



NEW JERSEY INSTITUTE OF TECHNOLOGY

Financial Statements, Management's Discussion and
Analysis, and Schedules of Expenditures of Federal
and State of New Jersey Awards

June 30, 2013

(With Independent Auditors' Reports Thereon)

NEW JERSEY INSTITUTE OF TECHNOLOGY

June 30, 2013

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Independent Auditors' Report

The Board of Trustees
New Jersey Institute of Technology:

Report on the Financial Statements

We have audited the accompanying financial statements 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, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the University's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Jersey Institute of Technology as of June 30, 2013 and 2012, and the changes in its financial position and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.



Other Matter

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 3 through 11 be presented to supplement the basic financial statements. Such information, although not a 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2013 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

KPMG LLP

October 4, 2013

NEW JERSEY INSTITUTE OF TECHNOLOGY

Management's Discussion and Analysis

(Dollars in thousands)

June 30, 2013 and 2012

Introduction

The following discussion and analysis provides an analytical overview of the financial position and activities of New Jersey Institute of Technology (NJIT) and Foundation at New Jersey Institute of Technology (the Foundation) (collectively, the University) at and for the years ended June 30, 2013 and 2012. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

Since its founding in 1881, NJIT has been transformed from a local technical school to one of America's top tier national research universities. While moving steadily to increasingly higher levels of excellence in educational performance, NJIT has become a research and development hub, participating in entrepreneurial development and building business partnerships through research and development initiatives. NJIT has evolved into an international presence, both in the scope of its educational programs, including on-site and distance learning offerings, attraction of international students to its programs, and through the reach of its educational, scientific, and technological influence at international forums and in international research projects.

NJIT is a public, student-centered, urban research university, committed to the pursuit of excellence in undergraduate, graduate, and continuing professional education, in the conduct of research with emphasis on applied and multi-disciplinary areas, in contributing to the economic development of New Jersey (the State), and in service to both its local communities and the broader society of the State and the nation. In fiscal year 2013, approximately 400 full-time faculty members served over 9,940 students. NJIT offers a diverse range of degree programs in an array of engineering and technology disciplines, computer and information science, architecture, applied sciences, management, statistics and actuarial science, including Ph.D. programs in nineteen professional areas, masters programs in fifty-nine specialties, and forty-eight baccalaureate degree programs. NJIT also operates a small business incubator whose mission is to accelerate the successful development of entrepreneurial companies through an array of business support resources and services.

Established pursuant to an 1881 New Jersey statute, 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) resource development organization that encourages private philanthropy on behalf of NJIT.

Financial Highlights

The University's financial position at June 30, 2013 and 2012 was sound, with total assets of \$518,932 and \$509,916, and total liabilities of \$289,654 and \$298,039, respectively. Net position, which represents the excess of the University's assets over its liabilities, totaled \$229,278 and \$211,877 at June 30, 2013 and 2012, respectively. Net position increased \$17,401 and \$673 in fiscal years 2013 and 2012, respectively, due to an excess of net nonoperating and other revenues over the operating loss.

The Financial Statements

The University's financial statements include a statement of net position at June 30, 2013 and 2012, 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 U.S. generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB).

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Management's Discussion and Analysis

(Dollars in thousands)

June 30, 2013 and 2012

Statement of Net Position

The statement of net position presents the University's financial position at June 30, 2013 and 2012, and is summarized as follows. The summarized statement of net position at June 30, 2011 is also presented for comparative purposes.

	June 30,		
	2013	2012	2011
Current assets	\$ 93,436	\$ 91,037	\$ 83,828
Endowment investments	82,925	74,513	75,582
Capital assets, net	292,144	234,926	233,274
Other assets	50,427	109,440	35,094
Total assets	<u>518,932</u>	<u>509,916</u>	<u>427,778</u>
Current liabilities	55,750	47,983	38,711
Long term debt, noncurrent portion	222,121	238,828	166,558
Other liabilities	11,783	11,228	11,305
Total liabilities	<u>289,654</u>	<u>298,039</u>	<u>216,574</u>
Net investment in capital assets	76,693	79,027	84,243
Restricted nonexpendable	58,952	53,197	49,851
Restricted expendable	21,443	18,225	21,044
Unrestricted	72,190	61,428	56,066
Total net position	<u>\$ 229,278</u>	<u>\$ 211,877</u>	<u>\$ 211,204</u>

Current assets consist principally of cash and cash equivalents, grants and accounts receivable, deposits held with trustees, and short term investments. The increase in current assets at June 30, 2013 as compared to June 30, 2012 of \$2,399 relates principally to an increase in cash and cash equivalents, partially offset by decreases in grants and accounts receivable, primarily resulting from cash collections on Federal and State grants and accounts receivable and student accounts receivable, as well as a decrease in deposits held with trustees. The increase in current assets at June 30, 2012 as compared to June 30, 2011 of \$7,209 relates principally to increases in cash and cash equivalents, deposits held with trustees due to the new 2012 Series A bonds and TD Master Leases, and short term investments, partially offset by a decrease in grants and accounts receivable, primarily resulting from cash collections on student accounts receivable as well as write-offs of student accounts receivable deemed uncollectible and a decrease in Federal and State grants and accounts receivable.

Current liabilities are comprised of accounts payable and accrued liabilities, the current portion of long term debt, unearned advance payments, and amounts due to affiliates. The increase in current liabilities at June 30, 2013 and 2012 of \$7,767 and \$9,272, respectively, principally results from increases in accounts payable, primarily relating to construction and renovation projects, accrued salaries and fringe benefits, current portion of long term debt, and due to affiliates in both fiscal years, as well as a decrease in unearned advance payments in fiscal year 2013 and an increase in unearned advance payments in fiscal year 2012.

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Excluding deposits held with trustees, which can only be used for debt service and facilities construction, and the current portion of long term debt, current assets exceeded current liabilities by \$37,195 and \$37,194 at June 30, 2013 and 2012, respectively. The University had \$56,400 and \$42,536 in cash and cash equivalents and short term investments to fund current operations, facilities rehabilitation projects, and other activities at June 30, 2013 and 2012, respectively. The net increase in cash and cash equivalents and short term investments at June 30, 2013 and 2012 as compared to June 30, 2012 and 2011 of \$13,864 and \$9,850, respectively, principally results from a decrease in net cash used by operating activities as a result of the University's resource generating and cost cutting initiatives and collections on Federal and State grants and accounts receivable and student accounts receivable.

Endowment investments include gifts from donors that are to be invested in perpetuity, life income and annuity funds, unrestricted funds designated by management as quasi-endowment, and the related income and appreciation. Only the realized income and appreciation can be spent for the purposes specified by the donors in the gift documents. During fiscal year 2013, endowment investments increased 11.3% reflecting growth from new gifts, fair value increases at June 30, 2013, and realized investment gains. During fiscal year 2012, endowment investments decreased 1.4% reflecting fair value decreases at June 30, 2012 and realized investment losses, partially offset by growth from new gifts.

Capital assets increased 14.0% and 1.4% at cost during fiscal years 2013 and 2012, respectively. The fiscal year 2013 and 2012 increases are primarily the result of construction of Warren Street Village, a mixed-use residential housing complex, continued work on the rehabilitation and renovation of an academic facility, and campus facilities renovations, partially offset by write-offs of assets no longer in service.

Total long term debt at June 30, 2013 and 2012 totaled \$231,609 and \$247,436, respectively. During fiscal year 2013, the University issued 2012 Series B General Obligation Bonds in the amount of \$55,475. The proceeds of the bonds advance refunded the 2004 Series B bonds. The debt is composed of \$38,165 in serial bonds bearing interest rates from 0.90% to 3.723% and maturing at various dates through fiscal year 2026, and \$17,310 in a term bond bearing an interest rate of 3.323% with maturity in fiscal year 2025. During fiscal year 2012, the University issued 2012 Series A General Obligation Bonds in the amount of \$65,495 to finance, in part, the costs of constructing the Warren Street Village, and also entered into three TD Master Leases in the amount of \$14,159 for the purpose of repaying a prior master lease and financing the costs of an upgrade to the University's information technology and research infrastructure.

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 the debt incurred to finance their acquisition. Net investment in capital assets decreased \$2,334 during fiscal year 2013, principally because depreciation expense was greater than the increase in capital assets net of related debt, and repayment of long term debt. Net investment in capital assets decreased \$5,216 during fiscal year 2012 as the increase in capital assets discussed above was more than offset by depreciation expense and a net increase in long term debt.

Restricted net position represents the original value of additions to the University's endowment, the remainder of life income and annuity funds, gifts that are restricted to use for specific purposes by the donor, capital grants and gifts, endowment income, and other restricted sources. As discussed above, endowment funds represent gifts from donors that are to be invested in perpetuity. Life income and annuity funds are given to the University to be invested with the stipulation that the University pay an agreed-upon sum to designated individuals for a period of

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(Dollars in thousands)

June 30, 2013 and 2012

time or for the beneficiary's lifetime, after which period the remaining funds become part of the University's endowment or are used for the purpose designated by the donor. Restricted net position increased \$8,973 during fiscal year 2013, primarily due to additions to permanent endowments, an increase in the fair value of investments at June 30, 2013, and realized investment gains. Restricted net position increased \$527 during fiscal year 2012, primarily due to additions to permanent endowments, offset partially by realized investment losses and a decrease in the fair value of investments at June 30, 2012. At June 30, 2013 and 2012, \$1,136 and \$2,118 were transferred from restricted nonexpendable net position – scholarships and fellowships, and \$36 and \$141 were transferred from restricted nonexpendable net position – instructional and other, respectively, to the corresponding restricted expendable net position to temporarily fund deficits therein.

Unrestricted net position is all other net position that is available for general operations. Even though unrestricted net position is not subject to external restrictions, management has designated a portion of the unrestricted net position for the following specified purposes:

	June 30,		
	2013	2012	2011
Scholarships and fellowships	\$ 5,752	\$ 5,433	\$ 5,853
Instructional and other	7,819	7,413	7,731
Debt service	3,879	3,698	5,209
Deferred financing costs	1,509	1,679	1,182
Outstanding purchase orders	3,594	3,615	2,770
Construction and capital programs	16,652	13,616	13,165
State bond funds required match	6,000	—	—
Warren Street Village construction	10,000	10,000	—
	<u>\$ 55,205</u>	<u>\$ 45,454</u>	<u>\$ 35,910</u>

Statement of Revenues, Expenses, and Changes in Net Position

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

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(Dollars in thousands)

June 30, 2013 and 2012

The components of revenues for the fiscal years ended June 30, 2013 and 2012 are as follows. The components of revenues for the fiscal year ended June 30, 2011 are also presented for comparative purposes:

	2013	2012	2011
Operating revenues:			
Student tuition and fees, net	\$ 103,442	\$ 94,898	\$ 88,362
Federal, State, and other grants and contracts	92,403	88,518	81,823
Auxiliary enterprises, net	12,492	12,258	11,887
Other operating revenues	2,396	2,314	2,503
Total operating revenues	210,733	197,988	184,575
Nonoperating and other revenues:			
State appropriations	80,795	65,382	66,096
Gifts and bequests, capital grants and gifts, and additions to permanent endowments	8,268	6,897	7,043
Investment income (loss)	6,555	(1,039)	12,204
Other nonoperating revenues, net	2,736	2,068	1,758
Total nonoperating and other revenues	98,354	73,308	87,101
Total revenues	\$ 309,087	\$ 271,296	\$ 271,676

The components of expenses for the fiscal years ended June 30, 2013 and 2012 are as follows. The components of expenses for the fiscal year ended June 30, 2011 are also presented for comparative purposes:

	2013	2012	2011
Operating expenses:			
Instruction	\$ 88,002	\$ 77,509	\$ 74,121
Research and programs	59,955	55,927	48,452
Public service	1,507	1,615	1,965
Academic support	23,944	22,075	19,287
Student services	18,566	17,134	15,687
Institutional support	39,137	37,664	32,067
Operation and maintenance of plant	14,827	13,532	13,524
Scholarships and fellowships	9,965	8,782	9,958
Depreciation and amortization	18,774	18,825	20,360
Auxiliary enterprises	10,811	9,972	9,647
Total operating expenses	285,488	263,035	245,068
Nonoperating expenses:			
Interest expense	6,198	7,588	7,503
Total nonoperating expenses	6,198	7,588	7,503
Total expenses	\$ 291,686	\$ 270,623	\$ 252,571

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Student tuition and fees, auxiliary enterprises, and State appropriations are the primary sources of funding for the University's operating expenses.

Student tuition and fees totaled \$103,442, \$94,898, and \$88,362, net of scholarship allowances of \$40,704, \$37,175, and \$33,598, in fiscal years 2013, 2012, and 2011, respectively. The fiscal year 2013 and 2012 increases are principally attributable to 5.5% and 4.5% increases in tuition and fees, respectively, and increases in student enrollment in both years.

Auxiliary enterprises revenues, net of scholarship allowances of \$3,782, \$3,690, and \$3,470 in fiscal years 2013, 2012, and 2011, respectively, increased 1.9% to \$12,492 in fiscal year 2013 and 3.1% to \$12,258 in fiscal year 2012, principally due to increased residence hall charges in both years and increased occupancy in fiscal year 2012.

In accordance with GASB requirements, State appropriations are reported as nonoperating revenues despite the fact that their purpose is to fund operating activities. The components of State appropriations are as follows:

	Fiscal year ended June 30,		
	2013	2012	2011
Direct appropriations for general operating purposes	\$ 37,696	\$ 37,697	\$ 39,191
FICA and fringe benefits paid by the State for University employees	29,362	27,685	26,905
Fringe benefit equalization adjustment	13,737	—	—
	<u>\$ 80,795</u>	<u>\$ 65,382</u>	<u>\$ 66,096</u>

The increase in State appropriations in fiscal year 2013 was primarily the result of an equalization adjustment to the State of New Jersey Office of Management and Budget's fringe benefit rate. The corresponding expense is reflected in operating expenses. The decrease in State appropriations in fiscal year 2012 was the result of a general reduction in funding for Higher Education in the State's fiscal year 2012 budget.

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 aid programs, and are comprised of the following:

	Fiscal year ended June 30,		
	2013	2012	2011
Federal grants and contracts, including ARRA awards of \$11,377, \$10,269, and \$6,137 in fiscal years 2013, 2012, and 2011, respectively	\$ 68,649	\$ 66,078	\$ 60,249
State grants and contracts	19,219	17,781	17,230
Other grants and contracts	4,535	4,659	4,344
	<u>\$ 92,403</u>	<u>\$ 88,518</u>	<u>\$ 81,823</u>

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Federal grants and contracts revenues increased 3.9% and 9.7% in fiscal years 2013 and 2012, respectively, primarily due to increases in research and program related grants and contracts. State grants and contracts revenues increased 8.1% and 3.2% in fiscal years 2013 and 2012, respectively, due to an increase in student financial assistance grants, partially offset by a decrease in research grants and contracts. Other grants and contracts revenues decreased 2.7% and increased 7.3% in fiscal years 2013 and 2012, respectively.

Private support from corporations, foundations, alumni and other donors is an important factor in the University's growth and development. Gifts and bequests during fiscal years 2013 and 2012 totaled \$2,435 and \$2,730, respectively. Capital grants and gifts generated another \$1,165 and \$159, respectively, for the acquisition of capital assets, including ARRA awards of \$52 in fiscal year 2012. Additions to permanent endowments were \$4,668 and \$4,008 in fiscal years 2013 and 2012, respectively.

Investment income (loss) includes interest and dividends, realized net gain (loss) on the sale of investments, and net increase (decrease) in the fair value of investments. During fiscal year 2013, investment income of \$6,555 was due to realized net gain on the sale of investments, net increase in the fair value of investments at June 30, 2013, and interest and dividends. During fiscal year 2012, investment loss of \$1,039 was due to a decrease in the fair value of investments at June 30, 2012 and a realized net loss on the sale of investments, partially offset by interest and dividends.

Instruction, academic support, student services, and scholarships and fellowships expenses totaled \$140,477, \$125,500, and \$119,053 in fiscal years 2013, 2012, and 2011, respectively. The increase of 11.9% in fiscal year 2013 is primarily the result of increased salaries and benefits, primarily due to the fringe benefit equalization adjustment. The increase of 5.4% in fiscal year 2012 is primarily the result of increased salaries and benefits, partially due to no capitalization of salaries and wages, and increased computer software maintenance costs, partially offset by a decrease in scholarships and fellowships expense resulting from an increase in scholarship allowances.

Research and programs expense increased 7.2% to \$59,955 in fiscal year 2013 primarily as a result of increased salaries and benefits, primarily due to the fringe benefit equalization adjustment, and increased 15.4% to \$55,927 in fiscal year 2012 primarily as a result of the increase in Federal research and program related grants and contracts.

Public service expense decreased 6.7% to \$1,507 in fiscal year 2013 primarily as a result of an improvement in collection of Enterprise Development Center receivables, which was partially offset by an increase of salaries and benefits, principally due to the fringe benefit equalization adjustment, and decreased 17.8% to \$1,615 in fiscal year 2012, primarily due to decreased operating expenses of the University's information technology center.

Institutional support increased 3.9% to \$39,137 in fiscal year 2013, primarily due to increases in salaries and benefits, primarily due to the fringe benefit equalization adjustment, and collection agency costs, partially offset by a decrease in student accounts receivable write-offs. Institutional support increased 17.5% to \$37,664 in fiscal year 2012, primarily due to increases in salaries and benefits, partially due to no capitalization of salaries and wages, allowance for doubtful student accounts, and computer hardware maintenance costs.

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Operation and maintenance of plant expense increased 9.6% to \$14,827 in fiscal year 2013, after remaining relatively constant in fiscal year 2012, primarily due to increases in salaries and benefits, primarily due to the fringe benefit equalization adjustment.

Auxiliary enterprises expense increased 8.4% to \$10,811 and 3.4% to \$9,972 in fiscal years 2013 and 2012, respectively, primarily due to increases in operation and maintenance costs for residence halls in both fiscal years, and increases in salaries and benefits, principally due to the fringe benefit equalization adjustment, and costs for parking lot rentals in fiscal year 2013.

During fiscal years 2013 and 2012, the University incurred long term debt interest costs of \$9,306 and \$8,383, of which \$3,122 and \$804, respectively, was capitalized and will be amortized over the estimated useful lives of the associated capital assets.

Summary and Outlook

The University finds itself in a sound financial position at June 30, 2013. Overall enrollment increased for the fiscal 2013 academic year. The University continues to pursue its strategy of enhancing its research and development activities. The University's fundraising activities are successful, and have generated a significant endowment.

The University's debt is rated A1 by Moody's Investors Service and A+ by Standard & Poor's. Moody's affirmed its rating in fiscal year 2012, noting the University's "niche market position as the sole public stand-alone technical research university in the State, enrollment growth accompanied by continued net tuition growth, diversified revenue sources, and three consecutive years of positive operating performance with double-digit cash flows to cover rising debt service, offset by significant increase in debt and very thin balance sheet to pro-forma debt and operations." Standard & Poor's affirmed its rating in early fiscal year 2014, noting "The outlook is stable. The rating reflects the University's sound business position, with a niche in engineering and research, as well as steady enrollment growth. The University has a sound history of positive operating results on a cash basis, and solid State support, including significant support from the State's Building Our Future program."

The University's relations with its employees are good. Union contracts are in place with four of the seven labor unions representing employees on campus. Negotiations have successfully concluded with two other unions and agreements are expected to be signed shortly. Negotiations with the seventh union are in progress and it is anticipated that they will come to a mutually favorable conclusion.

The University's endowment is prudently managed, with a broad-based asset allocation. The University's endowment investment strategy is designed to maintain purchasing power of pooled endowment fund assets, with an emphasis on total return. A group of managers, each focused on their sector of the asset allocation, limited exposure to sub-prime investments, and use of alternative investments, including timber, to implement the investment strategy have, to date, been reasonably effective.

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As part of its long range plan, the University expects that its activities will continue to increase the total operating budget. As a result of the State's reduction in funding for Higher Education over the past several fiscal years, management initiated steps to increase alternative funding sources and to reduce expenses, including increases in enrollment, cost cutting initiatives, a more aggressive research and development program, a more intensive fund raising program, and increases in tuition and fees. Included in the University's strategic plan are a greater emphasis on expanded outreach programs, increased scholarships for desirable students, the establishment of new programs and extension sites in order to generate increases in enrollment, and the hiring of new faculty members who have a stronger inclination to become involved in research activities in addition to their teaching responsibilities in order to expand its research and development program. The University's efforts in these resource generating and expense reduction initiatives have been and are anticipated to continue to be successful.

In November 2012, the State authorized the issuance of \$750 million in Building Our Future bonds, the proceeds of which will be used to fund capital projects in the State's institutions of higher education. The University anticipates receiving \$86 million for the renovation of the Central King Building into a state-of-the-art technology center, and \$13 million for the modernization and expansion of laboratory facilities in the Otto York Center for Environmental Engineering and Science, from fiscal year 2014 to fiscal year 2016. The University will be responsible for a portion of the debt service payments and related program expenses.

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

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

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Statement of Net Position

(Dollars in thousands)

at June 30,

	<u>2013</u>	<u>2012</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 51,280	\$ 37,474
Short term investments	5,120	5,062
Grants and accounts receivable, net	24,915	32,019
Deposits held with trustees	9,979	14,468
Other current assets	<u>2,142</u>	<u>2,014</u>
Total current assets	<u>93,436</u>	<u>91,037</u>
Noncurrent assets:		
Endowment investments	82,925	74,513
Investments	11,618	8,739
Investments – Warren Street Village construction	26,666	67,706
Deposits held with trustees	5,219	24,156
Other assets	6,924	8,839
Capital assets, net of accumulated depreciation of \$299,809 and \$284,138, respectively	<u>292,144</u>	<u>234,926</u>
Total noncurrent assets	<u>425,496</u>	<u>418,879</u>
Total assets	\$ <u>518,932</u>	\$ <u>509,916</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 33,232	\$ 24,807
Long term debt, current portion	9,488	8,608
Unearned advance payments	9,433	11,433
Due to affiliates	<u>3,597</u>	<u>3,135</u>
Total current liabilities	<u>55,750</u>	<u>47,983</u>
Noncurrent liabilities:		
Long term debt	222,121	238,828
Other noncurrent liabilities	9,945	9,444
U.S. government grants refundable	<u>1,838</u>	<u>1,784</u>
Total noncurrent liabilities	<u>233,904</u>	<u>250,056</u>
Total liabilities	\$ <u>289,654</u>	\$ <u>298,039</u>
Net Position		
Net investment in capital assets	\$ 76,693	\$ 79,027
Restricted for:		
Nonexpendable:		
Scholarships and fellowships	49,135	43,488
Instructional and other	9,817	9,709
Expendable:		
Scholarships and fellowships	6,688	5,336
Instructional and other	7,537	7,149
Research and programs	517	276
Debt service	5,660	4,430
Loans	1,041	1,034
Unrestricted (see note 11)	<u>72,190</u>	<u>61,428</u>
Total net position	\$ <u>229,278</u>	\$ <u>211,877</u>

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

NEW JERSEY INSTITUTE OF TECHNOLOGY

Statement of Revenues, Expenses, and Changes in Net Position

(Dollars in thousands)

For the years ended June 30,

	2013	2012
Operating revenues:		
Student tuition and fees, net of scholarship allowances of \$40,704 and \$37,175, respectively	\$ 103,442	\$ 94,898
Federal grants and contracts	68,649	66,078
State grants and contracts	19,219	17,781
Other grants and contracts	4,535	4,659
Auxiliary enterprises, net of scholarship allowances of \$3,782 and \$3,690, respectively	12,492	12,258
Other operating revenues	2,396	2,314
Total operating revenues	210,733	197,988
Operating expenses:		
Instruction	88,002	77,509
Research and programs	59,955	55,927
Public service	1,507	1,615
Academic support	23,944	22,075
Student services	18,566	17,134
Institutional support	39,137	37,664
Operation and maintenance of plant	14,827	13,532
Scholarships and fellowships	9,965	8,782
Depreciation and amortization	18,774	18,825
Auxiliary enterprises	10,811	9,972
Total operating expenses	285,488	263,035
Operating loss	(74,755)	(65,047)
Nonoperating revenues (expenses):		
State appropriations	80,795	65,382
Gifts and bequests	2,435	2,730
Interest expense	(6,198)	(7,588)
Investment income (loss)	6,555	(1,039)
Other nonoperating revenues, net	2,736	2,068
Net nonoperating revenues	86,323	61,553
Income (loss) before other revenues	11,568	(3,494)
Other revenues:		
Capital grants and gifts	1,165	159
Additions to permanent endowments	4,668	4,008
Total other revenues	5,833	4,167
Increase in net position	17,401	673
Net position, beginning of year	211,877	211,204
Net position, end of year	\$ 229,278	\$ 211,877

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

NEW JERSEY INSTITUTE OF TECHNOLOGY

Statement of Cash Flows

(Dollars in thousands)

For the years ended June 30,

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Student tuition and fees	\$ 108,889	\$ 96,857
Grants and contracts	96,105	91,304
Payments for salaries and benefits	(153,216)	(148,792)
Payments to suppliers	(67,561)	(60,168)
Payments for scholarships and fellowships	(9,965)	(8,782)
Loans issued to students	(277)	(245)
Loans collected from students	347	320
Auxiliary enterprises	12,489	12,270
University programs	3,182	2,247
Affiliates	462	669
Other receipts	347	306
Net cash used by operating activities	<u>(9,198)</u>	<u>(14,014)</u>
Cash flows from noncapital financing activities:		
State appropriations	46,236	46,576
Gifts and bequests for other than capital purposes	2,972	2,059
Additions to permanent endowments	4,492	4,441
Other receipts	2,440	2,050
Net cash provided by noncapital financing activities	<u>56,140</u>	<u>55,126</u>
Cash flows from capital financing activities:		
Proceeds from capital debt	55,475	86,117
Capital grants and gifts	1,125	159
Purchase of capital assets	(69,175)	(17,248)
Prepaid bond issuance costs	(469)	(621)
Principal paid on long term debt	(8,032)	(7,703)
Refunding of bonds and other long term debt	(63,536)	(4,018)
Interest paid on long term debt	(9,635)	(8,593)
Purchase of investments – Warren Street Village construction	(7,174)	(75,102)
Sale of investments – Warren Street Village construction	48,196	7,306
Deposits with trustees	(11,396)	(25,607)
Withdrawals from trustees	34,823	15,075
Net cash used by capital financing activities	<u>(29,798)</u>	<u>(30,235)</u>
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	29,655	21,512
Interest and dividends on investments	2,612	1,860
Purchase of investments	(35,605)	(29,461)
Net cash used by investing activities	<u>(3,338)</u>	<u>(6,089)</u>
Net increase in cash and cash equivalents	13,806	4,788
Cash and cash equivalents, beginning of year	37,474	32,686
Cash and cash equivalents, end of year	<u>\$ 51,280</u>	<u>\$ 37,474</u>
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$ (74,755)	\$ (65,047)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation and amortization	18,774	18,825
Noncash operating expenses	34,775	19,375
Changes in assets and liabilities:		
Grants and accounts receivable	6,742	7,744
Other assets, current and noncurrent	(157)	78
Accounts payable and accrued liabilities	4,897	2,489
Unearned advance payments	64	1,853
Due to affiliates	462	669
Net cash used by operating activities	<u>\$ (9,198)</u>	<u>\$ (14,014)</u>
Noncash transactions:		
State appropriations for fringe benefits	\$ 34,697	\$ 18,776
Gifts and bequests for other than capital purposes	(538)	12
Gifts for capital purposes	40	—
Additions to permanent endowments	79	7
Capital leases	—	65
Capital assets	3,390	2,137

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

NEW JERSEY INSTITUTE OF TECHNOLOGY

Notes to Financial Statements

(Dollars in thousands)

June 30, 2013 and 2012

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, College of Computing Sciences, College of Architecture and Design, College of Science and Liberal Arts, School of Management, and Albert Dorman Honors College; a graduate division; a continuing education program; and a number of research centers. Fields of study include engineering, computer science, architecture, applied sciences, management, statistics, and actuarial science. NJIT offers programs and courses leading to bachelors, masters, and doctoral degrees, and also conducts an extensive research program.

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

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

Pursuant to the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, 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 and the Foundation (collectively, the University) are included in the State's Comprehensive Annual Financial Report.

(a) Basis of Presentation

The University's financial statements have been prepared on the accrual basis of accounting using the economic resources measurement focus, in accordance with U.S. generally accepted accounting principles as promulgated by the GASB. All significant transactions between NJIT and the Foundation have been eliminated.

Effective July 1, 2012, the University adopted GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, (GASB 61), which modifies certain requirements for the inclusion, presentation, and disclosure of component units. The financial reporting impact resulting from the adoption of GASB 61 was the addition of new disclosures (see note 10).

Effective July 1, 2012, the University adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, (GASB 63), which standardizes the presentation of deferred outflows of resources and deferred inflows of

NEW JERSEY INSTITUTE OF TECHNOLOGY

Notes to Financial Statements

(Dollars in thousands)

June 30, 2013 and 2012

resources and their effects on the University's net position. The financial reporting impact resulting from the adoption of GASB 63 was the renaming of "Net Assets" to "Net Position."

(b) Use of Estimates

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

(c) Cash and Cash Equivalents

The University considers money market funds, investments with original maturities of three months or less, and investments in sweep accounts with original maturities of twelve months or less to be cash equivalents, except for those included in endowment investments and deposits held with trustees. Investments in sweep accounts with original maturities greater than twelve months are classified as noncurrent assets, even though their purpose is to be used for operating activities.

(d) Investments and Deposits Held with Trustees

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

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

(e) Deferred Financing Costs

Deferred financing costs are included in other current assets and other assets, and are amortized over the life of the related long term debt.

NEW JERSEY INSTITUTE OF TECHNOLOGY

Notes to Financial Statements

(Dollars in thousands)

June 30, 2013 and 2012

(f) 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. Expenses resulting from disposal of property are included in other nonoperating 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 Lives
Land improvements	\$ 50,000	20 years
Buildings and building improvements	50,000	20 to 40 years
Software	50,000	5 to 10 years
Equipment and other assets	2,500	3 to 10 years

(g) Due to Affiliates

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

	June 30,	
	2013	2012
NJEDge.Net	\$ 2,329	\$ 2,050
Student organizations	871	896
Other organizations	397	189
	\$ 3,597	\$ 3,135

(h) Classification of Net Position

The University classifies its resources into three net position categories:

- Net investment in capital assets contains the land and land improvements, buildings and building improvements, equipment and other assets, and construction in progress of the University 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 life income and annuity funds. Endowments are subject to restrictions of gift instruments requiring that the principal be invested in perpetuity and that only the realized income and appreciation be utilized.

Life income and annuity funds consist of annuity and unitrust funds which are given to the University to be invested with the stipulation that the University pay an agreed-upon sum to designated individuals for a period of time or for the beneficiary's lifetime. At the termination

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Notes to Financial Statements

(Dollars in thousands)

June 30, 2013 and 2012

of the agreement, the remaining funds either become part of the University's endowment or are used for the purpose designated by the donor.

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

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

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

(i) *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. Nonoperating 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 nonoperating activity.

(j) *Revenue Recognition*

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

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

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

Gifts and bequests are recorded upon their donation to 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.

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Notes to Financial Statements

(Dollars in thousands)

June 30, 2013 and 2012

(k) *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.

(l) *Auxiliary Activities*

Auxiliary activities consist primarily of residence hall and parking operations.

(m) *Fringe Benefits Paid by the State*

Certain fringe benefits for the University's employees are paid by the State. Such amounts (\$43,099 and \$27,685 in fiscal years 2013 and 2012, respectively) are included in State appropriations. The offsetting expenses are recorded within the appropriate operating expense categories.

(n) *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.

(o) *Tax Status*

NJIT and the Foundation have received determination letters from the Internal Revenue Service stating that they are organizations as described in Sections 115(a)(2) and 501(c)(3), respectively, of the Internal Revenue Code (the Code) and, therefore, are exempt from Federal income taxes under Section 501(a) of the Code on income generated by activities that are substantially related to their tax-exempt purposes.

(p) *Reclassifications*

Certain prior year amounts have been reclassified to conform with the current year's presentation.

NEW JERSEY INSTITUTE OF TECHNOLOGY

Notes to Financial Statements

(Dollars in thousands)

June 30, 2013 and 2012

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

The cost and fair value of cash and cash equivalents, investments, and deposits held with trustees are as follows:

	June 30,			
	2013		2012	
	Cost	Fair Value	Cost	Fair Value
Cash and cash equivalents:				
Cash	\$ 938	\$ 938	\$ 675	\$ 675
Money market funds	50,342	50,342	36,799	36,799
	<u>51,280</u>	<u>51,280</u>	<u>37,474</u>	<u>37,474</u>
Investments:				
Money market funds	13,923	13,923	23,308	23,308
Certificates of deposit	5,000	5,000	24,103	24,103
U.S. Treasury and government agency bonds	6,639	6,661	9,183	9,590
Commercial paper	8,885	8,898	10,185	10,197
Corporate equity securities	22,561	26,881	20,857	23,531
Corporate debt securities	6,528	6,339	15,941	15,891
Mutual equity funds	21,687	22,438	10,825	11,179
Mutual bond funds	14,614	14,898	13,685	14,154
Hedge and other investment funds	17,710	18,491	23,876	24,067
Receivable for investments sold	2,800	2,800	—	—
	<u>120,347</u>	<u>126,329</u>	<u>151,963</u>	<u>156,020</u>
Deposits held with trustees:				
Money market funds	13,886	13,886	24,098	24,098
U.S. Treasury and government agency bonds	1,312	1,312	14,527	14,526
	<u>15,198</u>	<u>15,198</u>	<u>38,625</u>	<u>38,624</u>
	<u>\$ 186,825</u>	<u>\$ 192,807</u>	<u>\$ 228,062</u>	<u>\$ 232,118</u>

Endowment investments totaling \$2,712 and \$2,143 at fair value (\$2,473 and \$1,992 at cost) at June 30, 2013 and 2012, respectively, are held and administered by external trustees, while the remainder are held and administered by the University.

Hedge and other investment funds are comprised of directional and multi-strategy funds and private equity, real estate, and timber funds. The University is committed to invest an additional \$2,685 in these funds over the next several fiscal years.

Investments – Warren Street Village construction represent the proceeds of the 2012 Series A bonds (see note 6). These funds are separately invested, and are designated for the costs of construction of the Warren Street Village, a mixed-use residential housing complex.

NEW JERSEY INSTITUTE OF TECHNOLOGY

Notes to Financial Statements

(Dollars in thousands)

June 30, 2013 and 2012

Deposits held with trustees represent restricted funds held by U.S. Bank and The Bank of New York Mellon under terms of the revenue bond agreements with the New Jersey Educational Facilities Authority (NJEFA), by Deutsche Bank under terms of the general obligation bond agreements, and by TD Equipment Finance, Inc. under the TD Master Leases (see note 6). Of the total deposits held at June 30, 2013 and 2012, \$1,310 and \$7,826, respectively, are required to be maintained in accordance with the mortgage bond indenture agreements.

The University invests its endowment funds in accordance with applicable limitations set forth in gift instruments or guidelines established by NJIT's Board of Trustees and the Foundation's Board of Overseers. The University's investment strategy is to maintain purchasing power of pooled endowment funds assets, with an emphasis on total return. The following are the University's aggregate allocation guidelines by asset class: equities, up to 70%; real assets, up to 20%; multi-strategy hedges, up to 25%; and fixed income instruments, up to 35%. There are further allocation guidelines for specific investment categories within each asset class. The University may also invest in below investment grade bonds as equity substitutes within the overall allocation for equities.

Custodial credit risk – deposits is the risk that, in the event of the failure of a depository financial institution, the University will not be able to recover deposits that are in that institution's possession. The University's investment policy does not address custodial credit risk – deposits. Cash and cash equivalents have a bank balance of \$53,163 and \$39,907, including cash held by depositories of \$1,029 and \$690 at June 30, 2013 and 2012, respectively, of which \$784 and \$659 are insured by the Federal Deposit Insurance Corporation (FDIC). Cash and cash equivalents of \$548 are insured by the Securities Investor Protection Corporation (SIPC) at both June 30, 2013 and 2012; amounts in excess are neither collateralized nor insured.

Custodial credit risk – investments is the risk that, in the event of the failure of a counterparty, the University will not be able to recover the value of the investments that are in that counterparty's possession. The University's investment policy does not address custodial credit risk – investments. The University's investment securities are exposed to custodial credit risk if the securities are uninsured and unregistered and held by the counterparty, or by its trust department or agent, but not in the University's name. At June 30, 2013 and 2012, \$138,815 and \$192,501, respectively, of investments and deposits held with trustees are either insured or held by the University or its agent in the University's name.

NEW JERSEY INSTITUTE OF TECHNOLOGY

Notes to Financial Statements

(Dollars in thousands)

June 30, 2013 and 2012

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. U.S. Treasury and government agency bonds are considered to have no credit risk. The money market funds and mutual bond funds included in the University's investment portfolio are not rated. The University's investments in commercial paper and corporate debt securities are rated as follows by Standard & Poor's:

	Rating	June 30,	
		2013	2012
Commercial paper	A-1+	\$ 5,900	\$ —
Commercial paper	A-1	2,998	—
Commercial paper	Not Rated	—	10,197
Total commercial paper		8,898	10,197
Corporate debt securities	AAA	2	—
Corporate debt securities	AA+	746	50
Corporate debt securities	AA-	53	104
Corporate debt securities	A+	3,015	25
Corporate debt securities	A	60	52
Corporate debt securities	A-	1,148	201
Corporate debt securities	BBB+	569	80
Corporate debt securities	BBB	746	21
Corporate debt securities	BB+	—	23
Corporate debt securities	Not Rated	—	15,335
Total corporate debt securities		6,339	15,891
		\$ 15,237	\$ 26,088

Concentration of credit risk is the risk of loss attributed to the magnitude of the University's investment in a single issuer. There is no limit on the amount the University may invest in any issuer. The University's investments are diversified and are not currently exposed to this risk.

NEW JERSEY INSTITUTE OF TECHNOLOGY

Notes to Financial Statements

(Dollars in thousands)

June 30, 2013 and 2012

Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. The University's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2013 and 2012, fixed income investments included in cash and cash equivalents, investments, and deposits held with trustees have the following maturities:

	Fair Value	June 30, 2013			
		Investment Maturities (in years)			
		Less Than 1	1 to 5	5 to 10	More Than 10
Money market funds	\$ 78,151	\$ 78,151	\$ —	\$ —	\$ —
Certificates of deposit	5,000	5,000	—	—	—
U.S. Treasury and government agency bonds	7,973	1,819	2,608	3,546	—
Commercial paper	8,898	8,898	—	—	—
Corporate debt securities	6,339	3,760	1,362	1,217	—
Mutual bond funds	14,898	5,225	6,337	3,336	—
	<u>\$ 121,259</u>	<u>\$ 102,853</u>	<u>\$ 10,307</u>	<u>\$ 8,099</u>	<u>\$ —</u>

	Fair Value	June 30, 2012			
		Investment Maturities (in years)			
		Less Than 1	1 to 5	5 to 10	More Than 10
Money market funds	\$ 84,205	\$ 84,205	\$ —	\$ —	\$ —
Certificates of deposit	24,103	24,103	—	—	—
U.S. Treasury and government agency bonds	24,116	15,605	3,839	4,629	43
Commercial paper	10,197	10,197	—	—	—
Corporate debt securities	15,891	15,272	318	111	190
Mutual bond funds	14,154	5,116	3,265	5,773	—
	<u>\$ 172,666</u>	<u>\$ 154,498</u>	<u>\$ 7,422</u>	<u>\$ 10,513</u>	<u>\$ 233</u>

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Notes to Financial Statements

(Dollars in thousands)

June 30, 2013 and 2012

A portion of the University's endowment investments are held in an endowment investment pool. The cost and fair value of the pooled investments are as follows:

	June 30,			
	2013		2012	
	Cost	Fair Value	Cost	Fair Value
Money market funds	\$ 4,140	\$ 4,140	\$ 4,294	\$ 4,294
Corporate equity securities	22,037	26,296	20,493	23,154
Mutual equity funds	15,768	16,130	8,520	8,927
Mutual bond funds	8,456	8,730	7,051	7,474
Hedge and other investment funds	17,564	18,320	23,653	23,829
Receivable for investments sold	2,800	2,800	—	—
	<u>\$ 70,765</u>	<u>\$ 76,416</u>	<u>\$ 64,011</u>	<u>\$ 67,678</u>

Endowment investment pool units are assigned to new gifts based upon the value of the pool at the end of the quarter in which the gifts are received. There were 376,358 and 352,948 pool units with a fair unit value of \$203.04 and \$191.75 at June 30, 2013 and 2012, respectively. For the years ended June 30, 2013 and 2012, the average return for the endowment investment pool was 11.5% and (1.8%), respectively.

The spending policy for endowment funds requires an annual calculation based on a three year rolling average of the market value per pool unit. The spending rates for the years ended June 30, 2013 and 2012 were 5.5% and 5.4%, respectively. The University complies with the "Uniform Prudent Management of Institutional Funds Act", which governs the management and use of funds held by it.

NEW JERSEY INSTITUTE OF TECHNOLOGY

Notes to Financial Statements

(Dollars in thousands)

June 30, 2013 and 2012

3. Capital Assets

The activity in capital assets and accumulated depreciation for the years ended June 30, 2013 and 2012 was as follows:

	<u>June 30,</u> <u>2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Placed Into</u> <u>Service</u>	<u>June 30,</u> <u>2013</u>
Depreciable assets:					
Land improvements	\$ 8,822	\$ —	\$ —	\$ —	\$ 8,822
Buildings and building improvements	385,905	1,990	—	161	388,056
Equipment and other assets	90,745	5,826	(2,200)	954	95,325
	<u>485,472</u>	<u>7,816</u>	<u>(2,200)</u>	<u>1,115</u>	<u>492,203</u>
Accumulated depreciation:					
Land improvements	3,421	569	—	—	3,990
Buildings and building improvements	212,134	11,515	—	—	223,649
Equipment and other assets	68,583	5,771	(2,184)	—	72,170
	<u>284,138</u>	<u>17,855</u>	<u>(2,184)</u>	<u>—</u>	<u>299,809</u>
	201,334	(10,039)	(16)	1,115	192,394
Nondepreciable assets:					
Land	17,870	—	—	—	17,870
Construction in progress	15,722	67,273	—	(1,115)	81,880
	<u>\$ 234,926</u>	<u>\$ 57,234</u>	<u>\$ (16)</u>	<u>\$ —</u>	<u>\$ 292,144</u>
	<u>June 30,</u> <u>2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Placed Into</u> <u>Service</u>	<u>June 30,</u> <u>2012</u>
Depreciable assets:					
Land improvements	\$ 8,368	\$ 454	\$ —	\$ —	\$ 8,822
Buildings and building improvements	383,712	—	(201)	2,394	385,905
Equipment and other assets	100,564	2,987	(12,825)	19	90,745
	<u>492,644</u>	<u>3,441</u>	<u>(13,026)</u>	<u>2,413</u>	<u>485,472</u>
Accumulated depreciation:					
Land improvements	2,927	494	—	—	3,421
Buildings and building improvements	199,901	12,434	(201)	—	212,134
Equipment and other assets	75,879	5,340	(12,636)	—	68,583
	<u>278,707</u>	<u>18,268</u>	<u>(12,837)</u>	<u>—</u>	<u>284,138</u>
	213,937	(14,827)	(189)	2,413	201,334
Nondepreciable assets:					
Land	17,870	—	—	—	17,870
Construction in progress	1,467	16,668	—	(2,413)	15,722
	<u>\$ 233,274</u>	<u>\$ 1,841</u>	<u>\$ (189)</u>	<u>\$ —</u>	<u>\$ 234,926</u>

NEW JERSEY INSTITUTE OF TECHNOLOGY

Notes to Financial Statements

(Dollars in thousands)

June 30, 2013 and 2012

4. Supplementary Statement of Net Position Detail

	June 30,	
	2013	2012
Grants and accounts receivable:		
Federal and State grants and accounts receivable	\$ 22,132	\$ 25,915
Student accounts receivable	4,679	6,312
Program services accounts receivable	820	1,147
Other grants and accounts receivable	1,283	2,132
Pledges receivable, current portion	354	630
Student loans receivable, current portion	347	321
Accrued interest receivable	120	281
	<u>29,735</u>	<u>36,738</u>
Less: allowance for doubtful accounts	4,820	4,719
	<u>\$ 24,915</u>	<u>\$ 32,019</u>
Other assets, noncurrent:		
Deferred financing costs	\$ 4,790	\$ 6,160
Student loans receivable	1,459	1,555
Pledges receivable	382	850
Other	293	274
	<u>\$ 6,924</u>	<u>\$ 8,839</u>
Accounts payable and accrued liabilities:		
Salaries and fringe benefits	\$ 14,308	\$ 11,144
Accrued interest expense	4,598	4,688
Accounts payable – construction	5,774	2,384
Accounts payable – other	7,302	5,388
Other noncurrent liabilities, current portion	1,250	1,203
	<u>\$ 33,232</u>	<u>\$ 24,807</u>

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Notes to Financial Statements

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June 30, 2013 and 2012

5. Noncurrent Liabilities

The activity in noncurrent liabilities for the years ended June 30, 2013 and 2012 was as follows:

	<u>June 30, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2013</u>	<u>Current Portion</u>
Long term debt	\$ 236,295	\$ 55,475	\$ (67,757)	\$ 224,013	\$ 9,239
Unamortized net premium	11,141	—	(3,545)	7,596	249
Total long term debt	<u>247,436</u>	<u>55,475</u>	<u>(71,302)</u>	<u>231,609</u>	<u>9,488</u>
Retirement incentive programs	3,809	1,164	(946)	4,027	673
Annuity funds liability	2,184	448	(627)	2,005	469
Insurance liability reserve	1,451	—	(10)	1,441	—
Compensated absences	2,769	544	(90)	3,223	90
Other	434	141	(76)	499	18
Total other noncurrent liabilities	<u>10,647</u>	<u>2,297</u>	<u>(1,749)</u>	<u>11,195</u>	<u>1,250</u>
U.S. government grants refundable	1,784	902	(848)	1,838	—
Total noncurrent liabilities	<u>\$ 259,867</u>	<u>\$ 58,674</u>	<u>\$ (73,899)</u>	<u>\$ 244,642</u>	<u>\$ 10,738</u>
	<u>June 30, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2012</u>	<u>Current Portion</u>
Long term debt	\$ 168,091	\$ 79,719	\$ (11,515)	\$ 236,295	\$ 8,032
Unamortized net premium	5,160	6,463	(482)	11,141	576
Total long term debt	<u>173,251</u>	<u>86,182</u>	<u>(11,997)</u>	<u>247,436</u>	<u>8,608</u>
Retirement incentive programs	3,716	791	(698)	3,809	499
Annuity funds liability	2,364	522	(702)	2,184	489
Insurance liability reserve	1,447	4	—	1,451	—
Compensated absences	2,659	298	(188)	2,769	190
Other	467	97	(130)	434	25
Total other noncurrent liabilities	<u>10,653</u>	<u>1,712</u>	<u>(1,718)</u>	<u>10,647</u>	<u>1,203</u>
U.S. government grants refundable	1,741	43	—	1,784	—
Total noncurrent liabilities	<u>\$ 185,645</u>	<u>\$ 87,937</u>	<u>\$ (13,715)</u>	<u>\$ 259,867</u>	<u>\$ 9,811</u>

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

Included in annuity funds liability are a net increase of \$285 and a net decrease of \$95 in the fair value of investments at June 30, 2013 and 2012, respectively.

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Notes to Financial Statements

(Dollars in thousands)

June 30, 2013 and 2012

6. Long Term Debt

Long term debt is composed of:

	June 30,	
	2013	2012
General Obligation Bonds:		
2012 Series A issue:		
Serial bonds (interest rates of 4.00% and 5.00%, due on various dates through fiscal year 2028)	\$ 5,470	\$ 5,470
Term bonds (interest rate at 5.00%, final maturity in fiscal year 2043)	60,025	60,025
2012 Series B issue:		
Serial bonds (interest rates from 0.90% to 3.723%, due on various dates through fiscal year 2026)	38,165	—
Term bond (interest rate at 3.323%, maturity in fiscal year 2025)	17,310	—
Revenue Bonds:		
2010 Series H issue:		
Serial bonds (interest rates from 3.00% to 5.00%, due on various dates through fiscal year 2026)	29,760	29,760
Term bonds (interest rate at 5.00%, final maturity in fiscal year 2032)	21,205	21,205
2010 Series I issue:		
Term bonds (interest rate at 6.41%, final maturity in fiscal year 2041)	20,450	20,450
2004 Series B issue:		
Serial bonds (interest rates from 2.00% to 5.25%, due on various dates through fiscal year 2026)	—	63,180
2001 Series H issue:		
Term bonds (interest rate at 6.05%, final maturity in fiscal year 2017)	4,530	5,505
Other Long Term Debt:		
Higher Education Capital Improvement Fund	14,995	15,878
TD Master Leases	9,824	12,277
New Jersey Economic Development Authority note	2,077	2,217
Other	202	328
	224,013	236,295
Unamortized net premium on obligations	7,596	11,141
	231,609	247,436
Less: current portion	9,488	8,608
Long term debt	\$ 222,121	\$ 238,828

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June 30, 2013 and 2012

The 2012 Series A Bonds were issued by the University to provide funds to finance, in part, the costs of constructing the Warren Street Village. The bonds were issued at a premium of \$6,463, which is being amortized against interest expense over the life of the bonds.

The 2012 Series A Bonds are subject to optional redemption prior to maturity on or after July 1, 2022 at a price of 100%.

The 2012 Series B Bonds were issued by the University for the purpose of advance refunding the 2004 Series B Bonds. The advance refunding resulted in a fiscal year 2013 loss on defeasance of \$2,472. Aggregate debt service payments over the next thirteen fiscal years will be reduced by \$3,534, representing an economic gain (difference between the present value of the old and new debt service payments) of \$3,881.

The University defeased the 2004 Series B Bonds by depositing funds into an escrow account in the amount of \$63,704, which is sufficient to provide for the subsequent payment of principal and interest on the defeased indebtedness. These defeased bonds are not considered outstanding obligations of the University and, therefore, neither the escrow account nor the defeased indebtedness are included in the accompanying statement of net position. There is approximately \$59,725 of defeased debt that remains outstanding to bondholders at June 30, 2013, which is expected to be fully redeemed in January 2014.

The 2012 Series B Bonds are subject to redemption under certain circumstances as described in the debt agreement.

The 2010 Series H and 2010 Series I Bonds were issued by NJEFA pursuant to an agreement with the University for the purpose of advance refunding a prior issue of revenue bonds and financing, in whole or in part, the costs of the acquisition, rehabilitation, and renovation of an academic facility and of campus deferred maintenance. The 2010 Series H Bonds were issued at a premium of \$2,489, which is being amortized against interest expense over the life of the bonds.

The 2010 Series H Bonds maturing on or before July 1, 2020 are not subject to optional redemption prior to maturity. The 2010 Series H Bonds maturing on or after July 1, 2021 are subject to redemption prior to maturity on or after July 1, 2020 at a price of 100%.

The 2010 Series I Bonds have been designated as "Build America Bonds". Up to thirty-five percent of the interest payments will be paid by the Federal government. For the fiscal years ended June 30, 2013 and 2012, \$439 and \$459, respectively, of Federal government interest payments are included in interest expense and in other nonoperating revenues, net in the statement of revenues, expenses, and changes in net position.

The 2010 Series I Bonds are subject to optional redemption prior to maturity on or after July 1, 2020 at a price of 100%.

The 2001 Series H Bonds were issued by NJEFA pursuant to an agreement with the University to provide funds to finance the costs of constructing a small business incubator facility. The University's mortgage

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(Dollars in thousands)

June 30, 2013 and 2012

obligations to NJEFA are collateralized by certain land, buildings and building improvements, and equipment.

The 2001 Series H Bonds are not subject to optional redemption, except for extraordinary optional redemption as described in the debt agreement.

The Higher Education Capital Improvement Fund (HECIF) obligation was issued by NJEFA to provide funds for certain construction and facilities improvements at the State's public institutions of higher education. The University is responsible for one third of its allocated debt service payments and related program expenses. The HECIF debt bears an effective interest rate of 4.31% and matures in fiscal year 2025.

The TD Master Leases were entered into for the purpose of repaying a prior master lease and financing the costs of an upgrade to the University's information technology and research infrastructure. The TD debt bears interest rates of between 1.35% and 1.72% with final maturity in fiscal year 2019.

The New Jersey Economic Development Authority (NJEDA) note, which matures in fiscal year 2028, is noninterest bearing and payable monthly. Imputed interest expense totaled \$82 and \$85 in fiscal years 2013 and 2012, respectively.

At June 30, 2013, deposits held with trustees included \$5,660 for principal payments on revenue bonds due on July 1, 2013. Payments due on long term debt, including mandatory sinking fund payments on the revenue bonds, are as follows for the fiscal years ending June 30:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 8,599	\$ 9,414	\$ 18,013
2015	9,920	9,199	19,119
2016	8,905	8,934	17,839
2017	9,188	8,657	17,845
2018	9,362	8,362	17,724
2019 to 2023	46,829	36,730	83,559
2024 to 2028	37,460	27,783	65,243
2029 to 2033	27,295	20,447	47,742
2034 to 2038	33,160	12,881	46,041
2039 to 2043	27,635	3,385	31,020
	<u>\$ 218,353</u>	<u>\$ 145,792</u>	<u>\$ 364,145</u>

The University has credit agreements with two banks permitting it to borrow up to \$6,000 in total, at the London Interbank Offered Rate (LIBOR) plus 1.0% and at LIBOR plus 1.4% (1.2% and 1.6%, respectively, at June 30, 2013) at the time of utilization. At June 30, 2013 and 2012, there were no outstanding borrowings against these agreements.

Deferred financing costs associated with the University's long term debt totaled \$5,499 and \$6,792, net of accumulated amortization of \$4,921 and \$3,988, at June 30, 2013 and 2012, respectively.

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Interest charges incurred in fiscal years 2013 and 2012 totaled \$9,306 and \$8,383, respectively. Of these amounts, \$3,122 and \$804 were capitalized in fiscal years 2013 and 2012, respectively.

7. Compensated Absences

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

At June 30, 2013 and 2012, accounts payable and accrued liabilities include accrued vacation and related fringe benefits of \$5,204 and \$4,761, respectively, and unused sick time of \$90 and \$190, respectively. At June 30, 2013 and 2012, other noncurrent liabilities include \$3,133 and \$2,579, respectively, of unused sick time. In fiscal years 2013 and 2012, payments for unused sick time totaled \$90 and \$188, respectively.

8. Retirement Programs

Eligible full-time employees and certain part-time employees of the University participate in one of four retirement systems – the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), the Teachers' Pension and Annuity Fund (TPAF), or the Alternate Benefits Program (ABP). PERS, PFRS, and TPAF are cost-sharing, multiple-employer plans administered by the State of New Jersey. ABP is administered by a separate board of trustees.

By statute, the University's employees are considered to be State employees for purposes of pension contribution and postemployment benefits. Accordingly, the University bears none of the normal costs of its employees' participation, all of which are borne by the State. However, the University is responsible for retirement incentive program contributions to PERS and TPAF.

PERS is a defined benefit retirement program which provides coverage, including post-retirement health care, to substantially all full-time employees and certain part-time employees of the State or public agencies who are not members of another State-administered retirement system. Membership is mandatory for such employees. Vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. Members are eligible for retirement at age 60, with a benefit generally determined to be 1/55th of the average of the three highest years of compensation for each year of service credit. The current employee contribution rate is 6.64% of base salary. The University's retirement incentive program contributions to PERS for the years ended June 30, 2013 and 2012 were \$186 and \$174, respectively.

TPAF is a defined benefit retirement program which provides coverage, including post-retirement health care, to substantially all full-time public school teachers of the State. The University no longer enrolls new employees in TPAF. Vesting occurs after 10 years of credited service for pension benefits and 25 years for post-retirement health care coverage. The employee contribution rate is 6.64% of base salary. Members are eligible for retirement at age 60, with a benefit generally determined to be 1/55th of the average of the three highest years of compensation for each year of service credit. The University's retirement incentive program contributions to TPAF for the years ended June 30, 2013 and 2012 were \$55 and \$53, respectively.

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June 30, 2013 and 2012

PFRS is a defined benefit retirement program which provides coverage, including post-retirement health care, to substantially all permanent, full-time police officers and firemen in the State. Membership is mandatory for such employees. Vesting occurs after 10 years of service. The employee contribution rate is 10% of base salary. A member may retire at age 55 with a benefit equal to two percent of final compensation for each year of creditable service up to 30 years, plus one percent for each year in excess of 30 years.

The State issues publicly available financial reports that include financial statements and required supplementary information for PERS, TPAF, and PFRS. These reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pension and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

ABP is a defined contribution retirement program for eligible full-time employees, providing retirement, disability, and death benefits for professionals and faculty members. Membership is mandatory for such employees. Vesting occurs after one year of service. The employee contribution rate is 5% of total base salary, and the employer contribution rate is 8% of base salary up to \$141. Benefits are determined by the amount of individual accumulations and the retirement income option selected. For the years ended June 30, 2013 and 2012, the University's contributions to ABP were \$6,451 and \$6,182, respectively.

To offset the State limit, a supplemental benefit program, a defined contribution plan, exists for ABP participants whose base salary is in excess of \$141, but not in excess of the Federal limit. Vesting occurs after one year of service. Employer contributions are at the discretion of the University, while employees may not contribute. No contributions were made in fiscal year 2013. The University's contribution was \$337 in fiscal year 2012.

9. Investment Income (Loss)

Investment income (loss) is comprised of the following for the fiscal years ended June 30:

	<u>2013</u>	<u>2012</u>
Interest and dividends	\$ 1,629	\$ 1,975
Realized net gain (loss) on sale of investments	3,285	(1,703)
Net increase (decrease) in the fair value of investments	<u>1,641</u>	<u>(1,311)</u>
	<u>\$ 6,555</u>	<u>\$ (1,039)</u>

Interest income of \$638 and \$145 was capitalized in fiscal years 2013 and 2012, respectively.

At June 30, 2013 and 2012, \$1,136 and \$2,118 were transferred from restricted nonexpendable net position – scholarships and fellowships, and \$36 and \$141 were transferred from restricted nonexpendable net position – instructional and other, respectively, to the corresponding restricted expendable net position to temporarily fund deficits therein.

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(Dollars in thousands)

June 30, 2013 and 2012

10. Condensed Combining Financial Statement Information

The condensed combining statements of net position, of revenues, expenses, and changes in net position, and of cash flows for NJIT and the Foundation at June 30, 2013 and for the year then ended are as follows:

	June 30, 2013			
	NJIT	Foundation	Reclassifications/ Eliminations	Total
Cash and cash equivalents	\$ 51,280	\$ 3,681	\$ (3,681)	\$ 51,280
Other current assets	41,878	278	—	42,156
Capital assets, net	292,144	—	—	292,144
Other noncurrent assets	50,029	83,323	—	133,352
Total assets	435,331	87,282	(3,681)	518,932
Due to Foundation	3,681	—	(3,681)	—
Other current liabilities	55,281	469	—	55,750
Noncurrent liabilities	232,368	1,536	—	233,904
Total liabilities	291,330	2,005	(3,681)	289,654
Net investment in capital assets	76,693	—	—	76,693
Restricted nonexpendable	—	58,952	—	58,952
Restricted expendable	7,319	14,124	—	21,443
Unrestricted	59,989	12,201	—	72,190
Total net position	\$ 144,001	\$ 85,277	\$ —	\$ 229,278

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(Dollars in thousands)

June 30, 2013 and 2012

	2013			
	NJIT	Foundation	Reclassifications/ Eliminations	Combined
Gifts and bequests	\$ —	\$ 3,737	\$ (3,737)	\$ —
Grants from Foundation	5,225	—	(5,225)	—
Other operating revenues	210,733	—	—	210,733
Total operating revenues	<u>215,958</u>	<u>3,737</u>	<u>(8,962)</u>	<u>210,733</u>
Depreciation and amortization	18,774	—	—	18,774
Grants to NJIT	—	5,225	(5,225)	—
Other operating expenses	264,402	2,312	—	266,714
Total operating expenses	<u>283,176</u>	<u>7,537</u>	<u>(5,225)</u>	<u>285,488</u>
Operating loss	(67,218)	(3,800)	(3,737)	(74,755)
Gifts and bequests	—	—	2,435	2,435
Investment income	(362)	6,917	—	6,555
Other nonoperating revenues, net	77,172	24	137	77,333
Capital grants and gifts	—	—	1,165	1,165
Additions to permanent endowments	—	4,668	—	4,668
Increase in net position	9,592	7,809	—	17,401
Net position, beginning of year	<u>134,409</u>	<u>77,468</u>	<u>—</u>	<u>211,877</u>
Net position, end of year	<u>\$ 144,001</u>	<u>\$ 85,277</u>	<u>\$ —</u>	<u>\$ 229,278</u>

	2013			
	NJIT	Foundation	Reclassifications/ Eliminations	Combined
Net cash provided by (used by):				
Operating activities	\$ (6,941)	\$ (3,624)	\$ 1,367	\$ (9,198)
Noncapital financing activities	54,157	4,537	(2,554)	56,140
Capital and related financing activities	(30,923)	—	1,125	(29,798)
Investing activities	(2,487)	(851)	—	(3,338)
Net increase in cash and and cash equivalents	13,806	62	(62)	13,806
Beginning cash and cash equivalents	<u>37,474</u>	<u>3,619</u>	<u>(3,619)</u>	<u>37,474</u>
Ending cash and cash equivalents	<u>\$ 51,280</u>	<u>\$ 3,681</u>	<u>\$ (3,681)</u>	<u>\$ 51,280</u>

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June 30, 2013 and 2012

The condensed combining statements of net position, of revenues, expenses, and changes in net position, and of cash flows for NJIT and the Foundation at June 30, 2012 and for the year then ended are as follows:

	June 30, 2012			
	NJIT	Foundation	Reclassifications/ Eliminations	Total
Cash and cash equivalents	\$ 37,474	\$ 3,619	\$ (3,619)	\$ 37,474
Other current assets	52,909	654	—	53,563
Capital assets, net	234,926	—	—	234,926
Other noncurrent assets	108,574	75,379	—	183,953
Total assets	433,883	79,652	(3,619)	509,916
Due to Foundation	3,619	—	(3,619)	—
Other current liabilities	47,494	489	—	47,983
Noncurrent liabilities	248,361	1,695	—	250,056
Total liabilities	299,474	2,184	(3,619)	298,039
Net investment in capital assets	79,027	—	—	79,027
Restricted nonexpendable	—	53,197	—	53,197
Restricted expendable	5,983	12,242	—	18,225
Unrestricted	49,399	12,029	—	61,428
Total net position	\$ 134,409	\$ 77,468	\$ —	\$ 211,877

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Notes to Financial Statements

(Dollars in thousands)

June 30, 2013 and 2012

	2012			
	NJIT	Foundation	Reclassifications/ Eliminations	Combined
Gifts and bequests	\$ —	\$ 2,928	\$ (2,928)	\$ —
Grants from Foundation	4,804	—	(4,804)	—
Other operating revenues	197,988	—	—	197,988
Total operating revenues	<u>202,792</u>	<u>2,928</u>	<u>(7,732)</u>	<u>197,988</u>
Depreciation and amortization	18,825	—	—	18,825
Grants to NJIT	—	4,804	(4,804)	—
Other operating expenses	242,440	1,770	—	244,210
Total operating expenses	<u>261,265</u>	<u>6,574</u>	<u>(4,804)</u>	<u>263,035</u>
Operating loss	(58,473)	(3,646)	(2,928)	(65,047)
Gifts and bequests	—	—	2,730	2,730
Investment income	778	(1,817)	—	(1,039)
Other nonoperating revenues, net	59,752	19	91	59,862
Capital grants and gifts	52	—	107	159
Additions to permanent endowments	—	4,008	—	4,008
Increase (decrease) in net position	2,109	(1,436)	—	673
Net position, beginning of year	<u>132,300</u>	<u>78,904</u>	<u>—</u>	<u>211,204</u>
Net position, end of year	<u>\$ 134,409</u>	<u>\$ 77,468</u>	<u>\$ —</u>	<u>\$ 211,877</u>

	2012			
	NJIT	Foundation	Reclassifications/ Eliminations	Combined
Net cash provided by (used by):				
Operating activities	\$ (12,162)	\$ (4,280)	\$ 2,428	\$ (14,014)
Noncapital financing activities	52,514	4,460	(1,848)	55,126
Capital and related financing activities	(30,342)	—	107	(30,235)
Investing activities	(5,222)	(867)	—	(6,089)
Net increase (decrease) in cash and cash equivalents	4,788	(687)	687	4,788
Beginning cash and cash equivalents	<u>32,686</u>	<u>4,306</u>	<u>(4,306)</u>	<u>32,686</u>
Ending cash and cash equivalents	<u>\$ 37,474</u>	<u>\$ 3,619</u>	<u>\$ (3,619)</u>	<u>\$ 37,474</u>

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11. Unrestricted Net Position

The components of unrestricted net position are as follows:

	June 30,	
	2013	2012
Designated unrestricted net position:		
Scholarships and fellowships	\$ 5,752	\$ 5,433
Instructional and other	7,819	7,413
Debt service	3,879	3,698
Deferred financing costs	1,509	1,679
Outstanding purchase orders	3,594	3,615
Construction and capital programs	16,652	13,616
State bond funds required match	6,000	—
Warren Street Village construction	10,000	10,000
	<u>55,205</u>	<u>45,454</u>
Undesignated unrestricted net position	<u>16,985</u>	<u>15,974</u>
	<u>\$ 72,190</u>	<u>\$ 61,428</u>

12. Commitments and Contingencies

At June 30, 2013, open purchase orders totaled \$33,164, primarily for construction and capital program and research 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.

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Schedule of Expenditures of Federal Awards

For the year ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Award Number	Current Year Expenditures
Research and Development Cluster:			
National Science Foundation:			
Algorithms and Complexity for Global Optimization	47.041	CMMI-0825381	\$ 22,864
Collaborative Research: The Nonatomic-Game Approach to Revenue Management Under Competition	47.041	CMMI-0854803	23,584
Collaborative Research: Container Scheduling - Complexity, Algorithms and Heuristics	47.041	CMMI-0969830	31,100
Collaborative Research: I/UCRC - Membrane Science, Engineering and Technology Center	47.041	IIP-1034710	85,084
Collaborative Research: A Unified Dynamical Systems-Simulation-Visualization Approach to Modeling and Analyzing Granular Flow Phenomena	47.041	CMMI-1029809	84,305
Collaborative Research: Using Electric Field and Capillarity for Particle Self-Assembly into Adjustable Monolayers	47.041	CBET-1067004	45,614
Collaborative Research: Using Cell Phone Data to Analyze the Continuum and Life Cycle of Disaster in Spatio-Temporal Movements	47.041	CMMI-1162482	35,190
Collaborative Research: Experimental and Computational Study of the Instabilities, Transport, and Self Assembly of Nanoscale Metallic Thin Films and Nanostructures	47.041	CBET-1235710	36,477
CAREER: Engineering Nervous Tissue in Vitro: Discovering the Mechanisms of Rapid Axon Stretch Growth	47.041	CBET-0747615	27,119
Silicon-Germanium Quantum Well-Quantum Dot Nanostructures for Integrated Light Emitters	47.041	ECCS-0725443	14,852
Kinetics of Free Radical Reactions of Combustion Importance at Elevated Pressures	47.041	CBET-0827398	52,434
Modeling and Simulation of Complex Stochastic Systems and Cascading Failures, with Applications to the Electric Power Grid	47.041	CMMI-0926949	111,978
Rational Design of Fluorinated Environments for Aerobic "Green Catalysis"	47.041	CBET-0967934	23,200
EAGER: Partial Oxidation of Methane Using Supported, Fluoroalkylated Phthalocyanine Catalysts	47.041	CBET-1022337	4,982
EAGER: Investigation of Polymeric Nitrogen Supported on Carbon Nanotube Sheets for Oxygen Reduction in Fuel Cells	47.041	CBET-1231682	80,718
MRI: Development of Visual and Neural Assessment Equipment	47.041	CBET-1228254	63,373
Spontaneous Dispersion of Particles in Liquid Surfaces	47.041	CBET-1236035	13,867
I-Corps: Co-e Coordinator Commercialization	47.041	IIP-1261961	49,887
I-Corps: Data Communication via the Vector Components of the Acoustic Field	47.041	IIP-1340415	4,531
I-Corps: Isosorbide-Based Renewable Humectants to Replace Polyethylene Glycol	47.041	IIP-1261924	37,682
RAPID: Impact of Hurricane Sandy on the Ecology of the New Jersey Shorelines: Recovery and Resilience Passed through Rutgers, The State University of New Jersey:	47.041	CBET-1313185	47,266
ERC for Structured Organic Composites Pharmaceutical, Nutraceutical, and Agrochemical Applications	47.041	EEC-0540855	682,321
Commercializing of Continuous Pharmaceutical Manufacturing Technology	47.041	EEC-0951845	95,411
Silicon-Germanium Nanopillar Heterojunctions for Novel Transferred Electron Devices	47.041	ECCS-1027770	54,296
GOALI: Continuous Coating of Ultrafine Drug Particles by Heterogeneous Polymer Nucleation in a Hollow Fiber Membrane Module	47.041	CMMI-1100622	129,176
Efficient Simulation of Risk and Performance Measures, with Applications to the Design and Operation of Nuclear Power Plants	47.041	CMMI-1200065	21,126
Self Sustainable Networking of Survivability - Heterogeneous Sensors	47.041	ECCS-1128369	86,527
Atmospheric Effects on Terahertz Wireless Communications	47.041	ECCS-1102222	100,489
CCSS: An Architecture for Joint Integration of Inter and Intrasession Network Coding in Lossy Wireless Multihop Network	47.041	ECCS-1331018	8,477
REU Site: Experiences in Neural Engineering	47.041	EEC-1156916	80,508
Passed through Georgia Institute of Technology:			
Method Development for Quantification of Physicochemical Properties of Engineered Nanoparticles and Their Local-Scale Biological Effects	47.047	CBET-1235166	6,299
Conferences on Frontiers of Applied and Computational Mathematics, 2011-2013	47.049	DMS-1108674	32,847
Calcium Dynamics in Exocytosis and Synaptic Facilitation	47.049	DMS-0817703	21,433
Rhythmic Oscillations in the Entorhino-Hippocampal System: Biophysics and Dynamics	47.049	DMS-0817241	12,157
Nonlinear Waves and Dynamical Systems	47.049	DMS-0807284	7,245
CDI-Type II: Collaborative Research: Computational Homology, Jamming, and Force Chains in Dense Granular Flows	47.049	DMS-0835611	1,428
Collaborative Research: Efficient Surface-Based Numerical Methods for 3D Interfacial Flow with Surface Tension	47.049	DMS-1016406	174,148
Collaborative Research: Constructing New Multiple Testing Methods	47.049	DMS-1006021	31,092
Collaborative Research: Mathematical and Computational Methods for Stochastic Systems in Nonlinear Optics	47.049	DMS-1109278	68,971
Collaborative Research: Dynamics of Morphogen Gradients	47.049	DMS-1119724	45,775
Collaborative Research: The MPI Workshop and GSMM Camp	47.049	DMS-1153954	6,605
Collaborative Proposal: Mathematical and Experimental Study of Lipid Bilayer Shape and Dynamics Mediated by Surfactants and Proteins	47.049	DMS-1222550	29,556
Thermal Effects on the Dynamics of Singularity Formation in Viscous Threads	47.049	DMS-0709092	4,306
Interaction Between Flow and Topography in Interfacial Electro Hydrodynamics	47.049	DMS-0707339	7,921

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Research and Development Cluster, continued:			
National Science Foundation, continued:			
Nonlinear Dynamics of Flames with Applications at High Pressure	47.049	DMS-0807340	\$ 7,343
Materials World Network - Renewable Resource Thermotropic Polyester	47.049	DMR-0908583	79,052
Develop High-Order Adaptive Optics for the 1.6 Meter Solar Telescope in BBSO	47.049	AST-0905279	219,103
UBM-Group: Undergraduate Biology and Mathematics Training Program at NJIT	47.049	DMS-0926232	46,969
Winding Domain Walls in Thin Ferromagnetic Films	47.049	DMS-0908279	97,418
Modeling and Analysis of Nematic Liquid Crystals in Thin Geometries: Bistable Configurations and Free Surface Instabilities	47.049	DMS-0908158	41,193
Modeling & Analysis of Nematic Films: Flow-Substrate Interactions	47.049	DMS-1211713	109,553
Electrically Active Scaffold for Stem Cell Differentiation	47.049	DMR-1006510	192,173
Hybrid Algorithms for Wave Propagation	47.049	DMS-1016405	26,559
Restricted Diffusion in Cellular Media: Application to Cortical Spreading Depression	47.049	DMS-1022848	93,285
Numerical Methods and Analysis for Interfacial Fluid Flow with Soluble Surfactant	47.049	DMS-1009105	74,867
Engineering Silicon/Silicon-Germanium Nanostructure Heterointerfaces: Toward Group IV Light Emitters and Lasers	47.049	DMR-1005682	54,745
A Biologically Inspired Material for Stem-Cell Induced Cartilage Repair	47.049	DMR-1207173	23,512
Efficient, Accurate and Rapidly Convergent Algorithms for Solutions of Wave Propagation Problems in Configurations Complex Materials and Geometrical Features	47.049	DMS-1251859	22,022
Passed through Association of Universities for Research in Astronomy, Inc.:			
On Site Technical Support for the Global Oscillation Network Group	47.049	AST-0946422	71,006
Passed through Rutgers, The State University of New Jersey:			
INSPIRE: Nonlinear Data Reduction Applied to Dense Granular Media	47.049	DMS-1248071	18,354
Linear Conductance-Based Mechanisms Underlying Oscillations in Neuronal Networks	47.049	DMS-1122291	159,503
High Resolution Studies of Solar Activity with New Solar Telescope	47.050	ATM-0745744	323,349
SHINE: Digitization of 27 Years of Big Bear Solar Observatory Films and Application in Statistical Study of Filaments and Flares	47.050	ATM-0849453	192,505
Operation and Application of High Resolution Full-Disk Global H-Alpha Network	47.050	ATM-0839216	186,225
CAREER: Developing High Resolution Infrared Instrumentation to Explore Solar Activity	47.050	ATM-0847126	110,438
Advanced Theory and Methods for Radio Spectral Diagnostics of Solar Flares	47.050	AGS-0961867	181,670
Observations and Analysis of White-Light Flares with High Resolution	47.050	AGS-1153424	24,485
Searching for Photospheric Causes of Small-Scale Chromospheric Activity	47.050	AGS-1146896	95,228
Exploring Large-Scale Current Sheets Associated with Coronal Mass Ejections	47.050	AGS-1153226	14,795
Coronal Magnetography of Solar Active Regions via 3D Modeling and Radio Imaging Spectroscopy	47.050	AGS-1250374	32,696
High Resolution Studies of the Sun Using the New Solar Telescope (NST)	47.050	AGS-1250818	22,687
Collaborative Research: ANET: A Multi-Tier Socially-Aware Network Infrastructure	47.070	CNS-0831753	21,315
Collaborative Research: Distributed Spectrum Leasing via Cross-Layer Cooperation	47.070	CCF-0914899	25,184
Collaborative Research: Integral-Equation-Based Fast Algorithms and Graph-Theoretic Methods for Large-Scale Simulations	47.070	CCF-0905395	122,836
EAGER: Transforming Everyday Social Activity Coordination through Mobile Outeraction-Support Systems	47.070	IIS-1041476	2,006
EAGER: REPWiNet: Renewable Energy Powered Wireless Networks - Architecture, Protocols, and Implementations	47.070	CNS-1147602	88,488
NeTS: Small: GATE: Greening at the Edges	47.070	CNS-1218181	33,932
CAREER: Secure & Reliable Outsourced Storage Systems Using Remote Data Checking	47.070	CNS-1054754	87,948
CAREER: New Tools for High-Throughput Screening of Protein Libraries: Engineering Metalloproteins Displayed on Bacillus Subtilis Spores	47.074	MCB-0746078	147,725
An Automated, Real-Time Identification and Monitoring Instrument for Reef Fish Communities	47.074	DBI-0649878	3,100
Collaborative Research: Neural Mechanisms for a Cooperative Behavior	47.074	IOS-1264439	43,631
EAGER: Climate Change and Phenological Mismatch - an Experimental Test with Cavity Nesting Bees, Cleptoparasites, and Floral Resources	47.074	DEB-1321265	21,676
Passed through The University of Texas:			
Collaborative Research: Large-Scale Simultaneous Multiple Alignment and Phylogeny Estimation	47.074	DEB-0733029	4,893
QIC: Query in Context for Educational Collections	47.076	DUE-0937629	4,755
QuEST: Revolutionizing Repository Cross-Referencing to Transform Discovery of Teaching Materials	47.076	DUE-1043647	69,860
More than the Sum of Its Parts: Advancing Women at NJIT through Collaborative Research Networks	47.076	HRD-1008549	187,432
Collaborative Project: Integrating Learning Resources for Information Security Research and Education (iSECURE)	47.076	DUE-1241976	99,864
Passed through Rutgers, The State University of New Jersey:			
IGERT: Nanopharmaceutical Engineering and Sciences	47.076	DGE-0504497	1,468
Passed through Stevens Institute of Technology:			
Engaging Students in Engineering	47.076	HRD-0833076	2,350
MRI: Instrument Development of the South Pole, Antarctica, Solar Radio Telescope (SPASRT): Advancing Our Understanding of the Solar-Terrestrial Environment	47.078	ANT-1229286	121,612

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Research and Development Cluster, continued:			
National Science Foundation, continued:			
Pan-American Advanced Studies Institute (PASI) on Frontiers in Particulate Media: From Fundamentals to Applications, La Plata, Argentina, August 2014	47.079	OISE-1242222	\$ 3,800
American Recovery and Reinvestment Act (ARRA) Grants:			
ARRA - Microwave Imaging Spectroscopy with the Owens Valley Solar Array	47.082	AST-0908344	48,705
ARRA - MRI: Development of Cryogenic Infrared Spectrograph for the 1.6 Meter Solar Telescope in Big Bear	47.082	ATM-0923199	375,626
ARRA - MRI-R2: Development of Owens Valley Solar Array to a Community Facility	47.082	AGS-0959761	1,908,581
ARRA - Development of Multi-Conjugate Adaptive Optics for the 1.6 Meter Telescope in Big Bear	47.082	AST-0959187	641,206
ARRA - NSF-RET Site at Engineering Research Center on Structured Organic Particulate Systems (C-SOPS)	47.082	EEC-0908889	148,058
ARRA - Three Dimensional Magnetic Configuration and Evolution of Flare Productive Active Regions	47.082	ATM-0936665	48,708
ARRA - GOALI: Fundamental Material and Processing Studies on Hot-Melt Extrusion - A Novel Pharmaceutical Manufacturing Process	47.082	CMMI-0927142	65,440
ARRA - CAREER: Dependable Data Management in Heterogeneous Sensor Networks	47.082	CNS-0844972	116,181
Passed through Siena College:			
ARRA - Collaborative Research: PENGUIn - A High Latitude Window to Geospace Dynamics	47.082	ANT-0840158	356,505
Total National Science Foundation			<u>9,927,841</u>
U.S. Department of Energy:			
Adopting Biophysical Methods in Pursuit of Biogeophysical Research	81.049	DE-SC0001506	313
Understanding the Spin/Lattice Coupling in Multiferroic Oxides	81.049	DE-FG02-07ER46402	169,469
Passed through Rutgers, The State University of New Jersey:			
Magnetoelectric Hybrid Modes in Multiferroics: Neutron and Ellipsometry Studies	81.049	DE-FG02-07ER46382	125,310
Passed through National Renewable Energy Laboratory/Midwest Research Institute:			
Data-Base for Wafer/Cell Test Results Using Equipment for Solar Cell Fabrication Process	81.049	DE-AC36-08GO28308	167,574
Optical and Electronic Modeling of Solar Cells	81.049	DE-AC36-08GO28308	35,228
Passed through Northeastern University:			
CMSM Project - Student Salary Support	81.049	DE-FG02-08ER46540	12,288
Passed through The Pennsylvania State University:			
Energy Efficient Buildings Hub (EEB Hub)	81.086	DE-EE0004261	402,023
Pressure Swing Absorption Device and Process for Separating CO2 Shifted Syngas and Its Capture for Subsequent Storage	81.089	DE-FE0001323	160,496
Passed through The University of Minnesota:			
A Nationwide Consortium of Universities to Revitalize Electric Power Engineering Education by State-of-the-Art Laboratories	81.112	DE-OE0000427	1,334
Passed through N.J. Board of Public Utilities:			
New Jersey Public Building Energy Efficiency Program (NJEEP)	81.119	DE-EE0005855	132
Passed through Los Alamos National Laboratory:			
Studies of Uranium Oxides	81.UNK	DE-AC52-06NA25396	5,613
Symmetry Based Atomic-Scale Description of Functional Materials and its Application	81.UNK	DE-AC52-06NA25396	9,127
Passed through Building Media, Inc.:			
Building America Task Order 4	81.UNK	KNDJ-0-40336-00	35,475
Passed through UT-Battelle, LLC:			
Assessing the Impact of CKMS on the Operation of an AMI Meter	81.UNK	DE-AC05-00OR22725	32,883
Total U.S. Department of Energy			<u>1,157,265</u>
U.S. Environmental Protection Agency:			
Smart Supermarkets: Energy and Hazardous Waste Reduction Program for the Supermarket Sector	66.708	97202111	58,303
Provide Technical Assistance to Brownfields Communities in EPA Regions 1, 2, and 3	66.814	TR-83399501-0	522,287
Total U.S. Environmental Protection Agency			<u>580,590</u>
U.S. Department of Health and Human Services:			
Passed through Indiana University:			
Characterization Methodologies & Proteomics to Assess Carbon Nanotube	93.113	3RC2ES01881-02S1	55,623
Regulation of Neuronal Oscillations by Synaptic Dynamics	93.242	2R01MH060605-11	351,522
Role of Neuromodulators and Activity in the Regulation of Ionic Currents and Neuronal Network Activity	93.242	2R01MH06471107A2	232,313
Passed through Mount Sinai School of Medicine:			
NIOSH Region II Educational Resource Center	93.262	2T42 OH008422-06	4,517
NIOSH Region II Educational Resource Center	93.262	5T42 OH008422-07	115,467

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Research and Development Cluster, continued:			
U.S. Department of Health and Human Services, continued:			
Floating Light Activated Micro-Electrical Stimulators for Neural Prosthetics	93.286	1R01EB00910001A2	\$ 284,693
Passed through The Wistar Institute:			
Cell-Cell Communication During Melanoma Development	93.395	2R001CA076674-13	24,694
Spinal Cord-to-Computer Interface	93.853	1R01NS072385-01A1	161,991
Passed through The Henry M. Jackson Foundation:			
Analysis of HIV-1 Specific Immune Responses in Thai Individuals with HIV Dementia	93.853	R01 NS061696-05	5,094
Passed through University of Florida:			
The Role of Axons in Neural Coding	93.853	R01 NS083319	9,797
Passed through Rokhan, LLC:			
A Digital Feedback Clamp Instrument for Neurophysiology	93.853	2R44NS048682-02A1	28,116
Passed through Infoscitex Corporation:			
Microfabricated Implantable Flowmeter for CSF Shunts	93.853	2R44NS056628-02A1	286,744
Spores as a Protein Display Platform for Directed Evolution of Membrane Proteins	93.859	1R15GM101610-01	41,210
Optimizing Hand Rehabilitation Post-Stroke Using Interactive Virtual Environments	93.865	1R01HD05830101A2	217,447
Combination of Transcranial Magnetic Stimulation with Virtual Reality Training in NJIT	93.865	F31HD067014	36,446
American Recovery and Reinvestment Act (ARRA) Grants:			
Passed through Indiana University:			
ARRA - Characterization Methodologies and Proteomics to Assess Carbon Nanotube Exposure	93.701	3RC2ES018810-01S1	1,510
ARRA - Characterization Methodologies and Proteomics to Assess Carbon Nanotube Exposure	93.701	RC2ES018810	84,446
Total U.S. Department of Health and Human Services			<u>1,941,630</u>
U.S. Department of the Air Force:			
Infrared Observations with the 1.6 Meter New Solar Telescope in Big Bear: Origins of Space Weather	12.800	FA9550-12-1-0066	19,591
Compressive Sensing for Target Localization with MIMO Radar and Passive Methods	12.800	FA9550-12-1-0409	125,745
Next Generation Near-Infrared Imaging Spectro-Polarimeter for Space Weather Research	12.800	FA2386-12-1-3018	200,000
Passed through Mathematical Systems & Solutions, Inc.:			
Advanced Computational Methods for Study of Electromagnetic Compatibility	12.UNK	FA9550-12-C-0029	63,079
Passed through Universal Technology Corp:			
3-Dimensional (3D) Analytical Modeling Tools for Neat and Reinforced Shape Memory Polymers	12.UNK	FA8650-07-D-5800	30,999
Passed through Reactive Metals International, Inc.:			
Structural Reactive Composites	12.UNK	FA8651-12-M-0062	21,206
Passed through Picometrix, LLC.:			
Compact, Low-Cost THz Test System	12.UNK	FA8650-13-M-1560	18,382
Total U.S. Department of the Air Force			<u>479,002</u>
U.S. Department of the Navy:			
Efficient Inversion in Underwater Acoustics with Iterative and Sequential Bayesian Approaches	12.300	N00014-10-1-0073	130,565
FY2010 Congressional Plus Up Energetic NANO-Materials Agent Defeat Initiative	12.300	N00014-10-1-0849	36,722
Passive Ranging Using Distributed Arrays in Underwater Acoustic Environments Subject to Coherence Losses	12.300	N00014-12-1-0215	60,585
Capstone: Design for Manufacture	12.UNK	N68335-11-P-0220	369
Capstone: Design for Manufacture	12.UNK	N68335-12-P-0167	2,254
Passed through Dymas Research, Inc.:			
Photonic True-Time Delay Line	12.UNK	N68335-10-C-0022	38,583
Passed through Reaction Engineering International:			
A Pressure-Dependent Detailed Chemical Kinetic Model for JP-10 Combustion	12.UNK	N68335-10-C-0470	16,838
Total U.S. Department of the Navy			<u>285,916</u>
U.S. Department of the Army:			
Electrical Properties of Novel Nanomaterials	12.351	W15QKN-13-1-1116	1,325
Passed through Rutgers, The State University of New Jersey:			
Alliance for Regenerative Medicine	12.420	W81XWH-08-2-0034	21,009
Electro-Static Discharge (ESD) Sensitivity of Reactive Powders and Its Mitigation	12.431	W911NF-12-1-0161	54,828
Passed through The University of Texas at El Paso:			
Efficient and Safe Chemical Gas Generators with Nanocomposite Reactive Materials	12.431	W911NF-12-1-0056	26,769
Passed through Princeton University:			
Signal Processing Algorithms for Very Accurate Geo-Location in the Presence of Multipath	12.910	W911NF-07-D-0001	47,433
Advanced Cluster Energetics	12.UNK	DAAE30-03-D-1015-38	357,577
Research & Development of Technologies for Perimeter Security Systems	12.UNK	W15QKN-10-D-0503-0003	68,092
Development of Modular Training Facilities for Joint Base-MDL and Perimeter Security Analysis	12.UNK	W15QKN-10-D-0503-0004	288,393
Passed through Reactive Metals International, Inc.:			
Engineered Ignition of Novel Structural Reactive Materials	12.UNK	W15QKN-12-C-0026	1,923

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Research and Development Cluster, continued:			
U.S. Department of the Army, continued:			
Passed through Aspen Consulting Group:			
Modulation Recognition Algorithms IAW NJIT	12.UNK	W15P7T-09-D-P014	\$ 21,980
Passed through CACI Technologies, Inc.:			
Modulation Parameter Estimation Method Support: Distributed Signal Sensing and Classification (Subtask 8)	12.UNK	W15P7T-09-D-P013	12,502
Total U.S. Department of the Army			<u>901,831</u>
U.S. Department of Transportation:			
Development of a Transportation, Economic, and Land Use System (TELUS)	20.200	DTFH61-07-H-00020	868,164
Passed through Research Foundation - CUNY:			
Field Methods for Determining Lead Content in Bridge Paint Removal Waste	20.205	C030506	60,933
Road Weather Information System (RWIS) Statewide Implementation Plan	20.205	36Q550SPR1198	105,428
Customization of TELUS-Based Project Information Management System (PIMS)	20.205	100T-120	1,779
Customization of TELUS-Based Project Information Management System (PIMS)	20.205	100T-144	99,137
Customization of TELUS-Based Project Information Management System (PIMS)	20.701	DTRT07-G-0002	28,422
Value Pricing and Traffic Reduction Incentives	20.701	DTRT07-G-0002	3,213
Development of a Comprehensive Inventory Management System for Underground Fiber Optic Conduits	20.701	DTRT07-G-0002	30,206
Metrics, Models, and Data for Assessment of Resilience	20.701	DTRT07-G-0002	56,567
Vulnerability of Transportation System and Evacuation Plan for Coastal Flooding in Climate Change	20.701	DTRT07-G-0002	10,855
Optimum Fund Allocation to Rehabilitate Transportation Infrastructure	20.701	DTRT12-G-UTC02	30,663
Passed through N.Y. Department of Transportation:			
Transition of PIMS Application from NJIT Server to the New NYMTC Server	20.205	AW00109	5,514
Passed through N.J. Department of Transportation:			
Local Scoping - TASK ORDER 34A	20.205	STP-0395(110)	30,132
Local Scoping - TASK ORDER 38A	20.205	L230B00S216	1,261
North Jersey Transportation Planning Authority FY2011 Unified Planning Work Program	20.205	L4500011051	24
		L45E0011051	
		L4500011052	
		L45ED00S232	
		L23EB00S978	
North Jersey Transportation Planning Authority FY2012 Unified Planning Work Program	20.205	L45E0011051	5,779,617
		77F00011051	
		L4500011052	
		L23EB00S978	
		L230B00S980	
		L400B00S982	
North Jersey Transportation Planning Authority FY2013 Unified Planning Work Program	20.205	L45EC00S357	15,876,041
		L45EC00S356	
		L23EC00S358	
		L40EC00S355	
		L23EC00S359	
FHWA Climate Change Vulnerability and Risk Assessment Project - Phase 2	20.205	4L30ECP010	119
Streamlining the Project Management Process at NJDOT's Bureau of Research	20.205	L5600010040	71,997
Impacts of EPA 2012 Commercial Pump-Out Regulations	20.205	L56E0010042	40,360
Go Bus Impact and Analysis	20.205	L56E0010042	77,147
Snow Model Analysis	20.205	L56E0010042	173,275
Feasibility and Efficacy of Public Transportation Partnerships	20.205	L56E0010042	86,366
North Jersey Transportation Planning Authority Pilot Pedestrian Safety Education Campaign (PPSEC)	20.205	LS3EC00S386	30,852
Impacts of EPA 2012 Commercial Pump-Out Regulations - Implementation	20.205	L56E0010044	11,567
Design and Evaluation of Bridges for Scour Using HEC 18	20.205	L56E0010044	39,931
Intelligent Transportation Systems Resource Center	20.205	LZ2EC00S426	12,871
East Coast Port Complex Study	20.701	HPP-B005-(321)	18,519
Transportation Community and System Preservations (TCSP) Program	20.UNK	L68E11NJ002	57,106
Establishment of the NJDOT Intelligent Transportation Systems Resource Center at NJIT	20.UNK	H400B00S255	128,739
Passed through Rutgers, The State University of New Jersey:			
Center for Advanced Infrastructure and Transportation (CAIT) Tier I UTC Consortium	20.701	DTRT12-G-UTC16	29,163
TELUS for Transit	20.514	NJ-26-1018-00	298,754

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Research and Development Cluster, continued:			
U.S. Department of Transportation, continued:			
Passed through N.J. Department of Law and Public Safety:			
Safety Belt Usage Study	20.600	OP12-11-02-01	\$ 88,712
Safety Belt Usage Study	20.600	OP13-11-02-01	96,225
Total U.S. Department of Transportation			<u>24,249,659</u>
National Aeronautics and Space Administration:			
Study of Solar Chromosphere in Four Solar Cycles	43.001	NNX11AC05G	96,424
Ensuring Broad Access to Solar Microwave Data from the Expanded OVSA	43.001	NNX11AB49G	93,263
High-Spatial and High Spectral Resolution Study of Small Scale Jets	43.001	NNX11AO70G	48,258
Linking Photospheric Dynamic Magnetic Fields to Chromospheric Jetting Activity	43.001	NNX11AO73G	81,513
Forecasting of Solar Eruptive Events	43.001	NNX11AQ55G	66,590
Studies of the Solar Atmosphere Using Coordinated Observations with the 1.6m New Solar Telescope and NASA Solar Physics Missions	43.001	NNX12AB95G	123,197
Research Opportunities in Space and Earth Science - 2011	43.001	NNX13AF76G	1,964
Energy Release, Acceleration and Escape of Solar Energetic Particles	43.001	NNX13AE41G	300
Studies of the Solar Atmosphere Using Coordinated Observations with NASA Solar Missions and the 1.6m New Solar Telescope at Big Bear	43.001	NNX13AG14G	6,685
Study of Flare Footpoint Emissions Using Advanced Observing Tools	43.001	NNX13AG13G	1,399
Strongly Non Equilibrium Phenomena at H2 and O _x Phase Boundaries	43.001	NNX12AF82G	179,420
Electro-Hydrodynamic Control of Two-Phase Heat Transfer in Microgravity	43.001	NNX12AM26G	75,707
Passed through Rutgers, The State University of New Jersey:			
Summer Bridge Programs - Research in Physics at NJIT	43.001	NNX10AR62H	3,367
FY10 National Space Grant College and Fellowship Program (SPACE Grant)	43.UNK	NNX10AR62H	3,059
Radiation Belt Storm Probes Science Investigations (RB Spice) - Phase B	43.002	NAS5-01072	1,249,274
Novel Electro-Hydrodynamic Technology for Gas-Liquid Phase Separation in Microgravity	43.002	NNX09AK06G	58,916
Probing the Solar Flare Energy Release with Hard X-Ray and Radio Observations and Modeling	43.UNK	NNX10AF27G	47,361
Passed through Space Telescope Science Institute:			
Proper Motion Survey of Classical & SDSS Local Group Dwarf Galaxies	43.UNK	NAS5-26555	19,424
Passed through The Johns Hopkins University - Applied Physics Laboratory:			
Data Analysis from ACE Spacecraft by EPAM/ULEIS Instruments	43.UNK	NNX10AT75G	44,375
The Role of Currents and Conductance in Controlling Plasmasphere Dynamics	43.UNK	NNX10AQ56G	26,577
Total National Aeronautics and Space Administration			<u>2,227,073</u>
U.S. Department of Defense:			
Irreversible Phase Transformations for Rapid High Temperature Measurements	12.351	HDTRA1-10-1-0006	246,987
Reactive Nanocomposite Materials for Advanced Weapons Systems	12.351	HDTRA1-11-1-0060	151,164
Passed through The University of Cincinnati:			
Neutralization of Aerosolized Bio-Agents by Filled Nanocomposite Materials through Thermal and Chemical Inactivation Mechanisms	12.351	HDTRA1-11-1-0017	208,652
Passed through The University of Illinois:			
Combustion Dynamics of Biocidal Metal-based Energetic Components in Turbulent Reactive Flows	12.351	HDTRA1-10-1-0003	160,064
Passed through Duke University:			
Microstructure, Fluidization, and Control of Penetrator Trajectories in Granular Media	12.351	HDTRA1-01-1-0021	42,972
Passed through New Jersey Technology Solutions Center:			
Miniature Visible to Near Infrared Hyperspectral Imaging Camera with Tunable Metamaterial Filters	12.UNK	HQ0034-10-1-0005	337
Total U.S. Department of Defense			<u>810,176</u>
U.S. Department of Justice:			
Child Safe Personalized Weapons	16.753	2010-DD-BX-K541	331,488
Total U.S. Department of Justice			<u>331,488</u>
U.S. Department of Agriculture:			
Managing Critical Source Areas for Enhancing Ecosystem Services in Agricultural Landscapes	10.310	2012-67019-19348	71,640
Total U.S. Department of Agriculture			<u>71,640</u>
U.S. Department of Commerce:			
Interference Impact, Power Consumption, and Performance Evaluation Issues in Wireless Sensor Networks for Buildings	11.609	60NANB10D220	70,040
Total U.S. Department of Commerce			<u>70,040</u>

NEW JERSEY INSTITUTE OF TECHNOLOGY

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Award Number	Current Year Expenditures
Research and Development Cluster, continued:			
U.S. Department of Interior:			
Novel Cylindrical Cross-Flow Hollow Fiber Membrane Module for Direct Contact Membrane Distillation-Based Desalination	15.506	R12AC80907	\$ 95,690
Passed through Rutgers, The State University of New Jersey:			
nHFO-Microalgae and Immobilization for Water Quality Improvement	15.805	G11AP20094	10,363
Evaluating Effects of Restoring Bayside Processes	15.945	H4503090700	6,400
Total U.S. Department of Interior			<u>112,453</u>
Veteran Affairs Medical Center:			
Software Development with East Orange N.J. VA	64.UNK	561-D15033	12,494
Total Veteran Affairs Medical Center			<u>12,494</u>
U.S. Department of Education:			
EU/US International Bachelor Degree in Engineering Management	84.116J	P116J100055	107,406
GAANN Fellowship Program in Neural and Neuromuscular Engineering	84.200A	P200A120226	29,956
Total U.S. Department of Education			<u>137,362</u>
Total Research and Development Cluster			<u>43,296,460</u>
Student Financial Assistance Cluster:			
U.S. Department of Education:			
Federal Supplemental Educational Opportunity Grants	84.007	P007A122589	261,816
Federal Supplemental Educational Opportunity Grants	84.007	P007A112589	68,336
Federal Work-Study Program (including administrative cost allowance of \$2,437)	84.033	P033A122589	373,885
Federal Perkins Loan (FPL) - Federal Capital Contributions	84.038	P038A042589	288,521
Federal Pell Grant Program	84.063	P063P120269	11,024,177
Federal Pell Grant Program	84.063	P063P110269	11,041
William D. Ford Federal Direct Student Loan Program	84.268	P268K130269	35,608,545
William D. Ford Federal Direct Student Loan Program	84.268	P268K120269	129,096
Total U.S. Department of Education			<u>47,765,417</u>
Total Student Financial Assistance Cluster			<u>47,765,417</u>
Other Federal Assistance:			
U.S. Department of Education:			
TRIO Cluster:			
Student Support Services Program	84.042A	P042A100720	295,836
Student Support Services - STEM	84.042A	P042A101323	187,967
Educational Talent Search Program	84.044A	P044A110683	200,008
Upward Bound Program	84.047A	P047A070098	275,331
Upward Bound Program	84.047A	P047A080244	14,836
Upward Bound Program	84.047A	P047A121489	220,352
Upward Bound Program ESL	84.047A	P047A070189	151,429
Upward Bound for English Language Learners (ELLs)	84.047A	P047A121474	115,130
New Jersey Institute of Technology Ronald E. McNair Postbaccalaureate Achievement Program	84.217A	P217A070004	90,385
New Jersey Institute of Technology Ronald E. McNair Postbaccalaureate Achievement Program	84.217A	P217A120008	135,022
Total TRIO Cluster			<u>1,686,296</u>
Passed through N.J. Commission on Higher Education:			
The Consortium for Pre-College Education in Greater Newark/GEAR UP at New Jersey Institute of Technology	84.334	P334S110034-12	165,351
The Consortium for Pre-College Education in Greater Newark/GEAR UP/College Bound Activity Grant	84.334	P334S110034-12	94
The Consortium for Pre-College Education in Greater Newark/GEAR UP, Activity Grant	84.334	P334S110034-12	8,156
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	P334S050027	24,975
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)	84.334S	P334S110034	356,255
College Access Challenge Grant	84.378A	P378A100006	7,047
College Access Challenge Grant	84.378A	P378A110006	780
College Access Challenge Grant "Dual Enrollment" Program Year 4	84.378A	P378A110006	15,000
Total U.S. Department of Education			<u>2,263,954</u>

NEW JERSEY INSTITUTE OF TECHNOLOGY

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Award Number	Current Year Expenditures
Other Federal Assistance, continued:			
National Science Foundation:			
Teacher Education Collaboration for High-Need Schools - New Jersey (TECHS-NJ)	47.076	DUE-0630412	\$ 140,677
Computation and Communication: Promoting Research Integration in Science and Mathematics	47.076	DGE-0638423	95,062
Passed through Drexel University:			
Greater Philadelphia Region Stokes Alliance for Minority Participation - Phase IV Year 1	47.076	HRD-0903924	38,335
Greater Philadelphia Region LSAMP Bridge to the Doctorate (Cohort X) Project	47.076	HRD-1249177	166,508
Total National Science Foundation			440,582
U.S. Defense Logistics Agency:			
Defense Procurement Agreement FY11-12	12.002	SP4800-11-2-1123	45,945
Defense Procurement Agreement FY12-13	12.002	SP4800-12-2-1223	508,702
Total U.S. Defense Logistics Agency			554,647
U.S. Department of Labor:			
Passed through N.J. Department of Labor:			
WIA Cluster			
Continuing Professional Education Services	17.258	AA-21411-11-55-A-34	148,019
Advanced Manufacturing Talent Network	17.260	AA-20209-10-55-A-34	27,299
Advanced Manufacturing Talent Network	17.260	AA-20209-10-55-A-34	248,494
Total WIA Cluster			423,812
H-1B Technical Skills Training Grants	17.268	FG-22709-12-60-A-34	879,713
Total U.S. Department of Labor			1,303,525
U.S. Department of Health and Human Services:			
Passed through N.J. Department of Human Services:			
Medicaid Specialist Program	93.778	05-1305NJIMPL	509,684
Passed through American Institute for Research:			
Technical Assistance to Support the Learning and Diffusions Activities at the Center for Medicare & Medicaid Innovation (CCMI)	93.UNK	HHSM-500-2011-00147	11,110
Technical Assistance to Support the Learning and Diffusions Activities at the Center for Medicare & Medicaid Innovation (CCMI)	93.UNK	HHSM-500-2011-00147	25,000
Total U.S. Department of Health and Human Services			545,794
U.S. Department of Health and Human Services, Center for Disease Control:			
Passed through N.J. Department of Health:			
Health Alert Network/Training for Bioterrorism	93.069	MOA	86,573
Health Alert Network/Training for Bioterrorism	93.069	MOA	1,004
Health Alert Network/Training for Bioterrorism	93.069	MOA	485,216
Health Alert Network/Training for Bioterrorism	93.889	MOA	77,759
American Recovery and Reinvestment Act (ARRA) Grants:			
ARRA - New Jersey Health Information Technology Extension Center	93.718	90RC0037-01	7,370,813
Passed through Ponce School of Medicine and Health Sciences:			
ARRA - Health Information Technology Cooperative Regional Center	93.718	90RC0045	21,950
Total U.S. Department of Health and Human Services, Center for Disease Control			8,043,315
U.S. Department of Homeland Security:			
Passed through N.J. Office of Homeland Security and Preparedness:			
Campus Peer Review Project	97.UNK	SFY09 GRANT AGREEMENT	40,688
Total U.S. Department of Homeland Security			40,688
U.S. Department of Energy:			
Student Support for EIPBN 2012 Conference	81.049	DE-SC0008346	5,000
American Recovery and Reinvestment Act (ARRA) Grants:			
Passed through N.J. Board of Public Utilities:			
ARRA - Energy Commissioning Agent/Auditor Training in the NY Metro Region	81.086	DE-EE0003853	188,932
Total U.S. Department of Energy			193,932
U.S. Department of Defense:			
Environmental Security Technology Certification Program (ESTCP) Onsite Program Support	12.UNK	IPA	12,429
Environmental Security Technology Certification Program (ESTCP) Onsite Program Support	12.UNK	IPA	81,854
Environmental Security Technology Certification Program (ESTCP) Onsite Program Support	12.UNK	IPA	200,915
Total U.S. Department of Defense			295,198

NEW JERSEY INSTITUTE OF TECHNOLOGY

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2013

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Award Number</u>	<u>Current Year Expenditures</u>
Other Federal Assistance, continued:			
National Endowment for the Arts:			
To Support People Planning Newark: Designing New Jersey's Metropolis, in Consortium with the City of Newark	45.024	11-4200-7039	\$ <u>11,477</u>
Total National Endowment for the Arts			<u>11,477</u>
Total Other Federal Assistance			<u>13,693,112</u>
Total Expenditures of Federal Awards			\$ <u><u>104,754,989</u></u>

The above information should be read in conjunction with the notes accompanying this schedule.

NEW JERSEY INSTITUTE OF TECHNOLOGY
Schedule of Expenditures of State of New Jersey Awards
For the year ended June 30, 2013

State of New Jersey Grantor/Pass-Through Grantor/Program or Cluster Title	Award Number	Grant Amount	Grant Period		Current Year Expenditures
			From	To	
Research and Development Cluster:					
N.J. Developmental Disabilities Council:					
Developmental Disabilities Planning Institute Year 19	09GL12R	\$ 629,487	01/01/12	12/31/12	\$ 302,636
Developmental Disabilities Planning Institute Year 20	09GL13R	568,463	01/01/13	12/31/13	204,065
Total N.J. Developmental Disabilities Council		<u>1,197,950</u>			<u>506,701</u>
N.J. Department of Transportation:					
Implementation of Maintenance Decision Support System in New Jersey	TASK ORDER 70	825,678	07/23/07	07/31/12	8,858
Customization of TELUS for NJDOT'S Interactive Website for the Display of Capital Programming Projects	TASK ORDER 78	1,208,008	10/01/07	12/31/12	120,492
Large Truck Monitoring Program Data Analysis and Reporting	TASK ORDER 83	450,000	04/01/08	12/31/12	59,017
Study of Public Perception of Traffic Congestion in NJ	TASK ORDER 90	155,734	06/01/09	09/30/12	14,041
Environmental Management System for Transportation Maintenance Operations	TASK ORDER 92	231,000	09/01/09	09/30/12	18,565
Work Zone Safety Analysis	TASK ORDER 94	360,207	01/01/10	06/30/12	20,394
Drainage Information, Analysis and Mapping Project	TASK ORDER 96	579,443	01/19/10	08/31/12	35,955
Sign Maintenance Management System and Retroreflectivity Compliance Program for NJDOT	TASK ORDER 98	400,000	12/01/10	06/30/13	226,308
East Coast Port Complex Study	TASK ORDER 77	19,960	10/23/07	09/30/12	959
Passed through Rutgers, The State University of New Jersey:					
Traffic Control and Work Zone Safety for High Volume Roads	TASK ORDER 248	75,000	01/01/10	06/30/12	211
Handheld Devices on Rail for Fare Collection and Communication	TASK ORDER 274	37,746	09/12/11	09/12/13	37,214
Passed through Jacobs Engineering Group Inc.:					
Freight System Performance Measures for NJDOT	2011DPD852	24,814	05/09/13	12/31/13	2,703
Total N.J. Department of Transportation		<u>4,367,590</u>			<u>544,717</u>
N.J. Department of Health:					
Passed through University of Medicine and Dentistry of New Jersey:					
The Role of Microglia in Recovery from Brain Injury	08-3207-BIR-E-1	296,723	06/01/08	05/31/13	39,707
Graduate Student Fellowship	11-2956-SCR-E-0	60,000	06/15/11	06/30/13	19,748
Mediators of Maternal Inflammation	10-399-SCH-N-0	392,161	06/28/10	12/31/12	97,112
Investigation of Physiological Dysfunction from Repetitive Mild Head Injury	CBIR11PJT003	1,639,524	06/01/11	05/31/14	251,838
Passed through Rutgers, The State University of New Jersey:					
The Effects of Diffuse Axon Injury on Myelin and Myelinated Axons	CBIR11PJT012	122,265	06/01/11	05/31/14	57,232
Total N.J. Department of Health		<u>2,510,673</u>			<u>465,637</u>
N.J. Meadowlands Commission:					
Statistical Data Analysis	MOU	80,000	11/01/06	12/31/13	1,284
Total N.J. Meadowlands Commission		<u>80,000</u>			<u>1,284</u>
N.J. Commission on Spinal Cord Research:					
Spinal Cord Injury Techniques Training Travel Grant	CSCR12TTT006	2,500	03/01/12	02/28/13	1,000
Total N.J. Commission on Spinal Cord Research		<u>2,500</u>			<u>1,000</u>
N.J. Board of Public Utilities:					
Passed through MaGrann Associates:					
NJ Climate Choice Homes Program	W60271758RETE	53,145	01/01/10	06/30/13	37,980
Total N.J. Board of Public Utilities		<u>53,145</u>			<u>37,980</u>
N.J Transit:					
Transportation and Community System Preservation (TCSP) Program	PL-NJ-12-03	30,500	02/23/12	06/30/13	24,871
Total N.J Transit		<u>30,500</u>			<u>24,871</u>
Total Research and Development Cluster		<u>8,242,358</u>			<u>1,582,190</u>

NEW JERSEY INSTITUTE OF TECHNOLOGY
Schedule of Expenditures of State of New Jersey Awards
For the year ended June 30, 2013

State of New Jersey Grantor/Pass-Through Grantor/Program or Cluster Title	Award Number	Grant Amount	Grant Period		Current Year Expenditures
			From	To	
Student Financial Assistance Cluster:					
N.J. Higher Education Student Assistance Authority:					
New Jersey College Loans to Assist State Students	—	\$ 2,334,538	07/01/12	06/30/13	\$ 2,334,538
Total N.J. Higher Education Student Assistance Authority		<u>2,334,538</u>			<u>2,334,538</u>
N.J. Commission on Higher Education:					
Tuition Aid Grant	2405-100-074-2405-007	15,257,479	07/01/12	06/30/13	15,257,479
Tuition Aid Grant	2405-100-074-2405-007	12,172,893	07/01/11	06/30/12	3,025
Distinguished Garden State Scholars	2405-100-074-DS10-278	30,225	07/01/12	06/30/13	30,225
Urban Scholars	2405-100-074-US11-278	22,320	07/01/12	06/30/13	22,320
NJ Star II	2405-100-074-2405-313	70,548	07/01/12	06/30/13	70,548
Educational Opportunity Fund - Undergraduate	2401-100-074-2401-001	470,575	07/01/12	06/30/13	470,575
Educational Opportunity Fund - Graduate	2401-100-074-2401-001	14,250	07/01/12	06/30/13	14,250
Educational Opportunity Fund - Summer - Article III	2401-100-074-2401-001	576,608	06/01/12	09/30/12	546,834
Educational Opportunity Fund - Summer - Article III	2401-100-074-2401-001	576,608	06/01/13	09/30/13	14
Law Enforcement Officer Memorial (LEOM)	2405-100-074-2405-312	31,190	07/01/12	06/30/13	31,190
Survivor Tuition Benefits Program (STB)	2405-100-074-2405-009	5,664	07/01/12	06/30/13	5,664
Survivor Tuition Benefits Program (STB)	2405-100-074-2405-009	2,682	07/01/11	06/30/12	2,682
Governor's Urban Scholarship Program	2405-100-074-2405-329	9,000	07/01/12	06/30/13	9,000
Total N.J. Commission on Higher Education		<u>29,240,042</u>			<u>16,463,806</u>
Total Student Financial Assistance Cluster		<u>31,574,580</u>			<u>18,798,344</u>
Other State of New Jersey Assistance:					
N.J. Commission on Higher Education:					
Educational Opportunity Fund - Academic Year - Article IV (FY2013)	2401-100-074-2401-002	518,288	07/01/12	06/30/13	518,288
Consortium for Pre-College Education in Greater Newark/GEAR UP	12YR5800930-0033	630,000	07/01/11	06/30/12	18,449
Consortium for Pre-College Education in Greater Newark/GEAR UP	13YR2809170-0003	471,771	09/26/12	06/30/13	460,954
Total N.J. Commission on Higher Education		<u>1,620,059</u>			<u>997,691</u>
N.J. Office of Management & Budget:					
State Appropriations	13-100-074-2430-001	37,696,000	07/01/12	06/30/13	37,696,000
FICA and Fringe Benefits Paid by the State of New Jersey	Various	43,099,442	07/01/12	06/30/13	43,099,442
Total N.J. Office of Management & Budget		<u>80,795,442</u>			<u>80,795,442</u>
N.J. Department of Labor and Industry:					
Passed through Newark Alliance Inc.:					
Financial Services Talent Network People to Business	MOA DT 05/07/2012	32,392	02/15/12	06/30/12	13,853
Passed through New Jersey Technology Council:					
Technology and Entrepreneurship Talent Network	4252013	10,000	08/01/12	06/30/13	9,999
Total N.J. Department of Labor and Industry		<u>42,392</u>			<u>23,852</u>
N.J. Department of Human Services:					
Medicaid Specialist Program	MOA DT 12/02/2011	310,000	12/02/11	12/11/13	155,021
Total N.J. Department of Human Services		<u>310,000</u>			<u>155,021</u>
Total Other State of New Jersey Assistance		<u>82,767,893</u>			<u>81,972,006</u>
Total State of New Jersey Awards		<u>\$ 122,584,831</u>			<u>\$ 102,352,540</u>

The above information should be read in conjunction with the notes accompanying this schedule.

NEW JERSEY INSTITUTE OF TECHNOLOGY

Notes to Schedules of Expenditures of Federal and State of New Jersey Awards

For the year ended June 30, 2013

(1) Basis of Presentation

The accompanying schedule of expenditures of Federal awards has been prepared in the format required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The accompanying schedule of expenditures of State of New Jersey awards has been prepared in the format required by New Jersey Office of Management and Budget Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The purpose of these schedules is to present a summary of those activities of New Jersey Institute of Technology (the University) for the year ended June 30, 2013 which have been financed by either the Federal government or the State of New Jersey. For purposes of the schedules, Federal and State of New Jersey awards include any assistance provided by a Federal or State agency directly or indirectly in the form of grants, contracts, cooperative agreements, direct appropriations, loan and loan guarantees, and other noncash assistance. Because the schedules present only a selected portion of the activities of the University, they are not intended to, and do not, present either the financial position of the University at June 30, 2013 or its changes in financial position and cash flows for the year then ended.

The accounting principles followed by the University in preparing the accompanying schedules are as follows:

- Expenditures for direct costs are recognized as incurred using the accrual method of accounting in accordance with the provisions of OMB Circular A-21, *Cost Principles for Educational Institutions*, pursuant to which certain types of expenditures are not allowable or are limited as to reimbursement.
- Facilities and administrative costs are recovered at either the rates specified under the various grants and contracts or the University's predetermined facilities and administrative cost rate, whichever is lower.

(2) Federal Perkins Loan Program

The University administers the Federal Perkins Loan Program. The balance of loans outstanding under the Federal Perkins Loan Program at June 30, 2013 was \$1,673,672.

(3) Other Loan Programs

The University is responsible only for the performance of certain administrative duties with respect to the Federal Direct Student Loan Program and the New Jersey College Loans to Assist State Students program and, accordingly, these loans are not included in its basic financial statements. It is not practical to determine the balance of loans outstanding to students of the University under these programs at June 30, 2013.

NEW JERSEY INSTITUTE OF TECHNOLOGY

Notes to Schedules of Expenditures of Federal and
State of New Jersey Awards

For the year ended June 30, 2013

(4) Subrecipient Awards

The University passed through the following Federal and State of New Jersey awards to subrecipients during the year ended June 30, 2013:

<u>Federal</u> <u>Program Name</u>	<u>CFDA</u> <u>Number</u>	<u>Award Number</u>	<u>Pass-Through</u> <u>Expenditures</u>
Research and Development Cluster	Various	Various	\$ 16,696,571
Other Federal Assistance:			
H-1B Technical Skills Training Grants	17.268	FG-22709-12-60-A-34	271,117
Computation and Communication:			
Promoting Research Integration in			
Science and Mathematics	47.076	DGE-0638423	7,491
Campus Peer Review Project	97.UNK	SFY09 Grant Agreement	31,779
American Recovery and Reinvestment			
Act (ARRA) Grants:			
ARRA – Energy Commissioning Agent/ Auditor Training in the NY Metro Region	81.086	DE-EE0003853	105,000
ARRA – New Jersey Health Information Technology Extension Center	93.718	90RC0037-01	759,634
			\$ 17,871,592
			\$ 17,871,592
<u>State of New Jersey</u> <u>Program Name</u>		<u>Award Number</u>	<u>Pass-Through</u> <u>Expenditures</u>
Research and Development Cluster		Various	\$ 251,624
Other State of New Jersey Assistance:			
Consortium for Pre-College Education in Greater Newark/GEAR UP		12YR5800930-0033	24,558
Medicaid Specialist Program		MOA DT 12/02/2011	61,500
			\$ 337,682
			\$ 337,682



KPMG LLP
New Jersey Headquarters
51 John F. Kennedy Parkway
Short Hills, NJ 07078-2702

**Independent Auditors' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters Based
on an Audit of Financial Statements Performed in Accordance with
*Government Auditing Standards***

The Board of Trustees
New Jersey Institute of Technology:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of New Jersey Institute of Technology (the University), a component unit of State of New Jersey, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated October 4, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the



determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

October 4, 2013



KPMG LLP
New Jersey Headquarters
51 John F. Kennedy Parkway
Short Hills, NJ 07078-2702

Independent Auditors' Report on Compliance for Each Major Federal and State of New Jersey Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by Federal OMB Circular A-133 and Schedule of Expenditures of State of New Jersey Awards Required by New Jersey OMB Circular 04-04

The Board of Trustees
New Jersey Institute of Technology:

Report on Compliance for Each Major Federal and State of New Jersey Program

We have audited New Jersey Institute of Technology's (the University) compliance with the types of compliance requirements described in the *Federal OMB Circular A-133 Compliance Supplement* and the New Jersey Office of Management and Budget (New Jersey OMB) *State Grant Compliance Supplement* (the Compliance Supplements) that could have a direct and material effect on each of the University's major Federal and State of New Jersey programs for the year ended June 30, 2013. The University's major Federal and State of New Jersey programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and State of New Jersey programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the University's major Federal and State of New Jersey programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Federal OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and Federal OMB Circular A-133 and New Jersey OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal or State of New Jersey program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal and State of New Jersey program. However, our audit does not provide a legal determination of the University's compliance.



Opinion on Each Major Federal and State of New Jersey Program

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal and State of New Jersey programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal and State of New Jersey program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal and State of New Jersey program and to test and report on internal control over compliance in accordance with Federal OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal or State of New Jersey program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal or State of New Jersey program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal or State of New Jersey program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Federal OMB Circular A-133 and New Jersey OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.



Report on Schedule of Expenditures of Federal Awards Required by Federal OMB Circular A-133 and Schedule of Expenditures of State of New Jersey Awards Required by New Jersey OMB Circular 04-04

We have audited the financial statements of the University as of and for the year ended June 30, 2013, and have issued our report thereon dated October 4, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of Federal and State of New Jersey awards (the Schedules) are presented for purposes of additional analysis as required by Federal OMB Circular A-133 and New Jersey OMB Circular 04-04 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2013 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2013 financial statements or to the 2013 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules are fairly stated in all material respects in relation to the financial statements as a whole.

KPMG LLP

December 18, 2013

NEW JERSEY INSTITUTE OF TECHNOLOGY

Schedule of Findings and Questioned Costs

For the year ended June 30, 2013

(1) Summary of Auditor's Results

- (a) An unmodified opinion was issued on the financial statements of New Jersey Institute of Technology as of and for the year ended June 30, 2013.
- (b) No material weaknesses and no significant deficiencies were reported in connection with the audit of the financial statements of New Jersey Institute of Technology as of and for the year ended June 30, 2013.
- (c) The audit disclosed no instances of noncompliance which are material to the financial statements of New Jersey Institute of Technology as of and for the year ended June 30, 2013.
- (d) The audit disclosed no material weaknesses and no significant deficiencies were reported in connection with major Federal and State of New Jersey programs of the University for the year ended June 30, 2013.
- (e) An unmodified opinion was issued on New Jersey Institute of Technology's compliance with its major Federal and State of New Jersey programs for the year ended June 30, 2013.
- (f) There were no audit findings which were required to be reported under Section 510(a) of Federal OMB Circular A-133 or New Jersey OMB Circular 04-04 for the year ended June 30, 2013.
- (g) The major Federal and State of New Jersey programs of New Jersey Institute of Technology for the year ended June 30, 2013 were as follows:

Federal:

- Research and Development Cluster (various CFDA numbers)
- ARRA – New Jersey Health Information Technology Extension Center (CFDA# 93.718)

State of New Jersey:

- Research and Development Cluster (various grant award numbers)
 - State Appropriations (13-100-074-2430-001)
- (h) The dollar threshold used to distinguish between type A and type B programs was \$3,000,000 for Federal awards and \$1,527,571 for State of New Jersey awards for the year ended June 30, 2013.
 - (i) New Jersey Institute of Technology qualified as a low risk auditee for Federal and State of New Jersey awards for the year ended June 30, 2013.

NEW JERSEY INSTITUTE OF TECHNOLOGY

Schedule of Findings and Questioned Costs

For the year ended June 30, 2013

(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*

No findings are required to be reported.

(3) Findings and Questioned Costs Relating to Federal or State of New Jersey Awards

No findings or questioned costs are required to be reported.