Ramapo College of New Jersey
(A Component Unit of the State of New Jersey)

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

June 30, 2024 and 2023
(With Independent Auditors' Reports Thereon)

Ramapo College of New Jersey
(A Component Unit of the State of New Jersey)

Financial Statements
June 30, 2024 and 2023

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ACCOUNTANTS AND ADVISORS

Independent Auditors' Report

Board of Trustees of
Ramapo College of New Jersey
Mahwah, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Ramapo College of New Jersey (the College), a component unit of the State of New Jersey, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College as of June 30, 2024 and 2023, and the respective changes in financial position and, cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 20, and the Schedule of Proportionate Share of the Net Pension Liability, Schedule of Employer Contributions and Schedule of Proportionate Share of the Total OPEB Liability on pages 56 through 59 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 regarding 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the College's basic financial statements. The Schedules of Expenditures of Federal and State of New Jersey Awards on pages 58 through 59 as required by Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid,* are presented for purposes of additional analysis 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated XXXXX XX, 2025 on our consideration of the College'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 solely 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 the effectiveness of the College's 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 Ramapo College of New Jersey's internal control over financial reporting and compliance.

PKF Signature

Woodcliff Lake, New Jersey
XXXXX XX, 2025

Introduction Overview of Financial Statements and Financial Analysis

This section of the annual financial statements for Ramapo College of New Jersey (Ramapo or the College) presents management's discussion and analysis of the College's financial performance for the fiscal years ended June 30, 2024 and 2023 and comparative amounts for the year ended June 30, 2022. Since the management's discussion and analysis is designed to focus on current activities and currently known facts, it should be read in conjunction with the College's basic financial statements and related footnote disclosures, which follow this section.

College Overview

As the State's premier public liberal arts college, Ramapo College of New Jersey is dedicated to providing students a strong foundation for a lifetime of achievement. The College is committed to academic excellence through interdisciplinary and experiential learning, and international and intercultural understanding. Ramapo College emphasizes teaching and individual attention to all students. The College promotes diversity, inclusiveness, sustainability, student engagement and community involvement.

Ramapo College delivers a transformative education in a diverse community dedicated to welcoming and mentoring students who bring with them a range of lived experiences. We will achieve national distinction for developing empathetic problem solvers, ethical change agents, and responsible leaders who make a positive impact and thrive in a changing world.

Established in 1969, Ramapo offers bachelor's degrees in the arts, business, humanities, social sciences and the sciences, as well as in professional studies, which include business, elementary education, nursing and social work. The College also offers eleven graduate programs as well as articulated programs with Rutgers, The State University of New Jersey, New York Chiropractic College, New York University College of Dentistry, SUNY State College of Optometry and New York College of Podiatric Medicine.

Ramapo offers a Dual Enrollment Program with Seton Hall University's School of Law for prospective freshmen students wishing to pursue their Juris Doctorate (J.D.) and practice law after finishing their undergraduate coursework.

The College is sometimes viewed as a private college, in part, due to its interdisciplinary academic structure, its size of approximately 6,000 students and its pastoral setting in the foothills of the Ramapo Mountains on the New Jersey/New York border.

Undergraduate students may choose to concentrate their studies in one of five schools with 43 undergraduate major/degree programs. Ramapo also offers 8 joint Bachelor of Science programs in the medical profession. Ramapo boasts an average student/faculty ratio of 16:1, affording students the opportunity to develop close ties to the College's exceptional faculty.

The College's curriculum is built on the four "pillars" of a Ramapo education: international, intercultural, interdisciplinary and experiential (hands on), all of which are incorporated throughout the curricula and extracurricular programs and help students push intellectual, personal and professional boundaries. The international mission is further accomplished through a wide range of study abroad and student exchange links with institutions all over the world. Additional experiential programs include internships, co-op and service learning.

Ramapo joins an elite group of institutions with less than six percent of business schools worldwide earning the accreditation distinction of its business degree program by the Board of Directors of the Association to Advance Collegiate Schools of Business (AACSB International). Additional accreditations include: the Social Work Program (Council on Social Work Education), the Chemistry Program (American Chemical Society), the Nursing Program (Accreditation Commission for Education in Nursing), the Teacher Education Program (Teacher Education Accreditation Council), and the Teacher Certification Program, approved by the State of New Jersey.

The quality and value of a Ramapo College education is consistently acknowledged through numerous rankings, awards and accolades. In 2024, Ramapo College earned a top 10 ranking as a Top Public School in the region from the *U.S. News & World Report Best Colleges*. In addition, Ramapo College also placed among the Best Colleges for Veteran Students for the seventh year in a row. Ramapo College's residence halls continue to be ranked #1 among all public and private colleges and universities in the State of New Jersey (the "State") by Niche in its announcement of the 2025 Best College Dorms in America. Nationally, Ramapo is ranked in the top 1 percent of institutions. Ramapo has also again been named to Forbes' America's Best Colleges for 2024, retaining its top 10 ranking for public medium-sized schools. Only 500 four-year schools were selected after careful review of data points that include alumni earnings, student debt load, graduation rate, return on investment, and retention rate.

Nursing Progress, commending our students' NCLEX pass rate of 100%, ranks Ramapo College of New Jersey the "#1 Nursing School in NJ" for our Bachelor of Science in Nursing (BSN) program.

In October 2024, S&P affirmed the stand-alone credit profile as 'A' long-term rating on the other outstanding debt issued for the College. This rating reflects S&P's view that the College has maintained fiscally prudent financial operations, and has stable enrollment, impressive retention and consistent student quality.

Ramapo College of New Jersey is one of twelve senior public institutions in the New Jersey system of public higher education. The New Jersey Legislature appropriates funds annually to support the College; however, Ramapo operates autonomously from the State's activity. In January 2023, the College unveiled its new strategic plan, *Boldly Ascending* 2023-2029. This plan provides Ramapo with direction and priorities. The plan reaffirms Ramapo's roots in a liberal arts education, student-focused, inter-cultural and global understanding, and experiential learning. Following the strategic plan, a Comprehensive Academic Plan and a Strategic Communications Plan were released as well. The College also published a Comprehensive Facilities Plan, Revitalize, Renew, and Retool, in January 2024, which sets the stage for the renewal and replacement of facilities in support of the strategic plan. All four plans were developed through a very collaborative process which was kicked off by a robust strategic planning process through which the community gathered to explore its context, ignite passion, envision the College's environment and ultimately, make a bold impact.

Dr. Cindy R. Jebb became the College's fifth president in July of 2021. The College is governed by a Board of Trustees appointed by the Governor of the State, and the Chairman of the Board is Susan A. Vallario.

Financial Highlights

<u>Using the Financial Statements</u>

The basic financial statements consist of the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. These statements focus on the financial condition of the College, the changes in financial position, and cash flows of the College as a whole, and are prepared in accordance with accounting principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB). These statements present the College's operations on a consolidated basis and focus on assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, expenses and cash flows and should be read with the accompanying notes to the financial statements.

The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information on the College as a whole and on its activities. When revenues and other support exceed expenses, the result is an increase in net position; and when the reverse occurs, the result is a decrease in net position. The relationship between revenues and expenses may be thought of as Ramapo's operating results.

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector institutions. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

In fiscal year 2018, the College implemented GASB Statement No. 75 (GASB 75), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB 75 requires state and local government employers to recognize a liability for other postemployment benefits (OPEB). During the implementation of this guidance, it was noted that the State Health Benefit State Retired Employees Plan meets the definition of a special funding situation as defined in GASB 75. As a result, the OPEB liability is not allocated to the College, but OPEB expense is, and is offset by the revenue related to the support allocated by the State of New Jersey.

In fiscal year 2015, the College implemented GASB Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, and GASB Statement No. 71 (GASB 71), *Pension Transition for Contributions made Subsequent to the Measurement Date–an amendment of GASB Statement No. 68*. GASB 68 and 71 require state and local government employers to recognize a net pension liability for defined benefit plans where the entity is a participant. The College's pension plan that is impacted by GASB 68 and 71 is New Jersey Public Employees' Retirement System (PERS).

In order to highlight the impact of GASB 68 on the College's net position as of June 30, 2024, 2023 and 2022, a reconciliation is shown below (dollars in thousands):

	2024	2023	2022 (As Restated)
Net Position			
Net investment in capital assets	$ 102,402	$ 107,072	$ 116,610
Expendable restricted	2,338	1,952	1,720
Unrestricted capital projects	49,049	42,170	37,725
Unrestricted operating current	51,757	43,325	38,566
Total net position prior to GASB 68	205,546	194,519	194,621
Unrestricted GASB 68 impact	(79,679)	(82,875)	(88,440)
Total net position	$ 125,867	$ 111,644	$ 106,181

The implementation of GASB 75 had no impact on the College's net position. The annual expense allocated to the College from the State is presented on the Statement of Revenues, Expenses and Changes in Net Position, along with the offsetting revenue.

Statement of Net Position

The Statement of Net Position is a point of time statement that presents the financial position of the College at the end of the fiscal year. Assets, excluding capital assets, are generally carried at estimated fair market value. Capital assets are carried at cost and are depreciated over their respective useful lives. Assets are classified as current and noncurrent and are shown in order of their relative liquidity. Current assets are those considered to be convertible to cash within one year, and consist primarily of cash, short-term investments, deposits with bond trustees plus student and other receivables.

Liabilities are categorized based on maturity or when cash is expected to be used to liquidate them. Current liabilities are amounts becoming due and payable within the next year. Current liabilities consist primarily of accounts payable, accrued benefits and the current portion of long-term debt.

Deferred outflows of resources are defined as a consumption of net assets that is applicable to a future reporting period. Deferred inflows of resources are defined as an acquisition of net assets that is applicable to a future reporting period. Changes in net pension liability not included in pension expense are reported as deferred outflows of resources or deferred inflows of resources. The gains and losses resulting from the refinancing of debt are also reported as deferred outflows of resources or deferred inflows of resources.

Net position is the residual interest in the College's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted (the difference between total assets plus deferred outflows of resources and total liabilities plus deferred inflows of resources). Net position is one indicator of the financial condition of the College, while the change in net position is an indicator of whether the overall financial condition has improved or deteriorated during the year. In addition, there are other nonfinancial factors that are relevant to the College's goals and missions, such as the trend and quality of applicants, first year class size, student retention rates, graduation rates, and other statistical data.

Net position is classified into three categories: Net investment in capital assets, Restricted and Unrestricted.

Net investment in capital assets represents the gross expenditure for capital assets less accumulated depreciation/amortization, and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. This provides the College's equity in property, buildings and equipment.

Restricted net position consists of both nonexpendable and expendable categories. Nonexpendable net positions are subject to externally imposed stipulations that may be maintained permanently by the College; whereas expendable net position is subject to externally imposed stipulations that can be fulfilled by actions of the College pursuant to the stipulations or that expire by the passage of time. The whole of the College's restricted net position is expendable as the Ramapo College Foundation maintains any nonexpendable balances.

Unrestricted net positions are not subject to externally imposed stipulations and may be designated by specific purposes by action of management to the board of trustees or may otherwise be limited by contractual agreements with outside parties. Substantially all of the College's unrestricted net position is designated for academic programs and initiatives, debt service and capital.

The condensed statement of net position as of June 30, 2024, 2023 and 2022 is as follows (dollars in thousands):

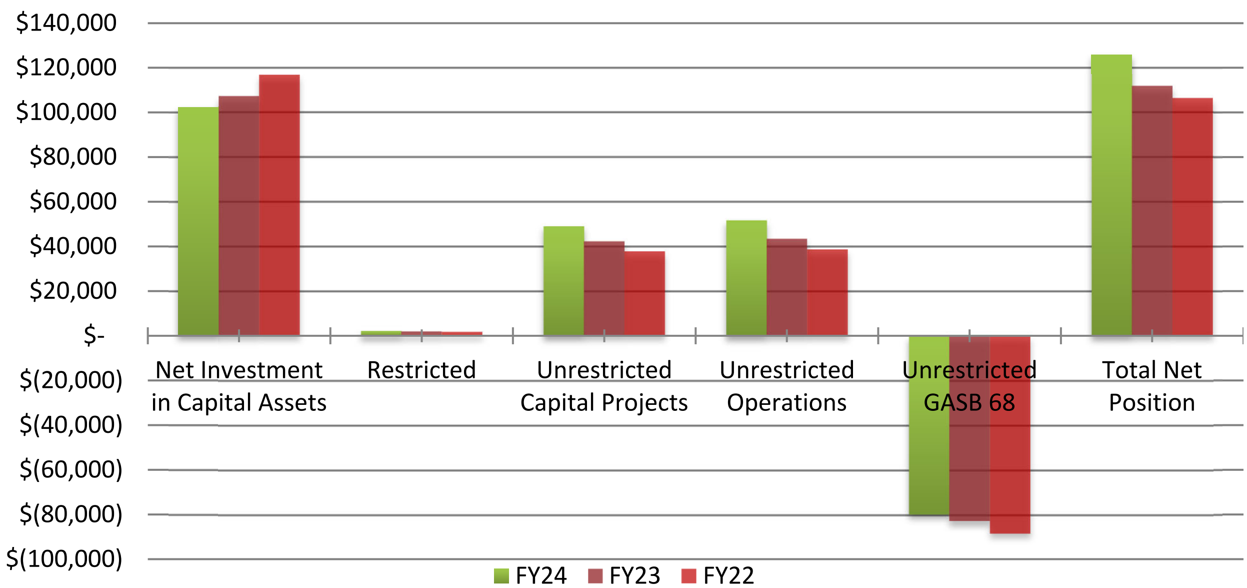
	2024	2023	2022 (As Restated)
Assets			
Current assets	$ 162,125	$ 120,627	$ 110,809
Capital assets, net	304,975	315,055	326,900
Other assets	12,541	2,180	2,546
Total assets	479,641	437,862	440,255
Deferred Outflows of Resources	10,643	11,768	11,825
Liabilities			
Current liabilities	27,590	23,837	23,783
Noncurrent net pension liability	85,858	85,711	84,908
Other noncurrent liabilities	242,268	215,033	217,203
Total liabilities	355,716	324,581	325,894
Deferred Inflows of Resources	8,701	13,405	20,005
Net Position			
Net investment in capital assets	$ 102,402	107,072	116,610
Expendable restricted	2,338	1,952	1,720
Unrestricted capital projects	49,049	42,170	37,725
Unrestricted operating current	51,757	43,325	38,566
Unrestricted GASB 68 impact	(79,679)	(82,875)	(88,440)
Total unrestricted	21,127	2,620	(12,149)
Total Net Position	$ 125,867	$ 111,644	$ 106,181

During fiscal year 2024, Ramapo's total assets increased by $40.6 million. Current assets increased by $41.7 million primarily due to increases in cash and cash equivalents and deposits held with trustees relating to the grant received to fund the Linden Hall Renovation. Noncurrent assets increased relating to investments with maturities greater than 1 year. Capital assets decreased by $10.1 million primarily as a result of ongoing depreciation as well as slowed activity on capital projects.

Total liabilities increased by $31.1 million. Noncurrent net pension liability increased $0.2 million to $85.9 million during the year ending June 30, 2024. Noncurrent liabilities increased overall by $27.2 million from the prior year. It includes long-term debt which increased by $10.4 million as a result of debt obtained in connection with a grant received in 2024 offset by scheduled debt service as well as deferred revenue of approximately $19.7 million that will be recognized in conjunction with the Linden Hall Renovation.

During fiscal year 2024, total net position increased by $14.2 million, which included a GASB 68 pension decrease to expenses of $3.2 million. GASB 75 expense of negative $4.7 million was offset by allocated State appropriations and therefore had no effect on net position. Excluding GASB 68, the College had a $11.0 million increase in its net position during fiscal 2024.

Graphically displayed is the comparative net position change by category for the fiscal years ended June 30, 2024, 2023 and 2022 as shown below (dollars in thousands):



Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position presents the revenues earned and the expenses incurred during the fiscal year, regardless of when the cash is received or paid. This statement is categorized into four sections: operating revenues, operating expenses, non-operating revenues (expenses) and capital gifts and grants. The net difference among these sections results in an increase or decrease in the College's net position.

Revenues

Operating revenues are earned from providing goods and services to students and various other constituencies of the College. Non-operating revenues are revenues for which goods or services are not directly provided in exchange for the revenue.

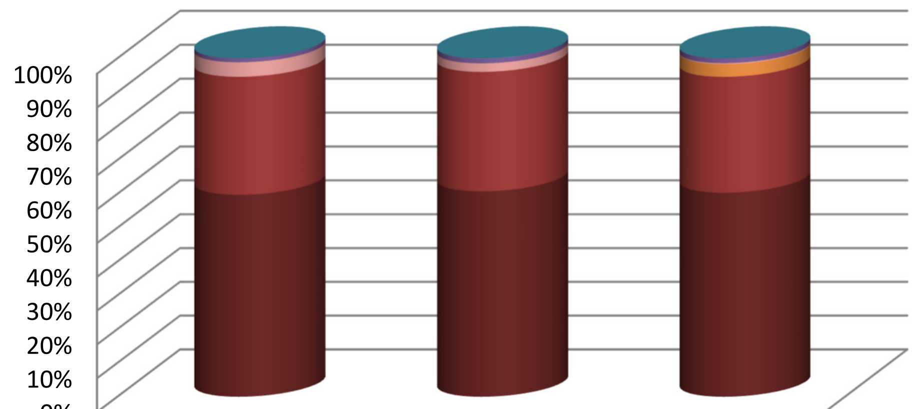
Ramapo derives its revenues from a variety of sources, the largest being net student revenues which include tuition, fees and residence life charges, net of scholarship allowances. The College will continue to aggressively seek funding from all possible sources and manage those resources to fund its operating activities.

A condensed statement of revenues for the fiscal years ended June 30, 2024, 2023, and 2022 follows (dollars in thousands).

	2024	2023	2022
Operating revenues			
Student revenues, net	$ 89,660	$ 83,295	$ 76,022
Grants and contracts	24,251	18,194	23,907
Other	1,295	802	1,401
Total operating revenues	115,206	102,291	101,330
Non-operating revenue			
State appropriation	67,114	59,338	57,413
Emergency relief grants	-	-	6,240
Transactions with affiliates	2,231	2,380	2,349
Investment and other	8,248	4,257	556
Total non-operating revenue	77,593	65,975	66,558
Capital grants and gifts	-	80	-
Total revenues	$ 192,799	$ 168,346	$ 167,888

A graphical breakdown of each category's percentage of total revenues for the fiscal years ended June 30, 2024, 2023 and 2022 is as follows (dollars in thousands):

Composition of Revenue



	FY24	FY23	FY22
Gifts and Grants	$-	$80	$-
Transactions with Affiliates	$2,231	$2,380	$2,349
Other Nonoperating	$8,248	$4,257	$556
Emergency Relief Grants	$-	$-	$6,240
State Appropriation	$67,114	$59,338	$57,413
Operating Revenues	$115,206	$102,291	$101,330

Operating Revenues

Student Revenues

Student revenues are comprised of three main sources: tuition, fees and auxiliary enterprises. Auxiliary enterprises are self-funding activities mostly consisting of Residence Life (room and board) and the Student Center (including Student Center and Bookstore operations). Student revenues are reflected net of scholarship and auxiliary allowances. These allowances represent scholarships and financial aid applied to student accounts for tuition, fees, and room and board. These scholarships are funded through federal and state grant programs, gifts raised by the Ramapo College Foundation and general College revenues.

Student revenues increased by $6.3 million from fiscal year 2023 to 2024, as a result of increased enrollment, coupled with a tuition increase and increases in housing and meal revenue as more students returned to campus after the initial impact of COVID-19 pandemic. Ramapo applied $35.1 million, $31.4 million and $32.7 million in scholarship allowances for tuition and fees and auxiliary charges directly to student accounts in fiscal years 2024, 2023 and 2022, respectively. The main source of these allowances comes from the College, but also includes federal and state grants. The fiscal year 2024 allowances include $14.3 million from the College, $8.7 million federal, and $12.1 million from the State and others.

Grants and Contracts

Grants and Contracts consists of federal, state and local grant and contract revenue, which also includes student financial aid. For fiscal year 2024 grant revenue from all sources was $24.3 million, $6.0 million more than fiscal year 2023. This increase was due to a $1.3 million increase in Federal Grants mainly for Pell. State grants increased $4.8 million, of which $3.6 million was from the Garden State Guarantee. Due to a change in the State of New Jersey's classification of these funds, the Garden State Guarantee was reclassified to a grant in 2024. In 2023, these funds were classified as state appropriations.

<u>Non-operating Revenues</u>

New Jersey State Appropriation

Total State appropriation, which includes fringe benefits and a decrease in the cost relating to OPEB benefits, increased $7.7 million in fiscal year 2024, as compared to 2023. In addition, OPEB revenue of negative $4.7 million and $3.4 million were included in the revenue balances in 2024 and 2023, respectively. The composite fringe benefit rate is based on gross salary and the composite fringe benefit rate increased to 69.5% in 2024 from 68.5% in 2023. In 2024, direct State operational appropriations to the College increased to $23.7 million. These appropriations are set annually by the State of New Jersey.

Emergency Relief Grants

In both fiscal years 2024 and 2023, the College did not receive any federal emergency relief grants. In fiscal year 2022, the College was awarded a total of $6.2 million from the HEERF grants, which were awarded to offset the impacts of the COVID-19 pandemic.

Transactions with Affiliates

This category represents funds received from the Ramapo College Foundation to provide support for scholarships, programs and capital expansion. Often, payments from the Ramapo College Foundation are based upon the timing of payments from donors and can fluctuate year to year. During 2017-2022, the Foundation held a capital campaign and raised over $13 million to support the building of the new Learning Commons. In fiscal year 2022, this campaign concluded and as such there was a decrease in support payments as compared to campaign years.

Investment and Other

In 2024, there were earnings of $8.3 million, which increased by $4.0 million from the $4.3 million earned in 2023. These earnings are the result of a more robust investment and cash management policy as well as market conditions.

Expenses

A condensed statement of expenses for the fiscal years ended June 30, 2024, 2023 and 2022 is as follows (dollars in thousands):

	2024	2023	2022 (As Restated)
Operating expenses			
Instruction	$ 62,783	$ 55,795	$ 58,952
Research and Public Service	470	409	550
Academic support	7,882	6,889	6,729
Student services	20,151	17,726	17,018
Institutional support	27,757	23,284	22,818
Student financial aid	512	450	395
Operations and maintenance of plant	19,243	18,105	14,528
Depreciation	15,713	16,561	14,505
Amortization	970	868	808
Auxiliary	14,309	13,275	12,114
Total operating expenses	169,790	153,362	148,417
Non-operating expenses	8,786	9,521	8,088
Total expenses	$ 178,576	$ 162,883	$ 156,505

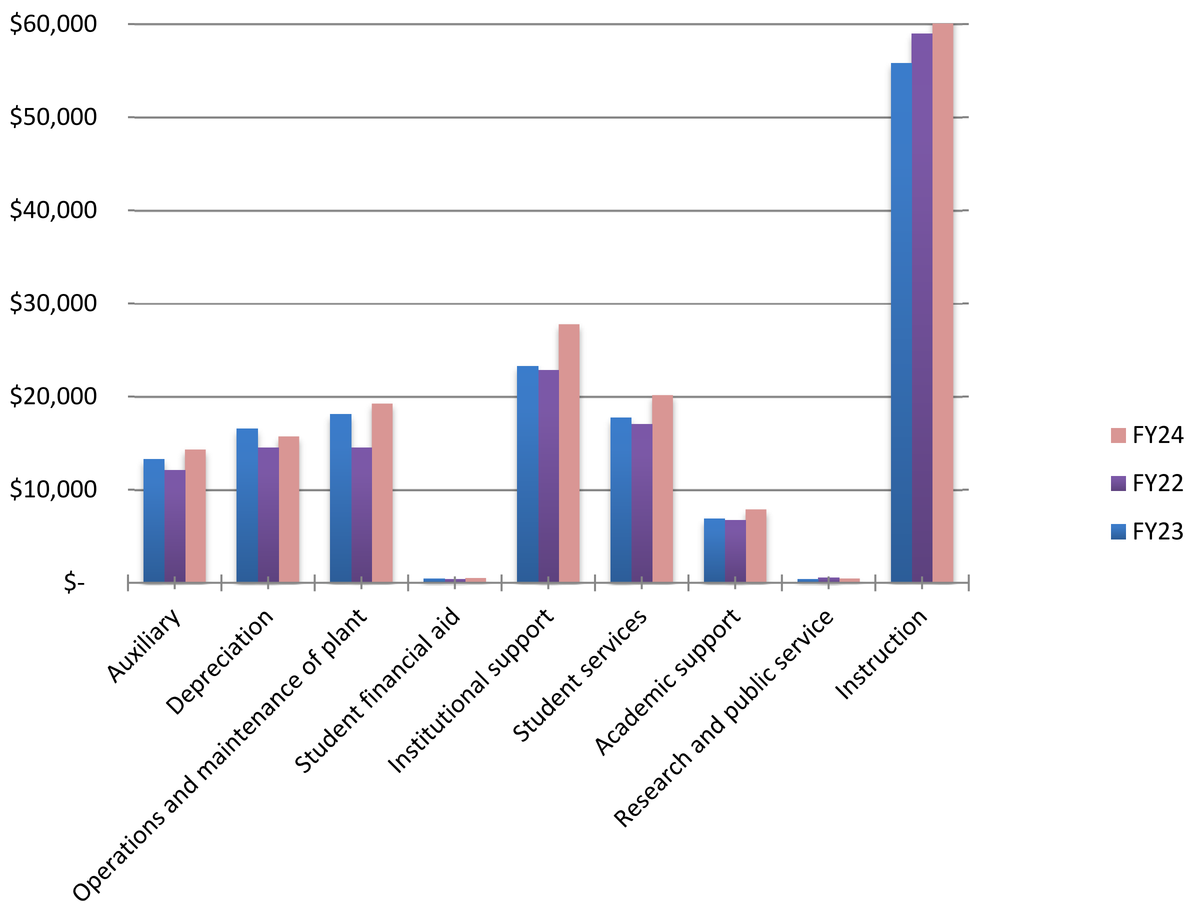
Salaries and benefits comprised approximately 74.3% and 73.5% of the College's total operating expenses for fiscal years 2024 and 2023, respectively. Total operating expenses increased in fiscal year 2024 by $16.5 million from fiscal year 2023, mainly as a result of increased enrollment efforts, the return of students and employees to campus, along with related activities. The net change in pension and OPEB expense also impacted overall expenses and are both allocated to the functional categories.

During 2024, interest on debt service, included in non-operating expenses, decreased $0.7 million to $8.8 million.

Ramapo College of New Jersey
(A Component Unit of the State of New Jersey)

Management's Discussion and Analysis (Unaudited)
June 30, 2024 and 2023

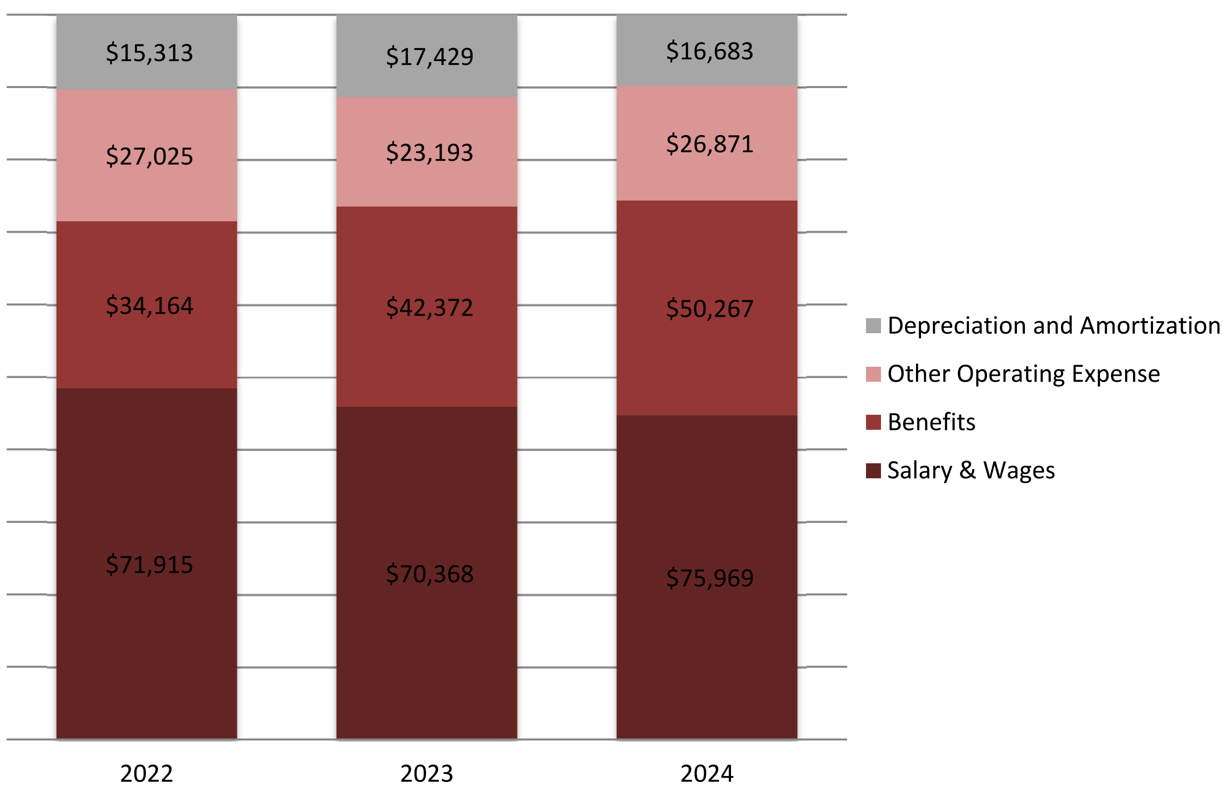
A comparative graph of functional operating expense for the fiscal years ended June 30, 2024, 2023 and 2022 is as follows (dollars in thousands):



Natural Classification of Expenses:

The natural classification of expenses is a way to review expense by their nature, as compared to their function, for example educational program code. Reviewing expenses in their natural classification shows trends in spending, when several years are shown. As the following graph illustrates, natural expenses from fiscal 2024 as compared to fiscal 2023 shows salaries and wages increasing from $70.4 million to $76.0 million. Benefits increased from $42.4 million in fiscal 2023 to $50.3 million in fiscal 2024, depreciation and amortization decreased from $17.4 million in fiscal 2023 to $15.7 million in fiscal 2024, and other operating expenses increased from $23.2 million in fiscal 2023 to $27.9 million in fiscal 2024. Salary and benefits are mostly negotiated by the State; therefore, the College only controls the number of employees related to the expense. During fiscal 2021, in an effort to contain costs and offset the impact of COVID-19, employees of the College were required to furlough which reduced salaries and wages. After several years of rebuilding enrollment and housing numbers, in fiscal 2024, operations began to return to pre-covid levels resulting in an increase in operating expenses overall.

Operating expenses by natural classification for the fiscal years ended June 30, 2024, 2023 and 2022 are illustrated in the following graph (dollars in thousands):



Statement of Cash Flows

This statement assists in evaluating the College's ability to generate net cash flows, its ability to meet its obligations as they come due, and its need for external financing. Cash flows from operating activities may be negative since GASB Statement No. 35 requires state appropriations to be reported as cash flows from noncapital financing activities, which also include gifts and grants. Cash flows from capital financing include all capital related activities and related debt activities, while those from investing activities show the interest on investments.

A condensed statement of cash flows for the fiscal years ended June 30, 2024, 2023 and 2022 is as follows (dollars in thousands):

	2024	2023	2022
Net cash (used in) from:			
Operating activities	$ 19,431	$ (2,312)	$ (2,338)
Noncapital financing activities	25,925	24,569	28,133
Capital financing activities	(50,690)	(19,354)	(17,799)
Investing activities	8,248	4,257	556
Net increase in cash	2,914	7,160	8,552
Cash – beginning of year	99,941	92,781	84,229
Cash – end of year	$ 102,855	$ 99,941	$ 92,781

Cash from operating activities increased $21.7 million from $(2.3) million in fiscal year 2023 to $19.4 million in fiscal 2024. Operations were significantly impacted by COVID-19 in fiscal 2022, and as such operating activities were not able to generate positive cash flows for that year, while fiscal 2022 and 2023 still reflects a use of cash to fund operating activities, some modest improvement is reflected but is primarily a result of timing. The College has experienced only modest increases in its net position over the last few years, which is the result of flat or decreasing state aid, pressure to keep tuition increases to a minimum and modest expense increases in salary and wages as well as non-salary. In addition, the College continues to invest in infrastructure to adequately maintain existing facilities as well as expand and renovate in accordance with our Campus Facilities Master Plan, discussed below. These economic factors will continue to impact the College and its sustained growth in the future.

Capital Assets and Debt

Capital Assets, Right-to-Use Subscription Assets and Right-to-Use Lease Assets

In order to meet the needs of the College's academic and community activities, the College must continually reinvest resources into its capital assets to maintain adequate facilities for these programs. The College is working on updating its Campus Facilities Master Plan to further identify and prioritize capital needs for the future. At June 30, 2024, the College had $305.0 million invested in capital assets, net of accumulated depreciation of $263.2 million. Depreciation expense was $15.7 million in fiscal year 2024 and $16.6 million in fiscal year 2023.

Effective July 1, 2022, the College had adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)* for which the College had entered into subscription-based information technology arrangements (SBITAs) with various vendors to access and use software applications and related data hosted by the vendor on the vendor's servers. As of June 30, 2024, the College recognized right-to-use subscription assets associated with its SBITA agreements of $4.0 million, net of accumulated amortization of $2.6 million. Amortization expense was $0.9 million in both fiscal years 2024 and 2023.

During the fiscal year 2024, the College entered into various lease agreements consisting of equipment and vehicles applicable under GASB Statement No. 87, *Leases*, which the College had previously adopted effective July 1, 2021. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset. At June 30, 2024, the College recognized a right-to-use lease asset of $0.6, net of accumulated amortization of $0.1 million. Amortization expense was $0.9 million in fiscal year 2024.

A condensed statement of net capital assets, right-to-use subscription assets and right-to-use lease assets as of June 30, 2024, 2023 and 2022 are as follows (dollars in thousands):

	2024	2023	2022
Land	$ 3,667	$ 3,667	$ 3,231
Land improvements, net	1,683	1,936	2,279
Infrastructure, net	9,804	10,424	10,966
Buildings and improvements, net	277,595	290,287	262,431
Equipment, net	4,371	4,147	4,371
Library collection, net	30	35	506
Construction in progress	7,825	4,559	43,116
Total capital assets, net	$ 304,975	$ 315,055	$ 326,900
Right-to-use subscription assets, net	$ 1,355	$ 1,841	$ 2,234
Right-to-use lease assets, net	$ 494	$ -	$ -

Primarily as a result of the completion of the Learning Commons project in 2023, construction in progress decreased by $38.6 million from $43.1 million as of June 30, 2022 to $4.6 million as of June 30, 2023. The Peter P. Mercer Learning Commons showcases the College's commitment to innovation and was funded utilizing a $15 million Capital Improvement Fund Program grant, fundraising dollars (over $13 million raised), $10 million debt offering and College reserves. This renovation and expansion have transformed the campus, and gone beyond necessary building upgrades and created a center for interdisciplinary study, collaboration, and creativity. New features combined with various offices working together, have illuminated the building as a gathering place for students, faculty, and staff.

Debt

At June 30, 2024, the College had $224.1 million in debt outstanding as compared to $213.7 million at June 30, 2023. During fiscal 2024, the College was awarded a construction grant relating to the Linden Hall Renovation Project and a portion of that award must be paid back and is therefore reflected as debt, which accounts for the increase in 2024.

In October 2024, S&P affirmed the stand-alone credit profile as 'A' long-term rating on the other outstanding debt issued for the College. This rating reflects S&P's view that the College has maintained fiscally prudent financial operations, and has stable enrollment, impressive retention and consistent student quality.

Economic Factors that Could Affect the Future

The major components of Ramapo's revenue have changed over time due to declining State support. In addition, the College faces limited expense flexibility as salaries and benefits are the largest portion of the College's expenses and the State controls salary and benefit negotiations for a majority of College employees. New Jersey continues to face challenging economic times. The future operations at the College will continue to be impacted by the State's economic situation. The College will continue to modify its operations in thoughtful ways that allow us to continue to strategically invest in the College's priorities as set out in the *Boldly Ascending* Master Plan while continuing to look for opportunities to cut costs in ways that are the least impactful to our student's enrollment position. These economic factors may affect future appropriations to the College as well as continuing to increase operational costs. The College received an increase to its State support in fiscal 2024, however, it is unclear if that appropriation level will be maintained as State resources continue to be strained, increasing costs without increases in funding may place an increased burden on tuition and fees to fund operating costs in the future.

Despite these challenges, to date, the College has been able to consistently increase its net position with solid financial operations and fiscally conservative budgeting and financial planning practices.

The College is continually reevaluating academic offerings as societal needs and wants evolve. We anticipate undergraduate enrollment in traditional programs to hold steady over the next couple years. Masters' programs such as a Masters in Social Work, Masters in Business Administration, and Masters in Educational Leadership are continuing to enroll significant numbers of students.

In Fall 2018, the College successfully offered additional enrollment opportunities with its Family Nurse Practitioner and the Nursing Administrator tracks in the Master of Science in Nursing program. Fall 2019 brought the College's new Master of Science in Accounting, and in Fall 2020, the College welcomed students to it first doctoral program, the Doctor of Nursing Practice (DNP). In September 2020, Ramapo announced its newest graduate program, a Master of Fine Arts degree in Creative Music Technology for Fall 2021.The College looks towards the needs of its students and community, it will continue to expand its graduate programs to meet those needs and build on its undergraduate strengths.

It is important for Ramapo to continue to sustain strong operating cash flows in order to meet its financial obligations with the uncertainty of future State support. However, the College will continue to focus on enhancing financial strength and sustainability, as it continues to seek new and enhanced revenue streams and operating efficiencies to maintain its ability to increase total net assets to meet the needs of its students. In addition, the College will review its outstanding debt obligations to determine if future savings or increased cash flows can be achieved through a debt refinance to increase its financial strength, as interest rates remain low. Ramapo remains committed to its mission of serving the educational needs of New Jersey.

Requests for Information

Questions concerning any of the information contained in this report or request for additional information should be addressed to Controller's Office, Ramapo College of New Jersey, 505 Ramapo Valley Road, Mahwah, New Jersey 07430.

Complete financial statements for the Ramapo College Foundation, the College's component unit, can also be obtained from the Controller's Office.

Ramapo College of New Jersey
(A Component Unit of the State of New Jersey)

Statement of Net Position
June 30, 2024
(dollars in thousands)

	Business-Type Activities Ramapo College	Component Unit Ramapo College Foundation	Total
ASSETS			
Current Assets			
Cash and cash equivalents	$ 102,855	$ 1,268	$ 104,123
Short term investments	-	1,370	1,370
Receivables			
Students, less allowance of $959	2,255	-	2,255
Loans, less allowance of $122	1	-	1
Gifts and grants	2,043	308	2,351
Contributions, net	-	167	167
Other	2,674	47	2,721
Total Receivables	6,973	522	7,495
Prepaid expenses	561	-	561
Restricted deposits held by Trustees	51,736	42	51,778
Total Current Assets	162,125	3,202	165,327
Noncurrent Assets			
Investments, at fair value	10,178	26,723	36,901
Prepaid expenses	514	484	998
Capital assets, net	304,975	-	304,975
Right-to-use subscription assets, net	1,355	-	1,355
Right-to-use leased assets, net	494	-	494
Total Noncurrent Assets	317,516	27,207	344,723
Total Assets	479,641	30,409	510,050
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow of pension resources	10,643	-	10,643
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	15,667	65	15,732
Long-term debt - current portion	4,136	-	4,136
Unearned revenue-current portion	2,921	26	2,947
Compensated absences - current portion	2,652	-	2,652
Software subscription liability - current portion	658	-	658
Leases payable - current portion	145	-	145
Due From Ramapo College Foundation (Due to College)	(169)	169	-
Assets held on behalf of Federal government loan programs	17	-	17
Deposits	1,563	47	1,610
Total Current Liabilities	27,590	307	27,897
Noncurrent Liabilities			
Long-term debt - noncurrent portion	219,952	-	219,952
Other liabilities	100	162	262
Unearned revenue-noncurrent portion	19,651	-	19,651
Compensated absences - noncurrent portion	1,558	-	1,558
Software subscription liability - noncurrent portion	652	-	652
Leases payable - noncurrent portion	355	-	355
Net pension liability	85,858	-	85,858
Total Noncurrent Liabilities	328,126	162	328,288
Total Liabilities	355,716	469	356,185
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow of pension resources	4,464	-	4,464
Deferred gain on bond refunding	4,237	-	4,237
Total Deferred Inflows of Resources	8,701	-	8,701
NET POSITION			
Net investment in capital assets	102,402	-	102,402
Restricted			
Nonexpendable	-	15,826	15,826
Expendable			
Grants	-	11,925	11,925
Renewal and replacement	2,338	-	2,338
Unrestricted			
Capital projects	49,049	-	49,049
Current	(27,922)	2,189	(25,733)
Total Net Position	$ 125,867	$ 29,940	$ 155,807

Ramapo College of New Jersey
(A Component Unit of the State of New Jersey)

Statement of Net Position
June 30, 2023
(dollars in thousands)

	Business-Type Activities Ramapo College	Component Unit Ramapo College Foundation	Total
ASSETS			
Current Assets			
Cash and cash equivalents	$ 99,941	$ 768	$ 100,709
Short term investments	-	1,564	1,564
Receivables			
Students, less allowance of $1,026	1,664	-	1,664
Loans, less allowance of $147	-	-	-
Gifts and grants	704	309	1,013
Contributions, net	-	315	315
Other	1,429	47	1,476
Total Receivables	3,797	671	4,468
Prepaid expenses	583	28	611
Restricted deposits held by Trustees	16,306	-	16,306
Total Current Assets	120,627	3,031	123,658
Noncurrent Assets			
Investments, at fair value	-	23,528	23,528
Prepaid expenses	339	-	339
Contributions receivable, net	-	630	630
Capital assets, net	315,055	-	315,055
Right-to-use subscription assets, net	1,841	-	1,841
Total Noncurrent Assets	317,235	24,158	341,393
Total Assets	437,862	27,189	465,051
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow of pension resources	11,768	-	11,768
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	12,107	89	12,196
Long-term debt - current portion	1,127	-	1,127
Unearned revenue-current portion	5,920	28	5,948
Compensated absences - current portion	2,419	-	2,419
Software subscription liability - current portion	948	-	948
Due From Ramapo College Foundation (Due to College)	(149)	149	-
Deposits	1,447	47	1,494
Total Current Liabilities	23,819	313	24,132
Noncurrent Liabilities			
Long-term debt - noncurrent portion	212,568	-	212,568
Other liabilities	100	169	269
Compensated absences - noncurrent portion	1,428	-	1,428
Software subscription liability - noncurrent portion	937	-	937
Assets held on behalf of Federal government loan programs	18	-	18
Net pension liability	85,711	-	85,711
Total Noncurrent Liabilities	300,762	169	300,931
Total Liabilities	324,581	482	325,063
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow of pension resources	8,932	-	8,932
Deferred gain on bond refunding	4,473	-	4,473
Total Deferred Inflows of Resources	13,405	-	13,405
NET POSITION			
Net investment in capital assets	107,072	-	107,072
Restricted			
Nonexpendable	-	15,049	15,049
Expendable			
Grants	-	9,773	9,773
Renewal and replacement	1,952	-	1,952
Unrestricted			
Capital projects	42,170	-	42,170
Current	(39,550)	1,885	(37,665)
Total Net Position	$ 111,644	$ 26,707	$ 138,351

Ramapo College of New Jersey
(A Component Unit of the State of New Jersey)

Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2024
(dollars in thousands)

	Business-Type Activities Ramapo College	Component Unit Ramapo College Foundation	Total
REVENUE			
Operating Revenues			
Student tuition and fees	$ 93,607	$ -	$ 93,607
Less: tuition scholarship allowances	(32,464)	-	(32,464)
Net Student Tuition and Fees	61,143	-	61,143
Auxiliary enterprises	31,167	-	31,167
Less: auxiliary allowances	(2,650)	-	(2,650)
Net Auxiliary Enterprises	28,517	-	28,517
Federal grants and contracts	10,812	-	10,812
State and local grants and contracts	13,439	2,130	15,569
Contributions	-	1,923	1,923
Other operating revenues	1,295	422	1,717
Total Operating Revenues	115,206	4,475	119,681
EXPENSES			
Operating Expenses			
Instruction	62,783	-	62,783
Research & Public Service	470	-	470
Academic support	7,882	-	7,882
Student services	20,151	-	20,151
Institutional support	27,757	2,314	30,071
Student financial aid and scholarships	512	-	512
Operations and maintenance of plant	19,243	-	19,243
Depreciation	15,713	-	15,713
Amortization	970	-	970
Auxiliary	14,309	-	14,309
Total Operating Expenses	169,790	2,314	172,104
Operating (Loss) Income	(54,584)	2,161	(52,423)
Nonoperating Revenue (Expenses)			
State of New Jersey appropriations	23,694	-	23,694
State of New Jersey paid fringe benefits	48,146	-	48,146
State of New Jersey paid other post employment benefits	(4,726)	-	(4,726)
Investment income, net	8,248	3,303	11,551
Interest expense	(8,786)	-	(8,786)
Transactions with affiliates	2,231	(2,231)	-
Net Nonoperating Revenue (Expenses)	68,807	1,072	69,879
Increase in Net Position	14,223	3,233	17,456
NET POSITION			
Beginning of year	111,644	26,707	138,351
End of year	$ 125,867	$ 29,940	$ 155,807

Ramapo College of New Jersey
(A Component Unit of the State of New Jersey)

Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2023
(dollars in thousands)

	Business-Type Activities Ramapo College	Component Unit Ramapo College Foundation	Total
REVENUE			
Operating Revenues			
Student tuition and fees	$ 85,241	$ -	$ 85,241
Less: tuition scholarship allowances	(28,854)	-	(28,854)
Net Student Tuition and Fees	56,387	-	56,387
Auxiliary enterprises	29,497	-	29,497
Less: auxiliary allowances	(2,589)	-	(2,589)
Net Auxiliary Enterprises	26,908	-	26,908
Federal grants and contracts	9,535	-	9,535
State and local grants and contracts	8,659	1,520	10,179
Contributions	-	1,478	1,478
Other operating revenues	802	444	1,246
Total Operating Revenues	102,291	3,442	105,733
EXPENSES			
Operating Expenses			
Instruction	55,795	-	55,795
Research & Public Service	409	-	409
Academic support	6,889	-	6,889
Student services	17,726	-	17,726
Institutional support	23,284	1,593	24,877
Student financial aid and scholarships	450	-	450
Operations and maintenance of plant	18,105	-	18,105
Depreciation	16,561	-	16,561
Amortization	868	-	868
Auxiliary	13,275	-	13,275
Total Operating Expenses	153,362	1,593	154,955
Operating (Loss) Income	(51,071)	1,849	(49,222)
Nonoperating Revenue (Expenses)			
State of New Jersey appropriations	22,189	-	22,189
State of New Jersey paid fringe benefits	40,573	-	40,573
State of New Jersey paid other post employment benefits	(3,424)	-	(3,424)
Investment income, net	4,257	1,957	6,214
Interest expense	(9,521)	-	(9,521)
Transactions with affiliates	2,380	(2,380)	-
Net Nonoperating Revenue (Expenses)	56,454	(423)	56,031
Capital gifts and grants	80	-	80
Increase in Net Position	5,463	1,426	6,889
NET POSITION			
Beginning of year	106,181	25,281	131,462
End of year	$ 111,644	$ 26,707	$ 138,351

Ramapo College of New Jersey
(A Component Unit of the State of New Jersey)

Statements of Cash Flows
(Business-Type Activities - Ramapo College Only)
Years Ended June 30,
(dollars in thousands)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	$ 57,668	$ 56,592
Grants and contracts	22,912	18,446
Payments to suppliers	(4,607)	(23,132)
Payments to employees	(75,605)	(70,525)
Payments for employee benefits	(10,043)	(10,788)
Auxiliary enterprise charges	28,517	26,908
Other	589	187
Net Cash from Operating Activities	19,431	(2,312)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	23,694	22,189
Gifts and grants	2,231	2,380
Net Cash from Noncapital Financing Activities	25,925	24,569
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Proceeds from capital debt	11,557	-
Capital grants and gifts received	-	80
Purchases of capital assets	(6,542)	(5,191)
Principal paid on capital debt and leases	(11,489)	(2,325)
Interest paid on capital debt and leases	(8,786)	(9,521)
(Increase) decrease in deposits held by trustees	(35,430)	(2,397)
Net Cash from Capital Financing Activities	(50,690)	(19,354)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income and other, net	8,248	4,257
Net Increase in Cash and Cash Equivalents	2,914	7,160
CASH AND CASH EQUIVALENTS		
Beginning of year	99,941	92,781
End of year	$ 102,855	$ 99,941
RECONCILIATION OF OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES		
Operating loss	$ (54,584)	$ (51,071)
Adjustments to reconcile net loss to net cash from operating activities		
Depreciation expense	15,713	16,561
Amortization expense	970	868
State of New Jersey fringe benefits	48,146	40,573
State of New Jersey other post employment benefits	(4,726)	(3,424)
Deferred gain on bond refunding	(236)	(175)
Changes in assets and liabilities		
Receivables, net	(3,176)	(31)
Prepaid expenses and other assets	(172)	(460)
Deferred outflows/inflows of resources	(3,342)	(6,368)
Net pension liability	147	803
Accounts payable and accrued expenses	3,560	39
Unearned tuition, fees, and deposits	(2,999)	377
Unearned revenue from grantors	19,651	-
Deposits	116	183
Compensated absences	364	(157)
Government grants refundable	(1)	(30)
Net Cash from Operating Activities	$ 19,431	$ (2,312)

See accompanying notes to financial statements

1. Organization

Established in 1969, Ramapo College of New Jersey (the College) offers bachelor's degrees in the arts, business, humanities, social sciences and the sciences, as well as in professional studies, which include nursing and social work. In addition, the College offers courses leading to teacher certification at the elementary and secondary levels. The College also offers eleven graduate programs, which includes one doctoral program in nursing practice, as well as articulated programs with the University of Medicine and Dentistry of New Jersey and New York Chiropractic College.

The College's mission is focused on the four "pillars" of a Ramapo education: international, intercultural, interdisciplinary and experiential, all of which are incorporated throughout the curriculum and extracurricular programs. The international mission is further accomplished through a wide range of study abroad and student exchange links with institutions all over the world through the New Jersey State Consortium for International Studies (NJSCIS). Additional experiential programs include internships, co-op, and service learning.

The College is recognized as a public institution of higher education by the State of New Jersey. This recognition is supported by an annual appropriation between the College and the State whereby the College agrees to render services of public higher education for the State. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 as amended, the College is considered a component unit of the State for financial reporting purposes. Accordingly, the financial statements of the College are included in the State of New Jersey's Annual Comprehensive Financial Report.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accounting policies of the College conform to U.S. generally accepted accounting principles as applicable to colleges and universities. The College's reports are based on all applicable GASB pronouncements as well as applicable Financial Accounting Standards Board (FASB) Interpretations, Accounting Principles, Board Opinion, and Accounting Review Boards of the Committee on Accounting Procedures.

GASB Statement No. 35 establishes standards for external financial reporting for public colleges and universities and requires that resources be classified for accounting and reporting purposes into the following net position categories.

- *Net investment in capital assets*: Capital assets, net of accumulated depreciation/amortization, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

2. Summary of Significant Accounting Policies *(continued)*

Basis of Presentation (continued)

- *Restricted*:

  Nonexpendable – Net position subject to externally imposed stipulations that must be maintained permanently by the College.

  Expendable – Net position whose use by the College is subject to externally imposed stipulations that can be fulfilled by actions of the College pursuant to the stipulations or that expire by the passage of time.

- *Unrestricted*:

  Net position not subject to externally imposed stipulations that may be designated for specific purposes by action of management or the Board of Trustees, or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net position is designated for academic programs, initiatives, and capital programs.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the College's policy is to first apply the expense towards restricted resources, and then towards unrestricted resources.

Measurement Focus and Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting using the economic resources measurement focus. The College reports as a business type activity, as defined by GASB Statement No. 35. Business type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

Use of Estimates

The presentation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and deferred outflows of resources and liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid investments purchased with an original maturity of three months or less. The College maintains cash balances at several financial institutions.

2. Summary of Significant Accounting Policies *(continued)*

Restricted deposits Held by Trustees

Restricted deposits held by trustees are recorded in the financial statements at fair value, which is based on quoted market price and consist of cash and cash equivalents and U.S. Treasury securities. Investment income is recorded on an accrual basis. Changes in fair value (including realized and unrealized gains and losses) are reported in investment income.

Fair Value Measurements

The College categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Capital Assets, *Right-to-Use Subscription Assets and Right-to-Use Lease Assets*

Capital Assets

Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Expenditures for normal maintenance and repairs are expensed when incurred. Capitalized assets have a purchase price or estimated/appraised value of $5,000 or more and a useful life five years or more. These assets are recorded in the College's financial statements. Assets with a purchase price or estimated/appraised value of less than $5,000 are considered expendable assets are not recorded as a fixed asset.

Capital assets, right-to-use subscription assets and right-to-use lease assets of the College are depreciated/amortized using the straight-line method over the following useful lives:

	Useful Lives
Land improvements	20 Years
Buildings and improvements	20-50 Years
Equipment	5-10 Years
Library collection	10 Years
Infrastructure	7-50 Years
Right-to-use subscription assets	2-6 Years
Right-to-use lease assets	3-5 Years

2. Summary of Significant Accounting Policies *(continued)*

Capital Assets, Right-to-Use Subscription Assets and Right-to-Use Lease Assets (continued)

Right-to-Use Subscription Assets

The College has entered into subscription-based information technology arrangements (SBITAs) with various vendors. SBITAs are defined as arrangements in which a government entity contracts with a vendor to access and use software applications and related data hosted by the vendor on the vendor's servers. The College recognizes a right-to-use subscription asset associated with its SBITA agreements and discloses the total amount of subscription assets, and the related accumulated amortization, disclosed separately from other capital assets. The College also discloses any payments not included in the measurement of subscription assets.

Right-to-Use Lease Assets

The College determines if an arrangement is a lease at inception. All material leases are recorded on the statements of net position except for leases with an initial term less than 12 months for which the College made the short-term lease election.

Right-of-use assets ("ROU assets") represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease.

Finance lease ROU assets are included in capital assets and the related liabilities are similarly classified in the statements of net position. At lease commencement, finance lease ROU assets and liabilities are recognized based on the present value of the remaining lease payments and discounted using the risk-free rate.

Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The lease does not provide an implicit borrowing rate. The College uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU assets include any lease payments made and exclude lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the College will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The College's lease agreements do not contain any material value guarantees or material restrictive covenants.

2. Summary of Significant Accounting Policies *(continued)*

Deferred Outflows and Deferred Inflows of Resources

Changes in net pension liability not included in pension expense are reported as deferred outflows of resources or deferred inflows of resources. Employer contributions subsequent to the measurement date of the net pension liability are reported as deferred outflows of resources. The changes in assumptions, net differences between projected and actual earnings on pension plan investments and changes in proportionate share may be either deferred outflows of resources or deferred inflows of resources. See Note 10 for the College's breakdown of these items. Deferred outflows and inflows of resources also includes gains and losses resulting from the refinancing of debt, which represents the difference between the reacquisition price and the net carrying amount of the old debt and is amortized over the life of the related debt.

Revenue Recognition

Student tuition and fees are presented net of scholarships applied to student accounts, while other payments made directly to students are presented as student aid and are recognized in the period earned. Student tuition and fees collected in advance of the academic year are recorded as unearned revenue in the accompanying statement of net position.

Federal, State and local grants and contracts revenue are comprised mainly of grant revenues received from the Federal government and State of New Jersey and are recognized when all eligibility requirements for revenue recognition are met which is generally the period in which related expenses are incurred. Amounts received from grants for which eligibility requirements have not yet been met under the terms of the agreement are recorded as unearned revenue in the accompanying statement of net position.

Revenue from State of New Jersey appropriations is recognized in the fiscal year during which the State of New Jersey appropriates the funds to the College.

Classification of Revenue

The College's policy for defining operating activities in the statement of revenues, expenses, and changes in net position are those that serve the College's principal purpose and generally result from exchange transactions, such as payments received for services and payments made for the purchase of goods and services. Examples include: student tuition and fees, net of scholarship allowances; sales and services of auxiliary enterprises; and most Federal, State and local grants and contracts. Nonoperating revenues include activities that have the characteristics of non-exchange transactions, such as operating and capital appropriations from the State and investment income.

2. Summary of Significant Accounting Policies *(continued)*

Financial Dependency

The College is recognized as a public institution of higher education by the State of New Jersey (the State). This recognition is supported by an annual appropriation between the College and the State whereby the College agrees to render services of public higher education for the State. The College is economically dependent on these appropriations to carry on its operations.

Tax Status

The College is exempt from Federal income taxes on related income under Section 115 of Internal Revenue Service code. The Foundation is exempt from Federal income taxes under the Internal Revenue Code Section 501(c)(3) and, therefore, has made no provision for Federal income taxes. The Foundation is subject to the accounting standard for uncertain tax positions and has determined that no liabilities are required to be recorded for uncertain tax positions. The Foundation is no longer subject to Federal tax examinations for its Federal Form 990 and for the State of New Jersey Form CRI-300R for years prior to June 30, 2020.

New Accounting Standards

The GASB issued Statement No. 101, *Compensated Absences* in June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for periods beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has not determined the impact of the Statement on the financial statements.

GASB Statement No. 102, *Certain Risk Disclosures* defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

GASB Statement No. 103, *Financial Reporting Model Improvements* improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

2. Summary of Significant Accounting Policies *(continued)*

New Accounting Standards (continued)

GASB Statement No. 104, *Disclosure of Certain Capital Assets* provides users of government financial statements with essential information about certain types of capital assets including lease assets, intangible right-to-use assets, subscription assets, other intangible assets and assets held for sale. The requirements of this Statement are effective for periods beginning after June 15, 2025, and all reporting periods thereafter. Management has not determined the impact of the Statement on the financial statements.

3. Cash and Cash Equivalents

Cash and cash equivalents are carried in the financial statements at fair value and consist of the following (dollars in thousands) as of:

	June 30,	
	2024	2023
Cash and money market accounts	$ 101,545	$ 98,699
State of New Jersey Cash Management Fund	1,310	1,242
Total Cash and Cash Equivalents	$ 102,855	$ 99,941

In accordance with GASB 40, *Deposit and Investment Risk Disclosures*, the College has assessed the certain risks related to its cash and cash equivalents and restricted deposits held by trustees.

Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. The College entered into an irrevocable standby Letter of Credit agreement in the amount of $85.0 million with TD Bank N.A. with the Federal Home Loan Bank of Pittsburgh acting as the custodian. This agreement secures payment of uninsured deposits to the College.

As of June 30, 2024 and 2023, cash and money market accounts held by depositories amounted to $102.9 million and $99.9 million, of which $1.3 million and $1.2 million were FDIC (Federal Depository Insurance Corporation) insured for the years ending June 30, 2024 and 2023, respectively. Bank balances in excess of insured amounts of $100.8 million and $99.4 million as of June 30, 2024 and 2023, respectively, were partially collateralized according to the irrevocable standby letter of credit agreement.

The College participates in the State of New Jersey Cash Management Fund wherein amounts contributed by the College are combined with funds from other state institutions into a large-scale investment program. The carrying amount of cash and cash equivalents in the State of New Jersey Cash Management Fund as of June 30, 2024 and 2023 was $1.3 million and $1.2 million, respectively. These amounts are collateralized in accordance with Chapter 64 of Title 18A of New Jersey Statutes. The Cash Management Fund is unrated.

3. Cash and Cash Equivalents *(continued)*

Statutes of the State of New Jersey and Regulations of the State Investment Council authorize the College to invest in obligations of the U.S. Treasury, foreign governments, agencies and municipal or political subdivisions of the State, commercial paper, bankers acceptances, revenue obligations of public authorities, debt instruments of banks, collateralized notes and mortgages, certificates of deposit, repurchase agreements, equity and convertible equity securities, and other common types of investment securities. Investee institutions and organizations are prescribed by the statutes and regulations based on such criteria as minimum capital, dividend paying history, credit history and other evaluation factors.

4. Restricted Deposits Held by Trustees

Restricted deposits held by trustees represent restricted funds held by financial institutions, under the terms of various obligations. Restricted deposits held by trustees under bond indenture agreements are carried in the financial statements at fair value and have been valued using Level 1 inputs as follows (dollars in thousands) as of:

	June 30,	
	2024	2023
Construction fund	$ 42,583	$ 10,305
Debt service fund for principal and interest	7,061	4,296
Renewal and replacement fund	2,092	1,705
Restricted deposits held by Trustees, current	$ 51,736	$ 16,306

The College's restricted deposits held by trustees are subject to various risks. Among these risks are interest risk and credit risk.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The following table summarizes restricted deposits held by trustees' maturities (dollars in thousands) as of:

		2024		
		Investment maturities (in years)		
Investment Type	Fair Value	Less than 1	1 to 2	More than 2
Money market funds	$ 51,736	$ 51,736	$ -	$ -

		2023		
		Investment maturities (in years)		
Investment Type	Fair Value	Less than 1	1 to 2	More than 2
Money market funds	$ 16,306	$ 16,306	$ -	$ -

4. Restricted Deposits Held by Trustees *(continued)*

Assets held under bond indenture agreements are not governed by the College's investment policies, but rather by the investment policies of the New Jersey Educational Facilities Authority. As of June 30, 2024 and 2023, restricted deposits held by trustees were invested in money market funds.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The College's investment policy requires that the overall average quality rating of the portfolio's domestic fixed income holdings will be at least "AA", as rated by the Standard and Poor's or Moody's rating agency.

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the financial statement measurement date. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1 – unadjusted quoted prices for identical assets or liabilities in active markets that a government can access at the measurement date

- Level 2 – quoted prices other than those included within Level 1 and other inputs that are observable for an asset or liability, either directly or indirectly

- Level 3 – unobservable inputs for an asset or liability

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3. When the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level that is significant to the entire measurement.

While the College believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following is a description of the valuation methodologies used for instruments measured at fair value:

- U.S. treasuries and agencies are valued at quoted price reported on the active market
- Fixed income are valued using prices based on bid evaluations or quoted prices in an inactive market
- Money market funds are recorded at the quoted price which approximates fair value

5. Capital Assets and Right-to-Use Subscription Assets

Capital Assets and Right-to-Use Subscription Assets activity for the year ended June 30, 2024 is comprised of the following (dollars in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance
Non Depreciable Capital Assets				
Land	$ 3,667	$ -	$ -	$ 3,667
Construction in progress	4,559	3,266		7,825
	8,226	3,266	-	11,492
Depreciable Capital Assets				
Land improvements	8,246	88	-	8,334
Buildings and improvements	504,877	992	-	505,869
Equipment	20,723	1,359	(279)	21,803
Library collection	35	-	-	35
Infrastructure	20,622	25	-	20,647
	554,503	2,464	(279)	556,688
Total Capital Assets	562,729	5,730	(279)	568,180
Accumulated Depreciation				
Land improvements	6,310	341	-	6,651
Buildings and improvements	214,590	13,684	-	228,274
Equipment	16,576	856	-	17,432
Library collection	-	5	-	5
Infrastructure	10,198	645	-	10,843
Total Accumulated Depreciation	247,674	15,531	-	263,205
Capital Assets, Net	$ 315,055	$ (9,801)	$ (279)	$ 304,975
Right-to-Use Subscription Assets	$ 3,517	$ 484	$ -	$ 4,001
Accumulated Amortization	(1,676)	(970)	-	(2,646)
Right-to-Use Subscription Assets, Net	$ 1,841	$ (486)	$ -	$ 1,355

5. Capital Assets and Right-to-Use Subscription Assets *(continued)*

Capital Assets and Right-to-Use Subscription Assets activity for the year ended June 30, 2023 is comprised of the following (dollars in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance
Non Depreciable Capital Assets				
Land	$ 3,231	$ 436	$ -	$ 3,667
Construction in progress	43,116	3,141	(41,698)	4,559
	46,347	3,577	(41,698)	8,226
Depreciable Capital Assets				
Land improvements	8,246	-	-	8,246
Buildings and improvements	463,060	41,817	-	504,877
Equipment	19,903	919	(99)	20,723
Library collection	5,293	-	(5,258)	35
Infrastructure	20,521	101	-	20,622
	517,023	42,837	(5,357)	554,503
Total Capital Assets	563,370	46,414	(47,055)	562,729
Accumulated Depreciation				
Land improvements	5,967	342	-	6,310
Buildings and improvements	200,629	13,961	-	214,590
Equipment	15,532	1,044	-	16,576
Library collection	4,787	-	(4,787)	-
Infrastructure	9,555	643	-	10,198
Total Accumulated Depreciation	236,470	15,990	(4,787)	247,674
Capital Assets, Net	$ 326,900	$ 30,424	$ (42,268)	$ 315,055
Right-to-Use Subscription Assets	$ 3,042	$ 475	$ -	$ 3,517
Accumulated Amortization	(808)	(868)	-	(1,676)
Right-to-Use Subscription Assets, Net	$ 2,234	$ (393)	$ -	$ 1,841

As of June 30, 2024 and 2023, estimated costs to complete the projects classified as construction in progress are approximately $4.7 million and $3.1 million, respectively, and are expected to be funded primarily from New Jersey Educational Facility Authority Revenue Bonds and unrestricted revenues.

6. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following (dollars in thousands) as of:

	June 30, 2024	June 30, 2023
Vendors	$ 6,489	$ 3,850
Capital projects	3,028	2,453
Accrued salaries and benefits	1,782	1,432
Interest payable	4,368	4,372
	$ 15,667	$ 12,107

7. Noncurrent Liabilities

Activity in noncurrent liabilities for the year ending June 30, 2024 was as follows (dollars in thousands):

	June 30, 2023	Additions	Reductions	June 30, 2024	Current Portion
Other liabilities	$ 100	$ -	$ -	$ 100	$ -
Unearned revenue	-	19,651	-	19,651	2,921
Compensated absences	3,847	363	-	4,210	2,652
Software subscription liability	1,885	484	(1,059)	1,310	658
Leases payable	-	593	(93)	500	145
U.S. Government grants refundable (Perkins)	18	2	(3)	17	17
Long-term debt - net	213,695	11,557	(1,164)	224,088	4,136
	$ 219,545	$ 32,650	$ (2,319)	$ 249,876	$ 10,529

Activity in noncurrent liabilities for the year ending June 30, 2023 was as follows (dollars in thousands):

	June 30, 2022	Additions	Reductions	June 30, 2023	Current Portion
Other liabilities	$ 100	$ -	$ -	$ 100	$ -
Compensated absences	4,004	-	(157)	3,847	2,419
Software subscription liability	2,719	475	(1,309)	1,885	948
U.S. Government grants refundable (Perkins)	48	232	(262)	18	18
Long-term debt - net	215,186	-	(1,491)	213,695	1,127
	$ 222,057	$ 707	$ (3,219)	$ 219,545	$ 4,512

7. Noncurrent Liabilities *(continued)*

Software Subscription Liability

Software subscription liability (dollars in thousands) at June 30, 2024 and 2023 are comprised of the following individual agreements:

Purpose	Fiscal Year of Issue	Original Issue Amount	Final Maturity	Interest Rate	Amount Outstanding at June 30, 2024	Amount Outstanding at June 30, 2023
Budget	2020	$ 200	December-2023	0.25%	$ -	$ 42
Rave Guardian	2021	15	June-2024	0.25%	-	5
Rave Notifyer	2023	9	June-2024	0.25%	-	4
Resident Management	2024	64	April-2026	4.71%	33	-
Student Feedback Surveys	2024	34	May-2026	4.71%	18	-
Cisco Unified Communications	2015	136	June-2024	0.87%	-	70
Canvas LMS	2015	345	August-2025	0.87%	27	191
Student Conduct Monitoring	2016	20	September-2025	0.87%	8	14
Athletics	2015	28	November-2025	0.87%	12	20
Banner Forms	2016	63	December-2026	0.87%	28	46
Slate/Admissions	2017	294	June-2026	0.87%	148	221
Strategic Planning	2017	96	May-2027	0.87%	57	77
Budget Softw are	2024	387	December-2028	4.33%	324	-
Resident Management	2018	22	April-2024	0.46%	-	10
Student Feedback Surveys	2018	24	May-2024	0.46%	-	12
Handshake	2019	18	June-2024	0.46%	-	10
Rave Wireless	2019	88	June-2024	0.46%	-	44
Pow erSchool	2019	103	September-2024	0.46%	11	57
International Student Management	2019	30	December-2024	0.46%	7	21
Lecture Capture and Storage	2022	37	December-2024	0.46%	7	22
Accreditation	2019	60	October-2024	0.46%	10	38
Student Platform	2020	73	June-2025	0.46%	24	49
Banner Reporting	2020	93	July-2025	0.46%	34	64
Recruiting Platform	2023	88	October-2025	0.46%	41	69
Web Hosting	2023	97	January-2026	0.46%	52	84
Email and Document Hosting	2020	87	February-2026	0.46%	42	66
MSDS Online	2021	10	June-2026	0.46%	5	7
OSS Softw are	2021	21	June-2026	0.46%	11	16
ERP	2021	104	June-2026	0.46%	54	79
Conncet/Student Success	2021	337	June-2026	0.46%	177	259
Rave Alert	2019	24	June-2024	0.46%	-	12
Raiser's Edge	2023	280	July-2026	0.46%	180	276
		$ 3,287			$ 1,310	$ 1,885

7. Noncurrent Liabilities *(continued)*

Software Subscription Liability (continued)

The following are the principal and interest requirements to maturity for the software subscription liability (dollars in thousands) for the subsequent fiscal years:

Fiscal Year Ending June 30	Principal	Interest
2025	$ 658	$ 22
2026	450	13
2027	110	8
2028	92	4
	$ 1,310	$ 47

8. Long-Term Debt and Credit Line

The Board of Trustees of the College, the New Jersey Board of Higher Education and the New Jersey Educational Facilities Authority (the Authority) have entered into various agreements whereby the College is given use of buildings, improvements and equipment and the College agrees to make lease payments equal to the related debt and interest payments of the underlying revenue bonds issued by the Authority. The College has pledged all net revenues generated from the operation of the residential facilities, the campus life building and from other legally available funds of the College.

In April 2022, the Authority issued two bond series, 2022A and 2022B. The Series 2022A Revenue and Refunding Bonds were a tax-exempt issuance which refunded Series 2012B and provided $10 million to be used for capital projects. The Series 2022B Refunding Bonds were a taxable issuance which partially refunded the Series 2015B and Series 2017A bonds. The refunding of Series 2022A and 2022B resulted in a difference between reacquisition price and the net carrying amount of the old debt of $4,707; this gain was reflected as a deferred inflow and is amortized over the life of the old debt. The refunding reduced the College's debt service payments by $9.8 million through maturity on a present value basis with $22.4 million in cashflow debt service savings achieved from fiscal year 2022 through fiscal year 2025.

The refunded bonds that remain outstanding at June 30, 2024 and 2023 is $106.8 million.

8. Long-Term Debt and Credit Line *(continued)*

The following represents the components and changes in outstanding debt (dollars in thousands) for the years ended June 30, 2024 and 2023:

	June 30, 2023	Additions	Reductions	June 30, 2024	Current Portion
Long-term debt - gross	$ 192,256	$ 10,203	$ (214)	$ 202,245	$ 3,174
Unamortized premium	21,439	1,353	(949)	21,843	962
Total long-term debt - net	$ 213,695	$ 11,556	$ (1,163)	$ 224,088	$ 4,136

	June 30, 2022	Additions	Reductions	June 30, 2023	Current Portion
Long-term debt - gross	$ 192,835	$ -	$ (579)	$ 192,256	$ 215
Unamortized premium	22,351	-	(912)	21,439	912
Total long-term debt - net	$ 215,186	$ -	$ (1,491)	$ 213,695	$ 1,127

The following principal payments due the Authority were outstanding (dollars in thousands) as of:

		Interest Rate	June 30, 2024	June 30, 2023
NJ Educational Facilities Authority Revenue Bonds:				
Series 2015B	due serially to 2040	3.00% to 5.00%	$ 29,940	$ 29,940
Series 2017A	due serially to 2042	3.00% to 5.00%	76,865	76,865
Series 2022A	due serially to 2053	4.00% to 5.00%	67,880	67,880
Series 2022B	due serially to 2043	4.29%	13,465	13,465
Total NJEFA Revenue Bonds			188,150	188,150
Public College's Share of Other NJEFA-Financed Programs:				
Capital Improvement Fund				
Series 2014A	due serially to 2034	3.00% to 4.00%	178	191
Series 2016B	due serially to 2037	3.00% to 5.50%	3,714	3,915
Series 2023A	due serially to 2051	4.63% to 5.25%	10,203	-
Total NJEFA-Financed Programs			14,095	4,106

8. Long-Term Debt and Credit Line *(continued)*

	June 30, 2024	June 30, 2023
Total bond principal	$ 202,245	$ 192,256
Plus: bond premiums	21,843	21,439
	224,088	213,695
Less: current portion	4,136	1,127
Total long-term debt, long-term portion	$ 219,952	$ 212,568

Payments due on long-term debt, including mandatory sinking fund payments on the revenue bonds, for the duration of the debt are as follows as of June 30, 2024 (dollars in thousands):

Fiscal Year	Principal	Premium	Total	Interest
2025	$ 3,174	$ 962	$ 4,136	$ 9,141
2026	8,008	962	8,970	8,743
2027	10,752	962	11,714	8,208
2028	11,293	962	12,255	7,693
2029	11,806	962	12,768	7,212
2030-2034	67,298	4,810	72,108	27,133
2035-2039	49,928	4,810	54,738	11,850
2040-2044	27,642	3,609	31,251	4,625
2045-2053	12,344	3,804	16,148	2,154
	$ 202,245	$ 21,843	$ 224,088	$ 86,759

The College has a $4 million revolving line of credit with TD Bank which expires on August 31, 2025. Borrowings under the line of credit bear interest at 7.75% and 8.25% for the years ended June 30, 2024 and 2023, respectively. At June 30, 2024 and 2023, there were no borrowings under this line of credit.

9. Fringe Benefit Appropriation

The State of New Jersey, through separate appropriations, pays certain fringe benefits (principally health insurance, retirement and FICA taxes) on behalf of College employees. For the years ended June 30, 2024 and 2023, such benefits amounted to approximately $40.6 million and $36.2 million, respectively, and are included as part of non-operating revenue under State of New Jersey paid fringe benefits and as operating expense in various functional expense categories in the accompanying financial statements.

10. Retirement Plans

The College participates in three retirement plans for its employees - Public Employees' Retirement System (PERS), the Alternate Benefit Program (ABP), and the Defined Contribution Retirement Program (DCRP). Generally, all employees, except certain part-time employees, participate in one of these plans.

The PERS pension plan is a defined benefit program administered by the State of New Jersey Division of Pension and Benefits. PERS was established under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or public agency provided the employee is not a member of another State administered retirement system.

The ABP pension plan is a defined contribution program. Under the provisions of N.J.S.A 18A-96, the ABP allows enrollees to make contributions to the following carriers: Teachers Insurance and Annuity Association, College Retirement Equities Fund (TIAA/CREF), ING, Valic, Equitable Life Insurance Company, Hartford, and Metropolitan Life Insurance Company. Each ABP alternative is administered by a separate Board of Directors.

The DCRP pension plan is a defined contribution program. Established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010, the DCRP allows enrollees to make contributions to Prudential Retirement Services who administers the plan with a separate Board of Directors.

Public Employees' Retirement System

Plan Descriptions

PERS is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

10. Retirement Plans *(continued)*

Benefits

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

PERS members were required to contribute 7.5% of their annual covered salary for the years ended June 30, 2024 and 2023, respectively. The State of New Jersey, in accordance with state statutes, makes employer contributions on behalf of the College. The contribution requirements of the plan members and the College are established and may be amended by the State of New Jersey.

10. Retirement Plans *(continued)*

Net Pension Liability

At June 30, 2024 and 2023, the College reported a liability in the amount of $85.9 million and $85.7 million, respectively, for its proportionate share of the net pension liability. The College's proportion of the net pension liability was based on the ratio of the employer contributions made related to the College's employees to the total contributions made by all participating State-group employers. The College's proportion of the net pension liability was 0.382% and 0.383% for the fiscal years ended June 30, 2024 and 2023.

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2022. The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions for the June 30, 2023 and 2022 measurement date:

	2023	2022
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary increases:		
Through 2026	2.75 - 6.55% based on years of service	2.75 - 6.55% based on years of service
	based on years of service	based on years of service
Investment rate of return	7.00%	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation was based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

10. Retirement Plans *(continued)*

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2023 and 2022 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 and 2022 measurement date are summarized in the following table:

As of June 30, 2023

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%

10. Retirement Plans *(continued)*

Long-Term Expected Rate of Return (continued)

As of June 30, 2022		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate

The discount rate used to measure the total pension liability was 7.0% as of June 30, 2023 and 2022, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members will be made at the current member contribution rates and that contributions from the employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term rate on plan investments was applied to all projected benefit payments to determine the total pension liability.

10. Retirement Plans *(continued)*

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the College's proportionate share of the collective net pension liability, measured as of June 30, 2023 and 2022, calculated using the discount rate as disclosed above as well as what the College's proportionate share of the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate (dollars in thousands):

	As of June 30, 2024		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
College's proportionate share of the net pension liability	$ 98,175	$ 85,858	$ 75,402

	As of June 30, 2023		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
College's proportionate share of the net pension liability	$ 97,812	$ 85,719	$ 75,455

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

For the years ended June 30, 2024 and 2023, the College recognized negative pension expense in the amount of $(3.2 million) and ($5.6 million), respectively. Pension expense is recognized within the functional classifications in the statement of revenues, expenses and changes in net position.

10. Retirement Plans *(continued)*

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

The College reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources as of (dollars in thousands):

	June 30, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 87	$ 2,464
Difference between expected and actual experience	1,904	256
Net differences between projected and actual earnings on pension plan investments	1,313	-
Changes in proportion and differences between College contributions and proportionate share of contributions	727	1,745
College contributions subsequent to the measurement date	6,612	-
	$ 10,643	$ 4,465

	June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 128	$ 6,275
Difference between expected and actual experience	1,382	451
Net differences between projected and actual earnings on pension plan investments	2,071	-
Changes in proportion and differences between College contributions and proportionate share of contributions	1,816	2,206
College contributions subsequent to the measurement date	6,371	-
	$ 11,768	$ 8,932

10. Retirement Plans *(continued)*

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

College contributions subsequent to the measurement date reported as deferred outflows of resources related to PERS resulting from accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows (dollars in thousands):

Year Ended June 30,	Net Deferred Outflows/(Inflows)
2025	$ (166)
2026	(166)
2027	(166)
2028	(166)
2029	230
Total deferrals recognized as pension expense	(434)
Deferred outflows recognized as a reduction to net pension liability	6,612
Net deferred outflows	$ 6,178

Alternate Benefit Program Information

ABP provides the choice of seven investment carriers all of which are privately operated defined contribution retirement plans. The College assumes no liability for ABP members other than payment of contributions. ABP provides retirement and death benefits for or on behalf of these full-time professional employees and faculty members electing to participate in this optional retirement program. Participation eligibility, as well as contributory and noncontributory requirements is established by the State of New Jersey Retirement and Social Security Law. Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits vest after the completion of one year of service. All benefits vest after the completion of one year of service. Individually owned annuity contracts that provide for full ownership of retirement and survivor benefits are purchased at the time of vesting.

10. Retirement Plans *(continued)*

Alternate Benefit Program Information (continued)

Participating College employees are required to contribute 5% of their base annual salary and may contribute, on a pretax basis, an additional voluntary contribution of salary up to the maximum Federal statutory limit on a pretax basis. Employer contributions are 8% of base salary. ABP received employer and employee contributions that approximated the following from the College (dollars in thousands) during the years ended June 30:

	2024	2023
Employer contribution	$ 3,815	$ 3,598
Employee contribution	$ 4,732	$ 4,384
Basis for contributions		
Participating employee salaries	$ 47,685	$ 44,973

Employer contributions to ABP are paid by the State of New Jersey and are reflected in the accompanying financial statements as nonoperating revenue under New Jersey State appropriations and as operating expenses in various functional expense categories. The maximum compensation to be considered for employer retirement contributions is $141,000 per New Jersey state law Chapter 31, P.L. 2010. This law was effective as of July 1, 2010. The College created a separate 403(B) plan to fund the 8% employer match above the $141,000 compensation limit. These contributions are funded by the College.

Defined Contribution Retirement Program

The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit along with life insurance and disability coverage.

DCRP enrollment eligibility criteria include employees who: (1) earn below a minimum base salary, or (2) do not work a minimum number of hours per week, or (3) are enrolled in PERS and make in excess of established “maximum compensation” limits. Participating eligibility, as well as contributory and noncontributory requirements is established by the State of New Jersey Retirement and Social Security Law.

DCRP has one investment carrier, Prudential, which jointly administers the DCRP investments with the Division of Pensions and Benefits. The College assumes no liability for DCRP members other than payment of contributions. Benefits are determined by the amount of individual accumulations and the retirement option selected. All benefits vest immediately for employees who are enrolled in PERS or after one year for employees not in PERS. Individually owned annuity contracts that provide for full ownership of retirement and survivor benefits are purchased at the time of vesting.

10. Retirement Plans *(continued)*

Defined Contribution Retirement Program (continued)

Participating College employees contribute 5% of their eligible wages. Employer contributions are 3% of each member's eligible wages. Prudential received employee contribution that approximated the following from College during the years ended June 30 (dollars in thousands):

	2024	2023
Employer contribution	$ 29	$ 31
Employee contribution	$ 53	$ 57
Basis for contributions		
Participating employee salaries	$ 975	$ 1,045

Employer contributions to DCRP are paid by the College and are reflected in the financial statements as expenses.

11. Post-Employment Benefits Other Than Pensions

The College's retirees participate in the State Health Benefit State Retired Employees Plan (the "Plan").

Plan Description, Including Benefits Provided

The Plan is a single-employer defined benefit other postemployment benefit ("OPEB") plan, which provides medical, prescription drug, and Medicare Part B reimbursements to retirees and their covered dependents. Although the Plan is a single-employer plan, it is treated as a cost-sharing multiple employer plan for standalone reporting purposes. In accordance N.J.S.A. 52:14-17.32, the State of New Jersey is required to pay the premiums and periodic charges for OPEB of State employees who retire with 25 years or more of credited service, or on a disability pension, from one or more of the following pension plans: PERS, ABP or the Police and Firemen's Retirement System (PFRS). In addition, Chapter 302, P.L. 1996 provides that for purposes of this Plan, the College's employees retain any and all rights to the health benefits in the Plan, even though the College is considered autonomous from the State, therefore, its employees are classified as State employees. As such, the State is legally obligated for the benefit payments on behalf of the retirees of the College; therefore, the Plan meets the definition of a special funding situation as defined in GASB 75.

11. Post-Employment Benefits Other Than Pensions *(continued)*

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

The Plan is administered on a pay-as-you-go-basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB 75.

Total OPEB Liability and OPEB expense

As of June 30, 2024 and 2023, the State recorded a liability of $118.1 million, respectively, which represents the portion of the State's total proportionate share of the collective total OPEB liability that is associated with the College (the College's share). The College's share was based on the ratio of its members to the total members of the Plan. At June 30, 2024 and June 30, 2023, the College's share was 2.0% of the special funding situation and 0.60% of the Plan, respectively.

For the years ended June 30, 2024 and 2023, the College recognized OPEB expense of and negative ($4.7 million) and negative ($3.4 million), respectively. As the State is legally obligated for benefit payments on behalf of the College, the College recognized revenue related to the support allocated by the State of ($4.7 million) and ($3.4 million), respectively.

Actuarial Assumptions and Other Inputs

The State's liability associated with the College at June 30, 2024 and 2023 were determined by an actuarial valuation as of June 30, 2022, which was rolled forward to the measurement date of June 30, 2023 and June 30, 2021, which was rolled forward to the measurement date of June 30, 2022, respectively.

	2024	2023
Inflation rate:		
Price	2.75%	3.54%
Wage	3.25%	3.54%
Salary increases:	2.75%-6.55% based on years of service	2.75%-6.55% based on years of service
Investment rate of return	7.00%	7.00%

11. Post-Employment Benefits Other Than Pensions *(continued)*

The discount rate is based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Salary increases depend on the pension plan a member is enrolled in. In addition, they are based on age or years of service.

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Future disability mortality was based on the Pub-2010 "Safety" (PFRS), "Teachers" (TPAF/ABP), and "General" (PERS) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Current disabled retirees mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Certain actuarial assumptions used in the June 30, 2022 valuation were based on the results of actuarial experience studies of the State of New Jersey's defined benefit plans, including PERS (July 1, 2018 through June 30, 2021), ABP (using the experience of the Teacher's Pension and Annuity Fund – July 1, 2018 through June 30, 2021), and PFRS (July 1, 2018 through June 30, 2021).

Health Care Trend Assumptions

For pre-Medicare medical benefits for the June 30, 2023 valuation, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2024 through 2025 are reflected. For PPO, the trend is initially 7.50% in fiscal year 2025, increasing to 15.93% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is initially 7.89% in fiscal year 2025, increasing to 17.83% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after seven years.

For pre-Medicare medical benefits for the June 30, 2022 valuation, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2023 through 2024 are reflected. For PPO the trend is initially 6.36% in fiscal year 2025, increasing 14.35% on fiscal year 2026 and decreases to 4.50% after eight years. For HMO the trend is initially 6.53% in fiscal year 2025, increasing to 15.47% in fiscal year 2026 and decreases to 4.50% after eight years. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after seven years.

12. Reconciliation of Net Position

The changes in net position with the impact of GASB Statement No. 68 broken out separately are as follows (dollars in thousands):

	Net position at June 30, 2022 (as restated)	Changes in net position in 2023	Net position at June 30, 2023	Changes in net position in 2024	Net position at June 30, 2024
Net investment in capital assets	$ 116,610	$ (9,538)	$ 107,072	$ (4,670)	$ 102,402
Restricted	1,720	232	1,952	386	2,338
Unrestricted					
Capital projects	37,725	4,445	42,170	6,879	49,049
Current					
Operating	38,566	4,759	43,325	8,432	51,757
GASB 68 impact	(88,440)	5,565	(82,875)	3,196	(79,679)
Total Current	(49,874)	10,324	(39,550)	11,628	(27,922)
Total Net Position	$ 106,181	$ 5,463	$ 111,644	$ 14,223	$ 125,867

The implementation of GASB 75 had no impact on the College's net position. The annual expense allocated to the College from the State is presented on the Statement of Revenues, Expenses and Changes in Net Position, along with the allocated revenue.

13. Compensated Absences

Vacation, Compensatory and Paid Leave Bank Time

The College's general policy states that employees are entitled, upon termination, to the current year's unused earned vacation, compensatory and paid leave bank time in addition to any unused vacation, compensatory and paid leave bank time carried over from the immediate prior year. The liability for unused vacation, compensatory and paid leave bank time at June 30, 2024 and 2023 amounted to approximately $2.9 million and $2.7 million, respectively.

Accumulated Unpaid Sick Leave

Cash payments for unused accumulated sick leave are made to eligible employees upon regular retirement. The payment is based on 50% of the employee's sick leave accumulation, at the adjusted hourly pay rate in effect at the time of retirement, up to a maximum of $15,000. Employees separating from the College prior to retirement are not eligible for payment. Included in the financial statements is the estimated liability for unused sick time at June 30, 2024 and 2023 was $1.3 million and $1.2 million, respectively. The College has made payments of approximately $38,000 and $54,000 for unused sick time in fiscal year 2024 and 2023, respectively.

14. Leases

During 2024, the College entered into five lease agreements consisting of various equipment, appliances and golf carts consisting of varying terms that expire between 2026 through 2028.

The following summarizes the lease items on the statement of net position as of June 30, 2024 (dollars in thousands):

	7/1/2023	Additions	Subtractions	6/30/2024
Lease Assets				
Equipment	$ -	$ 476	$ -	$ 476
Vehicle	-	131	-	131
Total	-	607	-	607
Accumulated Amortization				
Equipment	-	(93)	-	(93)
Vehicle	-	(20)	-	(20)
Total	-	(113)	-	(113)
Lease Assets, net	$ -	$ 494	$ -	$ 494
Lease Liabilities	$ -	$ 593	$ (93)	$ 500

Future minimum lease payments as of June 30, 2024 are as follows (dollars in thousands):

	Principal	Interest	Total Payments
2025	$ 145	$ 20	$ 165
2026	151	13	164
2027	95	7	102
2028	83	3	86
2029	26	2	28
	$ 500	$ 45	$ 545

The components of the lease expense as of June 30, 2024 are as follows (dollars in thousands):

Lease expense	
Amortization expense by class of underlying asset	
Equipment	$ 93
Vehicle	20
Total amortization expense	113
Interest on lease liabilities	18
Total	$ 131

15. Commitments

Encumbrances representing outstanding purchase orders and other commitments for materials or services not received as of June 30, 2024 and 2023 are not included in the financial statements. The College has approved contracts in fiscal 2024 and 2023 of approximately $5.0 million and $4.2 million, respectively, the majority of which are for construction and renovation projects and will be funded by plant fund assets on deposit with the trustee.

16. Contingencies

Public/Private Partnership

Pursuant to the New Jersey Economic Stimulus Act of 2009, the College entered into a Public/Private Partnership (P3) with National Energy Partners (NEP) of Mt. Laurel, NJ. The agreement calls for the private parties to construct and operate a photovoltaic system (the “System”) on campus that includes solar carport canopies in the main parking fields; ground-mounted solar panels on the berm near the south entrance/exit of the campus; and solar panels on the roofs of the Phase I Academic Building, Mackin Hall, Bischoff Hall, and the Bill Bradley Sports & Recreation Center.

The terms of the agreement call for the private partner to construct and operate at its expense the photovoltaic system, and sell back to the College electricity generated at the initial rate of $0.105/kWh, with cost increases over a twenty-year term not to exceed 2% per year.

In addition, at the end of the initial term or the renewal term, which are August 2034 or 2039, respectively, the College has the right to purchase the System at fair market value.

In accordance with the terms and conditions of the P3 agreement, NEP transferred to the College $2.2 million, which covered the cost of roof replacements. The firm will also provide the College with a credit towards the first $75,000 of electricity billings once the photovoltaic system is operational.

The College has completed the installation of solar carports and rooftop and ground-mounted panels and began utilizing the solar panels in August of 2019.

Contingencies

The College is involved in various claims and lawsuits arising in the normal course of business. Management believes that any financial responsibility that may be incurred in settlement of such claims and lawsuits would not be material to the College’s financial position.

16. Contingencies *(continued)*

The College receives support from Federal and State of New Jersey grant programs, primarily student financial assistance. Entitlement to the resources requires compliance with terms of the grant agreements and applicable regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits. The College estimates that adjustments, if any, as a result of such audits would not have a material adverse effect on the College's financial statements for the years ending June 30, 2024 and 2023.

The College is exposed to various risks of loss. The College participates in a consortium with nine other New Jersey colleges and universities to purchase property insurance. Buildings and equipment are fully insured on an all-risk replacement basis to the extent that losses exceed $100,000 per occurrence, with a per occurrence limit of $1.5 billion. Coverage for theft of money and securities provides for the actual loss in excess of $25,000 with a per loss limit of $5 million.

17. Government Relations and Legal Fees

The New Jersey Higher Education Restructuring Act of 1994 requires the College to disclose the costs incurred associated with government and public relations and legal costs. The College expended $0.8 million and $0.4 million for government and public relations during the years ended June 30, 2024 and 2023, respectively, and $0.2 million and $0.7 million in legal fees during the years ended June 30, 2024 and 2023, respectively.

18. Component Unit

Ramapo College Foundation (the Foundation) is a legally separate component unit of Ramapo College of New Jersey, exempt from tax under the Internal Revenue Code Section 501(c) (3). The Foundation acts to stimulate, solicit, secure and promote the receipt of resources from grants, bequests and gifts offered by individuals, corporations and foundations and use such resources to enhance, support and compliment the activities of Ramapo College of New Jersey. Because the resources of the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements.

During the years ended June 30, 2024 and 2023, the Foundation distributed $2.2 million and $2.3 million, respectively, to the College for both restricted and unrestricted purposes. Complete financial statements for the Ramapo College Foundation can be obtained from Office of Institutional Advancement at 505 Ramapo Valley Road, Mahwah, NJ 07430.

Ramapo College Foundation is a private nonprofit organization that reports under Financial Accounting Standards Board standards, including ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. These standards provide for certain revenue recognition and presentation features which may be different from GASB criteria. No modifications have been made to the Foundation's financial information as discretely presented in these statements.

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REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

Ramapo College of New Jersey
(A Component Unit of the State of New Jersey)
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
Public Employees' Retirement System
Last 10 Years *
(dollars in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
College's proportion of the net pension liability	0.38%	0.38%	0.38%	0.39%	0.38%	0.38%	0.37%	0.36%	0.37%	0.39%
College's proportionate share of the net pension liability	$ 85,858	$ 85,719	$ 84,908	$ 87,622	$ 88,197	$ 89,083	$ 94,937	$ 105,486	$ 88,667	$ 78,354
College's covered-employee payroll (as of the measurement date)	$ 17,798	$ 17,504	$ 17,541	$ 17,430	$ 17,442	$ 17,142	$ 16,543	$ 16,015	$ 15,439	$ 15,439
College's proportionate share of the net pension liability as a percentage of its covered-employee payroll	482.40%	489.71%	484.05%	502.71%	505.66%	519.68%	573.88%	658.67%	574.31%	507.51%
Plan fiduciary net position as a percentage of the total pension liability	48.45%	46.41%	51.52%	42.90%	42.04%	40.45%	36.78%	38.21%	42.74%	30.06%

*Information provided for Required Supplementary Information will be provided for ten (10) years as the information becomes available in subsequent years.

Ramapo College of New Jersey
(A Component Unit of the State of New Jersey)
Required Supplementary Information
Schedule of Employer Contributions
Public Employees' Retirement System
Last 10 Years *
(dollars in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 6,612	$ 6,371	$ 6,355	$ 4,532	$ 3,494	$ 2,976	$ 2,341	$ 1,681	$ 1,136	$ 668
Contributions in relation to the contractually required contribution	6,612	6,371	6,355	4,532	3,494	2,976	2,341	1,681	1,136	668
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's covered-employee payroll (As of fiscal year end)	$ 17,798	$ 17,504	$ 17,425	$ 17,541	$ 17,430	$ 17,442	$ 17,142	$ 16,543	$ 16,015	$ 15,439
Contributions as a percentage of covered-employee payroll	37.15%	36.40%	36.47%	25.84%	20.05%	17.06%	13.66%	10.16%	7.09%	4.33%

*Information provided for Required Supplementary Information will be provided for ten (10) years as the information becomes available in subsequent years.

Ramapo College of New Jersey
(A Component Unit of the State of New Jersey)
Required Supplementary Information
Schedule of Proportionate Share of the Total OPEB Liability
Last 10 Years *
(dollars in thousands)

	2024	2023	2022	2021	2020	2019	2018
College's proportion of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
College's proportionate share of the total OPEB liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State of New Jersey's proportionate share, relating to Ramapo College of New Jersey, of the total OPEB liability	118,114	118,114	144,282	166,452	110,077	145,811	163,520
Total OPEB Liability	$ 118,114	$ 118,114	$ 144,282	$ 166,452	$ 110,077	$ 145,811	$ 163,520
College's covered employee payroll	$ 52,188	$ 52,522	$ 53,283	$ 55,486	$ 58,010	$ 55,848	$ 46,521
College's proportionate share of the collective total OPEB liability as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

*Information provided for Required Supplementary Information will be provided for ten (10) years as the information becomes available in subsequent years.

1. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

Measurements as of the June 30, 2023 reporting date are based on the fair value of assets as of June 30, 2023 and the Total Pension Liability (TPL) as of the valuation date, July 1, 2022, updated to June 30, 2023. As a result of the Experience Study covering the period July 1, 2018 – June 30, 2021, the underlying demographic and economic assumptions were updated. This report also reflects three changes to the plan provisions, only one of which had an impact on the TPL. Chapter 226, P.L. 2021 reopened the Prosecutors Part of PERS and made membership in the Prosecutors Part of PERS mandatory for all prosecutors. There are no other significant events that are measurable at this time between the valuation date and the measurement date, so the update procedures only include the addition of service cost and interest cost offset by actual benefit payments, and adjustments to reflect the changes in assumptions and plan provisions as described.

2. NONEMPLOYER OPEB LIABILITY FOR THE STATE HEALTH BENEFIT STATE RETIRED EMPLOYEES PLAN

Benefit Changes

Effective April 16, 2019, the State Health Benefits Program Plan Design Committee approved and adopted a new PPO plan design (referred to as the "NJDIRECT Plan" but also includes the "CWA Unity Plan" for retirees affiliated with the CWA) which replaces all current PPO plan offerings for State pre-Medicare future retirees. Any State pre-Medicare retiree who enrolls in the NJDIRECT Plan will be required to contribute a percentage of their retirement allowance instead of a percentage of the cost of health coverage as required under Chapter 78.

Changes of Assumptions

Mortality rate improvement assumptions, trend rate assumptions, repealment of the excise tax and discount rate assumptions have been updated from the June 30, 2021 valuation to be consistent with industry standards. The discount rate changed from 3.54% as of June 30, 2022 to 3.65% as of June 30, 2023.