



Monthly CFO Report to the Board of Trustees As of December 31, 2023

EXECUTIVE SUMMARY

1. **The FY24 Board-Approved UNIVERSITY OPERATING BUDGET of \$686.5M** represents an \$87.3M, or 14.6% increase from the FY23 Budget. As of December close, NJIT is projecting year-end revenues and expenses to surpass the adopted budget by \$10.85M and \$8.73M respectively, resulting in a net positive operating balance of \$2.12M.

a. **Gross Revenues from Tuition & Fees (T&F) for fall 2023 enrollment were \$5.2M or 4.2% above FY24 budget estimates.** T&F revenues from Undergraduate, Graduate, Doctoral, Jersey City and the Finish What You Started cohorts have all exceeded their fall semester targets, with full-time undergraduate students producing the largest growth relative to target (+\$2.5M or +3.7%). Only NJIT's 100% Online Graduate Programs underperformed for the fall, down \$0.5M or (-12.5%) below target. Spring semester enrollment and T&F revenue will be confirmed in late-January.

b. **However, while aggregate T&F revenues are above target by \$5.2M, Student Awards** for the fall semester were also higher by \$1.6M relative to projections, resulting in **Net Tuition Revenue of +\$3.6M for the fall relative to FY24 budget assumptions. This net amount may be further reduced by Garden State Guarantee MOE requirements not met.**

c. **Auxiliary revenues for fall 2023 are trending approximately \$1.9M or 16% ahead of last fall and \$0.6M or 4.9% above FY24 budget projections.** On-campus housing occupancy rates for the fall semester are currently 92.7%, with Maple Hall once again realizing 99% occupancy while all other on-campus housing is currently operating at 91% occupancy compared to the budget target of 88.5% occupancy for all residence halls.

d. **Restricted Program activity from research, faculty start-up funds and restricted student awards are up compared to the prior year by \$16.2M or 21.4%.** Of that amount, restricted student awards account for \$7.8M, with Garden State Guarantee awards representing \$4.5M of that increase. Research and grant-funded expenses (personnel, equipment and supplies) accounted for \$5.0M.

e. **NJIT's year to date operating revenues are below FY24 budget estimates by approximately \$7.2M;** the variance is primarily driven by timing delays with the formal approval of several significant Healthcare grants. At this point, no impact to year-end performance is anticipated; NJIT will be developing a revised forecast by the end of January.

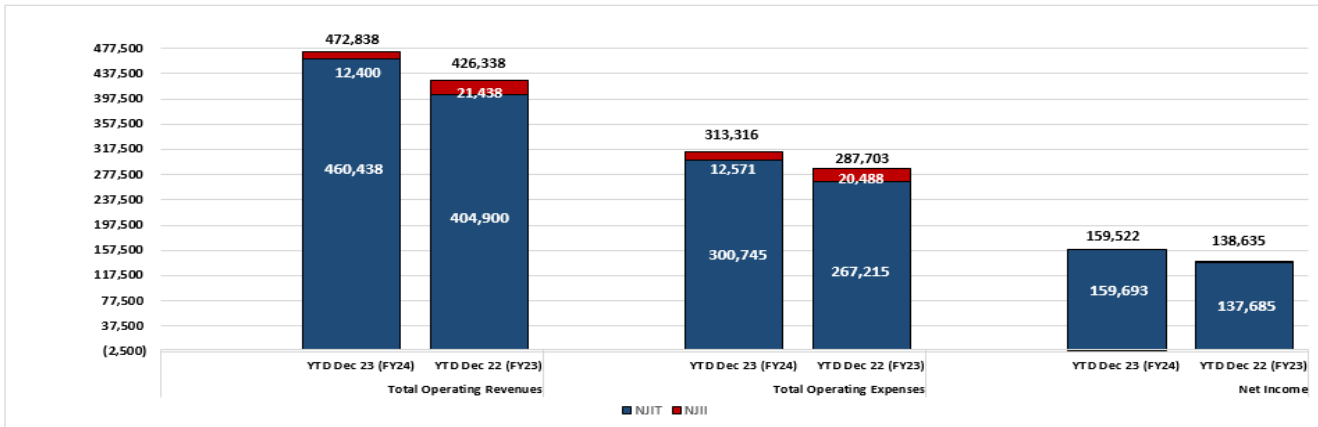
2. **CASH BALANCES** - The University's overall cash balances totaled \$167.1M as of December compared to last year's December balance of \$155.1M, an increase of \$12.0M (+7.7%). While the University's operating account experienced typical December cash outflows exceeding cash inflows, sufficient working capital reserves were available to maintain target operating cash balances. Investment returns in December totaled \$3.7M (2.2%). (Page 5).

3. **MANAGED ENDOWMENT** - The market value of the managed endowment as of December 2023 was \$163.8M compared to \$143.0M at the same time last year, an increase of \$20.8M (+13.87%), which underperformed the managed endowment's Total Portfolio Benchmark return (+14.15%). All asset classes have performed positively over the one-year calendar period with the exception of Domestic Equity (+21.88%) which underperformed its benchmark (+25.96%) by (-4.08%). The managed endowment's total portfolio fiscal year to date returns (+5.60%) overperformed the Total Portfolio Benchmark return (+5.28%) by (+0.32%). Fixed Income (+3.86%) was a major driver of overperformance (+0.49%) for the fiscal year to date, as its benchmark returned (+3.37%). For the month of December, the endowment's market value increased by \$6.6M (+4.20%) largely due to gains from Domestic Equity (+5.13%) and International Equity (+5.32%). (Page 10)



