEB revenue and expense	\$ 5,227	\$ 1,128

Actuarial assumptions and other inputs

The State's liability associated with NJIT at June 30, 2021 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to the measurement date of June 30, 2020. The State's liability associated with NJIT at June 30, 2020 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to the measurement date of June 30, 2019. The following actuarial assumptions were utilized:

Notes to the Financial Statements
(Dollars in thousands)

	<u>2021</u>	<u>2020</u>
Inflation rate	2.50%	2.50%
Salary increases:		
Through 2026	1.55% - 15.25%	1.55% - 15.25%
Thereafter	2.75% - 15.25%	1.55% - 15.25%
Discount rate	2.21%	3.50%

The discount rate was 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, 2019 and June 30, 2018 valuations were based on the results of actuarial experience studies of the State’s defined benefit plans. For both June 30, 2019 and June 30, 2018 valuations this included: ABP (using the experience of TPAF – July 1, 2015 through June 30, 2018), PERS (July 1, 2014 through June 30, 2018), and PFRS (July 1, 2013 through June 30, 2018).

For the June 30, 2020 measurement date, preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 “Safety” (PFRS), “Teachers” (ABP), and “General” (PERS) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

For the June 30, 2019 measurement date, preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. 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-2019. Disability mortality was based on the Pub-2010 “Safety” (PFRS), “Teachers” (ABP), and “General” (PERS) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

Health Care Trend Assumptions

For the June 30, 2020 measurement date, the trend rate for pre-Medicare medical benefits is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the Medicare Advantage trend rate is 4.5% for all future years. For prescription drug

Notes to the Financial Statements (Dollars in thousands)

benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

For the June 30, 2019 measurement date, the trend rate for pre-Medicare medical benefits is initially 5.7% and decreases to a 4.5% long-term trend rate after eight 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 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

10. Condensed Combining Financial Statement Information

The condensed combining statements of net position, of revenues, expenses, and changes in net position, and of cash flows for NJIT, the Foundation, NJII, and the UREs at June 30, 2021 and for the year then ended are as follows:

	At June 30, 2021					
	NJIT	Foundation	NJII	UREs	Reclassifications / Eliminations	Combined
Cash and cash equivalents	\$ 112,277	\$ 2,891	\$ 1,052	\$ 2	\$ (2,893)	\$ 113,329
Other current assets	89,656	1,233	1,578	19	(1,234)	91,252
Due from NJIT	-	-	4,361	-	(4,361)	-
Capital assets, net	478,703	-	7,433	19,125	(1)	505,260
Other noncurrent assets	15,544	173,694	27	-	(4,029)	185,236
Investment in UREs	19,123	-	-	-	(19,123)	-
Total assets	715,303	177,818	14,451	19,146	(31,641)	895,077
Deferred outflows of resources	23,871	-	-	-	-	23,871
Due to NJII	4,361	-	-	-	(4,361)	-
Due to Foundation	2,825	66	-	-	(2,891)	-
Other current liabilities	71,984	130	12,360	23	(1,236)	83,261
Noncurrent liabilities	484,786	546	4,030	-	(4,030)	485,332
Total liabilities	563,956	742	16,390	23	(12,518)	568,593
Deferred inflows of resources	34,086	2,629	-	-	-	36,715
Net investment in capital assets	142,255	-	2,168	19,125	-	163,548
Restricted nonexpendable	-	95,353	-	-	-	95,353
Restricted expendable	17,956	45,512	-	-	-	63,468
Unrestricted	(19,079)	33,582	(4,107)	(2)	(19,123)	(8,729)
Total net position	\$ 141,132	\$ 174,447	\$ (1,939)	\$ 19,123	\$ (19,123)	\$ 313,640

Notes to the Financial Statements (Dollars in thousands)

