Basic Financial Statements and Management's Discussion and Analysis and Report of Independent Certified Public Accountants

Montclair State University
(A Component Unit of the State of New Jersey)

June 30, 2024 and 2023

GRANT THORNTON LLP
186 Wood Ave. S., 4th Floor
Iselin, NJ 08830

D +1 732 516 5500
F +1 732 516 5502

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees
Montclair State University

Report on the financial statements

Opinions

We have audited the financial statements of the business-type activities of Montclair State University (the "University"), 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 University's basic financial statements as listed in the table of contents.

In our opinion, based on our audits and the reports of other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the University as of June 30, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the discretely presented component unit, Montclair State University Foundation, which represents 100% of the assets and revenues of the discretely presented component unit as of June 30, 2024 and 2023 and for the years then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for that entity, is based solely on the reports of the other auditors.

Basis for opinions

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

Responsibilities of management for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the 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 management's discussion and analysis, the schedules of university contributions, and the schedules of the proportionate share of the total other postemployment benefits (OPEB) liability on pages 89 and 91, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with US GAAS. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our 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 audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The consolidating statement of net position, consolidating statement of revenues, expenses, and changes in net position, and consolidating statement of cash flows on pages 84, 85 and 86, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures. These additional procedures included comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with US GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

GRANT THORNTON LLP (signed manually)

Iselin, New Jersey
Month --, 2025

The objective of Management's Discussion and Analysis (MD&A) is to help readers of the Montclair State University financial statements better understand the financial position and operating activities of the University, as of and for the year ended June 30, 2024, with selected comparative information for the years ended June 30, 2023 and 2022. Management prepared this discussion, and it should be read in conjunction with the financial statements and the notes to the financial statements. Unless otherwise indicated, years (2024, 2023, and 2022) in this discussion refer to the fiscal years (FY) ended June 30.

Montclair State University's financial report communicates financial information for Montclair State University, Bloomfield College of Montclair State University, and its foundation, Montclair State University Foundation, through three primary financial statements and notes to the financial statements - the statement of net position, the statement of revenues, expenses and changes in net position, and the statement of cash flows. The Montclair State University Foundation financial statements are presented discretely from Montclair State University and Bloomfield College of Montclair State University. The MD&A discusses the business-type activities of Montclair State University and Bloomfield College of Montclair State University and does not include the Foundation. The notes to the financial statements provide additional information that is essential to a full understanding of the financial statements.

Montclair State University and Bloomfield College of Montclair State University

Montclair State University (Montclair), established in 1908, has been a leading institution of higher education in New Jersey and is committed to serving the educational needs of the State. Its programs are characterized by academic rigor and advancement in the development of knowledge and its application. Due to this commitment, Montclair began a strategic merger with Bloomfield College, a private not-for-profit 501(c)(3) organization, located in Bloomfield, New Jersey to preserve the only Predominantly Black Institution (PBI) in the state and to ensure the Bloomfield College students complete their degrees in a timely manner.

Montclair commenced working on this merger in 2021, strategically planning for approximately two years. On March 2, 2023, the University created a sole member not-for-profit entity named Bloomfield College of Montclair State University, Inc. (Bloomfield-Merger Sub). On June 30, 2023, the Middle States Commission on Higher Education Accrediting Board completed its review of the complex substantive change, authorizing Montclair and Bloomfield College to finalize the transfer of ownership. Bloomfield College became the thirteenth constituent college of Montclair State University, now known as Bloomfield College of Montclair State University (Bloomfield). This new entity was placed into the Bloomfield-Merger Sub, pending phase two approval of the merger by the U.S. Department of Education (ED). The ED has a two-step process: change in ownership and change in affiliation. Those steps were completed on May 2, 2024, and June 28, 2024, respectively, designating Bloomfield as an additional location of Montclair State University. On June 30, 2024, the second phase was completed by effectuating the merger transaction of Bloomfield and Montclair and dissolving the Bloomfield-Merger Sub entity. As of fiscal year 2023, Bloomfield is included as a business-type activity within the University's financial statements.