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FY2023 Annual Operating Budget Status – Revenues & Expenses (\$000's)



| | FY2024 | | | FY2023 | | |
|---------------------------------|----------------|----------------|-------------------------|----------------|----------------|----------------|
| | FY24 Budget | YTD Dec 23 | FY24 Projected Year-End | FY23 Budget | YTD Dec 22 | FY23 Year-End |
| Revenues (\$000's) | | | | | | |
| Tuition & Fees | 254,486 | 254,602 | 264,640 | 229,099 | 234,205 | 243,397 |
| State Appropriations | 153,439 | 68,798 | 153,760 | 124,417 | 55,704 | 145,138 |
| Federal Programs | - | - | - | 3,900 | 131 | 3,301 |
| Auxiliary Enterprises | 29,541 | 28,584 | 30,145 | 26,467 | 25,428 | 28,232 |
| Other Sources (ICR, Other) | 17,076 | 8,365 | 16,844 | 20,335 | 7,657 | 23,317 |
| Prior Year Fund Balance Usage | 16,998 | 8,499 | 16,998 | 12,696 | 6,348 | 12,696 |
| ERP implementation Project | 9,150 | - | 9,150 | N/A | N/A | N/A |
| NJIT Restricted Funds | 166,912 | 91,590 | 166,912 | 157,450 | 75,427 | 166,680 |
| NJIT Operating Revenues | 647,602 | 460,438 | 658,450 | 574,364 | 404,900 | 622,761 |
| NJII Operating Revenues | 38,878 | 12,400 | 38,878 | 28,750 | 21,438 | 35,451 |
| Total Operating Revenues | 686,480 | 472,838 | 697,328 | 603,114 | 426,338 | 658,212 |

| | FY2024 | | | FY2023 | | |
|--|----------------|----------------|-------------------------|----------------|----------------|----------------|
| | FY24 Budget | YTD Dec 23 | FY24 Projected Year-End | FY23 Budget | YTD Dec 22 | FY23 Year-End |
| Expenses (\$000's) | | | | | | |
| Salaries and Wages | 184,573 | 82,666 | 187,357 | 167,351 | 77,834 | 166,216 |
| Fringe Benefits | 95,171 | 42,579 | 96,224 | 73,425 | 35,210 | 85,495 |
| Student Awards | 44,772 | 26,206 | 49,660 | 52,366 | 27,053 | 52,988 |
| Other Operating Expenses | 99,622 | 32,359 | 99,622 | 78,641 | 29,998 | 91,716 |
| Capital Renewal (Facilities / IST) | 22,916 | 13,100 | 22,916 | 21,116 | 9,831 | 24,284 |
| Annual Debt Service | 19,901 | 9,953 | 19,901 | 20,021 | 9,865 | 19,739 |
| ERP implementation Project | 9,150 | - | 9,150 | N/A | N/A | N/A |
| Restricted Programs | 166,912 | 91,590 | 166,912 | 157,450 | 75,427 | 166,680 |
| Contribution to Operating Reserve Fund | 4,584 | 2,292 | 4,584 | 3,994 | 1,997 | 3,994 |
| NJIT Operating Expenses | 647,601 | 300,745 | 656,326 | 574,364 | 267,215 | 611,112 |
| NJII Operating Expenses | 38,878 | 12,571 | 38,878 | 28,750 | 20,488 | 35,902 |
| Total Operating Expenses | 686,479 | 313,316 | 695,204 | 603,114 | 287,703 | 647,014 |

| | FY24 | | FY23 | FY23 Year-End |
|-----------------------------|----------------|-------------------------|----------------|---------------|
| | YTD Dec 23 | FY24 Projected Year-End | YTD Dec 22 | FY23 Year-End |
| Net Income (\$000's) | | | | |
| Net NJIT Operations | 159,693 | 2,124 | 137,685 | 11,649 |
| Net NJII Operations | (171) | - | 950 | (451) |
| Net Total Operations | 159,522 | 2,124 | 138,635 | 11,198 |

Net Operating Trend Notes:

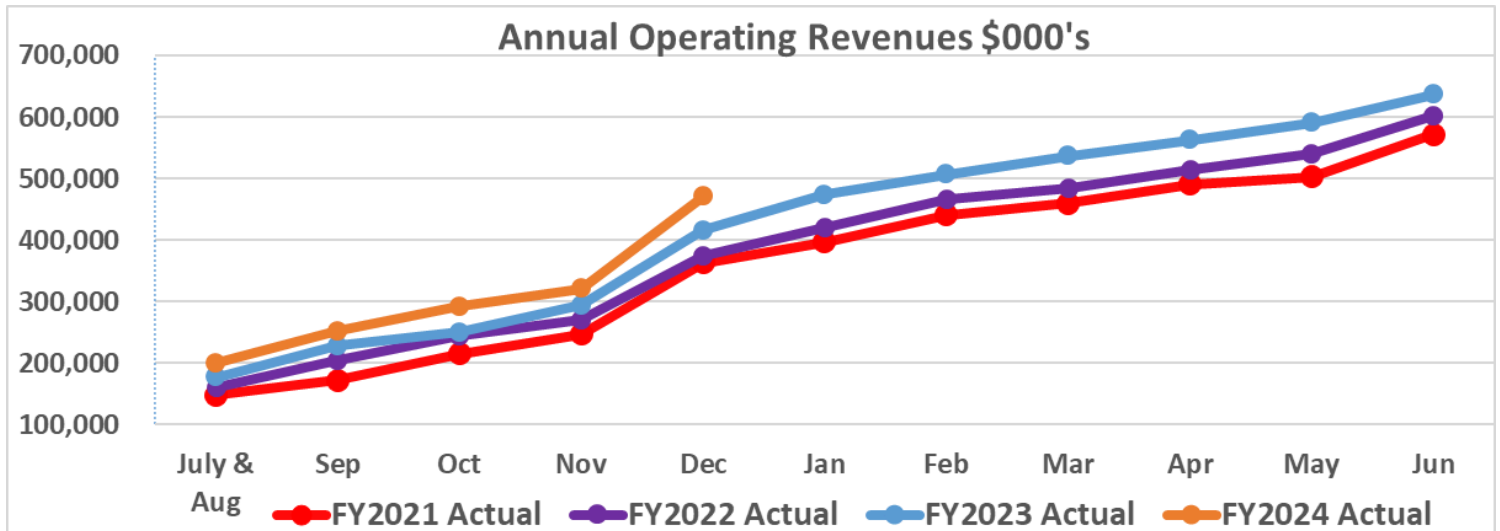
- (1) While NJIT operations through December close reflect a positive net operating balance of \$159.7M, or an increase of \$22.0M compared to the 12/31/22 close, FY24 year-end projections reflect a net operating balance of only \$2.1M or a (\$9.5M) decrease compared to FY23 year-end actuals.
- (2) NJII year to date operating revenues are below FY24 budget estimates by approximately \$7.2M. The variance is primarily driven by timing delays with the formal approval of several significant healthcare grants.