	For the Year Ended June 30, 2021					
	NJIT	Foundation	NJII	UREs	Reclassifications / Eliminations	Combined
Gifts and bequests	\$ -	\$ 4,145	\$ -	\$ -	\$ (4,145)	\$ -
Other operating revenues	286,038	2,361	27,675	1,248	(20,311)	297,011
Total operating revenues	286,038	6,506	27,675	1,248	(24,456)	297,011
Depreciation	36,402	-	428	889	-	37,719
Grants to NJIT	-	8,924	-	-	(8,924)	-
Grants to NJIT student fraternities	-	10	-	-	(10)	-
Other operating expenses	379,319	2,746	30,704	1,997	(20,755)	394,011
Total operating expenses	415,721	11,680	31,132	2,886	(29,689)	431,730
Operating loss	(129,683)	(5,174)	(3,457)	(1,638)	5,233	(134,719)
Gifts and bequests	8,595	-	-	-	(5,258)	3,337
Investment income	6,991	35,535	-	-	-	42,526
Other non-operating revenues, net	127,925	24	2,464	-	898	131,311
Capital grants and gifts	-	-	-	718	47	765
Additions to permanent endowments	-	8,223	-	-	-	8,223
Increase (decrease) in net position	13,828	38,608	(993)	(920)	920	51,443
Net position, beginning of year	127,304	135,839	(946)	20,043	(20,043)	262,197
Net position, end of year	\$ 141,132	\$ 174,447	\$ (1,939)	\$ 9,123	\$ 19,123	\$ 313,640

	For the Year Ended June 30, 2021					
	NJIT	Foundation	NJII	UREs	Reclassifications / Eliminations	Combined
Net cash provided (used) by:						
Operating activities	\$ 14,026	\$ (5,495)	\$ 1,989	\$ (718)	\$ (13,527)	\$ (3,725)
Noncapital financing activities	62,737	7,814	-	718	15,905	87,174
Capital financing activities	(31,286)	-	(1,017)	-	(2,446)	(34,749)
Investing activities	11,153	(2,251)	-	-	-	8,902
Net increase in cash and cash equivalents	56,630	68	972	-	(68)	57,602
Cash and cash equivalents, beginning of year	55,647	2,823	80	2	(2,825)	55,727
Cash and cash equivalents, end of year	\$ 112,277	\$ 2,891	\$ 1,052	\$ 2	\$ (2,893)	\$ 113,329

Notes to the Financial Statements (Dollars in thousands)

The condensed combining statements of net position, of revenues, expenses, and changes in net position, and of cash flows for NJIT, the Foundation, NJII, and the UREs at June 30, 2020 and for the year then ended are as follows:

	At June 30, 2020					
	NJIT	Foundation	NJII	UREs	Reclassifications / Eliminations	Combined
Cash and cash equivalents	\$ 55,647	\$ 2,823	\$ 80	\$ 2	\$ (2,825)	\$ 55,727
Other current assets	107,722	954	1,159	50	(512)	109,373
Due from NJIT	-	82	2,050	-	(2,132)	-
Capital assets, net	502,062	-	6,595	20,014	-	528,671
Other noncurrent assets	13,312	134,426	-	-	(4,005)	143,733
Investment in UREs	20,043	-	-	-	(20,043)	-
Total assets	698,786	138,285	9,884	20,066	(29,517)	837,504
Deferred outflows of resources	26,755	-	-	-	-	26,755
Due to NJII	2,050	-	-	-	(2,050)	-
Due to Foundation	2,905	-	-	-	(2,905)	-
Other current liabilities	68,896	107	5,712	23	(514)	74,224
Noncurrent liabilities	491,634	507	5,118	-	(4,005)	493,254
Total liabilities	565,485	614	10,830	23	(9,474)	567,478
Deferred inflows of resources	32,752	1,832	-	-	-	34,584
Net investment in capital assets	159,538	-	1,626	20,014	-	181,178
Restricted nonexpendable	-	85,702	-	-	-	85,702
Restricted expendable	16,835	22,038	5	-	-	38,878
Unrestricted	(49,069)	28,099	(2,577)	29	(20,043)	(43,561)
Total net position	\$ 127,304	\$ 135,839	\$ (946)	\$ 20,043	\$ (20,043)	\$ 262,197

Notes to the Financial Statements (Dollars in thousands)

	For the Year Ended June 30, 2020					
	NJIT	Foundation	NJII	UREs	Reclassifications / Eliminations	Combined
Gifts and bequests	\$ -	\$ 6,832	\$ 150	\$ -	\$ (6,982)	\$ -
Other operating revenues	285,011	2,634	20,436	1,383	(15,375)	294,089
Total operating revenues	285,011	9,466	20,586	1,383	(22,357)	294,089
Depreciation	35,495	-	138	889	-	36,522
Grants to NJIT	-	10,272	-	-	(10,272)	-
Grants to NJIT student fraternities	-	11	-	-	(11)	-
Other operating expenses	365,324	3,140	23,742	1,893	(15,496)	378,603
Total operating expenses	400,819	13,423	23,880	2,782	(25,779)	415,125
Operating loss	(115,808)	(3,957)	(3,294)	(1,399)	3,422	(121,036)
Gifts and bequests	10,193	-	-	-	(6,563)	3,630
Investment income	2,080	4,979	-	-	-	7,059
Other non-operating revenues, net	80,732	23	-	-	4,496	85,251
Capital grants and gifts	-	-	1,203	517	(473)	1,247
Additions to permanent endowments	-	2,901	-	-	-	2,901
(Decrease) increase in net position	(22,803)	3,946	(2,091)	(882)	882	(20,948)
Net position, beginning of year	150,107	131,893	1,145	20,925	(20,925)	283,145
Net position, end of year	\$ 127,304	\$ 135,839	\$ (946)	\$ 20,043	\$ (20,043)	\$ 262,197

	For the Year Ended June 30, 2020					
	NJIT	Foundation	NJII	UREs	Reclassifications / Eliminations	Combined
Net cash provided (used) by:						
Operating activities	\$ (3,791)	\$ (909)	\$ (3,308)	\$ (517)	\$ (16,020)	\$ (24,545)
Noncapital financing activities	34,860	2,345	2,671	517	20,197	60,590
Capital financing activities	(43,907)	-	509	-	(4,473)	(47,871)
Investing activities	(19,943)	(1,140)	-	-	-	(21,083)
Net (decrease) increase in cash and cash equivalents	(32,781)	296	(128)	-	(296)	(32,909)
Cash and cash equivalents, beginning of year	88,428	2,527	208	2	(2,529)	88,636
Cash and cash equivalents, end of year	\$ 55,647	\$ 2,823	\$ 80	\$ 2	\$ (2,825)	\$ 55,727

Notes to the Financial Statements (Dollars in thousands)

11. Net Position

The components of unrestricted net position are as follows:

	June 30,	
	2021	2020
Designated unrestricted net position:		
Quasi-endowments	\$ 30,713	\$ 25,202
Instructional and other	8,995	6,107
Construction and capital programs	39,392	31,233
Debt service	19,066	18,508
Pollution remediation	1,599	2,412
Outstanding purchase orders	5,267	2,847
	<hr/> 105,032	<hr/> 86,309
Undesignated unrestricted net position		
Pension related	(148,748)	(148,578)
Operations	34,987	18,708
	<hr/> \$ (8,729)	<hr/> \$ (43,561)

12. Commitments and Contingencies

At June 30, 2021, open purchase orders totaled \$70,311, primarily for research and construction and capital program expenditures.

In the normal course of business, the University is subject to various lawsuits and claims. Management believes that the ultimate resolution of these matters will not have a significant effect on the University's financial position.

The University administers Federal and State grants and contracts, reimbursements from which are subject to review and audit by the respective sponsoring agencies. Such audits could result in disallowances and other adjustments. The University believes disallowances, if any, would not significantly affect the accompanying financial statements.

13. Discretely Presented Component Unit

Tax Status

CHF-Newark is an Alabama limited liability company, whose sole member is Collegiate Housing Foundation, an Alabama non-profit corporation. CHF-Newark is treated as a disregarded entity for Federal income tax purposes.

Investments – capital construction

CHF-Newark's proceeds from the sale of the 2021 Essex County Improvement Authority bonds for the design and construction of a residence hall are held by trustees. The fair value of these investments was \$88,861 at June 30, 2021. Substantially all of these investments are of a highly liquid, short-term nature.

Notes to the Financial Statements (Dollars in thousands)

Accounts payable and accrued liabilities

CHF-Newark's accounts payable and accrued liabilities in the amount of \$4,348 at June 30, 2021 consist of construction and retainage payables and accrued bond interest.

Prepaid ground lease and long-term debt

In August 2021, NJIT entered into a ground lease with CHF-Newark, a legally separate entity, that will develop and own a residence hall on land leased to it by NJIT. CHF-Newark, through the Essex County Improvement Authority, has outstanding \$80,035 Series 2021A and \$10,970 Series 2021B General Obligation Lease Revenue Bonds to finance the construction of the residence hall. CHF-Newark will manage the premises. All costs associated with the ownership, operation and management of the improvements are the obligation of CHF-Newark. Student rental rates will be established in order to provide for operating expenses and maintain the required debt service coverage ratios. The bonds have annual principal and semiannual interest payments, serial and term maturities, certain sinking fund requirements and optional redemption provisions. They are not collateralized by any encumbrance, mortgage or other pledge of property, except pledged revenues of the student housing project, and do not constitute general obligations of NJIT.

The bonds mature at various dates through fiscal year 2061 and have a stated weighted average interest rate of 4.00% to 5.00%. Proceeds, including a bond premium of \$15,155, are used to pay for project construction and issuance costs. The deferred premium will be amortized as a reduction to interest expense over the term of the bonds.

14. Subsequent Events

In April 2022, the University cancelled the loan, mortgage, and ground lease between the University and Alpha Rho Alpha Sigma Phi Undergraduate Housing Corp. (Alpha Rho) pertaining to Alpha Rho's purchase of a Greek House located at 21 Greek Way. As a result of the cancellation of the aforementioned agreements, possession and ownership of the Greek House returned to the University. The University is in the process of obtaining an appraisal of the Greek House.

In April 2022, the University issued \$10,420 of 2022 Series Direct Placement Bonds for the purpose of refunding a portion of the 2015 Series A step coupon bonds. The 2015 Series A step coupon bonds not refunded, totaling \$4,660, were paid down by the University.

In April 2022, NJIT authorized a resolution to enter into an agreement to sell a for-profit subsidiary. The transaction will be finalized in mid-May, and is expected to be material although the University is not a seller guarantor of that transaction.

Required Supplementary Information
(unaudited)

Schedules of Proportionate Share of the
Net Pension Liability

Schedules of Employer
Contributions

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

Schedules of Proportionate Share of the Net Pension Liability (unaudited)* (Dollars in thousands)

	2021		
	PERS	PFRS	TPAF
NJIT's proportion of the net pension liability	0.509%	0.520%	0.00%
NJIT's proportionate share of the net pension liability	\$ 113,053	\$ 22,347	\$ -
NJIT's covered payroll (for the year ended as of the measurement date)	\$ 22,390	\$ 2,809	\$ -
State's proportionate share of the net pension liability attributable to NJIT	N/A	N/A	\$ 1,557
NJIT's proportionate share of the net pension liability as a percentage of its covered payroll	504.93%	795.55%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	21.39%	24.81%	24.60%
	2020		
	PERS	PFRS	TPAF
NJIT's proportion of the net pension liability	0.516%	0.485%	0.00%
NJIT's proportionate share of the net pension liability	\$ 118,803	\$ 20,383	\$ -
NJIT's covered payroll (for the year ended as of the measurement date)	\$ 22,517	\$ 2,502	\$ -
State's proportionate share of the net pension liability attributable to NJIT	N/A	N/A	\$ 1,430
NJIT's proportionate share of the net pension liability as a percentage of its covered payroll	527.62%	814.67%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	22.03%	26.06%	26.95%
	2019		
	PERS	PFRS	TPAF
NJIT's proportion of the net pension liability	0.525%	0.535%	0.00%
NJIT's proportionate share of the net pension liability	\$ 124,450	\$ 23,166	\$ -
NJIT's covered payroll (for the year ended as of the measurement date)	\$ 23,093	\$ 2,249	\$ -
State's proportionate share of the net pension liability attributable to NJIT	N/A	N/A	\$ 1,553
NJIT's proportionate share of the net pension liability as a percentage of its covered payroll	538.91%	1,030.06%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	22.11%	25.84%	26.50%
	2018		
	PERS	PFRS	TPAF
NJIT's proportion of the net pension liability	0.508%	0.516%	0.00%
NJIT's proportionate share of the net pension liability	\$ 130,378	\$ 22,679	\$ -
NJIT's covered payroll (for the year ended as of the measurement date)	\$ 24,911	\$ 2,625	\$ -
State's proportionate share of the net pension liability attributable to NJIT	N/A	N/A	\$ 1,754
NJIT's proportionate share of the net pension liability as a percentage of its covered payroll	523.38%	863.96%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	21.18%	25.99%	25.41%
	2017		
	PERS	PFRS	TPAF
NJIT's proportion of the net pension liability	0.473%	0.498%	0.00%
NJIT's proportionate share of the net pension liability	\$ 138,898	\$ 23,455	\$ -
NJIT's covered payroll (for the year ended as of the measurement date)	\$ 24,111	\$ 2,654	\$ -
State's proportionate share of the net pension liability attributable to NJIT	N/A	N/A	\$ 2,068
NJIT's proportionate share of the net pension liability as a percentage of its covered payroll	576.08%	883.76%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	19.02%	24.70%	22.33%

Schedules of Proportionate Share of the Net Pension Liability (unaudited)* (Dollars in thousands)

	2016		
	PERS	PFRS	TPAF
NJIT's proportion of the net pension liability	0.476%	0.535%	0.00%
NJIT's proportionate share of the net pension liability	\$ 113,033	\$ 22,966	\$ -
NJIT's covered payroll (for the year ended as of the measurement date)	\$ 24,038	\$ 2,391	\$ -
State's proportionate share of the net pension liability attributable to NJIT	N/A	N/A	\$ 7,578
NJIT's proportionate share of the net pension liability as a percentage of its covered payroll	470.23%	960.52%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	24.96%	29.07%	28.71%

	2015		
	PERS	PFRS	TPAF
NJIT's proportion of the net pension liability	0.455%	0.509%	0.00%
NJIT's proportionate share of the net pension liability	\$ 91,665	\$ 18,071	\$ -
NJIT's covered payroll (for the year ended as of the measurement date)	\$ 23,781	\$ 2,249	\$ -
State's proportionate share of the net pension liability attributable to NJIT	N/A	N/A	\$ 8,415
NJIT's proportionate share of the net pension liability as a percentage of its covered payroll	385.45%	803.51%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	30.06%	34.70%	33.64%

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Schedules of Employer Contributions (unaudited)* (Dollars in thousands)

	2021	
	PERS	PFRS
Contractually required contribution	\$ 5,414	\$ 2,156
Contributions in relation to the contractually required contribution	5,414	2,156
Contribution deficiency (excess)	\$ -	\$ -
NJIT's covered payroll (as of fiscal year end)	\$ 21,121	\$ 2,599
Contributions as a percentage of covered payroll	25.63%	82.93%
	2020	
	PERS	PFRS
Contractually required contribution	\$ 4,535	\$ 1,885
Contributions in relation to the contractually required contribution	4,535	1,885
Contribution deficiency (excess)	\$ -	\$ -
NJIT's covered payroll (as of fiscal year end)	\$ 22,390	\$ 2,809
Contributions as a percentage of covered payroll	20.25%	67.11%
	2019	
	PERS	PFRS
Contractually required contribution	\$ 4,025	\$ 1,460
Contributions in relation to the contractually required contribution	4,025	1,460
Contribution deficiency (excess)	\$ -	\$ -
NJIT's covered payroll (as of fiscal year end)	\$ 22,517	\$ 2,502
Contributions as a percentage of covered payroll	17.88%	58.35%
	2018	
	PERS	PFRS
Contractually required contribution	\$ 3,280	\$ 1,266
Contributions in relation to the contractually required contribution	3,280	1,266
Contribution deficiency (excess)	\$ -	\$ -
NJIT's covered payroll (as of fiscal year end)	\$ 23,093	\$ 2,249
Contributions as a percentage of covered payroll	14.20%	56.29%
	2017	
	PERS	PFRS
Contractually required contribution	\$ 4,327	\$ 881
Contributions in relation to the contractually required contribution	4,327	881
Contribution deficiency (excess)	\$ -	\$ -
NJIT's covered payroll (as of fiscal year end)	\$ 24,911	\$ 2,625
Contributions as a percentage of covered payroll	17.37%	33.56%
	2016	
	PERS	PFRS
Contractually required contribution	\$ 2,836	\$ 551
Contributions in relation to the contractually required contribution	2,836	551
Contribution deficiency (excess)	\$ -	\$ -
NJIT's covered payroll (as of fiscal year end)	\$ 24,111	\$ 2,654
Contributions as a percentage of covered payroll	11.76%	20.76%

Schedules of Employer Contributions (unaudited)*
(Dollars in thousands)

	2015	
	PERS	PFRS
Contractually required contribution	\$ 736	\$ 545
Contributions in relation to the contractually required contribution	736	545
Contribution deficiency (excess)	\$ -	\$ -
NJIT's covered payroll (as of fiscal year end)	\$ 24,038	\$ 2,391
Contributions as a percentage of covered payroll	3.06%	22.79%

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**Schedules of Proportionate Share of the Total Other Postemployment Benefits (OPEB) Liability (unaudited)*
(Dollars in thousands)**

	<u>2021</u>
NJIT's proportion of the total OPEB liability	0.00%
NJIT's proportionate share of the total OPEB liability	\$ -
State of New Jersey's proportionate share of the total OPEB liability attributable to NJIT	298,235
Total OPEB liability	<u>\$ 298,235</u>
NJIT's covered payroll (for the year ended as of the measurement date)	\$ 19,874
NJIT's proportionate share of the collective total OPEB liability as a percentage of its covered payroll	0.00%
	<u>2020</u>
NJIT's proportion of the total OPEB liability	0.00%
NJIT's proportionate share of the total OPEB liability	\$ -
State of New Jersey's proportionate share of the total OPEB liability attributable to NJIT	188,943
Total OPEB liability	<u>\$ 188,943</u>
NJIT's covered payroll (for the year ended as of the measurement date)	\$ 124,107
NJIT's proportionate share of the collective total OPEB liability as a percentage of its covered payroll	0.00%
	<u>2019</u>
NJIT's proportion of the total OPEB liability	0.00%
NJIT's proportionate share of the total OPEB liability	\$ -
State of New Jersey's proportionate share of the total OPEB liability attributable to NJIT	248,332
Total OPEB liability	<u>\$ 248,332</u>
NJIT's covered payroll (for the year ended as of the measurement date)	\$ 125,094
NJIT's proportionate share of the collective total OPEB liability as a percentage of its covered payroll	0.00%

**Schedules of Proportionate Share of the Total Other Postemployment Benefits (OPEB) Liability (unaudited)*
(Dollars in thousands)**

	<u>2018</u>
NJIT's proportion of the total OPEB liability	0.00%
NJIT's proportionate share of the total OPEB liability	\$ -
State of New Jersey's proportionate share of the total OPEB liability attributable to NJIT	<u>\$ 296,057</u>
Total OPEB liability	\$ 296,057
NJIT's covered payroll (for the year ended as of the measurement date)	\$ 121,298
NJIT's proportionate share of the collective total OPEB liability as a percentage of its covered payroll	0.00%

** This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*