



## Monthly CFO Report As of September 30, 2024

### EXECUTIVE SUMMARY

1. **The FY25 Board-Approved UNIVERSITY OPERATING BUDGET of \$785.5M** represents an increase of \$99.0M or 14.4% from the FY24 Budget. NJIT Unrestricted Operations account for an increase of \$61.1M, with NJIT and NJII Restricted Programs growing by \$35.4M and \$2.6M respectively.

a. Projected Annual Net Revenues from **Tuition & Fees (T&F) for FY25 are currently -\$3.2M or -1.2% below the approved FY25 budget.** While Undergraduate and PhD enrollment met or slightly exceeded targets for the fall semester, **Masters enrollment underperformed by -\$5.9M** compared to the budgeted enrollment target.

b. **Auxiliary revenues for FY25 are currently \$0.5M or 3.4% ahead of this time last year.** Overall, on-campus housing for the fall semester is at 94.2% occupancy, with the Greek Village units at 79.2% occupancy, an improvement of 23 beds or 10% compared to the previous fall semester.

c. **NJIT's net operations at FY24 Year End performed better than expected** with a balance of \$9.84M available to be carried forward in support of FY25, an increase of \$2.95M compared to the \$6.89M that was originally projected.

d. **Restricted Program activity from research, faculty start-up funds and restricted student awards are up compared to the prior year by \$9.7M or 17.6%.** Of that amount, research related equipment, supplies and contract services are up \$1.2M, personnel expenses are up \$1.6M and restricted student awards are up \$6.9M compared to the prior year.

e. **NJII's net loss for the month of September was \$0.38M, bringing the year-to-date net loss to \$0.54M.** Although year-to-date revenues were \$0.97M below budget, expenses were \$1.64M below budget due to employee attrition, terminations, delayed hiring, and a temporary ramp down of third party vendor services.

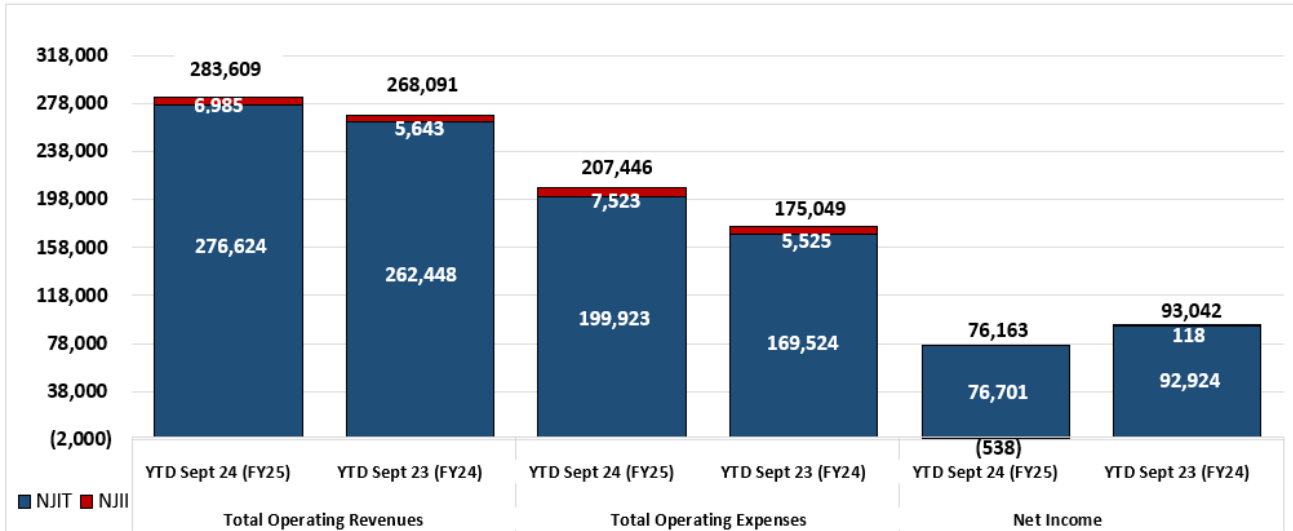
2. **CASH BALANCES** - The University's overall cash balances totaled \$179.2M as of September. This balance is \$27.7M higher than last month, but \$9.7M lower than last year's September balance of \$188.8M. This year-over-year decline is predominantly attributable to increased payroll and operational costs, including the lump-sum retroactive payments made under recently ratified union contracts. As is typical for September, an influx of tuition revenues allowed for additional replenishment of working capital cash reserves. Investment income (net of fees) in September totaled \$1.4M, bringing the fiscal year-to-date total to \$4.0M (+2.6%). (Page 5).

3. **MANAGED ENDOWMENT** - **The market value of the managed endowment as of September 2024 was \$182.8M** compared to \$150.5M at the same time last year, an increase of \$32.3M (+22.13%). The market value continued to climb in September, ending the month at its sixth all-time high over the past seven months. Month-over-month, the portfolio earned (+1.76%) and increased by \$3.1M. Equities made up 60% of the portfolio. Fixed income and cash equivalents totaled 28%. Alternative investments accounted for 12%. (Page 9).



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### FY2025 Annual Operating Budget Status – Revenues & Expenses (\$000's)



	FY2025			FY2024		
	Budget	YTD Sept 24	Projected Year-End	Budget	YTD Sept 23	Year-End
<b>Revenues (\$000's)</b>						
Tuition & Fees	274,403	145,807	271,202	254,486	142,321	262,241
State Appropriations	180,001	40,364	180,001	153,439	31,854	173,536
Auxiliary Enterprises	33,180	15,369	33,180	29,541	14,869	31,894
Indirect Cost Recovery (ICR)	12,578	3,582	12,578	11,150	3,490	12,579
Investment Earnings	15,600	2,675	15,600	-	-	-
Other Miscellaneous Revenue	10,426	1,945	9,656	5,926	10,237	6,661
Prior Year Fund Balance Usage	6,894	1,724	9,842	16,998	4,250	16,998
ERP implementation Project	8,750	-	4,064	9,150	-	423
NJIT Restricted Funds	202,280	65,158	202,280	166,912	55,427	199,751
<b>NJIT Operating Revenues</b>	<b>744,113</b>	<b>276,624</b>	<b>738,404</b>	<b>647,602</b>	<b>262,448</b>	<b>704,083</b>
<b>NJII Operating Revenues</b>	<b>41,435</b>	<b>6,985</b>	<b>41,435</b>	<b>38,878</b>	<b>5,643</b>	<b>35,200</b>
<b>Total Operating Revenues</b>	<b>785,548</b>	<b>283,609</b>	<b>779,839</b>	<b>686,480</b>	<b>268,091</b>	<b>739,283</b>
<b>Expenses (\$000's)</b>						
Salaries and Wages	201,633	44,928	201,726	184,573	38,090	189,646
Fringe Benefits	122,524	22,827	122,553	95,171	19,622	108,805
Student Awards	54,788	26,217	54,788	44,772	25,947	49,662
Other Operating Expenses	105,503	24,106	105,834	99,622	17,576	98,553
Capital Renewal (Facilities / IST)	29,092	10,173	28,092	22,916	6,741	22,916
Annual Debt Service	19,543	6,514	19,543	19,901	4,975	19,901
ERP implementation Project	8,750	-	4,064	9,150	-	423
Restricted Programs	202,280	65,158	202,280	166,912	55,427	199,751
Contribution to Operating Reserve Fund	-	-	-	4,584	1,146	4,584
<b>NJIT Operating Expenses</b>	<b>744,113</b>	<b>199,923</b>	<b>738,880</b>	<b>647,601</b>	<b>169,524</b>	<b>694,241</b>
<b>NJII Operating Expenses</b>	<b>41,435</b>	<b>7,523</b>	<b>41,435</b>	<b>38,878</b>	<b>5,525</b>	<b>34,607</b>
<b>Total Operating Expenses</b>	<b>785,548</b>	<b>207,446</b>	<b>780,315</b>	<b>686,479</b>	<b>175,049</b>	<b>728,848</b>
<b>Net Income (\$000's)</b>						
Net NJIT Operations		76,701	(476)		92,924	9,842
Net NJII Operations		(538)	-		118	593
<b>Net Total Operations</b>		<b>76,163</b>	<b>(476)</b>		<b>93,042</b>	<b>10,435</b>

**Net Operating Trend Notes:**

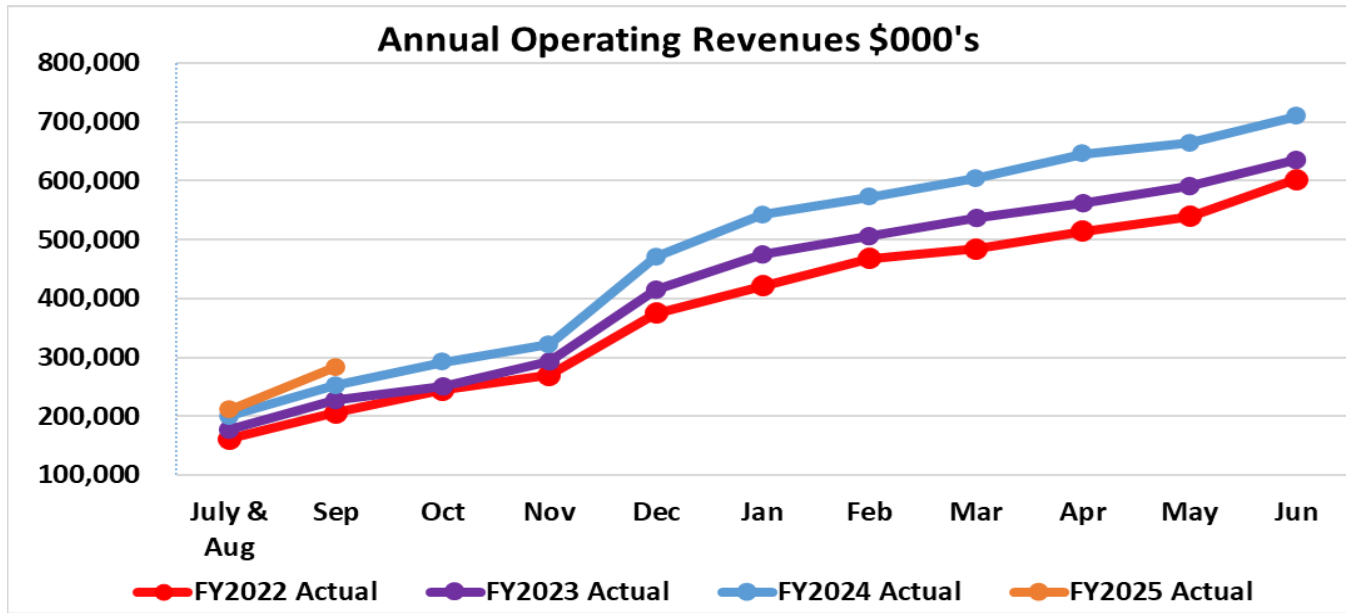
- (1) NJIT projected net operations through 9/30/24 reflect a negative operating balance of (\$0.476M). This is largely due to Masters enrollment missing the fall semester target, but offset by \$2.95M in additional prior year carry forward balance being recognized.
- (2) NJII's net loss for the month of September was \$0.38M, bringing the year-to-date net loss to \$0.54M due to employee attrition, terminations, delayed hiring, and a temporary ramp down of third party vendor services.

### FY2025 Annual Operating Budget Status - Revenues (\$000's)



## Monthly CFO Report As of September 30, 2024

Revenue Category	FY2025			FY2024		
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Investment Earnings	15,600	2,675	15,600	-	-	-
Other Sources	10,426	1,945	9,656	5,926	10,237	6,661
Prior Year Fund Balance Usage	6,894	1,724	9,842	16,998	4,250	16,998
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NJIT Operating Revenues	41,435	6,985	41,435	38,878	5,643	35,200
<b>Total Operating Revenues</b>	<b>785,548</b>	<b>283,609</b>	<b>779,839</b>	<b>686,480</b>	<b>268,091</b>	<b>739,283</b>



Revenue Budget Notes:

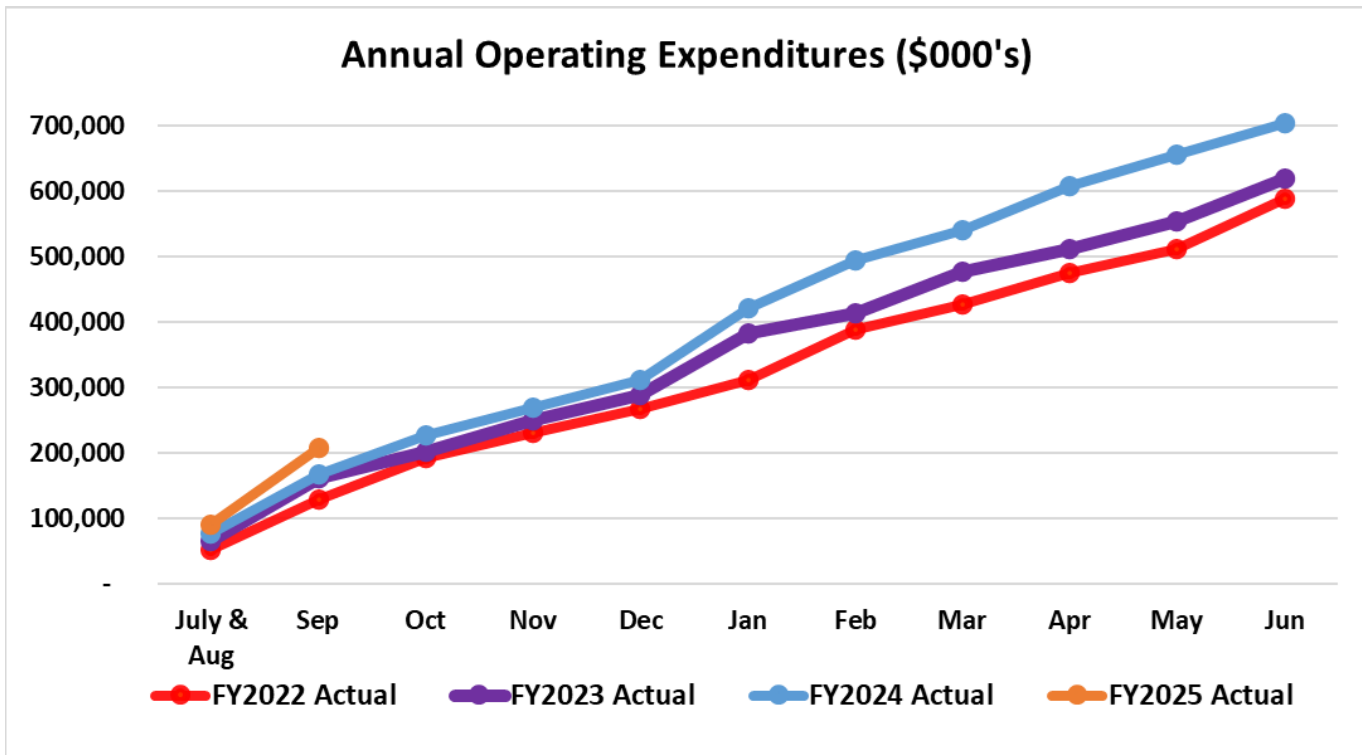
- (1) Projected Annual Net Revenues from Tuition & Fees (T&F) for FY25 are currently -\$3.2M or -1.2% below the approved FY25 budget. While Undergraduate and PhD enrollment met or slightly exceeded targets for the fall semester, Masters enrollment underperformed by -\$5.9M compared to the budgeted enrollment target.
- (2) Auxiliary revenues for FY25 are currently \$0.5M or 3.4% ahead of this time last year. Overall, on-campus housing for the fall semester is at 94.2% occupancy, with the Greek Village units at 79.2% occupancy, an improvement of 23 beds or 10% compared to the previous fall semester.



## Monthly CFO Report As of September 30, 2024

### FY2025 Annual Operating Budget Status - Expenditures (\$000's)

Expenditures Category	FY2025			FY2024		
	Budget	YTD Sept 24	Projected Year-End	Budget	YTD Sept 23	Year-End
Salaries and Wages	201,633	44,928	201,726	184,573	38,090	189,646
Fringe Benefits	122,524	22,827	122,553	95,171	19,622	108,805
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Contribution to Operating Reserve Fund	-	-	-	4,584	1,146	4,584
<b>NJIT Operating Expenditures</b>	<b>744,113</b>	<b>199,923</b>	<b>738,880</b>	<b>647,601</b>	<b>169,524</b>	<b>694,241</b>
NJII Operating Expense	41,435	7,523	41,435	38,878	5,525	34,607
<b>Total Operating Expenditures</b>	<b>785,548</b>	<b>207,446</b>	<b>780,315</b>	<b>686,479</b>	<b>175,049</b>	<b>728,848</b>

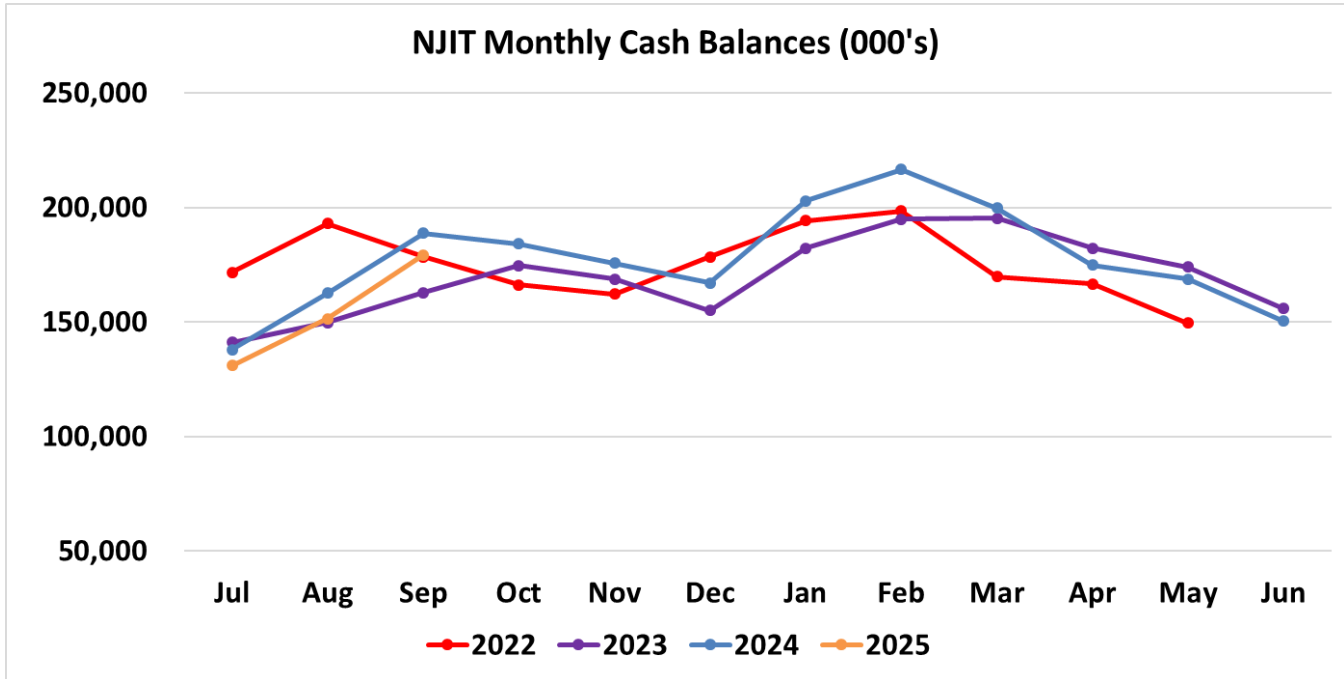


**Expenditures Budget Notes:**

- (1) The FY25 adopted budget does not include a contribution to the operating reserve fund as in FY23 and FY24.
- (2) Restricted Program activity from research, faculty start-up funds and restricted student awards are up compared to the prior year by \$9.7M or 17.6%. Of that amount, research related equipment, supplies and contract services are up \$1.2M, personnel expenses are up \$1.6M and restricted student awards are up \$6.9M compared to the prior year.



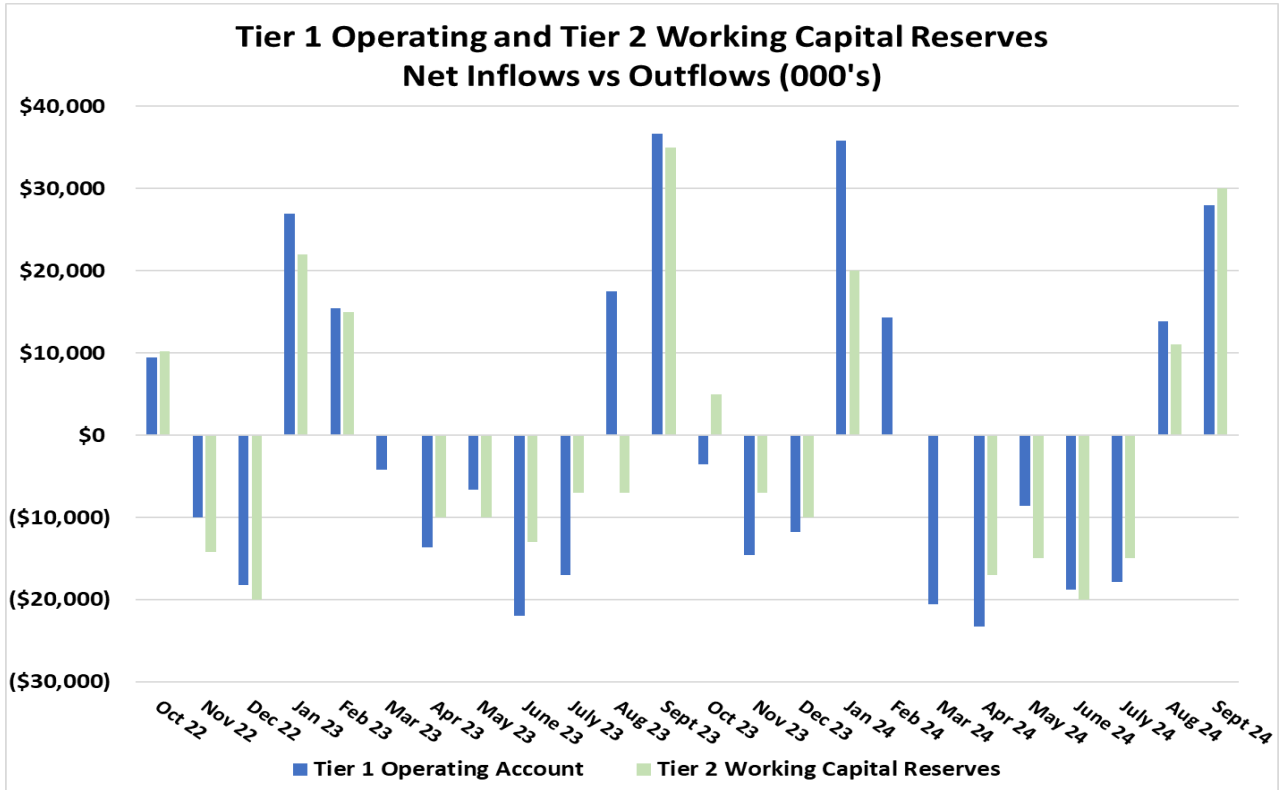
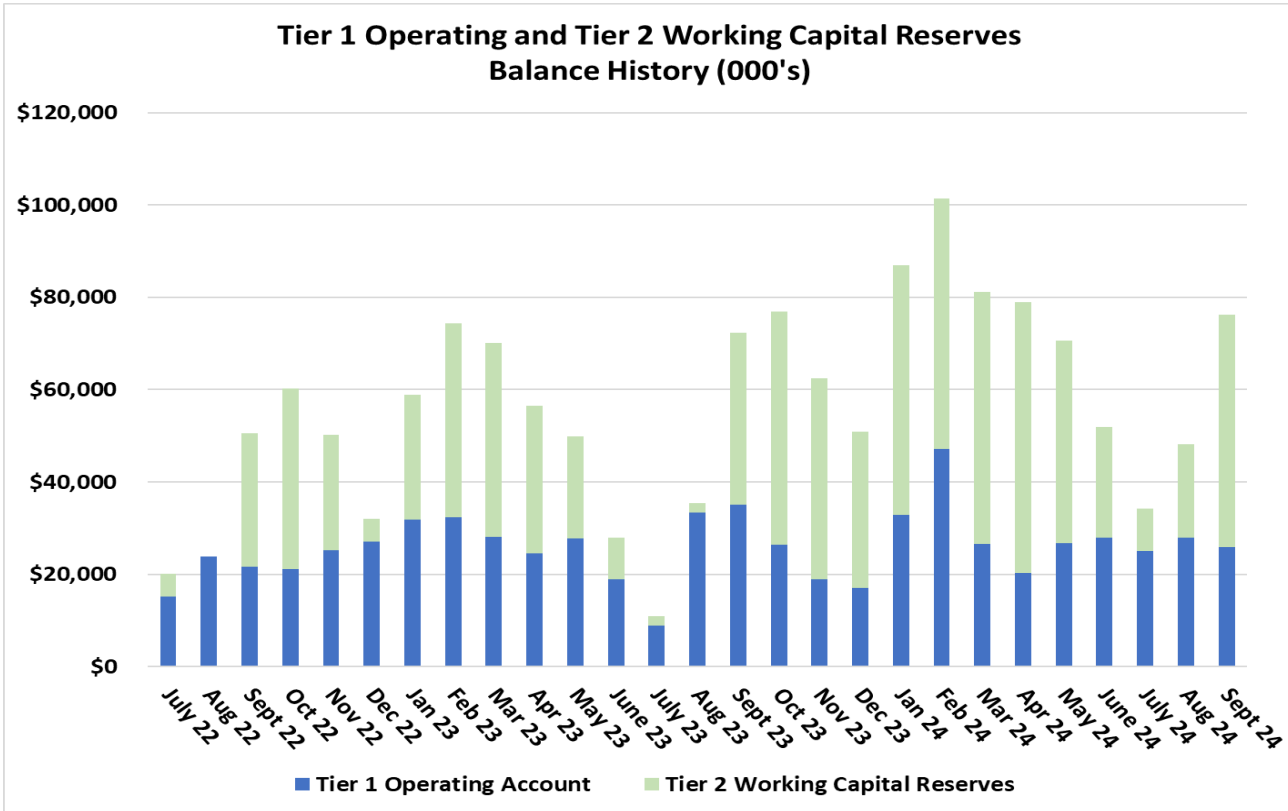
## Monthly CFO Report As of September 30, 2024



The University's overall cash balances totaled \$179.2M as of September. This balance is \$27.7M higher than last month, but \$9.7M lower than last year's September balance of \$188.8M. This year-over-year decline is predominantly attributable to increased payroll and operational costs, including the lump-sum retroactive payments made under recently ratified union contracts. As is typical for September, an influx of tuition revenues allowed for additional replenishment of working capital cash reserves. Investment income (net of fees) in September totaled \$1.4M, bringing the fiscal year-to-date total to \$4.0M (+2.6%).

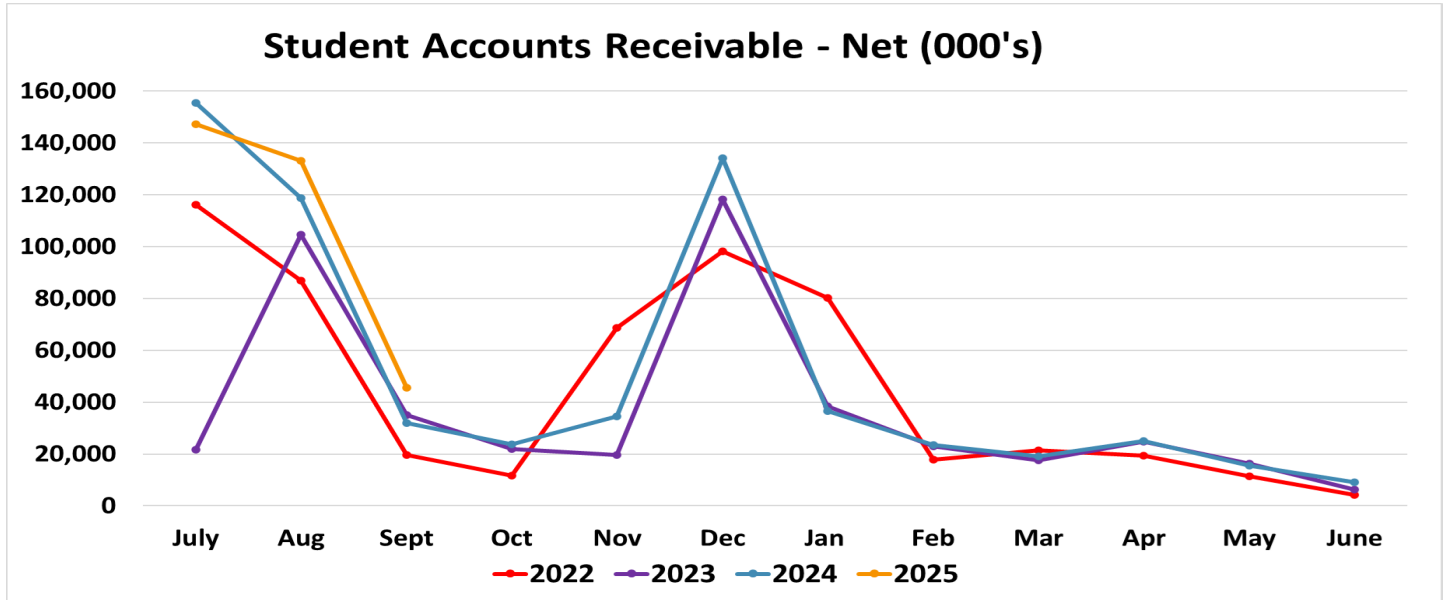


## Monthly CFO Report As of September 30, 2024

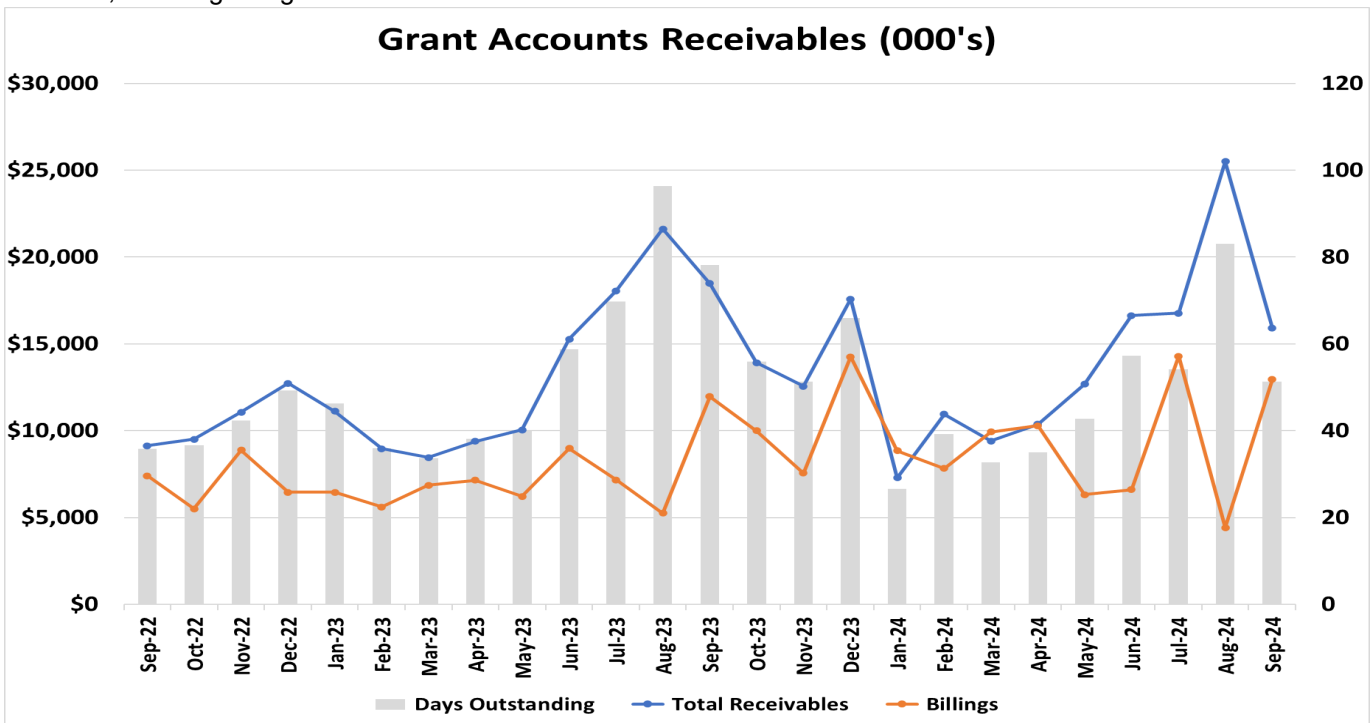




## Monthly CFO Report As of September 30, 2024



Total Student Accounts Receivable as of September 2024 was \$45.5M, a decrease of \$87.6M compared to last month. As is typical for September, a significant drop in AR occurred as a result of financial aid disbursement. Compared to September of last year, receivables are \$13.4M higher. This is in line with cash collections being lower than last year at this time, resulting in higher amounts still owed.



Total Grant Accounts Receivable as of September 2024 was \$15.9M, a decrease of \$9.6M compared to last month. The decrease is primarily driven by large collections from the NJTPA and State Department of Human Services. Receivables in unbilled status declined as well, from \$26.0M to \$17.2M. Of this amount, \$5.9M is related to the NJTPA which is billed quarterly, and thus the amount is expected to be billed in October.



## Monthly CFO Report As of September 30, 2024

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

	September 30, 2024	September 30, 2023
Cash and cash equivalents:		
Money market funds	\$ 63,366	51,146
Investments:		
Money market funds	298	238
Mutual equity funds	1,125	851
Corporate equity securities	31,635	39,571
Mutual bond funds	82,700	96,930
Hedge and other investment funds	39	81
	<u>115,797</u>	<u>137,671</u>
 Total	 <u>179,163</u>	 <u>188,817</u>
 Uses of cash, cash equivalents, and investments:		
Current operations	78,712	
Facilities rehabilitation projects & technology upgrades	43,892	
Required debt service payments	14,552	
Custodial funds	937	
	<u>41,070</u>	

#### Cash collections & expenditures - September 2024 YTD versus September 2023 YTD

Grant accounts receivable collections (+8,289)	
NJIT due to/due from (+2,708)	
Department of Education student assistance payments (+1,374)	
Student accounts receivable collections (-8,152)	
Increase in payroll and operational costs (-11,113)	
Other (+579)	

Investment gains/(losses) - October 2023 through September 2024 (+17,661)  
Liquidation and expenditure of equities and fixed income investments - October 2023 through September 2024 (-21,000)

The FY25 adopted budget does not include a contribution to the unrestricted operating reserve fund.



## Monthly CFO Report As of September 30, 2024

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

	September 2024 YTD	September 2023 YTD	Change	June 30,		
				2024	2023	2022
Market Value at Beginning of Fiscal Year	\$ 174,012,000	\$ 155,443,000	\$ 18,569,000	\$ 155,443,000	\$ 143,426,000	\$ 163,816,000
Donor additions	1,660,000	711,000	949,000	4,068,000	6,730,000	4,347,000
Other additions	1,000	-	1,000	22,000	109,000	50,000
Investment Income (Loss)	8,921,000	(4,689,000)	13,610,000	20,553,000	11,105,000	(19,000,000)
Distributions including management and investment fees	(6,051,000)	-	(6,051,000)	(6,074,000)	(5,927,000)	(5,787,000)
<b>Managed Endowment Market Value at End of Period</b>	<b>178,543,000</b>	<b>151,465,000</b>	<b>27,078,000</b>	<b>174,012,000</b>	<b>155,443,000</b>	<b>143,426,000</b>
Due To (From) NJIT - Unsettled	4,211,000	(965,000)	5,176,000	-	-	-
<b>Market Value of Managed Endowment Investments at End of Period</b>	<b>\$ 182,754,000</b>	<b>\$ 150,500,000</b>	<b>\$ 32,254,000</b>	<b>\$ 174,012,000</b>	<b>\$ 155,443,000</b>	<b>\$ 143,426,000</b>
Market Value \$ increase (decrease) over beginning of fiscal year	\$ 8,742,000	\$ (4,943,000)	\$ 13,685,000	\$ 18,569,000	\$ 12,017,000	\$ (20,390,000)
Market Value % increase (decrease) over beginning of fiscal year	5.02%	-3.18%	8.20%	11.95%	8.38%	-12.45%
Actual FYTD returns from Investment Manager	5.6%	-2.9%	8.5%	12.1%	7.5%	-12.0%

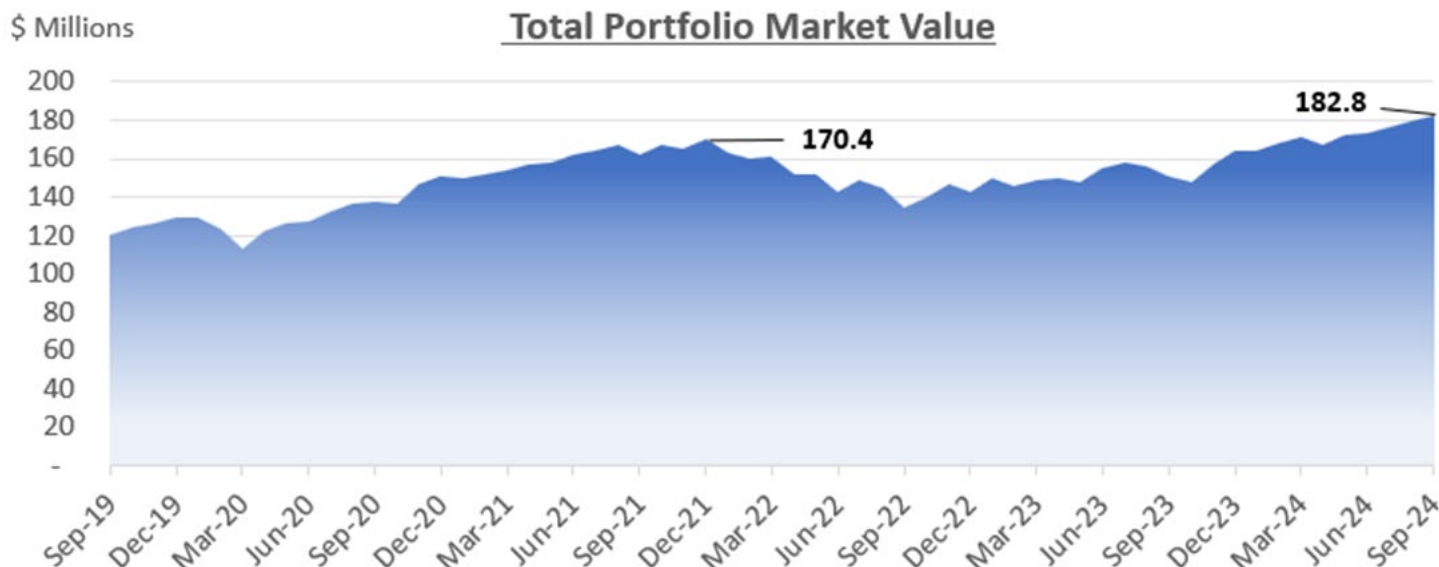
Amounts above reflect managed endowment funds. Donor additions totaled \$1.66M for the fiscal year, which is approximately 233% of the amount from the same time last year. Distributions totaled \$6.05M in September, which is also the total for the fiscal year.

**Portfolio Market Value:** The market value continued to climb in September, ending the month at its sixth all-time high over the past seven months. The portfolio increased by \$3.1M to a value of \$182.8M. The year-over-year increase in market value was \$32.3M.

<b>Market Value September 1, 2024</b>	<b>\$ 179,612,778</b>
<b>+ External Net Cash Flows</b>	<b>89</b>
<b>+ 1 Month Investment Return</b>	<b>3,141,502</b>
<b>Market Value September 30, 2024</b>	<b>\$ 182,754,369</b>



## Monthly CFO Report As of September 30, 2024



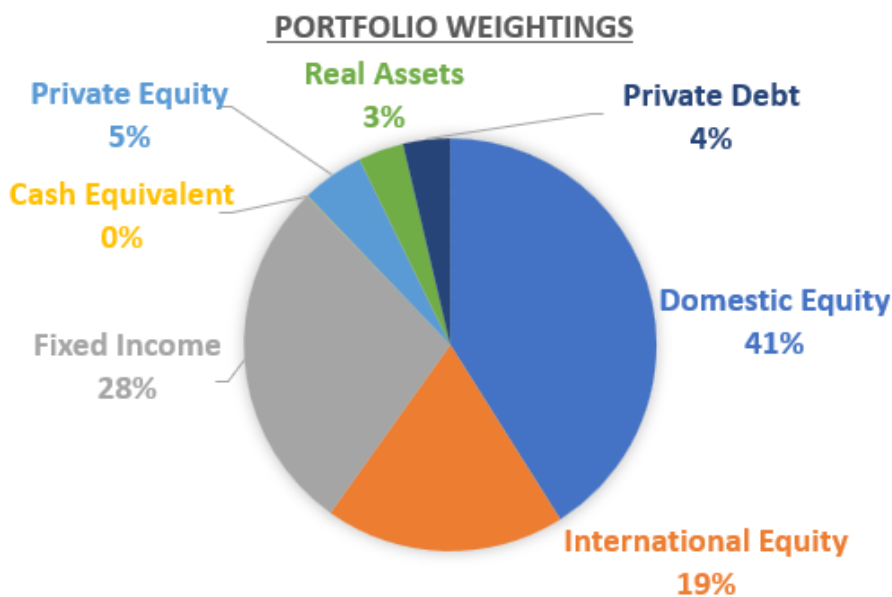
**Portfolio Performance:**\* The portfolio gained (+1.76%) in September and outperformed its benchmark return (+1.66%). The portfolio has outperformed its benchmark over the past year but underperformed over the past three years due to equity lagging behind its benchmark. Fixed income has outperformed its benchmark over the three-year period.

- 1 Month investment return =  $\$3,141,502 / \$176,612,778 = (+1.76\%)$  (Modified Dietz).
  - The Portfolio returned (+1.76%) vs Total Fund Benchmark (+1.66%), outperforming.
    - Marketable Securities returned (1.74%) vs Benchmark (+1.93%), underperforming.
  - Domestic Equity returned (+2.03%) vs Benchmark (+2.07%), relatively performing.
  - International Equity returned (+1.83%) vs Benchmark (2.69%), underperforming.
  - Fixed Income returned (+1.33%) vs Benchmark (+1.34%), relatively performing.
  - Cash Equivalent returned (+0.41%) vs Benchmark (+0.44%), relatively performing.
- 1 Quarter investment return = (+5.58%).
  - The Portfolio returned (+5.58%) vs Total Fund Benchmark (+5.32%), outperforming.
    - Marketable Securities returned (6.08%) vs Benchmark (+6.23%), underperforming.
  - Domestic Equity (+6.55%), International Equity (+6.73%), Fixed Income (+5.18%), Cash Equivalent (+1.30%).
- 1 Year investment return = (+22.13%).
  - The Portfolio returned (+22.13%) vs Total Fund Benchmark (+20.69%), outperforming.
    - Marketable Securities returned (24.57%) vs Benchmark (+23.91%), outperforming.
  - All asset classes performed positively, led by Domestic Equity (+34.67%), International Equity (+24.25%), Fixed Income (+12.87%) and Cash Equivalent (+5.29%).
  - The only asset class to outperform its benchmark was Fixed Income (+12.87%) compared to its benchmark return of (+11.57%).
- 5 Year annualized investment return = (+15.15%) vs Total Fund Benchmark (+15.26%), underperforming.

\*Updated performance evaluations for alternative investments are not available.

## Monthly CFO Report As of September 30, 2024

**Portfolio Asset Allocation & Weightings:** Equities made up 60% of the portfolio. Fixed income and cash equivalent totaled 28%. Alternative investments accounted for 12%.



Asset Class	Portfolio as of 09/30/24		IPS	
	Market Value	Weightings	Target	Range
Domestic Equity	75,003,135	41%	31%	11% - 51%
International Equity	34,405,116	19%	17%	0% - 37%
Fixed Income	51,036,029	28%	22%	2% - 42%
Cash Equivalent	93,184	0%	0%	0% - 20%
Private Equity	8,971,417	5%	10%	0% - 30%
Real Assets	6,508,714	3%	10%	0% - 30%
Private Debt	6,736,773	4%	10%	0% - 30%
<b>Total</b>	<b>182,754,368</b>	<b>100%</b>	<b>100%</b>	