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FY2023 Annual Operating Budget Status - Revenues (\$000's)

| Revenue Category | FY2024 | | | FY2023 | | |
|---------------------------------|----------------|----------------|-------------------------|----------------|----------------|----------------|
| | FY24 Budget | YTD Dec 23 | FY24 Projected Year-End | FY23 Budget | YTD Dec 22 | FY23 Year-End |
| Tuition & Fees | 254,486 | 254,602 | 264,640 | 229,099 | 234,205 | 243,397 |
| State Appropriations | 153,439 | 68,798 | 153,760 | 124,417 | 55,704 | 145,138 |
| Federal Programs | - | - | - | 3,900 | 131 | 3,301 |
| Auxiliary Enterprises | 29,541 | 28,584 | 30,145 | 26,467 | 25,428 | 28,232 |
| Other Sources | 17,076 | 8,365 | 16,844 | 20,335 | 7,657 | 23,317 |
| Prior Year Fund Balance Usage | 16,998 | 8,499 | 16,998 | 12,696 | 6,348 | 12,696 |
| ERP implementation Project | 9,150 | - | 9,150 | N/A | N/A | N/A |
| NJIT Restricted Funds | 166,912 | 91,590 | 166,912 | 157,450 | 75,427 | 166,680 |
| NJIT Operating Revenues | 647,602 | 460,438 | 658,450 | 574,364 | 404,900 | 622,761 |
| NJIT Operating Revenues | 38,878 | 12,400 | 38,878 | 28,750 | 21,438 | 35,451 |
| Total Operating Revenues | 686,480 | 472,838 | 697,328 | 603,114 | 426,338 | 658,212 |



Revenue Budget Notes:

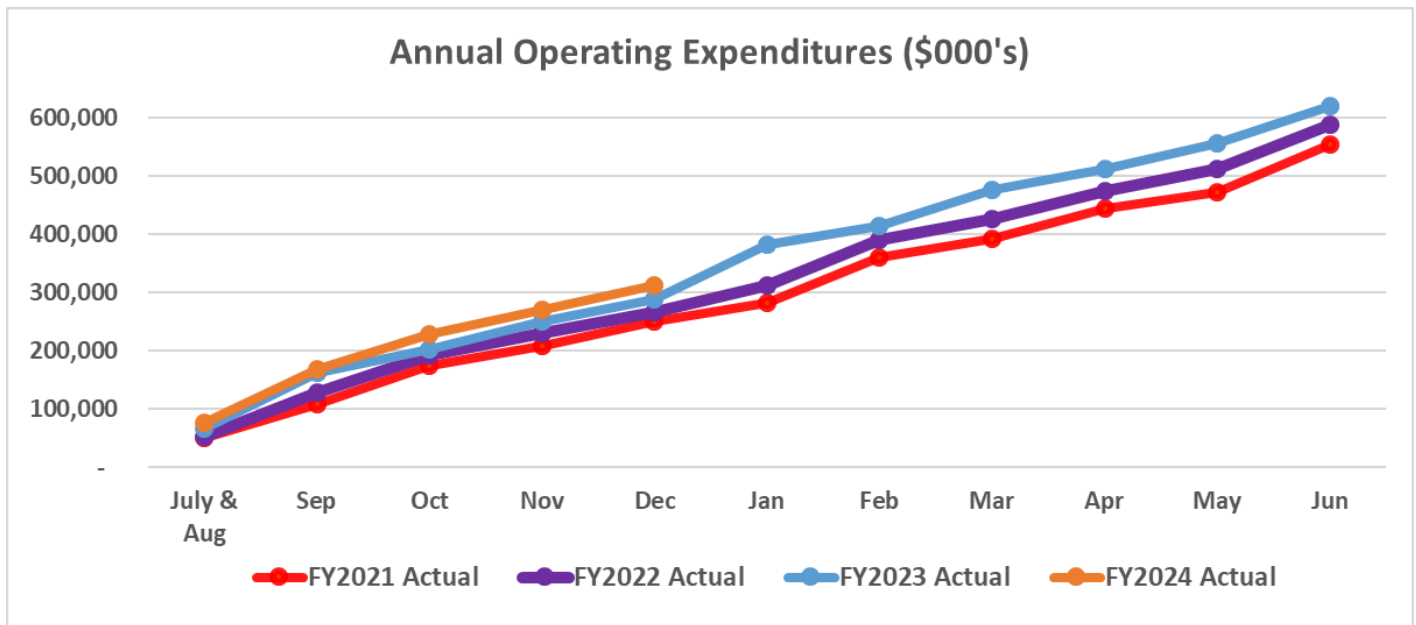
- Gross Revenues from Tuition & Fees (T&F) for fall 2023 enrollment are \$5.2M or 4.2% above FY24 budget estimates. T&F revenues from Undergraduate, Graduate, Doctoral, Jersey City and the Finish What You Started cohorts have all exceeded their fall semester targets, with full-time undergraduate students producing the largest growth relative to targets (+\$2.5M or +3.7%). Only NJIT's 100% Online Graduate Programs underperformed for the fall, down \$0.5M or (-12.5%) below the target. Spring semester enrollment and T&F revenue will be confirmed in late-January.
- Auxiliary revenues for fall 2023 are trending approximately \$1.9M or 16% ahead of last fall and \$0.6M or 4.9% above FY24 budget projections. On-campus housing occupancy rates for the fall semester are currently 92.7%, with Maple Hall once again realizing 99% occupancy in the fall while all other on-campus housing is operating at 91% occupancy compared to the budget target of 88.5% occupancy for all residence halls. Spring semester occupancy will be confirmed in late-January.



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FY2023 Annual Operating Budget Status - Expenditures (\$000's)

| Expenditures Category | FY2024 | | | FY2023 | | |
|--|----------------|----------------|-------------------------|----------------|----------------|----------------|
| | FY24 Budget | YTD Dec 23 | FY24 Projected Year-End | FY23 Budget | YTD Dec 22 | FY23 Year-End |
| Salaries and Wages | 184,573 | 82,666 | 187,357 | 167,351 | 77,834 | 166,216 |
| Fringe Benefits | 95,171 | 42,579 | 96,224 | 73,425 | 35,210 | 85,495 |
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| ERP implementation Project | 9,150 | - | 9,150 | N/A | N/A | N/A |
| Restricted Programs | 166,912 | 91,590 | 166,912 | 157,450 | 75,427 | 166,680 |
| Contribution to Operating Reserve Fund | 4,584 | 2,292 | 4,584 | 3,994 | 1,997 | 3,994 |
| NJIT Operating Expenditures | 647,601 | 300,745 | 656,326 | 574,364 | 267,215 | 611,112 |
| NJII Operating Expense | 38,878 | 12,571 | 38,878 | 28,750 | 20,488 | 35,902 |
| Total Operating Expenditures | 686,479 | 313,316 | 695,204 | 603,114 | 287,703 | 647,014 |

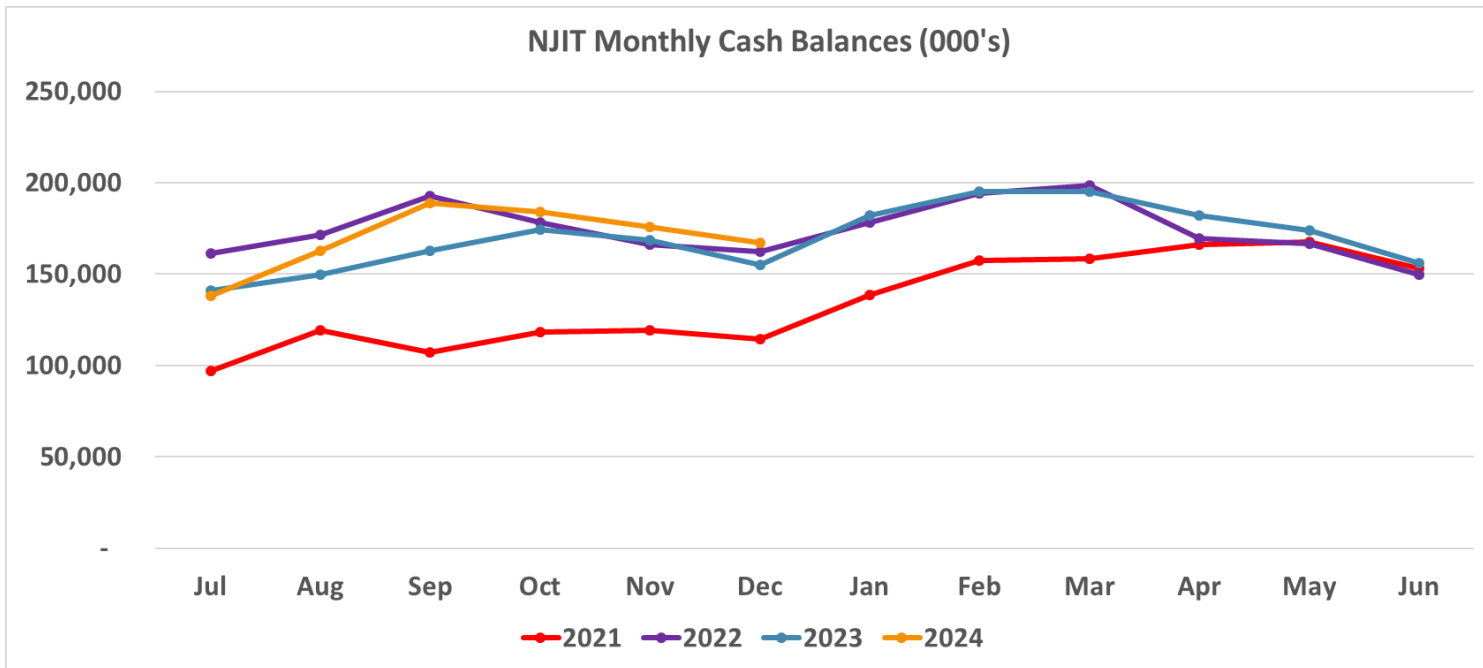


Expenditures Budget Notes:

- (1) In FY24, the adopted budget included a contribution to the operating reserve fund of \$4.58M (approximately 1% of operating budget with certain exclusions). This amount will be transferred in 1/12 installments throughout the fiscal year.
- (2) While aggregate T&F revenues are above target by \$5.2M, Student Awards for the fall semester are also higher by \$1.6M relative to projections, resulting in Net Tuition Revenue of +\$3.6M for the fall relative to FY24 budget assumptions. This net amount may be further reduced by Garden State Guarantee MOE requirements not met.
- (3) Restricted Program activity from research, faculty start-up funds and restricted student awards are up compared to the prior year by \$16.2M or 21.4%. Of that amount, restricted student awards account for \$7.8M, with Garden State Guarantee awards representing \$4.5M of that increase. The balance is mostly attributable to an increase of \$1.4M in research and grant-funded personnel expenses and a \$3.6M increase in research-related equipment & supply purchases.



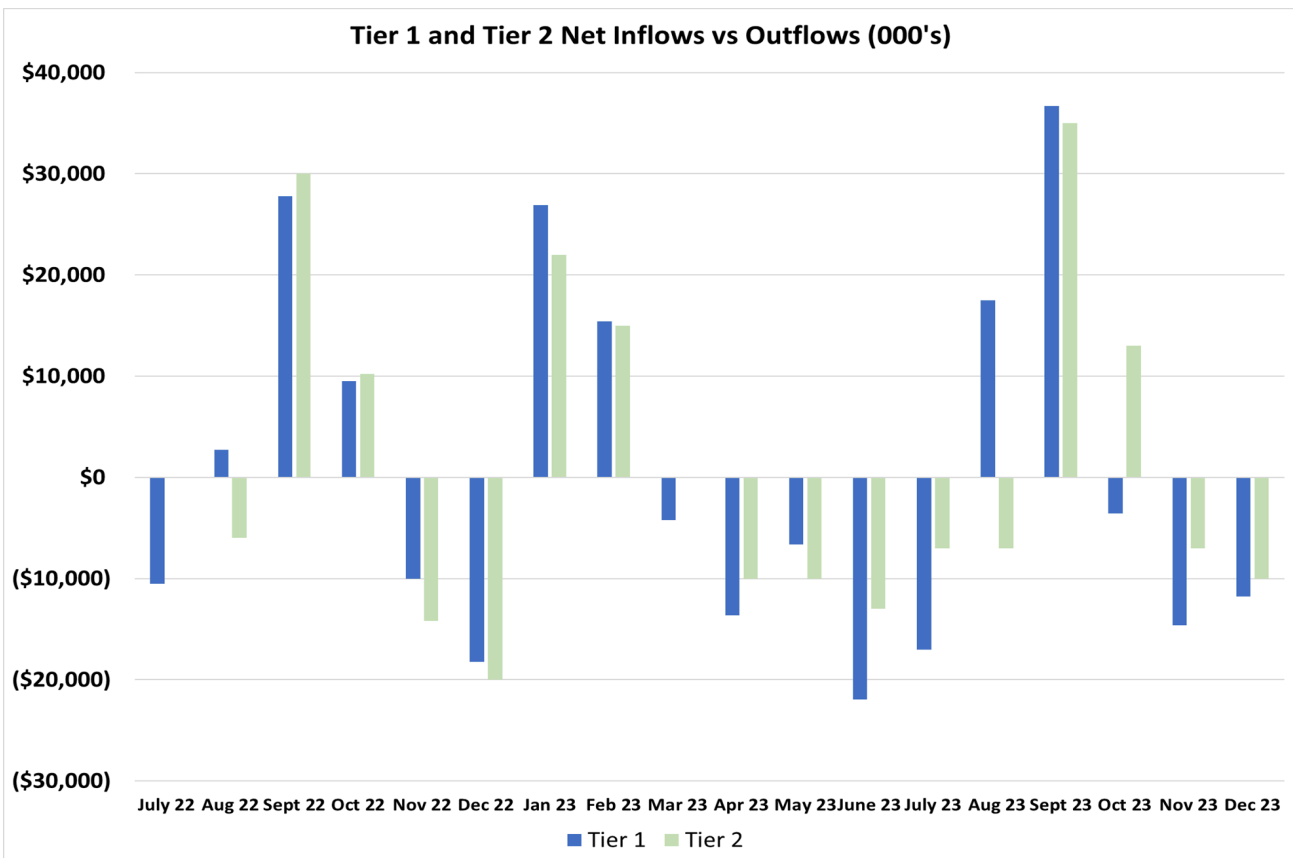
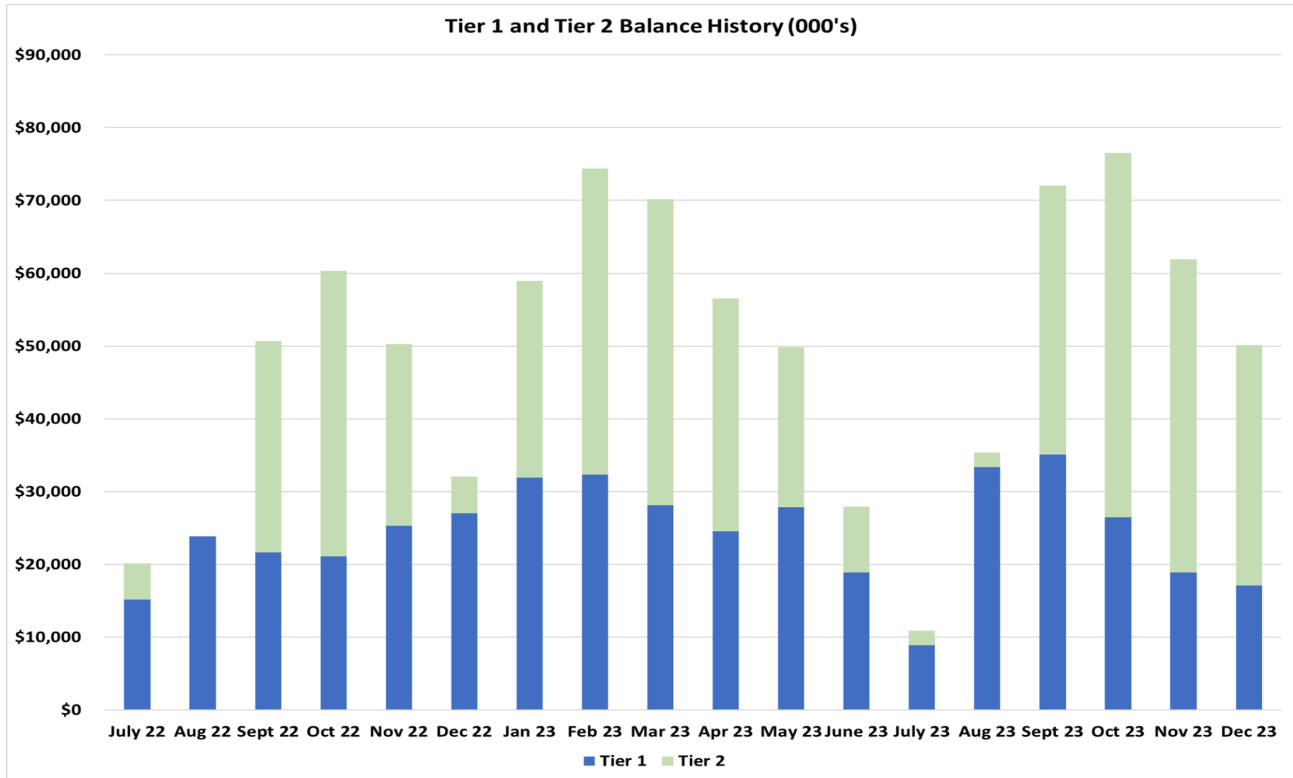
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The University's overall cash balance totaled \$167.1M as of December compared to last year's December balance of \$155.1M, an increase of \$12.0M (+7.7%). This is equivalent to roughly 159 days of cash on hand (DCOH), which is slightly short of the Operating Cash Investment Policy goal of DCOH of "no less than 10% below the Moody's public university median," which equates to a target DCOH of 168 days. The University's operating account (Tier 1 cash) experienced typical December cash outflows exceeding inflows, resulting in working capital reserves being drawn down to \$33M in December. It is anticipated that reserves will be fully replenished to the Investment Policy's Tier 1 target (currently estimated to be \$50M) during the the month of January as spring tuition revenues are received. Investment returns in December totaled \$3.7M (2.2%).

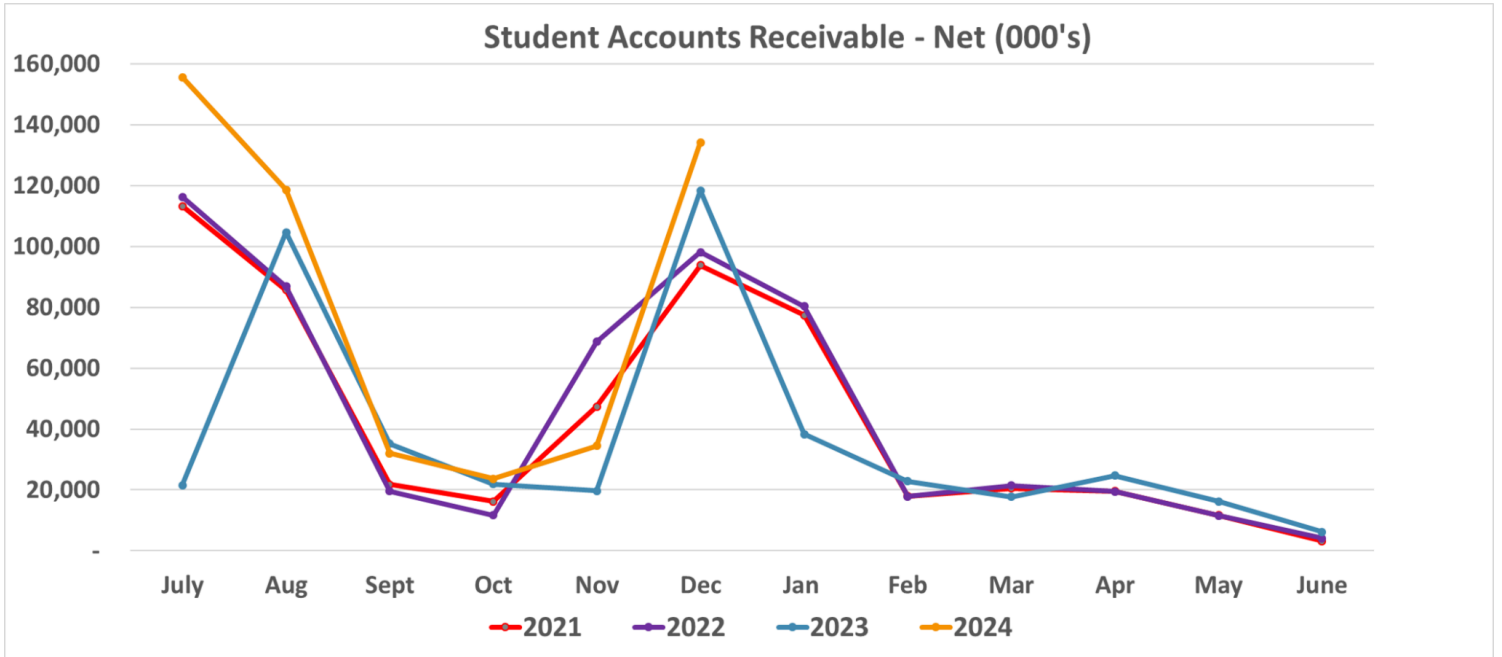


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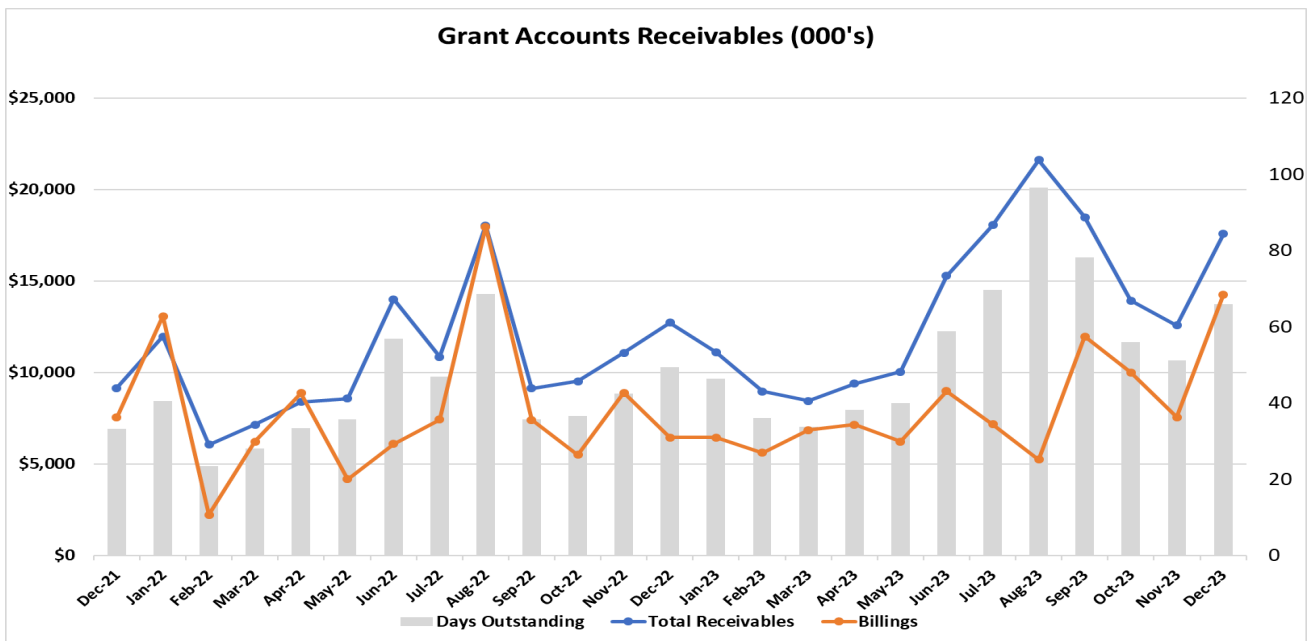




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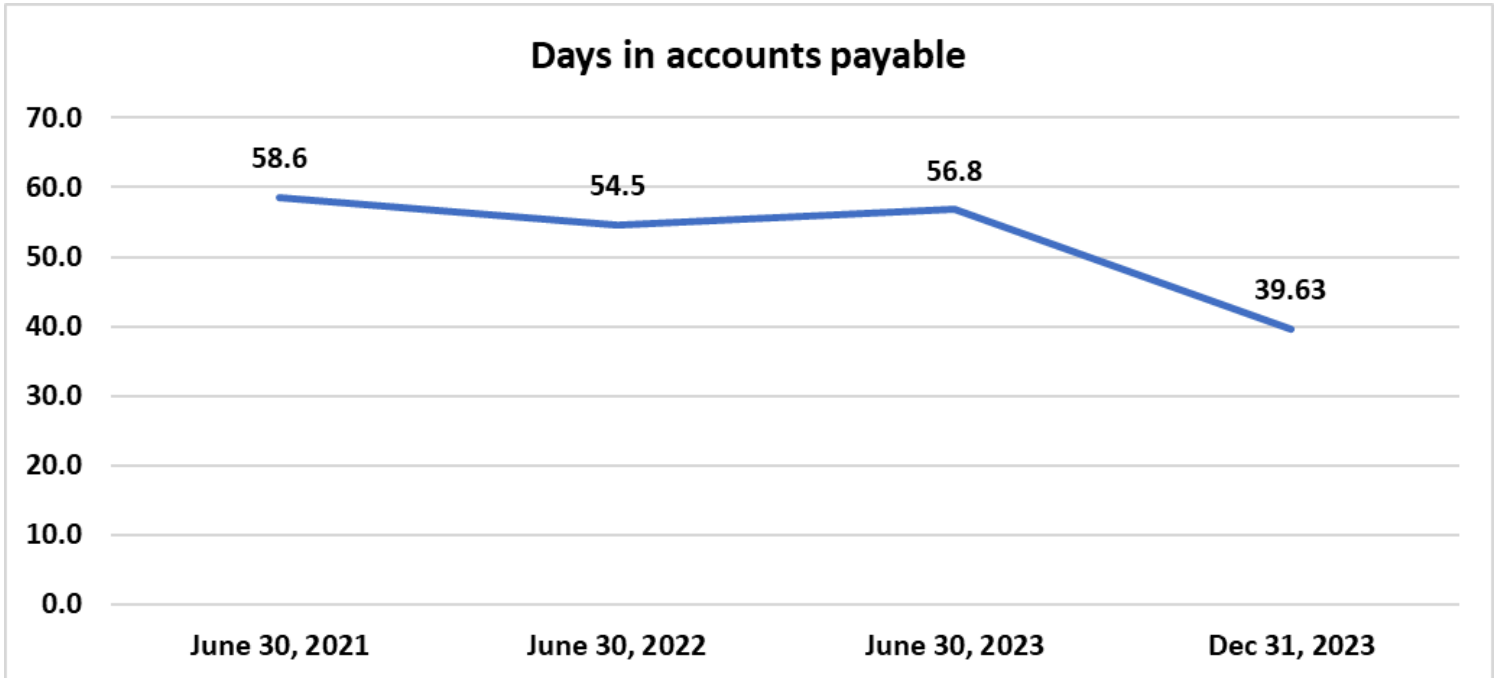
Total Student Accounts Receivable as of December 2023 was \$134.2M, an increase of \$99.7M compared to last month. This increase is primarily due to the billing of tuition, fees, and health insurance for the Spring semester. The low level of student receivables in July 2023 is due to a delay in billing. Bills were sent in July of each year except for 2023, when bills were not sent until August. The increased level of student receivables in fiscal year 2024 is due to increased tuition and fees as well as increased enrollment.



Total Grant Accounts Receivable as of December 2023 was \$17.6M, an increase of \$5M. December billings totaled \$14.2M, almost half of which were to the State of New Jersey Department of Human Services.



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NJIT pays all approved invoices per contracted terms of 30 days.



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NJIT CASH, CASH EQUIVALENTS, AND INVESTMENTS (000's)

| | <u>Dec 31, 2023</u> | <u>Dec 31, 2022</u> |
|--|---------------------|---------------------|
| Cash and cash equivalents: | | |
| Money market funds | \$ 32,173 | 34,631 |
| Investments: | | |
| Money market funds | 238 | - |
| Mutual equity funds | 989 | 983 |
| Corporate equity securities | 42,738 | 41,645 |
| Mutual bond funds | 90,868 | 77,794 |
| Hedge and other investment funds | 81 | 41 |
| | <u>134,914</u> | <u>120,463</u> |
| Total | <u>167,087</u> | <u>155,094</u> |
| Uses of cash, cash equivalents, and investments: | | |
| Current operations | 80,286 | |
| Facilities rehabilitation projects & technology upgrades | 36,942 | |
| Required debt service payments | 9,880 | |
| Custodial funds | 1,091 | |
| | <u>38,888</u> | |

Cash collections & expenditures - December 2023 YTD versus December 2022 YTD

| | |
|--|--|
| Student accounts receivable collections (+12,925) | |
| NJIT due to/due from (+5,541) | |
| State of New Jersey student assistance payments (+2,673) | |
| Increase in debt services & leases (-1,939) | |
| Grant accounts receivable collections (-4,684) | |
| Increase in payroll and operational costs (-15,376) | |
| Other (+1,635) | |

Investment gains/(losses) - January 2023 through December 2023 (+11,218)



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FOUNDATION AT NEW JERSEY INSTITUTE OF TECHNOLOGY MANAGED ENDOWMENT STATEMENT OF OPERATIONS

| | DEC-2023 YTD | DEC-2022 YTD | Change | June 30, | | |
|---|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|
| | | | | 2023 | 2022 | 2021 |
| Market Value at Beginning of Fiscal Year | \$ 155,443,000 | \$ 143,426,000 | \$ 12,017,000 | \$143,426,000 | \$163,816,000 | \$127,036,000 |
| Donor additions | 1,840,000 | 2,636,000 | (796,000) | 6,730,000 | 4,347,000 | 8,223,000 |
| NJIT operational contributions | - | - | - | - | - | - |
| Other additions (divestments) | - | - | - | 109,000 | 50,000 | - |
| Investment Income (Loss), net of management and investment | 8,659,000 | 234,000 | 8,425,000 | 10,876,000 | (19,000,000) | 34,485,000 |
| Distributions | (5,812,000) | (5,589,000) | (223,000) | (5,698,000) | (5,787,000) | (5,928,000) |
| Managed Endowment Market Value at End of Period | 160,130,000 | 140,707,000 | 19,423,000 | 155,443,000 | 143,426,000 | 163,816,000 |
| Due To (From) NJIT - Unsettled | 3,718,000 | 2,288,000 | 1,430,000 | - | - | - |
| Market Value of Managed Endowment Investments at End of Period | \$ 163,848,000 | \$ 142,995,000 | \$ 20,853,000 | \$155,443,000 | \$143,426,000 | \$163,816,000 |
| Market Value \$ increase (decrease) over beginning of fiscal year | \$ 8,405,000 | \$ (431,000) | \$ 8,836,000 | \$ 12,017,000 | \$ (20,390,000) | \$ 36,780,000 |
| Market Value % increase (decrease) over beginning of fiscal year | 5.41% | -0.30% | 5.71% | 8.38% | -12.45% | 28.95% |
| Actual FYTD returns from Investment Manager | 5.6% | -0.9% | 6.5% | 7.5% | -12.0% | 26.0% |

* Market Value of Managed Endowment Investments at End of Period per Foundation Flash Report.

Market Value of Endowment Notes: Year end amounts included managed endowment funds as well as separately invested endowment funds. Amount above reflects managed endowment funds. The market value of the managed endowment as of December 2023 was \$163.8M compared to \$143.0M at the same time last year, an increase of \$20.8M (+13.87%), which underperformed the managed endowment's Total Portfolio Benchmark return (+14.15%). All asset classes have performed positively over the one-year calendar period with the exception of Domestic Equity (+21.88%) which underperformed its benchmark (+25.96%) by (-4.08%). The managed endowment's total portfolio fiscal year to date returns (+5.60%) overperformed the Total Portfolio Benchmark return (+5.28%) by (+0.32%). Fixed Income (+3.86%) was a major driver of overperformance (+0.49%) for the fiscal year to date, as its benchmark returned (+3.37%). For the month of December, the endowment's market value increased by \$6.6M (+4.20%) largely due to gains from Domestic Equity (+5.13%) and International Equity (+5.32%). Donor additions totaled \$1.8M for the fiscal year to date, which is approximately 30% less than the same time last year, and distributions remain steady at \$5.8M for the fiscal year to date.