Bloomfield College, founded in 1868, was New Jersey's only institution of higher education designated by ED as a Predominantly Black, Hispanic-serving, and Minority serving institution. Bloomfield College served a diverse population and prepared students for success in a multicultural and global society. While the entity called Bloomfield College no longer exists after the merger, Bloomfield will continue to operate and serve these communities.

Situated on a 264-acre suburban campus, Montclair and Bloomfield (collectively, the University) delivers the instructional and research resources of a large public university in a supportive, sophisticated and diverse academic environment. Montclair is designated as a Research Doctoral University by the Carnegie Classification of Institutions of Higher Education and classified by the New Jersey Secretary of Higher Education as a doctoral degree-granting institution. The University has 13 degree-granting colleges and schools that serve more than 23,500 undergraduate and graduate students. The University has more than 300 doctoral, master's, and baccalaureate level programs.

The U.S. News & World Report 2025 Best Colleges ranked the University among the best universities in the nation. The University has once again been recognized as national leader in social mobility – a measure of how well schools enroll and graduate economically disadvantaged students and bring them closer to achieving the American Dream – ranking at number 12 in the country out of 434 national universities. The University moved up 11 places, coming in at number 152 out of 434 universities nationwide, the highest ranking ever and reached number 81 among the nation's top public institutions on this closely watched list of the best colleges in America.

The U.S. News & World Report 2024 Best Graduate Schools ranked the University programs among the nation's best graduate schools. Graduate education specializations ranked in the top 25 in the nation, with Elementary Teacher Education ranked number 22 and Curriculum and Instruction ranked number 24.

The U.S. News & World Report 2024 Best Online Programs ranked the University among the nation's best online programs. Master of Arts in Educational Leadership program ranked number 15 in the nation and number 1 in New Jersey, online MBA program ranked number 74, Master of Science in Business Analytics program ranked number 71, up 11 spots from 2023, Master of Science in Information Technology ranked number 47, the highest ranking the program has received since participating in the survey, and Master of Science in Nursing ranked number 77 in the nation and tied for second in New Jersey.

The Newsweek's America's Top Online Colleges for 2024 ranked the University number 1 in New Jersey and number 24 in the nation, out of 200 institutions, showcasing the University's commitment to providing multiple pathways for students to earn an affordable, high-quality education.

The Washington Monthly Magazine 2024 College Guide and Rankings ranked the University number 57 in the nation, up from number 81 in 2023, number 2 in New Jersey, and the top public university in the state.

The Wall Street Journal/College Pulse Best Colleges in the U.S. ranked the University number 4 in New Jersey, number 104 overall out of 400 institutions and number 37 out of 204 public institutions.

Financial Highlights

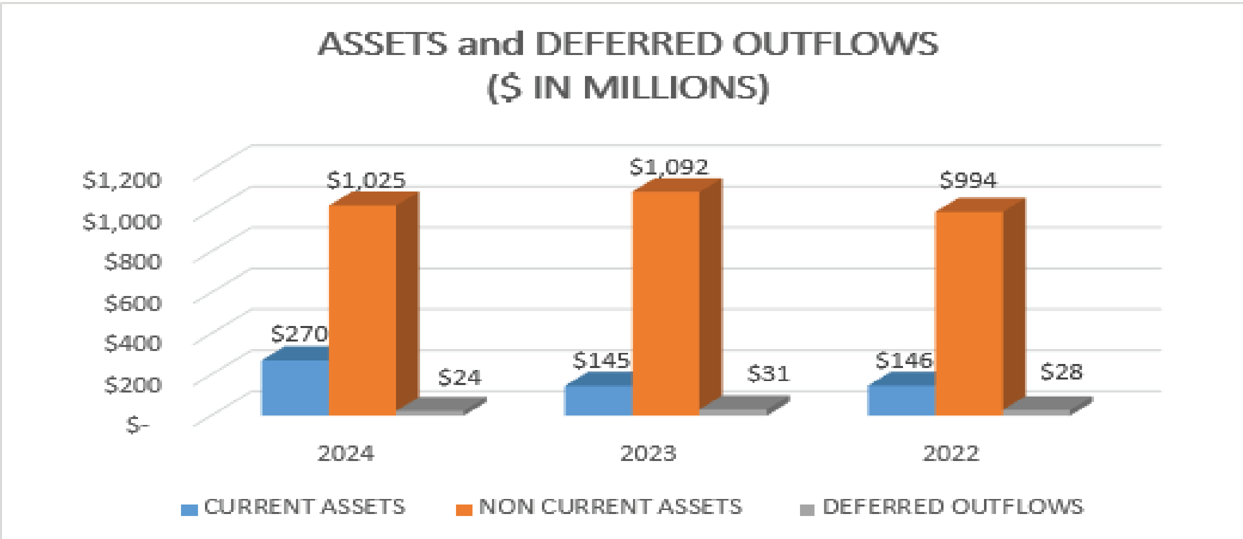
In 2024, the University was awarded a $9.2 million grant from the Higher Education Technology Infrastructure Program for the campus Wi-Fi and firewall upgrade. In exchange for receipt of the grant, the University agreed to provide matching funds of one hundred percent to be allocated to the grant project. The funds were received on January 26, 2024 and as of June 30, 2024, $4.8 million remain unspent.

In 2024, the University was awarded a $59.9 million grant from the Higher Education Capital Improvement Fund program for the expansion of the STEM facilities and the renovation of the Teaching and Learning Commons. In exchange for receipt of the grant, the University agreed to pay the New Jersey Educational Facilities Authority an amount equal to one-third of the amount as debt service requirement plus a share of administrative fees. The funds were received on October 5, 2023, and as of June 30, 2024, $59.9 million remain unspent.

On April 3, 2024, the University issued New Jersey Educational Facilities Authority Revenue Refunding Bonds, Montclair State University Issue, Series 2024A for $159.4 million to refund its existing New Jersey Educational Facilities Authority Revenue Refunding Bonds, Montclair State University Issue, Series 2014A, Bloomfield College Series 2013A bonds, and Bloomfield College mortgage loans. As part of the refunding, the University reduced its total debt service over the next 20 years by $34.3 million and it equates to savings to the University of approximately $26.1 million.

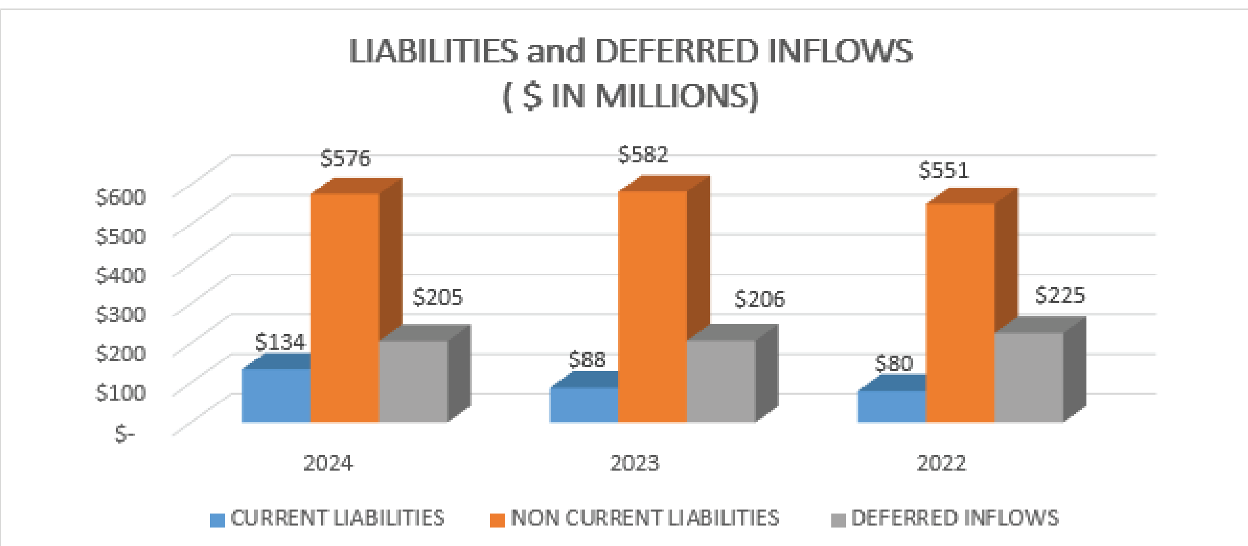
THE UNIVERSITY'S FINANCIAL POSITION

The University's composition of assets and deferred outflows as of June 30, 2024, 2023, 2022 is as follows:



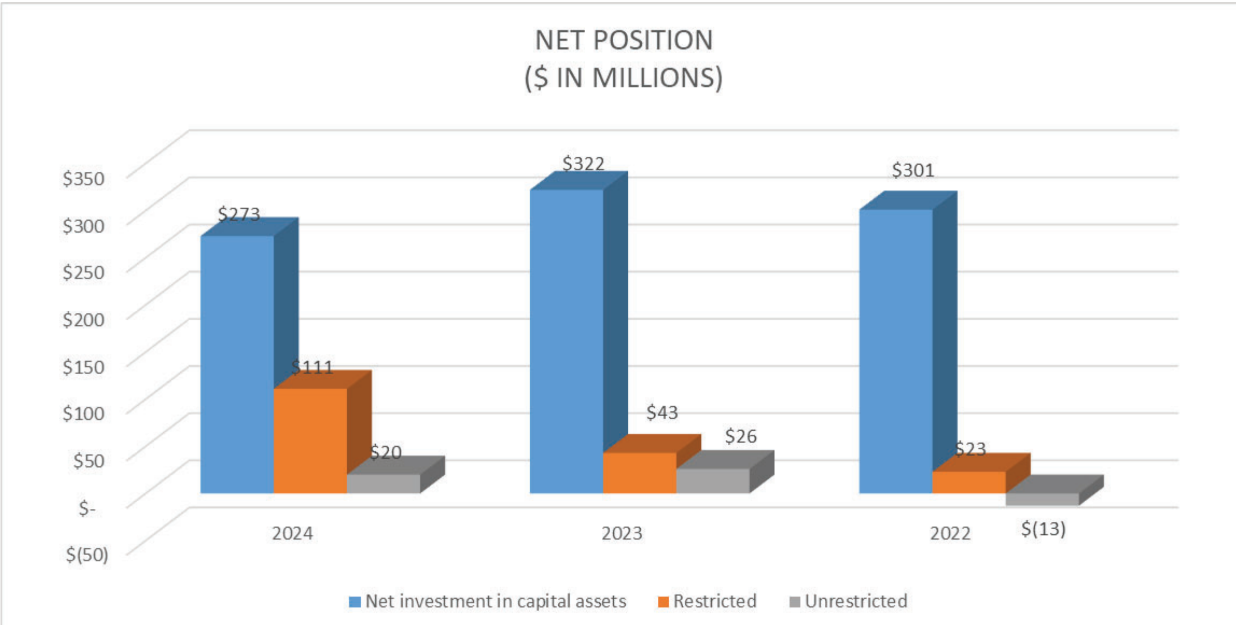
Deferred outflows represent the consumption of net assets applicable to future reporting periods.

The University's composition of liabilities and deferred inflows as of June 30, 2024, 2023, 2022 is as follows:



Deferred inflows represent the acquisition of net assets that are applicable to a future reporting period, for example pension and unearned revenue from concession arrangements.

The statement of net position presents the financial position of the University at the end of each year. The sum of assets and deferred outflows, less the sum of liabilities and deferred inflows, is the University's net position.

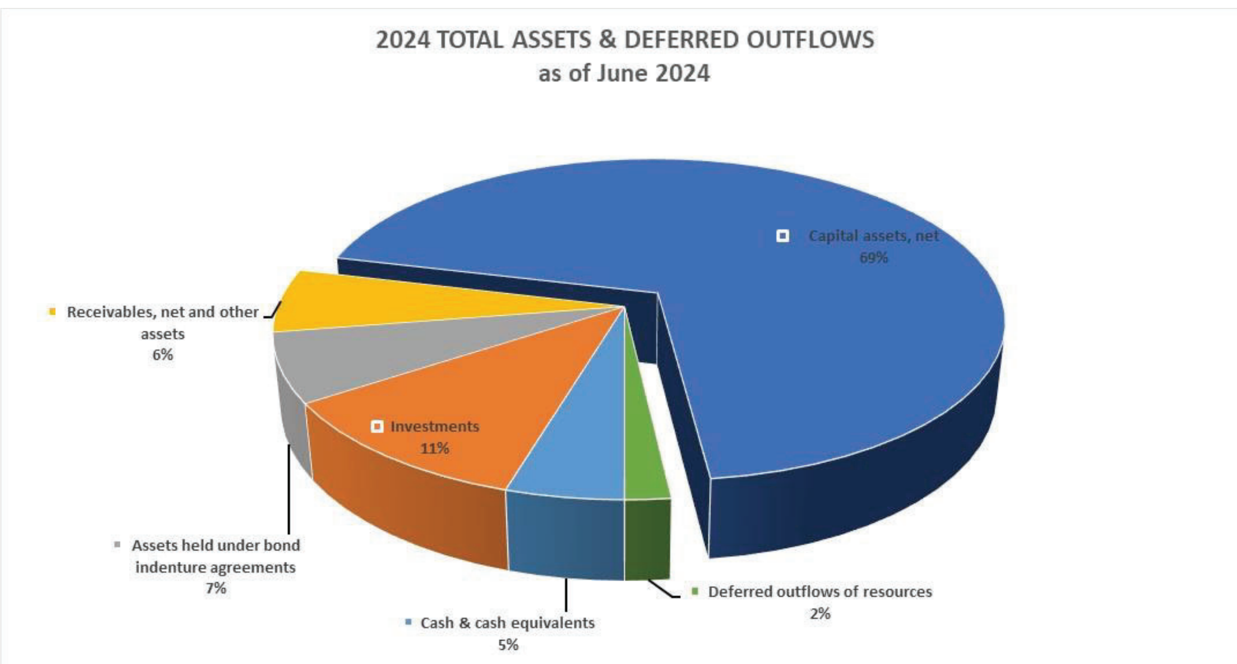


The major components of the assets, deferred outflows, liabilities, deferred inflows and net position as of June 30, 2024, 2023 and 2022 are as follows (dollars in thousands):

	2024	2023	2022
Assets			
Cash & cash equivalents (including restricted)	$ 61,316	$ 52,516	$ 69,149
Investments	146,443	154,948	96,828
Assets held under bond indenture agreements	89,285	21,417	21,563
Accounts & loans receivable, net	46,963	41,736	33,071
Rent receivables	31,658	28,442	26,001
Capital assets, net	916,026	932,142	890,175
Other assets	3,781	5,626	3,529
Total assets	1,295,472	1,236,827	1,140,316
Deferred outflows of resources	23,842	31,312	28,375

	2024	2023	2022
Liabilities			
Bonds payable and other debt	379,086	383,969	367,709
Lease payable	18,370	21,971	23,700
Subscription payable	26,048	23,707	7,172
Accounts payable & accrued expenses	48,335	48,586	45,705
Net pension liability	171,925	174,695	170,948
Unearned tuition and grant revenues	56,895	10,918	11,530
Other liabilities	9,114	6,849	5,081
Total liabilities	709,773	670,695	631,845
Deferred inflows of resources	204,972	205,999	225,443
Net position			
Net investment in capital assets	273,148	322,233	301,414
Restricted nonexpendable	13,935	13,578	-
Restricted expendable	97,339	29,201	23,186
Unrestricted net position (deficit)	20,147	26,433	(13,197)
Total net position	$ 404,569	$ 391,445	$ 311,403

Assets and Deferred Outflows



The University's total assets and deferred outflows of resources increased to $1.319 billion in 2024, from $1.268 billion in 2023 and $1.169 billion in 2022.

Total assets increased $58.6 million in 2024 due to increase in assets held under bond indentures related to funds received from the State.

Deferred outflows decreased $7.5 million in 2024 due to $4.7 million recognized for capital purchase, $1.6 million in changes in the University's net pension liability and $1.2 million in changes for debt refunding.

Cash and Cash Equivalents

The University maintains cash balances sufficient to meet operating liquidity, fund capital investments, and support the financial profile of the University. In managing cash and cash equivalents, the University aims to generate earnings on those funds while managing risk and maintaining compliance with board approved investment guidelines. University cash and cash equivalents are held primarily in its operating bank account and in the State of New Jersey Cash Management Fund (CMF). The balance held in the State of New Jersey Cash Management Fund as of June 30, 2024 and 2023 was $1.8 million and $4.0 million, respectively. The average monthly balance held in Montclair's operating bank account decreased to $66.2 million in 2024 from $79.8 million in 2023.

Cash and cash equivalents also include a portion of the University's investment funds which are held in custody by PNC Institutional Asset Management (PNC) and managed by Pacific Investment Management Company, LLC (PIMCO). The cash and cash equivalents balance held in this account was $27.5 million and $5.7 million as of June 30, 2024 and 2023, respectively. Total cash and cash equivalents as of June 30, 2024 was $8.8 million higher than as of June 30, 2023.

To minimize the risk of loss in the event of a bank failure and as required by NJ State law, the University entered into a collateral pledge and security agreement with JPMorgan Cash Bank, N.A. (JPM), its primary operating bank, for funds held at the Federal Reserve Bank. Under this arrangement, deposits exceeding federally insured amounts are collateralized.

Investments

Additions to University investments primarily reflect additions to reserve funds or temporary investment of excess operating cash, which are invested in a fixed income portfolio managed by PIMCO in accordance with the investment policy statement established by the Board of Trustees. The overall objective of the investment portfolio is to provide current income while preserving capital and liquidity. The investment policy permits purchases of fixed income instruments including US obligations, money market instruments, repurchase agreements, commercial paper, certificates of deposit, corporate bonds, and floating rate securities without interest rate caps that meet the approved criteria for quality, diversification, liquidity, and maturity. Investments as of June 30, 2024 were $8.5 million lower than as of June 30, 2023 which is attributable to liquidation of investments for operating cash needs.

Assets Held Under Bond Indenture Agreements

The University has historically funded a significant portion of major capital improvements with public bonds issued through the New Jersey Educational Facilities Authority (the "Authority"), whose mission is to help college and university clients obtain low-cost financing for the development of their facilities. Generally, the change in assets held is attributable to reimbursement drawdowns, new refundings, and the effect of changes in the market value of unspent invested proceeds. Assets held under bond indenture agreements increased $67.9 million in 2024 reflecting proceeds from State funding awaiting disbursement offset by drawdowns of previously issued bond proceeds.

Accounts, Loans and Rent Receivables, Net

Receivables primarily include amounts due from students, state and federal government contracts and grants, private grants and contracts, and a variety of billings ranging from clinical services, fee for service arrangements, auxiliary enterprise contracts and lease agreements. Receivables fluctuate based on the timing of collections. Student accounts which are past due twelve months, are reserved for at 50% and those past due twenty-four months are reserved at 100%. All other receivables are written off when they are determined to be uncollectible based upon management's assessment of individual accounts. Accounts, loan and rent receivables, net as of June 30, 2024 were $8.4 million higher than as of June 30, 2023 due to timing of collections and financial aid drawdowns.

The Perkins loans receivable balance was $788 thousand as of June 30, 2024 and $1.1 million as of June 20, 2023. Per federal regulations, Perkins loans are no longer being awarded and disbursed. The Federal Perkins Loan Program expired on September 30, 2017 and no new disbursements were permitted after June 30, 2018. The Perkins loan program provided subsidized loans to both graduate and undergraduate students with exceptional financial needs. It is a Title IV, campus-based loan program, funded with University and federal dollars, with the University acting as lender. Heartland Campus Solutions ECSI services the loans on behalf of the University and determines the reserves against the loans receivable.

Capital Assets, Net

The University capital spending during 2024 increased by $24.7 million from 2023 due to various campus wide improvements and technology projects. Capital spending includes construction and renovation of academic buildings, research laboratories, libraries, student services, housing facilities, clinical facilities, parking structures, right-to-use assets, subscription-based information technology agreements, and other improvements to the campus infrastructure. Capital assets, net as of June 30, 2024, were $16.1 million lower than as of June 30, 2023. Assets increased $41.8 million and accumulated depreciation and amortization increased $57.9 million.

<u>Renovations completed during fiscal 2024 included:</u>

- Yogi Berra Stadium is now home to two collegiate baseball teams: Montclair State University and New Jersey Institute of Technology (NJIT). The schools partnered on the renovation of Yogi Berra stadium including new turf, technology upgrades, and energy-saving LED lights that significantly reduce the stadium's environmental footprint. Various other miscellaneous upgrades such as outfield wall replacements, new bullpens, new batting cages, and a new scoreboard were also done.

- Cafe Diem, the previous cafe space attached to Sprague Library, has been renovated into a Starbucks venue right on Montclair Campus.

- The Village consists of four residential buildings that provide housing for approximately 850 upper class students and graduate residents. Water damage was repaired and mitigated to prevent future occurrences.

- The Village had Blackboard Reader access controls installed on stairwells and elevators to ensure the safety of residents and staff.

- Freeman Hall is located near the University entrance on the southeast corner of campus and houses approximately 250 residents in a suite-style setting. Community kitchens were renovated with new tiles and lighting and customer areas had new air conditioning units installed.

- Campus wide improvements were completed in updating all classrooms from analog to high-definition digital equipment. This was essential in assuring all faculty could use current technologies in all classrooms.

- Montclair State University Police Department is an autonomous, fully certified and operational law enforcement agency that serves the Campus community. Structural repairs and interior renovation including new shower rooms, new locker rooms, a larger breakroom, and a new armory were completed.

- Various structural repairs were completed throughout campus including CarParc Diem roof repairs, Lot 17 sidewalk repairs, Bohn Hall roof repairs, Reid Hall roof repairs, Student Center stairs restoration, as well as Red Hawk Deck fire damage repairs. These repairs were essential in mitigating any potential future issues.

Construction in progress during fiscal 2024 included:

- The Village facade of all four buildings is being renovated to maintain functionality and mitigate future issues. Renovations include crack repairs, stucco replacements, joint and sealant replacements, and waterproofing.

- Sprague Library is a three-floor library with over 1 million books, periodicals, and documents, laptop lending, and the temporary home for University College. Sprague Library is also home to Starbucks. Various sections of the roofing are being repaired or replaced to maintain functionality of this crucial academic space.

- Center for Environmental Life Sciences (CELS) houses many of the Earth and Environmental sciences as well as research institutes addressing such issues. HVAC improvements are being made to achieve AAALAC accreditation for research expansion involving new species of animals.

- The Student Center provides a community of services. It provides a common area where students, faculty, staff and visitors can come together for social interaction and begin to develop a spirit of cooperation and learning through common understanding. Elevators are being renovated to maintain functionality in this crucial space.

Renovations completed during fiscal 2023 included:

- Campus wide improvements were made to improve Montclair's network infrastructure and technology equipment as hybrid work and learning models have strained existing infrastructure. Various projects included Campus Wi-Fi upgrades, IT computer equipment replacements, leased hardware, and Aspire network line card upgrades to update infrastructure equipment.

- Dining Services POS hardware and software were replaced to strengthen PCI compliance and maintain support for incoming new software.

- Various repairs were completed in Life Hall which houses Dance Theatre, Fashion Studies, L. Howard Fox Studio Theater, and Memorial Auditorium.

- A new physics laboratory was constructed in Richardson Hall for an incoming faculty member.

Other Assets

Other assets include prepaid expenses of $3.23 million, $407 thousand in deposits and $144 thousand in deferred compensation plan assets.

Liabilities and Deferred Inflows

The University's total liabilities and deferred inflows of resources increased to $914.7 million in 2024, from $876.7 million in 2023 and $857.3 million in 2022.

Total liabilities increased $39.1 million in 2024 due to an increase in unearned tuition and grant revenues. