

NEW JERSEY INSTITUTE OF TECHNOLOGY

(A component unit of the State of New Jersey)

Financial Statements and Management's Discussion and Analysis

Together with Report of Independent Certified Public Accountants

June 30, 2025 and 2024



TABLE OF CONTENTS

	Page
Report of Independent Certified Public Accountants	1
Management's Discussion and Analysis (unaudited)	4
Financial Statements	
Statements of net position at June 30, 2025 and 2024	15
Statements of revenues, expenses, and changes in net position for the years ended June 30, 2025 and 2024	16
Statements of cash flows for the years ended June 30, 2025 and 2024	17
Discrete component unit statements of financial position - CHF-Newark, LLC at June 30, 2025 and 2024	18
Discrete component unit statements of revenues, expenses, and changes in net position - CHF-Newark, LLC for the years ended June 30, 2025 and 2024	19
Notes to the financial statements	20
Required supplementary information (unaudited)	
Schedules of proportionate share of the net pension liability	55
Schedules of employer contributions	59
Schedule of proportionate share of the total other postemployment benefits (OPEB) liability	62

GRANT THORNTON LLP

Two Commerce Square
2001 Market Street, Suite 800
Philadelphia, PA 19103

D +1 215 561 4200

F +1 215 561 1066

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
New Jersey Institute of Technology

Report on the audit of the financial statements**Opinions**

We have audited the financial statements of the business-type activities of New Jersey Institute of Technology (the “University”), a component unit of the State of New Jersey, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the University’s basic financial statements as listed in the table of contents.

In our opinion, based on our audits and the reports of other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the University as of June 30, 2025 and 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the discretely presented component unit, CHF-Newark, LLC (“CHF-Newark”), which represents 100% of the assets and revenues of the discretely presented component unit as of June 30, 2025 and 2024 and for the years then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for that entity, is based solely on the reports of the other auditors.

Basis for opinions

We conducted our audits of the financial statements in accordance with auditing standards generally accepted in the United States of America (“US GAAS”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required supplementary information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of proportionate share of the net pension liability, schedules of employer contributions, and schedules of proportionate share of the total other postemployment benefits (OPEB) liability, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial

reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with US GAAS. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Grant Thornton LLP

Philadelphia, Pennsylvania
February 5, 2026

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

(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 10 urban renewal limited liability companies (the UREs) (collectively, the University) at and for the years ended June 30, 2025 and 2024. 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.

NJIT is a student-centered, urban research university committed to excellence in undergraduate and graduate education; continuing professional education programs; the conduct of research; contributions to the economic development of the State of New Jersey (the State); and service to its local community, the State, and the nation. With an enrollment of over 12,000 undergraduate and graduate students, NJIT provides both small-campus intimacy and the resources of a major public research university. NJIT offers more than 120 undergraduate and graduate degree programs through five specialized colleges and an honors college, as well as 30+ certificate programs. The University also operates a small business incubator with a mission is to accelerate the successful development of entrepreneurial companies through an array of business support resources and services. NJIT also is ranked No. 27 in the U.S. by The Princeton Review as a Best Value College, in addition to being rated among the top 40 public national universities and top 80 overall by *U.S. News & World Report*.

Since its founding in 1881, NJIT has evolved from a local technical school to one of America's top-tier national research universities. As one of the leading polytechnic universities in the United States, NJIT prepares students to thrive in the technology-driven economy of the 21st century. With its multidisciplinary curriculum and computing-intensive approach to education, NJIT equips students with technological proficiency, business acumen and leadership skills. While continually advancing in educational excellence, NJIT has become a hub for research and development, fostering entrepreneurial growth and building business partnerships through research and development initiatives. NJIT's designation as an R1 research university by the Carnegie Classification® places it among the most prolific research universities in the nation. The University also has established a global presence, both through its educational offerings, including on-site and distance learning, and through its influence in international research and scientific forums, as well as in global research collaborations.

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, the sole shareholder, established Healthcare Innovation Solutions, Inc. (HCIS), a New Jersey for-profit corporation. Because of the significance of its operational and financial relationship with NJII, HCIS financial statements are combined and reported on a blended basis with those of NJII. The UREs operate residential buildings for NJIT student Greek organizations.

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.

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

(Dollars in thousands)



The Financial Statements

The University's financial statements include statements of net position at June 30, 2025 and 2024, 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 GASB.

Financial Highlights

The University's financial position at June 30, 2025 and 2024 was sound, with total assets of \$1,200,258 and \$1,058,836, deferred outflows of resources of \$17,062 and \$17,484, total liabilities of \$770,133 and \$619,594, and deferred inflows of resources of \$31,769 and \$29,625, 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 \$415,418 and \$427,101 at June 30, 2025 and 2024, respectively.



Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

(Dollars in thousands)

Statements of Net Position

The statements of net position present the University's financial position at June 30, 2025 and 2024 and are summarized as follows. The summarized statement of net position at June 30, 2023 is also presented for comparative purposes.

	June 30,		
	2025	2024	2023
Current assets	\$ 318,145	\$ 280,230	\$ 276,486
Endowment investments	199,805	176,299	157,546
Capital assets, net	575,306	586,668	574,806
Other assets	107,002	15,639	18,488
Total assets	1,200,258	1,058,836	1,027,326
Deferred outflows of resources	17,062	17,484	18,554
Current liabilities	89,850	77,197	85,059
Long-term debt, noncurrent portion	448,811	309,284	310,691
Other long-term liabilities	231,472	233,113	231,927
Total liabilities	770,133	619,594	627,677
Deferred inflows of resources	31,769	29,625	33,850
Net investment in capital assets	147,690	152,389	150,561
Restricted nonexpendable	117,525	110,048	105,819
Restricted expendable	80,767	65,861	51,970
Unrestricted	69,436	98,803	76,003
Total net position	\$ 415,418	\$ 427,101	\$ 384,353

Current assets consist principally of cash and cash equivalents, restricted cash – capital construction, grants and accounts receivable, net of allowances, deposits held with trustees, and short-term investments. The increase in current assets at June 30, 2025 as compared to June 30, 2024 of \$37,915 is primarily due to an increase in cash from proceeds of the issuance of the 2025 Series A bonds, partially offset by a decrease in short-term investments due to the liquidation of investments to fund operations. The increase in current assets at June 30, 2024 as compared to June 30, 2023 of \$3,744 is primarily due to an increase in grants and accounts receivable, net.

Excluding deposits held with trustees and restricted cash – capital construction, which can only be used for debt service payments and capital construction respectively, and the current portions of long-term debt and lease and subscription liability, current assets exceeded current liabilities by \$178,220 and \$212,498 at June 30, 2025 and 2024, respectively. The University had \$183,922 and \$219,340 in cash and cash equivalents and short-term investments to fund current operations, facilities rehabilitation projects, debt financed capital projects, and other activities at June 30, 2025 and 2024, 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 13.3% during fiscal year 2025, reflecting growth from new gifts and investment income, and 11.9% during fiscal year 2024, primarily due to investment returns.

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

(Dollars in thousands)

At June 30, 2025 and 2024, the University had \$575,306 and \$586,668 of capital assets (including right-to-use assets), net of accumulated depreciation/amortization of \$631,008 and \$599,768 respectively. The fiscal year 2025 decrease primarily results from the disposal of building and equipment due to the demolition of Oak Hall, which will be replaced with a new residence hall funded by a portion of the 2025 Series A bond issuance. The fiscal year 2024 increase primarily results from: increases in right-to-use lease assets, principally related to an administrative office space lease; completion of phases I and II of the Public Service Electric & Gas (PSE&G) energy efficiency program projects; continued work on phases II and III of the Medical Devices Innovation Cluster; substantial completion of the University's information technology infrastructure upgrades; lab, instruction, and other capital equipment purchases; and rehabilitation and renovation of various campus facilities; partially offset by depreciation/amortization expense and the write-off of equipment and other assets no longer in service.



Other assets are comprised of restricted cash – capital construction, investments, beneficial interest trusts, noncurrent portion of deposits held with trustees, and other noncurrent assets. The increase in other assets of \$91,363 at June 30, 2025 was primarily due to restricted cash from proceeds of the issuance of the 2025 Series A bonds and an increase in beneficial interest trusts, partially offset by a reduction in outstanding pledges receivable. The decrease in other assets of \$2,849 at June 30, 2024 was primarily due to decreases in deposits held with trustees and outstanding pledges receivable

Deferred outflows of resources consist of loss on defeasance of debt and certain changes in the net pension liability. Deferred outflows of resources decreased \$422 and \$1,070 at June 30, 2025 and 2024, respectively.

Current liabilities consist of accounts payable and accrued liabilities, the current portion of long-term debt, the current portion of lease and subscription liability, unearned advance payments, and amounts due to

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

(Dollars in thousands)

affiliates. For the year ended June 30, 2025, current liabilities increased by \$12,653 when compared to June 30, 2024. This change was primarily the result of increases in accounts payable and accrued liabilities, unearned advance payments, and the current portion of long-term debt, mainly from the 2025 Series A bond premium. For the year ended June 30, 2024, current liabilities decreased by \$7,862 compared to June 30, 2023. This decrease was mainly attributable to reductions in accounts payable and accrued liabilities, unearned advance payments, the current portion of long-term debt, and amounts due to affiliates. These decreases were partially offset by an increase in the current portion of lease and subscription liability resulting from new lease agreements.

Total long-term debt at June 30, 2025 and 2024 was \$463,059 and \$318,512, respectively. During fiscal year 2025 the 2025 Series A Bonds were issued by the University for the purposes of financing various capital projects and refunding all of the outstanding 2015 Series A Bonds.

At June 30, 2025, the University's bond ratings by Moody's Investors Service and Standard & Poor's were A2 and A, respectively. During fiscal year 2025, Moody's Investors Services downgraded the rating due to high financial leverage, thinner operating performance compared to peers, and limited support from the State of New Jersey for capital projects. At June 30, 2024, the University's bond ratings by Moody's Investors Service and Standard & Poor's were A1 and A, respectively.

Other long-term liabilities of the University as of June 30, 2025 and 2024 primarily comprise the net pension liability, other noncurrent liabilities, and the noncurrent portion of lease and subscription liabilities.

The decrease in other long-term liabilities by \$1,641 at June 30, 2025 is mainly attributed to reductions in other noncurrent liabilities and lease and subscription liabilities. These decreases were partially offset by an increase in the net pension liability. The reduction in other noncurrent liabilities is largely due to a decline in the University's environmental obligations, while the decrease in lease and subscription liabilities results from the reductions exceeding new additions during the fiscal year. Conversely, other long-term liabilities increased by \$1,186 at June 30, 2024. This increase is primarily due to a rise in lease and subscription liabilities, which is attributable to a new administrative office space lease and the commencement of long-term subscription-based information technology arrangements. These increases were partially offset by a decrease in the net pension liability during the year.

Deferred inflows of resources consist of gain on defeasance of debt, certain changes in the net pension liability, certain changes in annuity funds liability, and lessor leases. The increase in deferred inflows of resources of \$2,144 at June 30, 2025 principally relates to the gain on refunding of the 2015 Series A bonds as part of the 2025 Series A issuance. This gain is being amortized and recognized as a component of interest expense. The decrease of \$4,225 at June 30, 2024, principally relates to certain changes in the net pension liability, partially offset by increases in lessor leases and certain changes in annuity funds 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 \$4,699 during fiscal year 2025, principally due to the decrease in capital assets discussed above and an increase in long-term debt related to capital assets, partially offset by depreciation expense. Net investment in capital assets increased \$1,828 during fiscal year 2024, principally due to the increase in capital assets discussed above and a decrease in long-term debt related to capital assets, partially 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 donor restricted, 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.

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

(Dollars in thousands)

Restricted net position increased \$22,383 and \$18,120 during fiscal years 2025 and 2024, respectively, primarily due to additions to permanent endowments, investment income, and unexpended restricted gifts.

Unrestricted net position encompasses all residual amounts of the University's net position that are available to support general operations in alignment with the University's overall mission. This category includes resources that are not subject to donor-imposed restrictions or limitations established by external parties. During fiscal year 2025, the University experienced a \$29,367 decrease in its unrestricted net position. The decrease reflects the extent to which expenses surpassed revenues during the year, resulting in an increasing utilization of cash reserves to fund operating activities. In contrast, for fiscal year 2024, the University reported an increase in unrestricted net position. This positive change was mainly driven by investment income derived from endowment investments. The improvement was further supported by a reduction in the deficit associated with the pension-related net position during the same period.

	June 30,		
	2025	2024	2023
Designated unrestricted net position:			
University strategic reserve	\$ 41,172	\$ 41,066	\$ 36,373
Quasi-endowments	35,210	29,565	27,081
Instructional and other	15,399	22,661	23,151
Construction and capital programs	21,015	30,369	23,831
Outstanding purchase orders	5,691	4,177	6,079
	<u>118,487</u>	<u>127,838</u>	<u>116,515</u>
Undesignated unrestricted net position:			
Pension related	(111,187)	(118,222)	(128,169)
Operations	62,136	89,187	87,657
	<u>\$ 69,436</u>	<u>\$ 98,803</u>	<u>\$ 76,003</u>

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

(Dollars in thousands)

Statements 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, 2025 and 2024 are as follows. The components of revenues for the fiscal year ended June 30, 2023 are also presented for comparative purposes.

	Fiscal Years Ended June 30,		
	2025	2024	2023
Operating revenues:			
Student tuition and fees, net	\$ 154,384	\$ 163,317	\$ 156,003
Federal, State, and other grants and contracts	184,236	171,329	142,592
Auxiliary enterprises, net	24,772	21,449	19,868
Other operating revenues	13,047	12,780	10,528
Total operating revenues	<u>376,439</u>	<u>368,875</u>	<u>328,991</u>
Non-operating and other revenues:			
State appropriations	170,103	161,333	138,593
Gifts and bequests, capital grants and gifts, and additions to permanent endowments	13,844	18,863	12,552
Investment income	32,710	37,436	22,265
Other non-operating revenues, net	26	3,037	12,524
Total non-operating revenues	<u>216,683</u>	<u>220,669</u>	<u>185,934</u>
Total revenues	<u>\$ 593,122</u>	<u>\$ 589,544</u>	<u>\$ 514,925</u>

The components of expenses for the fiscal years ended June 30, 2025 and 2024 are as follows. The components of expenses for the fiscal year ended June 30, 2023 are also presented for comparative purposes.

	Fiscal Years Ended June 30,		
	2025	2024	2023
Operating expenses:			
Instruction	\$ 171,291	\$ 161,780	\$ 135,476
Research and programs	111,207	96,306	83,358
Public service	3,902	2,859	2,873
Academic support	64,799	58,035	48,014
Student services	41,884	38,914	34,547
Institutional support	84,111	70,085	61,006
Operation and maintenance of plant	30,179	29,845	27,975
Scholarships and fellowships	20,390	16,215	17,236
Depreciation and amortization	49,087	44,749	41,966
Auxiliary enterprises	12,556	11,770	12,481
Total operating expenses	<u>589,406</u>	<u>530,558</u>	<u>464,932</u>
Non-operating expenses - interest expense	<u>15,399</u>	<u>16,238</u>	<u>15,641</u>
Total expenses	<u>\$ 604,805</u>	<u>\$ 546,796</u>	<u>\$ 480,573</u>

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

(Dollars in thousands)

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, net of scholarship allowances, amounted to \$154,384 in fiscal year 2025, \$163,317 in fiscal year 2024, and \$156,003 in fiscal year 2023. The corresponding scholarship allowances for these years were \$112,070, \$98,911, and \$87,395, respectively. In fiscal year 2025, there was a decrease in student tuition and fees compared to the previous year. This decline is primarily attributed to an increase in scholarship allowances, which is directly related to a higher tuition discount as well as updates to the University's scholarship allowance calculation methodology in alignment with best practices and regulatory guidelines. Additionally, the decrease is explained by a \$10,100 reduction in non-resident tuition revenue. Despite these decreases, there was an overall increase in gross tuition and fees, mainly due to a rise in student enrollment and an increase in tuition and fee rates. The increase in student tuition and fees in fiscal year 2024 compared to fiscal year 2023 was mainly driven by growth in student enrollment, as well as increases in tuition and mandatory fees. These positive impacts were partially offset by higher scholarship allowances.

Auxiliary enterprises revenues, after accounting for scholarship allowances of \$7,833 in fiscal year 2025, \$9,748 in fiscal year 2024, and \$8,379 in fiscal year 2023, demonstrated growth during the periods presented. In fiscal year 2025, net revenues increased by 15.5% to \$24,772. This increase was primarily attributed to a rise in residence hall income due to an increase in occupancy and the residence hall rates. Additionally, as employee salary costs increased, parking fee revenue increased, as parking fees are calculated based on a percentage of an employee's salary. In fiscal year 2024, net auxiliary enterprises revenues grew by 8.0% to \$21,449. The primary factors contributing to this increase were higher residence hall occupancy and associated charges, along with increased commission income and parking fee revenue. However, these positive impacts were partially offset by higher scholarship allowances in both fiscal years 2024 and 2025.

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,		
	2025	2024	2023
Direct appropriation for general operating purposes	\$ 50,240	\$ 44,518	\$ 43,689
Public Polytechnic Adjustment Aid	9,400	9,500	9,500
FICA and fringe benefits paid by the State for University employees	56,585	44,652	42,815
Other postemployment benefits	(6,347)	(9,227)	(6,545)
Fringe benefit equalization adjustment	60,225	71,890	49,134
	<u>\$ 170,103</u>	<u>\$ 161,333</u>	<u>\$ 138,593</u>

The increase in State appropriations for fiscal year 2025 is attributable to FICA and fringe benefits paid by the State, as well as an increase in the direct appropriation for general operating purposes resulting from an increase in outcomes-based allocation. The fiscal year 2024 State appropriations increase is primarily due to the equalization adjustment to the State's fringe benefit rate.

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

(Dollars in thousands)

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,		
	2025	2024	2023
Federal grants and contracts	\$ 121,826	\$ 115,788	\$ 96,973
State grants and contracts	59,012	52,400	42,678
Other grants and contracts	3,398	3,141	2,941
	<u>\$ 184,236</u>	<u>\$ 171,329</u>	<u>\$ 142,592</u>

Federal grants and contracts revenue increased by 5.2% in fiscal year 2025 and 19.4% in fiscal year 2024. The growth in 2025 was attributable primarily to higher sponsored research activity and Pell grants, while the increase in 2024 resulted from expanded research and non-research grants and contracts—including those relating to defense, health information networks, engineering, the Center for Solar Terrestrial Research, and Pell grants.

State grants and contracts revenue rose by 12.6% in fiscal year 2025, largely due to the Tuition Aid Grant (TAG). In fiscal year 2024, State grants and contracts grew by 22.8%, driven by increases in student financial assistance grants, notably Garden State Guarantee Grant and TAG, as well as research grants and contracts. This was partially offset by a reduction in non-research grants and contracts, principally associated with NJ Department of Health grants.

Other grants and contracts revenue increased by 8.2% in fiscal year 2025, following a 6.8% rise in fiscal year 2024.

Private contributions from corporations, foundations, alumni, and other donors play a significant role in the University's growth as outlined in its 2030 strategic plan, "NJIT Makes An Innovation Nexus." During fiscal years 2025 and 2024, the University received gifts and bequests totaling \$6,865 and \$6,298, capital grants and gifts of \$0 and \$8,458, and permanent endowment additions of \$6,979 and \$4,107, respectively. In fiscal year 2024, capital grants and gifts included \$3,000 allocated from State appropriations for capital improvements, as well as grants from PSE&G supporting the previously mentioned energy efficiency initiative.

Investment income includes interest and dividends, as well as realized and unrealized gains and losses. During fiscal years 2025 and 2024, the performance of the investment portfolio yielded a net return of \$32,710 and \$37,436, respectively.

Other non-operating revenues, net amounted to \$26 in fiscal year 2025 and \$3,037 in fiscal year 2024. The decrease in fiscal year 2025 is primarily attributable to cost of issue expenses associated with the issuance of the 2025 Series A bonds. The reduction in fiscal year 2024 mainly reflects lower HEERF funding and the sale of Lock Street properties during that period.

Instruction, academic support, student services, and scholarships and fellowships expenses amounted to \$298,364, \$274,944, and \$235,273 in fiscal years 2025, 2024, and 2023, respectively. The increase of 8.5% in fiscal year 2025 is primarily attributable to higher personnel costs, including adjustments for fringe benefit equalization and enhanced salary and wages for 10 Month Tenure Faculty, Administrators, and Graduate Assistants, as well as greater consulting service expenses and student awards. The 16.9% increase observed in fiscal year 2024 resulted mainly from increased personnel expenditures, inclusive of lump-sum retroactive payments under newly ratified union contracts, fringe benefit equalization adjustment, expanded consulting service expenses, and the acquisition of short-term software licenses.

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

(Dollars in thousands)

Research and programs expenses rose by 15.5%, reaching \$111,207 in fiscal year 2025, primarily driven by increased grant support related to the Research and Development Cluster. In fiscal year 2024, these expenses also rose by 15.5% to \$96,306, mainly due to greater research and non-research grant and contract activities as previously described.

Public service expenses increased by 36.5% to \$3,902 in fiscal year 2025, primarily attributable to higher costs associated with continuing professional education and pre-college programs, following a period of stability between fiscal years 2023 and 2024.

Institutional support expenses rose by 20.0% to \$84,111 in fiscal year 2025, primarily attributable to higher personnel costs, the relocation of administrative offices off campus, and expenditures related to the development and deployment of a new enterprise resource planning platform. In fiscal year 2024, institutional support expenses increased by 14.9% to \$70,085, mainly due to elevated personnel costs, including lump-sum retroactive payments under ratified union contracts, fringe benefit equalization adjustments, consulting service expenses, and costs associated with NJIT's organizational restructuring and expansion of services.

Operation and maintenance of plant expense increased 1.1% to \$30,179 in fiscal year 2025 primarily due to increased personnel costs. Operation and maintenance of plant expense increased 6.7% to \$29,845 in fiscal year 2024 primarily due to increased personnel costs, including lump-sum retroactive payments made under ratified union contracts, fringe benefit equalization adjustment, and facility and ground maintenance expense.

Auxiliary enterprises expenses increased by 6.7% to \$12,556 in fiscal year 2025, primarily attributable to costs associated with constructing a new residence hall funded by the 2025 Series A Bond issuance. In contrast, auxiliary enterprises expenses decreased by 5.7% to \$11,770 in fiscal year 2024, reflecting reduced repair and maintenance expenditures for residence halls.

During fiscal years 2025 and 2024, the University incurred interest costs of \$15,399 and \$16,238, respectively.

Summary and Outlook

As of June 30, 2025, the University's financial position reflected the results of several significant events throughout the fiscal year. Notably, the University achieved increased enrollment for the 2025 academic period, continued to advance its research and development agenda, invested in infrastructure enhancements, and conducted successful fundraising initiatives that contributed to endowment growth.

Looking forward, the University's financial outlook will hinge on prudent expense management, sustained enrollment levels, and effective control of debt service obligations. While substantial investments in capital projects—financed by recent bond issuances—have strengthened the University's potential for future advancement, they have also heightened financial leverage. The recent credit rating downgrade by Moody's underscores the importance of enhancing operating performance and maintaining robust liquidity and reserves. Ongoing strategic initiatives to grow net tuition revenue, broaden funding sources, and limit expense escalation will be essential for ensuring the University's long-term financial stability.

As part of the approved State budget for fiscal year 2026, the University will receive \$65,950 of State appropriations, including \$15,435 for outcomes-based allocation and \$9,600 for public polytechnic adjustment aid. Additionally, the University will receive \$6,500 for capital improvements.

As part of the State's annual budget development process, the University's management actively engages in dialogue with the State in order to ensure that the University's needs are properly presented and considered in the State's financial deliberations.

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

(Dollars in thousands)

The University has agreements in place with all eight labor unions.

As part of its long-range plan, the University expects that its activities will continue to increase the total operating budget. NJIT's strategic plan will continue to enhance the University's status as the greatest producer of technological talent and knowledge in New Jersey and enable NJIT to become a nexus of innovation — a physical and intellectual focal point for innovative ideas, actions, and people. There are four core priorities within the plan: learner advancement and success; faculty success; research, innovation, and entrepreneurship; and community engagement. Cutting across those core priorities are two additional priorities: digital transformation and fiscal excellence and resource stewardship.



Statements of Net Position

At June 30, 2025 and 2024

(Dollars in thousands)

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 83,910	\$ 60,467
Restricted cash – capital construction	64,963	-
Short-term investments	100,012	158,873
Grants and accounts receivable, net	59,014	50,776
Deposits held with trustees	7,331	6,945
Other current assets	2,915	3,169
Total current assets	318,145	280,230
Noncurrent assets:		
Restricted cash – capital construction	91,053	-
Endowment investments	199,805	176,299
Investments	2,631	2,401
Beneficial interest trusts	7,660	6,924
Deposits held with trustees, noncurrent	500	667
Other assets	5,158	5,647
Capital assets, net	575,306	586,668
Total noncurrent assets	882,113	778,606
Total assets	1,200,258	1,058,836
Deferred outflows of resources	17,062	17,484
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	45,865	41,842
Long-term debt, current portion	14,248	9,228
Unearned advance payments	21,110	18,608
Lease and subscription liability, current portion	7,971	7,182
Due to affiliates	656	337
Total current liabilities	89,850	77,197
Noncurrent liabilities:		
Long-term debt	448,811	309,284
Lease and subscription liability, noncurrent portion	106,657	108,297
Other noncurrent liabilities	9,108	10,194
Net pension liability	115,707	114,622
Total noncurrent liabilities	680,283	542,397
Total liabilities	770,133	619,594
Deferred inflows of resources	31,769	29,625
Net position		
Net investment in capital assets	147,690	152,389
Restricted for:		
Nonexpendable:		
Scholarships and fellowships	96,914	90,246
Instructional and other	20,611	19,802
Expendable:		
Scholarships and fellowships	49,517	41,868
Instructional and other	24,755	20,155
Research and programs	2,138	2,332
Debt service	4,300	1,455
Loans	57	51
Unrestricted (see Note 12)	69,436	98,803
Total net position	\$ 415,418	\$ 427,101

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

Statements of Revenues, Expenses, and Changes in Net Position

For the years ended June 30, 2025 and 2024

(Dollars in thousands)

	2025	2024
Operating revenues		
Student tuition and fees, net of scholarship allowances of \$112,070 and \$98,911, respectively	\$ 154,384	\$ 163,317
Federal grants and contracts	121,826	115,788
State grants and contracts	59,012	52,400
Other grants and contracts	3,398	3,141
Auxiliary enterprises, net of scholarship allowances of \$7,833 and \$9,748, respectively	24,772	21,449
Other operating revenues	13,047	12,780
Total operating revenues	376,439	368,875
Operating expenses		
Instruction	171,291	161,780
Research and programs	111,207	96,306
Public service	3,902	2,859
Academic support	64,799	58,035
Student services	41,884	38,914
Institutional support	84,111	70,085
Operation and maintenance of plant	30,179	29,845
Scholarships and fellowships	20,390	16,215
Depreciation and amortization	49,087	44,749
Auxiliary enterprises	12,556	11,770
Total operating expenses	589,406	530,558
Operating loss	(212,967)	(161,683)
Non-operating revenues (expenses)		
State appropriations	170,103	161,333
Gifts and bequests	6,865	6,298
Interest expense	(15,399)	(16,238)
Investment income	32,710	37,436
Other non-operating revenues, net	26	3,037
Net non-operating revenues	194,305	191,866
(Loss) income before other revenues	(18,662)	30,183
Other revenues		
Capital grants and gifts	-	8,458
Additions to permanent endowments	6,979	4,107
Total other revenues	6,979	12,565
(Decrease) increase in net position	(11,683)	42,748
Net position, beginning of year	427,101	384,353
Net position, end of year	\$ 415,418	\$ 427,101

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

Statements of Cash Flows

For the years ended June 30, 2025 and 2024

(Dollars in thousands)

	2025	2024
Cash flows from operating activities:		
Student tuition and fees	\$ 154,497	\$ 157,085
Grants and contracts	179,593	167,274
Payments for salaries and benefits	(299,730)	(288,817)
Payments for goods and services	(142,740)	(141,943)
Payments for scholarships and fellowships	(20,390)	(16,215)
Auxiliary enterprises	25,048	21,428
Affiliates	340	(695)
Other receipts	12,849	13,175
Net cash and cash equivalents used by operating activities	<u>(90,533)</u>	<u>(88,708)</u>
Cash flows from noncapital financing activities:		
State appropriations	93,198	99,452
Gifts and bequests for other than capital purposes	6,097	5,780
Additions to permanent endowments	6,876	3,931
New annuity agreements	-	(23)
Other receipts	4,086	1,766
Net cash and cash equivalents provided by noncapital financing activities	<u>110,257</u>	<u>110,906</u>
Cash flows from capital financing activities:		
Restricted cash proceeds from capital debt	162,430	-
Refunding proceeds from capital debt	99,097	-
Capital grants and gifts	214	3,000
Mortgage payments received	63	63
Purchase of capital assets	(29,077)	(22,422)
Principal paid on long-term debt and leases	(18,558)	(10,740)
Refunding of bonds	(92,448)	-
Interest paid on long-term debt and leases	(27,228)	(12,791)
Purchase of investments - capital construction	-	(549)
Deposits with trustees	(14,704)	(12,861)
Withdrawals from trustees	14,318	12,454
Net cash and cash equivalents provided (used) by capital financing activities	<u>94,107</u>	<u>(43,846)</u>
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	325,673	188,216
Interest and dividends on investments	15,300	14,535
Purchase of investments	(275,345)	(173,182)
Net cash and cash equivalents provided by investing activities	<u>65,628</u>	<u>29,569</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>179,459</u>	<u>7,921</u>
Cash and cash equivalents (including restricted cash and cash equivalents), beginning of year	<u>60,467</u>	<u>52,546</u>
Cash and cash equivalents (including restricted cash and cash equivalents), end of year	<u>\$ 239,926</u>	<u>\$ 60,467</u>
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$ (212,967)	\$ (161,683)
Adjustments to reconcile operating loss to net cash and cash equivalents used by operating activities:		
Depreciation and amortization	49,087	44,749
Noncash operating expenses, net	87,357	22,241
Changes in assets and liabilities:		
Accounts receivable	(8,238)	(3,553)
Other assets, current and noncurrent	743	1,384
Accounts payable and accrued liabilities	(3,694)	5,929
Unearned advance payments	(2,502)	1,530
Due to affiliates	(319)	695
Net cash and cash equivalents used by operating activities	<u>\$ (90,533)</u>	<u>\$ (88,708)</u>
Noncash transactions:		
State appropriations for fringe benefits	\$ 77,307	\$ 52,887
Gifts and bequests for other than capital purposes	214	22
Additions to permanent endowments	103	176
Capital assets	(420)	(17,992)
Master lease purchase and PSE&G energy efficiency program agreements	-	9,613

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

Discrete Component Unit Statements of Financial Position - CHF-Newark, LLC

at June 30, 2025 and 2024

(Dollars in thousands)

	<u>2025</u>	<u>2024</u>
Assets		
Bond reserves	\$ 1,923	\$ 2,261
Prepaid ground lease	5,036	5,180
Facility lease receivable	97,122	96,880
Construction in progress	<u>-</u>	<u>911</u>
Total assets	<u>\$ 104,081</u>	<u>\$ 105,232</u>
Liabilities and net position		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,446	\$ 1,448
Facility lease - unearned additional rent	46	58
Construction payable	-	358
Bonds payable	<u>775</u>	<u>640</u>
Total current liabilities	2,267	2,504
Noncurrent liabilities:		
Bonds payable, net	<u>100,844</u>	<u>102,052</u>
Total liabilities	103,111	104,556
Net position	<u>970</u>	<u>676</u>
	<u>\$ 104,081</u>	<u>\$ 105,232</u>

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

Discrete Component Unit Statements of Revenues, Expenses, and Changes in Net Position - CHF-Newark, LLC

For the years ended June 30, 2025 and 2024

(Dollars in thousands)

	2025	2024
Revenues		
Facility lease - interest and rental income	\$ 3,390	\$ 3,425
Facility lease - additional rent	218	224
Investment income	90	147
	<hr/>	<hr/>
Total revenue	3,698	3,796
	<hr/>	<hr/>
Expenses		
Program expenses		
Amortization of prepaid ground lease	144	144
Insurance	2	1
Interest	3,039	3,057
	<hr/>	<hr/>
Total program expenses	3,185	3,202
	<hr/>	<hr/>
Management and general expenses		
Membership fees	100	100
Professional fees	119	128
	<hr/>	<hr/>
Total management and general expenses	219	228
	<hr/>	<hr/>
Total expenses	3,404	3,430
	<hr/>	<hr/>
Change in net position	294	366
	<hr/>	<hr/>
Net position		
Beginning of year	676	310
	<hr/>	<hr/>
End of year	\$ 970	\$ 676
	<hr/>	<hr/>

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

Notes to the Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

NOTE 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, Jordan Hu 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, and statistics. 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.

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 New Jersey for-profit corporation. Because of the significance of its operational and financial relationship with NJII, HCIS financial statements are combined and reported on a blended basis with those of NJII and are referred to collectively as 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.

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 Annual Comprehensive Financial Report.

The University's financial statements also include 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 pages 18 and 19 of these financial statements.

Notes to the Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

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 GASB. All significant transactions between NJIT, the Foundation, NJII, and the UREs have been eliminated.

GASB Statement No. 101, *Compensated Absences* (GASB 101) became effective in fiscal year 2025. This Statement updates the recognition and measurement guidance for compensated absences. The Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. Implementation of GASB 101 had no material impact on the University.

GASB Statement No. 102, *Certain Risk Disclosures* (GASB 102) became effective in fiscal year 2025. This statement requires disclosing risks due to certain concentrations or constraints. GASB 102 defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources. A constraint is a limitation that is imposed by an external party or by a formal action of an entity's highest level of decision-making authority. The University has evaluated the applicability of GASB 102 and determined that, as of the date of these financial statements, no concentrations or constraints exist that meet the criteria for disclosure.

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 statements 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.

Cash and Cash Equivalents

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

Restricted Cash – Capital Construction

Restricted cash – capital construction represents the proceeds of the University's 2025 bonds which are separately maintained and are designated for the acquisition and rehabilitation of certain capital projects (see Note 6).

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:

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.

Notes to the Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

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.

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. Private 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 statements of net position.

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 (\$5,539 and \$5,041 at June 30, 2025 and 2024, 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 \$2,121 and \$1,883 at June 30, 2025 and 2024, respectively.

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.

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	five to 10 years
Equipment and other assets	5	three to 10 years

Lease Receivables

Lease receivables are recorded by the University at the present value of lease payments expected to be received under all leases other than those that are short-term. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. Short-term leases, those with a maximum period of 12 months, are recognized as collected.

Notes to the Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

Right-to-Use Assets

Right-to-use assets are recognized at the lease or subscription agreement commencement date and represent the University's right to use an underlying asset for the lease or subscription term. Right-to-use assets are measured at the initial value of the lease or subscription liability plus any initial direct costs and payments made by the University before commencement. Right-to-use assets are included within capital assets, net in the statements of net position.

Lease and Subscription Liability

Lease and subscription liabilities represent the University's obligation to make lease and subscription payments arising from leases and subscriptions other than those that are short-term. Lease and subscription liabilities are recognized at the lease and subscription commencement date based on the present value of future payments over the remaining term. Present value of lease and subscription payments are discounted based on a borrowing rate determined by the University. Short-term leases and subscriptions, those with a maximum period of 12 months, are expensed as incurred.

Compensated Absences

The University records a liability for compensated absences in accordance with GASB Statement No. 101. A liability is recognized for leave that is attributable to services already rendered, accumulates from year to year and is more likely than not to be used or paid. The liability is measured at current value as of June 30 based on employee accumulated leave balances, pay rates, and directly related fringe benefits (when applicable). Applicable leave time for the University includes vacation, sick, compensatory and paid leave bank. In accordance with the University policy, a retiring employee may receive a payout equal to one-half of their unused sick leave balance upon retirement up to a maximum of \$15. To calculate the portion of the compensated absences liability attributed to sick leave, the University used probability-based models that incorporate historical usage patterns, employee retention assumptions, and this maximum payout limitation. The use of probability-based modeling ensures that reported liability attributed to sick leave represents a realistic measure of the University's future financial obligations.

Due to Affiliates

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

	June 30,	
	2025	2024
Student organizations	\$ 387	\$ 25
Other organizations	269	312
	<u>\$ 656</u>	<u>\$ 337</u>

Deferred Outflows and Inflows of Resources

Deferred outflows of resources are defined as a consumption of net assets that are applicable to a future reporting period. Deferred inflows of resources are defined as an acquisition of net assets that are applicable to a future reporting period. Deferred inflows and deferred outflows of resources include differences between expected or projected results related to the University's proportionate share of net pension liability and contributions made to the pension systems subsequent to the measurement date and gains and losses resulting from refinancing of debt, which represents the difference between the reacquisition price and the net carrying amount of the old debt and are amortized over the life of the related debt. Deferred inflows also include amounts related to annuity funds as well as leases where the University serves as lessor.

Notes to the Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

Net Pension and Other Postretirement Liabilities

The University is required to report its proportionate share of the pension and other postretirement plans' activities for the plans in which it participates. For the purposes of measuring the net pension and other postretirement liabilities, deferred outflows of resources and deferred inflows of resources related to pension and other postretirement liabilities, and pension and other postretirement expense, information about the fiduciary net position of the pension and other postretirement plans, and additions and deductions from the pension and other postretirement plans' fiduciary net position have been determined on the same basis as they are reported to the University by those plans.

Classification of Net Position

The University classifies its resources into the following 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 trusts. Endowments are subject to restrictions of gift instruments requiring that the principal be invested in perpetuity. Beneficial interest 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 donor restricted, 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 12).

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

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.

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 statements of net position.

Notes to the Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

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 statements 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.

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.

Auxiliary Activities

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

Fringe Benefits Paid by the State

Certain fringe benefits for the University's employees are paid by the State. Such amounts (\$110,470 and \$107,315 in fiscal years 2025 and 2024, respectively) are included in State appropriations. The offsetting expenses are recorded within the appropriate operating expense categories.

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.

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 Code). The Foundation and NJII are both recognized by the Internal Revenue Service as tax-exempt organizations under Section 501(c)(3) of 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. HCIS is a for-profit corporation subject to both Federal and New Jersey State income taxes. The UREs are limited liability companies wholly-owned by NJIT that are treated as disregarded entities for Federal income tax purposes.

Pending Accounting Standards

In April 2024, GASB issued Statement 103, *Financial Reporting Model Improvements* (GASB 103). The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for periods beginning after June 15, 2025, and all reporting periods thereafter. University management is in the process of determining what, if any, impact implementation of this standard may have on the University's financial statements.

Notes to the Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, (GASB 104). GASB 104 requires certain types of capital assets to be disclosed separately in the capital assets note disclosures and also requires additional disclosures for capital assets held for sale. The requirements for GASB 104 are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. University management is in the process of determining what, if any, impact implementation of this standard may have on the University's financial statements.

NOTE 2 - CASH AND CASH EQUIVALENTS, RESTRICTED CASH, INVESTMENTS, AND DEPOSITS HELD WITH TRUSTEES

Cash and cash equivalents, comprised of cash and money market assets, totaled \$83,910 and \$60,467 at June 30, 2025 and 2024, respectively. Restricted cash – capital construction totaled \$156,016 at June 30, 2025, and represents the proceeds of the 2025 bonds. These funds are separately maintained and are designated for the acquisition and rehabilitation of certain capital projects (see Note 6).

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

	June 30, 2025				
	Total	Fair Value Measurements			NAV
		Level 1	Level 2	Level 3	
Investments:					
Money market assets	\$ 3,416	\$ 3,364	\$ 52	\$ -	\$ -
U.S. government issues	7,279	7,279	-	-	-
Corporate debt securities	7,846	-	7,846	-	-
Municipal issues	3,794	-	3,794	-	-
Corporate equity securities	24,193	24,193	-	-	-
Public equity funds and accounts	84,090	84,090	-	-	-
Public bond funds and accounts	78,244	4,017	74,227	-	-
Private and other investment funds	93,586	-	-	-	93,586
	302,448	122,943	85,919	-	93,586
Deposits held with trustees:					
Money market assets	7,831	-	7,831	-	-
	<u>\$ 310,279</u>	<u>\$ 122,943</u>	<u>\$ 93,750</u>	<u>\$ -</u>	<u>\$ 93,586</u>

	June 30, 2024				
	Total	Fair Value Measurements			NAV
		Level 1	Level 2	Level 3	
Investments:					
Money market assets	\$ 2,952	\$ 2,952	\$ -	\$ -	\$ -
Corporate debt securities	80	-	80	-	-
Corporate equity securities	37,819	37,819	-	-	-
Public equity funds and accounts	104,718	95,282	9,436	-	-
Public bond funds and accounts	172,226	14,292	157,934	-	-
Private and other investment funds	19,778	-	-	42	19,736
	337,573	150,345	167,450	42	19,736
Deposits held with trustees:					
Money market assets	7,612	-	7,612	-	-
	<u>\$ 345,185</u>	<u>\$ 150,345</u>	<u>\$ 175,062</u>	<u>\$ 42</u>	<u>\$ 19,736</u>

Notes to the Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

Private and other investment funds are comprised of private equity, real assets, and private debt. At June 30, 2025, the University is committed to invest an additional \$15,444 in these funds over the next several fiscal years. Deposits held with trustees represent restricted funds held by U.S. Bank under terms of the general obligation bond agreements as well as funds held by Bank of New York Mellon and UMB Financial Corporation under terms of the master lease purchase 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 Directors. The University's investment strategy is to maintain purchasing power of pooled 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:

<u>Investment Category</u>	<u>Range</u>
Capital appreciation: Global equity Private investments	50% - 80%
Diversifiers: Liquid diversifiers Private diversifiers	5% - 35%
Liquidity reserve: Fixed income Cash	5% - 35%

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 and restricted cash – capital construction have a bank balance totaling \$223,461 and \$60,936, including cash held by depositories of \$4,481 and \$7,112 at June 30, 2025 and 2024, respectively, of which \$569 and \$504 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 custodian, the University will not be able to recover the value of the investments that are in that custodian's possession. The University's investment policy does not address custodial credit risk - investments. At June 30, 2025 and 2024, \$310,279 and \$345,185, 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 assets and public bond funds and accounts included in the University's investment portfolio are not rated. The University's investments in corporate debt securities at June 30, 2025 and 2024 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.

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.

Notes to the Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

At June 30, 2025 and 2024, fixed income investments included in cash and cash equivalents, restricted cash – capital construction, investments, and deposits held with trustees have the following maturities:

Maturing in Years	June 30, 2025			June 30, 2024		
	Money Market Assets	U.S. Government Issues	Corporate Debt Securities	Municipal Issues	Money Market Assets	Corporate Debt Securities
Less than one	\$ 248,069	-	\$ 16	\$ -	\$ 66,148	\$ 20
One to five	-	5,712	4,999	3,289	-	-
Five to 10	-	1,567	2,831	505	-	60
	<u>\$ 248,069</u>	<u>\$ 7,279</u>	<u>\$ 7,846</u>	<u>\$ 3,794</u>	<u>\$ 66,148</u>	<u>\$ 80</u>

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

	June 30,	
	2025	2024
Money market assets	\$ 2,984	\$ 2,603
U.S. government issues	7,279	-
Corporate debt securities	7,846	80
Municipal issues	3,794	-
Public equity funds and accounts	81,866	102,968
Public bond funds and accounts	-	48,625
Private and other investment funds	93,586	19,736
	<u>\$ 197,355</u>	<u>\$ 174,012</u>

For the years ended June 30, 2025 and 2024, the average return for the endowment investment pool was 11.7% and 12.1%, 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, 2025 and 2024 was 4.00% and 4.04%, 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

June 30, 2025 and 2024

(Dollars in thousands)

NOTE 3 - CAPITAL ASSETS

The activity in capital assets for the years ended June 30, 2025 and 2024 was as follows:

	June 30, 2024	Additions	Retirements	Placed Into Service	June 30, 2025
Depreciable assets:					
Land improvements	\$ 24,627	\$ -	\$ -	\$ -	\$ 24,627
Buildings and building improvements	816,795	6,446	(9,872)	7,817	821,186
Equipment and other assets	170,630	6,395	(6,694)	5,977	176,308
Right-to-use asset - building	113,117	-	(60)	-	113,057
Right-to-use asset - equipment	5,850	-	-	-	5,850
Right-to-use asset - vehicles	43	-	-	-	43
Right-to-use asset - subscriptions	9,983	9,979	(2,045)	-	17,917
	<u>1,141,045</u>	<u>22,820</u>	<u>(18,671)</u>	<u>13,794</u>	<u>1,158,988</u>
Less: accumulated depreciation/amortization:					
Land improvements	10,963	1,095	-	-	12,058
Buildings and building improvements	439,567	24,411	(9,186)	-	454,792
Equipment and other assets	134,534	10,731	(6,571)	-	138,694
Right-to-use asset - building	8,408	5,217	(45)	-	13,580
Right-to-use asset - equipment	1,934	2,033	-	-	3,967
Right-to-use asset - vehicles	9	14	-	-	23
Right-to-use asset - subscriptions	4,353	5,586	(2,045)	-	7,894
	<u>599,768</u>	<u>49,087</u>	<u>(17,847)</u>	<u>-</u>	<u>631,008</u>
Net depreciable assets	<u>541,277</u>	<u>(26,267)</u>	<u>(824)</u>	<u>13,794</u>	<u>527,980</u>
Nondepreciable assets:					
Land	25,739	-	(50)	-	25,689
Construction in progress	19,652	15,779	-	(13,794)	21,637
Capital assets, net	<u>\$ 586,668</u>	<u>\$ (10,488)</u>	<u>\$ (874)</u>	<u>\$ -</u>	<u>\$ 575,306</u>

Notes to the Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

	June 30, 2023	Additions	Retirements	Placed Into Service	June 30, 2024
Depreciable assets:					
Land improvements	\$ 24,627	\$ -	\$ -	\$ -	\$ 24,627
Buildings and building improvements	801,192	9,398	(127)	6,332	816,795
Equipment and other assets	161,321	12,201	(10,591)	7,699	170,630
Right-to-use asset - building	99,863	13,260	(6)	-	113,117
Right-to-use asset - equipment	3,977	1,957	(84)	-	5,850
Right-to-use asset - vehicles	34	43	(34)	-	43
Right-to-use asset - subscriptions	6,161	5,521	(1,699)	-	9,983
Total depreciable assets	1,097,175	42,380	(12,541)	14,031	1,141,045
Less: accumulated depreciation/amortization:					
Land improvements	9,826	1,137	-	-	10,963
Buildings and building improvements	415,113	24,581	(127)	-	439,567
Equipment and other assets	134,946	9,905	(10,317)	-	134,534
Right-to-use asset - building	4,190	4,224	(6)	-	8,408
Right-to-use asset - equipment	541	1,477	(84)	-	1,934
Right-to-use asset - vehicles	30	13	(34)	-	9
Right-to-use asset - subscriptions	2,640	3,412	(1,699)	-	4,353
Total accumulated depreciation/amortization	567,286	44,749	(12,267)	-	599,768
Net depreciable assets	529,889	(2,369)	(274)	14,031	541,277
Nondepreciable assets:					
Land	25,739	-	-	-	25,739
Construction in progress	19,178	14,505	-	(14,031)	19,652
Capital assets, net	\$ 574,806	\$ 12,136	\$ (274)	\$ -	\$ 586,668

NOTE 4 - SUPPLEMENTARY STATEMENTS OF NET POSITION DETAIL

	June 30,	
	2025	2024
Grants and accounts receivable:		
Federal and state grants and accounts receivable	\$ 44,335	\$ 35,985
Student accounts receivable	16,752	15,786
Program services accounts receivable	1,422	2,170
Other grants and accounts receivable	2,286	2,137
Pledges receivable, current portion	2,425	1,719
Lease receivables, current portion	450	224
Mortgages receivable, current portion	59	57
Accrued interest receivable	104	979
	67,833	59,057
Less: allowance for doubtful accounts	(8,819)	(8,281)
	\$ 59,014	\$ 50,776

Notes to the Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

	June 30,	
	2025	2024
Other assets, noncurrent:		
Mortgage receivable	\$ 737	\$ 802
Pledges receivable, net	1,514	1,975
Lease receivables	2,678	1,998
Other	229	872
	<u>\$ 5,158</u>	<u>\$ 5,647</u>
Deferred outflows of resources:		
Loss on defeasance of debt	\$ 1,594	\$ 1,898
Pension related	15,468	15,586
	<u>\$ 17,062</u>	<u>\$ 17,484</u>
Accounts payable and accrued liabilities:		
Salaries and fringe benefits	\$ 17,625	\$ 14,670
Accrued interest expense	5,740	7,639
Accounts payable - construction	4,552	4,552
Accounts payable - other	17,153	14,119
Other noncurrent liabilities, current portion	795	862
	<u>\$ 45,865</u>	<u>\$ 41,842</u>
Deferred inflows of resources:		
Gain on defeasance of debt	\$ 9,085	\$ 2
Annuity funds related	3,514	3,140
Pension related	10,949	19,186
Lessor leases related	8,221	7,297
	<u>\$ 31,769</u>	<u>\$ 29,625</u>

Notes to the Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

NOTE 5 - NONCURRENT LIABILITIES

The activity in noncurrent liabilities for the years ended June 30, 2025 and 2024 was as follows:

	June 30, 2024	Additions	Reductions	June 30, 2025	Current Portion
Long-term debt	\$ 306,244	\$ 246,735	\$ (106,835)	\$ 446,144	\$ 12,760
Unamortized net premium	12,268	14,699	(10,052)	16,915	1,488
Total long-term debt	318,512	261,434	(116,887)	463,059	14,248
Retirement incentive programs	1,720	361	(640)	1,441	288
Annuity funds liability	497	187	(201)	483	106
Pollution remediation liability	4,142	-	(649)	3,493	-
Compensated absences	2,679	888	(335)	3,232	323
Other	2,018	56	(820)	1,254	78
Total other noncurrent liabilities	11,056	1,492	(2,645)	9,903	795
Lease liability	110,579	3,570	(8,436)	105,713	3,569
Subscription liability	4,900	14,197	(10,182)	8,915	4,402
Total lease and subscription liability	115,479	17,767	(18,618)	114,628	7,971
Net pension liability	114,622	1,961	(876)	115,707	-
	<u>\$ 559,669</u>	<u>\$ 282,654</u>	<u>\$ (139,026)</u>	<u>\$ 703,297</u>	<u>\$ 23,014</u>
	June 30, 2023	Additions	Reductions	June 30, 2024	Current Portion
Long-term debt	\$ 307,545	\$ 9,329	\$ (10,630)	\$ 306,244	\$ 8,011
Unamortized net premium	13,065	284	(1,081)	12,268	1,217
Total long-term debt	320,610	9,613	(11,711)	318,512	9,228
Retirement incentive programs	1,178	972	(430)	1,720	279
Annuity funds liability	532	240	(275)	497	103
Pollution remediation liability	4,791	-	(649)	4,142	-
Compensated absences	2,381	572	(274)	2,679	300
Other	2,657	174	(813)	2,018	180
Total other noncurrent liabilities	11,539	1,958	(2,441)	11,056	862
Lease liability	101,570	16,712	(7,703)	110,579	4,865
Subscription liability	3,348	6,321	(4,769)	4,900	2,317
Total lease and subscription liability	104,918	23,033	(12,472)	115,479	7,182
Net pension liability	121,070	7,025	(13,473)	114,622	-
U.S. government grants refundable	13	23	(36)	-	-
	<u>\$ 558,150</u>	<u>\$ 41,652</u>	<u>\$ (40,133)</u>	<u>\$ 559,669</u>	<u>\$ 17,272</u>

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

Notes to the Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

NOTE 6 - LONG-TERM DEBT

Long-term debt is comprised of:

	June 30,	
	2025	2024
General obligation bonds:		
2025 Series A General Obligation Bonds:		
Serial bonds (interest rate at 5.00%, due on various dates through fiscal year 2046)	\$ 166,885	\$ -
Term bonds (interest rate at 5.25%, final maturity in fiscal year 2056)	79,850	-
2022 Series Direct Placement issue:		
Term bonds (interest rate at 2.79%, final maturity in fiscal year 2036)	9,890	10,160
2020 Series Direct Placement issue:		
Serial bonds (interest rates from 3.75% to 4.00%, due on various dates through fiscal year 2026)	-	595
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
Term bonds (interest rate at 5.00%, final maturity in fiscal year 2046)	-	89,080
2012 Series B issue:		
Serial bonds (interest rates from 2.17% to 3.723%, due on various dates through fiscal year 2026)	1,395	2,850
Term bonds (interest rate at 3.323%, final maturity in fiscal year 2025)	2,905	2,905
Other long-term debt:		
Higher Education Capital Improvement Fund	9,749	11,935
New Jersey Economic Development Authority note	420	561
Master Lease Purchase Agreements	3,072	6,313
PSE&G Energy Efficiency Program Agreement	3,293	3,735
	<u>446,144</u>	<u>306,244</u>
Unamortized net premium on obligations	<u>16,915</u>	<u>12,268</u>
	463,059	318,512
Less: current portion	<u>(14,248)</u>	<u>(9,228)</u>
	<u>\$ 448,811</u>	<u>\$ 309,284</u>

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

Notes to the Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

The 2025 Series A Bonds were issued by the University for the purpose of currently refunding all of the outstanding 2015 Series A Bonds and for various capital projects. The refunding resulted in an accounting gain on refunding which is reported as a deferred inflow of resources in the statement of net position in accordance with GASB Statement No. 65. This gain is being amortized and recognized as a component of interest expense. The unamortized balance of the gain on refunding as of the end of the reporting period is presented in the financial statements as a deferred inflow of resources. The refunding resulted in an economic gain (difference between the present values of the old and new debt service payments less escrow funds used) of \$4,853. The 2025 Series A bonds were issued at a premium of \$14,792, which is being amortized against interest expense over the life of the bonds. The 2025 Series A Bonds are subject to optional redemption prior to maturity, as defined in the bond documents.

The 2022 Series Direct Placement Bonds were issued by the University for the purpose of currently refunding a portion of the 2015 Series A Step Coupon Bonds. The 2022 Series Direct Placement Bonds are subject to optional redemption prior to maturity, as defined in the bond documents.

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

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.

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 New Jersey Educational Facilities Authority (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 3.0% to 5.5% and matures at various dates through fiscal year 2037.

The New Jersey Economic Development Authority note, which matures in fiscal year 2028, is noninterest bearing and payable monthly. Imputed interest expense totaled \$26 and \$32 in fiscal years 2025 and 2024, respectively.

Notes to the Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

The Master Lease Purchase Agreements were entered into for the purpose of financing upgrades to the University's information technology infrastructure. The debt is noninterest bearing with final maturity in fiscal year 2028.

The Public Service Electric & Gas energy efficiency program agreement was entered into for the purpose of upgrading inefficient and aging infrastructure. The University is responsible for a portion of project costs. The debt is noninterest bearing with final maturity in fiscal year 2031.

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, 2025, deposits held with trustees included \$4,300 for principal payments on bonds due on July 1, 2025. 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
2026	\$ 8,765	\$ 21,290	\$ 30,055
2027	8,336	19,631	27,967
2028	11,620	19,372	30,992
2029	11,828	18,950	30,778
2030	12,646	18,498	31,144
2031 to 2035	75,759	83,597	159,356
2036 to 2040	87,865	66,754	154,619
2041 to 2045	107,410	45,506	152,916
2046 to 2050	72,610	19,974	92,584
2051 to 2055	45,005	7,330	52,335
	<u>\$ 441,844</u>	<u>\$ 320,902</u>	<u>\$ 762,746</u>

Deferred loss on refunding associated with the University's long-term debt totaled \$1,594 and \$1,898, net of accumulated amortization of \$4,044 and \$3,741, at June 30, 2025 and 2024, respectively.

Deferred gain on refunding associated with the University's long-term debt totaled \$9,085 and \$2, net of accumulated amortization of \$948 and \$904, at June 30, 2025 and 2024, respectively.

Debt related interest charges incurred in fiscal years 2025 and 2024 totaled \$11,463 and \$12,062, respectively.

NOTE 7 - LEASES AND SUBSCRIPTION-BASED IT ARRANGEMENTS (SBITA)

The University is a lessee for non-cancellable leases of building and equipment assets and a subscriber for non-cancellable contracts of another party's information technology (IT). A lease or subscription liability and an intangible right-to-use asset with initial, individual undiscounted payments of the term of the lease or subscription value is recognized. At the commencement of a lease or subscription, the liability is measured at the present value of payments expected to be made during the lease or subscription term. Subsequently, the lease or subscription liability is reduced by the principal portion of lease or subscription payments made. The intangible right-to-use asset is initially measured as the initial amount of the lease or subscription liability, adjusted for payments made at or before the lease or subscription commencement date, plus certain initial direct costs. Subsequently, the intangible right-to-use asset is amortized on a straight-line basis over its useful life. The University uses an estimated incremental borrowing rate as the discount rate for leases and subscriptions. The borrowing rate varies from 2.32% to 3.71% depending on the length of the lease or subscription as of June 30, 2025 and 2024.

Notes to the Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

The principal and interest expense for lease and subscription obligations as of the year ended June 30, are as follows:

	Cash	Interest Expense	Liability Reduction
2026	\$ 12,247	\$ 4,276	\$ 7,971
2027	11,526	4,030	7,496
2028	7,351	3,812	3,539
2029	6,728	3,709	3,019
2030	6,415	3,597	2,818
2031 to 2035	29,869	16,591	13,278
2036 to 2040	24,001	14,482	9,519
2041 to 2045	24,025	12,402	11,623
2046 to 2050	24,077	9,842	14,235
2051 to 2055	24,141	6,718	17,423
2056 to 2060	24,219	2,893	21,326
2061 to 2065	2,428	47	2,381
	<u>\$ 197,027</u>	<u>\$ 82,399</u>	<u>\$ 114,628</u>

Lease and subscription related interest charges incurred in fiscal years 2025 and 2024 totaled \$4,413 and \$4,176, respectively.

Refer to Note 14 for details related to the University's ground lease and facility lease agreement with CHF-Newark, LLC for Maple Hall.

Leases Where the University is the Lessor

Lease receivables are recorded by the University at the present value of lease payments expected to be received under all leases other than short-term. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. Short-term leases, those with a maximum period of 12 months, are recognized as collected.

For the years ended June 30, 2025 and 2024, the University earned \$420 and \$393 in lease revenue and \$45 and \$47 in lease interest revenue, respectively.

Future building lease receipts as of the year ended June 30, are as follows:

	Lease Receivable	Interest	Total
2026	\$ 450	\$ 64	\$ 514
2027	465	52	517
2028	430	40	470
2029	81	33	114
2030	86	32	118
2031 to 2035	513	131	644
2036 to 2040	673	73	746
2041 to 2045	430	13	443
	<u>\$ 3,128</u>	<u>\$ 438</u>	<u>\$ 3,566</u>

Notes to the Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

NOTE 8 - 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, 2025 and 2024, accounts payable and accrued liabilities include accrued vacation and related fringe benefits of \$6,126 and \$5,529, respectively, and unused sick time of \$323 and \$300, respectively. At June 30, 2025 and 2024, other noncurrent liabilities include \$2,909 and \$2,379, respectively, of unused sick time. In fiscal years 2025 and 2024, payments for unused sick time totaled \$335 and \$274, respectively.

NOTE 9 - 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 Annual Comprehensive Financial Report of the State of New Jersey, Division of Pensions and Benefits, which includes financial statements, required supplementary information, and detailed information about the PERS, PFRS, and TPAF fiduciary net position. These reports can be obtained at www.nj.gov/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 10 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.

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 \$7,782 and \$7,572 for the fiscal years ended June 30, 2025 and 2024, respectively, which is recognized as deferred outflows of resources in the statements of net position.

Notes to the Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

NJIT participated in the State's early retirement incentive programs and is responsible for retirement incentive program contributions to PERS, which were \$91 and \$89 for the years ended June 30, 2025 and 2024, 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 10 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's Contribution to PFRS on behalf of NJIT was \$2,311 and \$2,811 for the fiscal years ended June 30, 2025 and 2024, respectively, which is recognized as deferred outflows of resources in the statements 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 10 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.

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, 2025 and 2024, NJIT recognized both state appropriation revenue and pension expense of \$0 and \$24, 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 \$41 and \$40 for the years ended June 30, 2025 and 2024, 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, 2024 and 2023.

Notes to the Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

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, 2025 and 2024, are as follows:

	PERS	PFRS	Total
Proportionate share of the net pension liability (\$)			
2025	\$ 95,977	\$ 19,730	\$ 115,707
2024	\$ 96,853	\$ 17,769	\$ 114,622
Proportionate share of the net pension liability (%)			
2025	0.433%	0.449%	
2024	0.431%	0.402%	
	PERS	PFRS	Total
Deferred outflows of resources			
2025	\$ 10,344	\$ 5,124	\$ 15,468
2024	\$ 11,299	\$ 4,287	\$ 15,586
Deferred inflows of resources			
2025	\$ 7,511	\$ 3,438	\$ 10,949
2024	\$ 14,168	\$ 5,018	\$ 19,186
Net pension expense (benefit)			
2025	\$ (6,579)	\$ (457)	\$ (7,036)
2024	\$ (8,375)	\$ (1,571)	\$ (9,946)

NJIT's proportionate share of each respective plan's 2025 and 2024 net pension liability was based on the State Contribution to the respective plans from July 1, 2023 to June 30, 2024 and July 1, 2022 to June 30, 2023, 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, 2025 and June 30, 2024 are as follows:

Deferred Outflows of Resources

	June 30, 2025		
	PERS	PFRS	Total
Differences between expected and actual experience	\$ 1,899	\$ 615	\$ 2,514
Net difference between projected and actual earnings on pension plan investments	316	211	527
Changes in assumptions	52	10	62
Changes in proportionate share	295	1,977	2,272
Contributions paid subsequent to June 30, 2024	7,782	2,311	10,093
	<u>\$ 10,344</u>	<u>\$ 5,124</u>	<u>\$ 15,468</u>

Notes to the Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

	June 30, 2024		
	PERS	PFRS	Total
Differences between expected and actual experience	\$ 2,148	\$ 496	\$ 2,644
Net difference between projected and actual earnings on pension plan investments	1,481	433	1,914
Changes in assumptions	98	13	111
Changes in proportionate share	-	534	534
Contributions paid subsequent to June 30, 2023	7,572	2,811	10,383
	<u>\$ 11,299</u>	<u>\$ 4,287</u>	<u>\$ 15,586</u>

Deferred Inflows of Resources

	June 30, 2025		
	PERS	PFRS	Total
Differences between expected and actual experience	\$ 193	\$ 186	\$ 379
Changes in assumptions	509	187	696
Changes in proportionate share	6,809	3,065	9,874
	<u>\$ 7,511</u>	<u>\$ 3,438</u>	<u>\$ 10,949</u>

	June 30, 2024		
	PERS	PFRS	Total
Differences between expected and actual experience	\$ 288	\$ 290	\$ 578
Changes in assumptions	2,780	427	3,207
Changes in proportionate share	11,100	4,301	15,401
	<u>\$ 14,168</u>	<u>\$ 5,018</u>	<u>\$ 19,186</u>

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 \$905 and \$971 as of June 30, 2025 and 2024, respectively, are reported by the State.

Notes to the Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

The \$10,093 and \$10,383 reported as deferred outflows of resources related to pensions resulting from State Contributions paid subsequent to June 30, 2024 and 2023, respectively, are recorded as deferred outflows of resources as of June 30, 2025 and 2024, respectively, and will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026 and fiscal year ended June 30, 2025. 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 as follows:

	PERS	PFRS	Total
2026	\$ (3,006)	\$ (325)	\$ (3,331)
2027	(788)	(462)	(1,250)
2028	(1,010)	(146)	(1,156)
2029	(140)	(17)	(157)
2030	(5)	294	289
Thereafter	-	31	31
	(4,949)	(625)	(5,574)
Contributions paid subsequent to June 30, 2024	7,782	2,311	10,093
	\$ 2,833	\$ 1,686	\$ 4,519

Defined Benefit Actuarial Assumptions

NJIT's net pension liability as of June 30, 2025 for each plan was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. NJIT's net pension liability as of June 30, 2024 for each plan was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The total pension liability for each plan was determined using the following actuarial assumptions:

	PERS	2025 PFRS	TPAF
Valuation date	7/1/2023	7/1/2023	7/1/2023
Measurement date	6/30/2024	6/30/2024	6/30/2024
Inflation rate:			
Price	2.75%	2.75%	2.75%
Wage	3.25%	3.25%	3.25%
Salary increases	2.75% - 6.55%	3.25% - 16.25%	2.75% - 4.25%
	based on years of service	based on years of service	based on years of service
Investment rate of return	7.00%	7.00%	7.00%
Municipal bond rate – 2024	3.93%	3.93%	3.93%
Discount rate - 2024	7.00%	7.00%	7.00%
Experience study dates	7/1/2018-6/30/2021	7/1/2018-6/30/2021	7/1/2018-6/30/2021

Notes to the Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

	2024		
	PERS	PFRS	TPAF
Valuation date	7/1/2022	7/1/2022	7/1/2022
Measurement date	6/30/2023	6/30/2023	6/30/2023
Inflation rate:			
Price	2.75%	2.75%	2.75%
Wage	3.25%	3.25%	3.25%
Salary increases	2.75% - 6.55%	3.25% - 16.25%	2.75% - 4.25%
	based on years of service	based on years of service	based on years of service
Investment rate of return	7.00%	7.00%	7.00%
Municipal bond rate - 2023	3.65%	3.65%	3.65%
Discount rate - 2023	7.00%	7.00%	7.00%
Experience study dates	7/1/2018-6/30/2021	7/1/2018-6/30/2021	7/1/2018-6/30/2021

For the June 30, 2024 and 2023 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-2021 for the June 30, 2024 and 2023 measurement dates.

For the June 30, 2024 and 2023 measurement dates, PFRS pre-retirement mortality rates were based on the Pub-2010 Safety Employee amount-weighted mortality table with 5% of deaths assumed to be accidental and with future improvement from the base year of 2010 on a generational basis. Healthy annuitant mortality rates were based on the Pub-2010 Safety Retiree Below Median amount-weighted mortality table with no adjustments and with future improvement from the base year of 2010 on a generational basis. For beneficiaries, the Pub-2010 General Retiree Below-Median Income amount 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 amount-weighted mortality table with a 144% adjustment for males and 100% adjustment for females and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021 for the June 30, 2024 and 2023 measurement dates.

For the June 30, 2024 and 2023 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 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-2021 for June 30, 2024 and 2023 measurement dates.

Notes to the Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

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, 2024 and 2023 measurement dates, the projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State 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, PFRS, and 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 TPAF.

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, 2024 and 2023 are as follows:

<u>Asset Class</u>	<u>June 30, 2024</u>		<u>June 30, 2023</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equity	28.00%	8.63%	28.00%	8.98%
Non-U.S. developed markets equity	12.75%	8.85%	12.75%	9.22%
International small cap equity	1.25%	8.85%	1.25%	9.22%
Emerging markets equity	5.50%	10.66%	5.50%	11.13%
Private equity	13.00%	12.40%	13.00%	12.50%
Real assets	8.00%	10.95%	8.00%	8.58%
Real estate	3.00%	8.20%	3.00%	8.40%
High yield	4.50%	6.74%	4.50%	6.97%
Private credit	8.00%	8.90%	8.00%	9.20%
Investment grade credit	7.00%	5.37%	7.00%	5.19%
Cash equivalents	2.00%	3.57%	2.00%	3.31%
U.S. treasuries	4.00%	3.57%	4.00%	3.31%
Risk mitigation strategies	3.00%	7.10%	3.00%	6.21%

Notes to the Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

Discount Rate Sensitivity

NJIT's proportionate share of the net pension liability as of June 30, 2025 and 2024, 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, 2025			
	PERS		PFRS	
	Rate	Amount	Rate	Amount
1% decrease	6.0%	\$ 110,112	6.0%	\$ 23,116
Current discount rate	7.0%	95,977	7.0%	19,730
1% increase	8.0%	83,974	8.0%	16,773

	June 30, 2024			
	PERS		PFRS	
	Rate	Amount	Rate	Amount
1% decrease	6.0%	\$ 110,747	6.0%	\$ 20,738
Current discount rate	7.0%	96,853	7.0%	17,769
1% increase	8.0%	85,058	8.0%	15,295

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 10 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, 2025 and 2024, NJIT's contributions to ABP were \$12,121 and \$11,031, 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 \$721 and \$554 for the fiscal years ended June 30, 2025 and 2024, respectively.

Notes to the Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

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 \$926 and \$746 for the fiscal years ended June 30, 2025 and 2024, respectively.

NOTE 10 - 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 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, 2025 and 2024, 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 (benefit).

Notes to the Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

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, 2025 and 2024 are as follows:

	2025	2024
NJIT's share of State liability	\$ 266,900	\$ 230,603
NJIT's share of special funding situation	4.237%	4.167%
NJIT's share of the Plan	1.112%	1.099%
NJIT's OPEB expense (benefit)	\$ (6,347)	\$ (9,227)

Actuarial Assumptions and Other Inputs

The State's liability associated with NJIT at June 30, 2025 was determined by an actuarial valuation as of June 30, 2023, which was rolled forward to the measurement date of June 30, 2024. The State's liability associated with NJIT at June 30, 2024 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to the measurement date of June 30, 2023. The following actuarial assumptions were utilized:

	2025	2024
Price inflation	2.75%	2.75%
Wage inflation	3.25%	3.25%
Salary increases	2.75% to 16.25%	2.75% to 16.25%
Discount rate	3.93%	3.65%

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, 2024 and June 30, 2023 valuations were based on the results of actuarial experience studies of the State's defined benefit plans. For the June 30, 2023 and 2022 valuations this included ABP (using the experience of TPAF), PERS, and PRFS (July 1, 2018 through June 30, 2021).

For the June 30, 2024 and 2023 measurement dates, 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-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 "Safety" (PFRS), "Teachers" (ABP), and "General" (PERS) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Health Care Trend Assumptions

For the June 30, 2024 measurement date, the trend rate for pre-65 medical benefits is initially 7.5% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits (PPO and HMO), the actual fully insured Medicare Advantage trend rates for fiscal year 2025 is reflected. For PPO the trend is initially 3.06% in fiscal year 2025, increasing to 21.39% in fiscal year 2027 and decreases to 4.5% in fiscal year 2034. For HMO the trend is initially 2.65% in fiscal year 2025, increasing to 24.11% in fiscal year 2027 and decreases to 4.5% in fiscal year 2034. For prescription drug benefits, the trend rate for pre-65 is

Notes to the Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

initially 12.75% and decreases to a 4.5% long-term trend rate after nine years. For post-65 the trend is initially 12.25% and decreases to a 4.5% long-term trend rate after nine years. For EGWP the trend is initially 21.78% and decreases to a 4.5% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

For the June 30, 2023 measurement date, the trend rate for pre-65 medical benefits is initially 6.5% and decreases to 4.5% long-term trend rate after eight years. For post-65 medical benefits (PPO and HMO), the actual fully insured Medicare Advantage trend rates for fiscal year 2024 is reflected. For PPO the trend is initially 75% in fiscal year 2025, increasing to 15.93% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially 7.89% in fiscal year 2025, increasing to 17.83% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, fiscal years 2024 and 2025 are separate for pre-65, post-65, and EGWP with initial rates of 14.00%, 9.50%, and 14.28% respectively. Starting in fiscal year 2026, each category is 7.5% and decreases to 4.5% long-term trend rate after four years. For Medicare Part B reimbursement, the trend rate is 5.0%

NOTE 11 - CONDENSED COMBINING FINANCIAL STATEMENTS 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, 2025 and for the year then ended are as follows:

	At June 30, 2025					
	NJIT	Foundation	NJII	UREs	Reclassifications/ Eliminations	Combined
Cash and cash equivalents	\$ 52,124	\$ 6,685	\$ 31,786	\$ 61	\$ (6,746)	\$ 83,910
Restricted cash – capital construction	156,016	-	-	-	-	156,016
Other current assets	144,477	1,925	22,838	34	(2)	169,272
Due from NJIT/NJII	10,900	-	6,453	-	(17,353)	-
Capital assets, net	556,418	-	775	18,113	-	575,306
Other noncurrent assets	6,635	208,995	122	-	2	215,754
Investment in UREs	18,181	-	-	-	(18,181)	-
Total assets	944,751	217,605	61,974	18,208	(42,280)	1,200,258
Deferred outflows of resources	17,062	-	-	-	-	17,062
Due to NJII	6,453	-	-	-	(6,453)	-
Due to Foundation/NJIT	6,584	142	10,900	-	(17,626)	-
Other current liabilities	84,871	124	4,848	27	(20)	89,850
Noncurrent liabilities	679,751	377	155	-	-	680,283
Total liabilities	777,659	643	15,093	27	(24,099)	770,133
Deferred inflows of resources	28,255	3,514	-	-	-	31,769
Net investment in capital assets	129,182	-	395	18,113	-	147,690
Restricted nonexpendable	-	117,525	-	-	-	117,525
Restricted expendable	23,842	56,925	-	-	-	80,767
Unrestricted	2,875	38,998	45,676	68	(18,181)	69,436
Total net position	\$ 155,899	\$ 213,448	\$ 46,071	\$ 18,181	\$ (18,181)	\$ 415,418

Notes to the Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

	For the Year Ended June 30, 2025					
	NJIT	Foundation	NJII	UREs	Reclassifications/ Eliminations	Combined
Gifts and bequests	\$ -	\$ 7,066	\$ -	\$ -	\$ (7,066)	\$ -
Other operating revenues	388,334	5,991	19,927	1,687	(39,500)	376,439
Total operating revenues	388,334	13,057	19,927	1,687	(46,566)	376,439
Depreciation and amortization	47,717	-	591	779	-	49,087
Grants to NJIT	-	10,652	-	-	(10,652)	-
Grants to NJIT student fraternities	-	5	-	-	(5)	-
Grants to NJII	-	75	-	-	(75)	-
Other operating expenses	525,945	4,040	27,707	867	(18,240)	540,319
Total operating expenses	573,662	14,772	28,298	1,646	(28,972)	589,406
Operating (loss) income	(185,328)	(1,715)	(8,371)	41	(17,594)	(212,967)
Gifts and bequests	-	-	-	-	6,865	6,865
Investment income	10,058	19,941	2,768	-	(57)	32,710
Other non-operating revenues, net	153,584	18	(9,617)	(773)	11,518	154,730
Additions to permanent endowments	-	6,979	-	-	-	6,979
(Decrease) increase in net position	(21,686)	25,223	(15,220)	(732)	732	(11,683)
Net position, beginning of year	177,585	188,225	61,291	18,913	(18,913)	427,101
Net position, end of year	\$ 155,899	\$ 213,448	\$ 46,071	\$ 18,181	\$ (18,181)	\$ 415,418
	For the Year Ended June 30, 2025					
	NJIT	Foundation	NJII	UREs	Reclassifications/ Eliminations	Combined
Net cash and cash equivalents (used) provided by:						
Operating activities	\$ (54,913)	\$ (1,623)	\$ (2,771)	\$ (183)	\$ (31,043)	\$ (90,533)
Noncapital financing activities	83,186	6,894	-	244	19,933	110,257
Capital financing activities	94,528	-	(421)	-	-	94,107
Investing activities	54,973	(3,839)	4,877	-	9,617	65,628
Net increase (decrease) in cash and cash equivalents	177,774	1,432	1,685	61	(1,493)	179,459
Cash and cash equivalents, beginning of year, including restricted cash and cash equivalents	30,366	5,253	30,101	-	(5,253)	60,467
Cash and cash equivalents, end of year, including restricted cash and cash equivalents	\$ 208,1480	\$ 6,685	\$ 31,786	\$ 61	\$ (6,746)	\$ 239,926

Notes to the Financial Statements

June 30, 2025 and 2024

(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, 2024 and for the year then ended are as follows:

	At June 30, 2024					
	NJIT	Foundation	NJII	UREs	Reclassifications/ Eliminations	Combined
Cash and cash equivalents	\$ 30,366	\$ 5,253	\$ 30,101	\$ -	\$ (5,253)	\$ 60,467
Other current assets	175,587	1,564	42,571	34	7	219,763
Due from NJIT	-	-	2,426	-	(2,426)	-
Capital assets, net	566,410	-	1,366	18,892	-	586,668
Other noncurrent assets	17,502	185,214	122	-	(10,900)	191,938
Investment in UREs	18,913	-	-	-	(18,913)	-
Total assets	808,778	192,031	76,586	18,926	(37,485)	1,058,836
Deferred outflows of resources	17,484	-	-	-	-	17,484
Due to NJII	2,426	-	-	-	(2,426)	-
Due to Foundation/NJIT	5,130	123	-	-	(5,253)	-
Other current liabilities	73,059	149	3,969	13	7	77,197
Noncurrent liabilities	541,577	394	11,326	-	(10,900)	542,397
Total liabilities	622,192	666	15,295	13	(18,572)	619,594
Deferred inflows of resources	26,485	3,140	-	-	-	29,625
Net investment in capital assets	132,933	-	564	18,892	-	152,389
Restricted nonexpendable	-	110,048	-	-	-	110,048
Restricted expendable	19,736	46,125	-	-	-	65,861
Unrestricted	24,916	32,052	60,727	21	(18,913)	98,803
Total net position	\$ 177,585	\$ 188,225	\$ 61,291	\$ 18,913	\$ (18,913)	\$ 427,101

Notes to the Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

	For the Year Ended June 30, 2024					
	NJIT	Foundation	NJII	UREs	Reclassifications/ Eliminations	Combined
Gifts and bequests	\$ -	\$ 6,500	\$ -	\$ -	\$ (6,500)	\$ -
Other operating revenues	374,272	3,322	28,736	1,377	(38,832)	368,875
Total operating revenues	374,272	9,822	28,736	1,377	(45,332)	368,875
Depreciation and amortization	43,154	-	812	783	-	44,749
Grants to NJIT	-	10,552	-	-	(10,552)	-
Grants to NJIT student fraternities	-	8	-	-	(8)	-
Grants to NJII	-	75	-	-	(75)	-
Other operating expenses	480,087	4,324	26,989	864	(26,455)	485,809
Total operating expenses	523,241	14,959	27,801	1,647	(37,090)	530,558
Operating (loss) income	(148,969)	(5,137)	935	(270)	(8,242)	(161,683)
Gifts and bequests	-	-	-	-	6,298	6,298
Investment income	13,290	20,828	3,318	-	-	37,436
Other non-operating revenues, net	146,538	12	(632)	(505)	2,719	148,132
Capital grants and gifts	8,458	-	-	-	-	8,458
Additions to permanent endowments	-	4,107	-	-	-	4,107
Increase (decrease) in net position	19,317	19,810	3,621	(775)	775	42,748
Net position, beginning of year	158,268	168,415	57,670	19,688	(19,688)	384,353
Net position, end of year	\$ 177,585	\$ 188,225	\$ 61,291	\$ 18,913	\$ (18,913)	\$ 427,101
	For the Year Ended June 30, 2024					
	NJIT	Foundation	NJII	UREs	Reclassifications/ Eliminations	Combined
Net cash and cash equivalents (used) provided by:						
Operating activities	\$ (55,219)	\$ (3,790)	\$ 1,332	\$ (653)	\$ (30,378)	\$ (88,708)
Noncapital financing activities	78,865	3,966	-	651	27,424	110,906
Capital financing activities	(43,365)	-	(481)	-	-	(43,846)
Investing activities	20,553	2,148	6,236	-	632	29,569
Net increase (decrease) in cash and cash equivalents	834	2,324	7,087	(2)	(2,322)	7,921
Cash and cash equivalents, beginning of year, including restricted cash and cash equivalents	29,532	2,929	23,014	2	(2,931)	52,546
Cash and cash equivalents, end of year, including restricted cash and cash equivalents	\$ 30,366	\$ 5,253	\$ 30,101	\$ -	\$ (5,253)	\$ 60,467

Notes to the Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

NOTE 12 - NET POSITION

The components of unrestricted net position are as follows:

	June 30,	
	2025	2024
Designated unrestricted net position:		
University strategic reserve	\$ 41,172	\$ 41,066
Quasi-endowments	35,210	29,565
Instructional and other	15,399	22,661
Construction and capital programs	21,015	30,369
Outstanding purchase orders	5,691	4,177
	<u>118,487</u>	<u>127,838</u>
Undesignated unrestricted net position		
Pension related	(111,187)	(118,222)
Operations	62,136	89,187
	<u>\$ 69,436</u>	<u>\$ 98,803</u>

NOTE 13 - COMMITMENTS AND CONTINGENCIES

At June 30, 2025, open purchase orders totaled \$85,316, 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.

The University has available a line of credit with a bank permitting it to borrow up to \$50,000 at the Secured Overnight Financing Rate (SOFR) plus 125 basis points (1.25%). This agreement also requires the University to maintain \$5,000 on deposit with the lender. There were no borrowings against the agreement in fiscal year 2025 and through February 5, 2026 the date the financial statements were issued.

NOTE 14 - 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.

Bond Reserves

Bond reserves consist of money market funds held on deposit with Wilmington Trust (the Trustee) in accordance with the Trust Indenture. Under the terms of the Trust Indenture and other documents executed

Notes to the Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

in connection with the issuance of the bonds, various funds must be established and maintained by the Trustee. These or associated documents govern the types of investments and requirements for collateralization.

Prepaid Ground Lease

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 made an initial payment to NJIT in the amount of \$5,635. This payment is being amortized over the 39-year life of the bonds. Amortization expense was \$144 for both of the years ended June 30, 2025 and 2024, respectively.

Facility Lease Agreement

In April 2021, CHF-Newark entered into a Facility Lease Agreement with NJIT. A Facility lease receivable was recorded when the Facility was placed in service in August 2022. Pursuant to the terms of the Facility Lease Agreement, NJIT is required to pay base rent and additional rent to CHF-Newark through the 50th anniversary of the Ground Lease Agreement (April 2071). Base rents are due January 20 and July 20 of each year, commencing January 2023 pursuant to the schedule of base rents provided in the Facility Lease Agreement. Additional rent is due in four equal quarterly installments (July 20, October 20, January 20, and April 20) each year to cover certain expenses of CHF-Newark as defined in the Facility Lease Agreement, including but not limited to, issuer fees, trustee fees, membership fees, and professional fees. Base rents paid for the year ended June 30, 2025 and 2024, were \$4,167 and \$4,013, respectively.

CHF-Newark reported a lease receivable in the amount of \$97,122 and \$96,880 as of June 30, 2025 and 2024, including accrued interest income of \$1,508 and \$1,757, respectively.

At June 30, 2025, future lease receipts are as follows:

Year Ending June 30:

2026	\$	4,314
2027		4,456
2028		4,603
2029		4,726
2030		4,776
2030 and thereafter		<u>146,958</u>
Total undiscounted lease receipts		169,833
Less: present value of lease receipts		<u>97,122</u>
Difference between undiscounted lease receipts and lease receivable	\$	<u><u>72,711</u></u>

Bonds Payable

CHF-Newark, through the Essex County Improvement Authority, issued Series 2021A and Series 2021B General Obligation Lease Revenue Bonds to finance the construction of the residence hall. CHF-Newark manages the premises. All costs associated with the ownership, operation, and management of the improvements are the obligation of CHF-Newark. Student rental rates 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.

Notes to the Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

Bonds payable is comprised of:

	June 30,	
	2025	2024
Series 2021 B Taxable Bonds Interest rate of 1.92%, final maturity in fiscal year 2033	\$ 9,820	\$ 10,460
Series 2021 A Tax-exempt Bonds Interest rate of 3.04%, final maturity in fiscal year 2061	80,035	80,035
Total long-term debt	89,855	90,495
Unamortized net premium on obligations	13,183	13,676
Unamortized debt issuance costs	(1,419)	(1,479)
Bonds payable, net	<u>\$ 101,619</u>	<u>\$ 102,692</u>

NOTE 15 - SUBSEQUENT EVENTS

The University has evaluated subsequent events through February 5, 2026, which is the date the financial statements were issued. The University is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

Schedules of Proportionate Share of the
Net Pension Liability

Schedules of Employer
Contributions

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

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

June 30

(Dollars in thousands)

	2025		
	PERS	PFRS	TPAF
NJIT's proportion of the net pension liability	0.43%	0.45%	0.00%
NJIT's proportionate share of the net pension liability	\$ 95,977	\$ 19,730	\$ -
NJIT's covered payroll (for the year ended as of the measurement date)	\$ 24,836	\$ 2,882	\$ -
State's proportionate share of the net pension liability attributable to NJIT	N/A	N/A	\$ 905
NJIT's proportionate share of the net pension liability as a percentage of its covered payroll	353.21%	644.14%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	27.31%	31.37%	37.99%
	2024		
	PERS	PFRS	TPAF
NJIT's proportion of the net pension liability	0.43%	0.40%	0.00%
NJIT's proportionate share of the net pension liability	\$ 96,853	\$ 17,769	\$ -
NJIT's covered payroll (for the year ended as of the measurement date)	\$ 21,088	\$ 2,417	\$ -
State's proportionate share of the net pension liability attributable to NJIT	N/A	N/A	\$ 971
NJIT's proportionate share of the net pension liability as a percentage of its covered payroll	459.28%	735.17%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	24.86%	28.93%	34.68%
	2023		
	PERS	PFRS	TPAF
NJIT's proportion of the net pension liability	0.45%	0.46%	0.00%
NJIT's proportionate share of the net pension liability	\$ 101,197	\$ 19,873	\$ -
NJIT's covered payroll (for the year ended as of the measurement date)	\$ 22,518	\$ 2,517	\$ -
State's proportionate share of the net pension liability attributable to NJIT	N/A	N/A	\$ 1,054
NJIT's proportionate share of the net pension liability as a percentage of its covered payroll	449.40%	789.55%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	23.19%	27.20%	32.29%

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

June 30

(Dollars in thousands)

	2022		
	PERS	PFRS	TPAF
NJIT's proportion of the net pension liability	0.47%	0.50%	0.00%
NJIT's proportionate share of the net pension liability	\$ 100,589	\$ 20,450	\$ -
NJIT's covered payroll (for the year ended as of the measurement date)	\$ 21,121	\$ 2,599	\$ -
State's proportionate share of the net pension liability attributable to NJIT	N/A	N/A	\$ 997
NJIT's proportionate share of the net pension liability as a percentage of its covered payroll	476.25%	786.84%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	25.29%	29.72%	35.52%
	2021		
	PERS	PFRS	TPAF
NJIT's proportion of the net pension liability	0.51%	0.52%	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	0.52%	0.49%	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	\$ 1,054
NJIT's proportionate share of the net pension liability as a percentage of its covered payroll	527.61%	814.67%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	22.03%	26.06%	26.95%

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

June 30

(Dollars in thousands)

	2019		
	PERS	PFRS	TPAF
NJIT's proportion of the net pension liability	0.53%	0.54%	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%	1030.06%	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	0.51%	0.52%	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	\$ 1,553
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	0.47%	0.50%	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)

June 30

(Dollars in thousands)

	2016		
	PERS	PFRS	TPAF
NJIT's proportion of the net pension liability	0.48%	0.54%	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	\$ 1,553
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%

Schedules of Employer Contributions (Unaudited)

June 30

(Dollars in thousands)

	2025	
	PERS	PFRS
Contractually required contribution	\$ 7,782	\$ 2,311
Contributions in relation to the contractually required contribution	7,782	2,311
Contribution deficiency (excess)	\$ -	\$ -
NJIT's covered payroll (as of fiscal year end)	\$ 27,173	\$ 3,063
Contributions as a percentage of covered payroll	28.64%	75.47%
2024		
	PERS	PFRS
Contractually required contribution	\$ 7,572	\$ 2,811
Contributions in relation to the contractually required contribution	7,572	2,811
Contribution deficiency (excess)	\$ -	\$ -
NJIT's covered payroll (as of fiscal year end)	\$ 24,836	\$ 2,882
Contributions as a percentage of covered payroll	30.49%	97.54%
2023		
	PERS	PFRS
Contractually required contribution	\$ 7,258	\$ 2,453
Contributions in relation to the contractually required contribution	7,258	2,453
Contribution deficiency (excess)	\$ -	\$ -
NJIT's covered payroll (as of fiscal year end)	\$ 21,088	\$ 2,417
Contributions as a percentage of covered payroll	34.42%	101.49%
2022		
	PERS	PFRS
Contractually required contribution	\$ 7,568	\$ 2,896
Contributions in relation to the contractually required contribution	7,568	2,896
Contribution deficiency (excess)	\$ -	\$ -
NJIT's covered payroll (as of fiscal year end)	\$ 22,518	\$ 2,517
Contributions as a percentage of covered payroll	33.61%	115.06%

Schedules of Employer Contributions (Unaudited)

June 30

(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%	82.95%
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%

Schedules of Employer Contributions (Unaudited)

June 30

(Dollars in thousands)

	2017	
	PERS	PFRS
Contractually required contribution	\$ 4,327	\$ 881
Contributions in relation to the contractually required contribution	<u>4,327</u>	<u>881</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
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	<u>2,836</u>	<u>551</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
NJIT's covered payroll (as of fiscal year end)	\$ 24,111	\$ 2,654
Contributions as a percentage of covered payroll	11.76%	20.76%

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

June 30

(Dollars in thousands)

	<u>2025</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>266,900</u>
Total OPEB liability	<u>\$ 266,900</u>
NJIT's covered payroll (for the year ended as of the measurement date)	\$ 139,468
NJIT's proportionate share of the collective total OPEB liability as a percentage of its covered payroll	0.00%
	<u>2024</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>230,603</u>
Total OPEB liability	<u>\$ 230,603</u>
NJIT's covered payroll (for the year ended as of the measurement date)	\$ 129,385
NJIT's proportionate share of the collective total OPEB liability as a percentage of its covered payroll	0.00%
	<u>2023</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>225,798</u>
Total OPEB liability	<u>\$ 225,798</u>
NJIT's covered payroll (for the year ended as of the measurement date)	\$ 124,831
NJIT's proportionate share of the collective total OPEB liability as a percentage of its covered payroll	0.00%

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

June 30

(Dollars in thousands)

	<u>2022</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>261,198</u>
Total OPEB liability	<u>\$ 261,198</u>
NJIT's covered payroll (for the year ended as of the measurement date)	\$ 115,890
NJIT's proportionate share of the collective total OPEB liability as a percentage of its covered payroll	0.00%
	<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	<u>298,235</u>
Total OPEB liability	<u>\$ 298,235</u>
NJIT's covered payroll (for the year ended as of the measurement date)	\$ 119,874
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	<u>188,943</u>
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%

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

June 30

(Dollars in thousands)

	<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	<u>248,332</u>
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%
	<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	<u>\$ 296,057</u>
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.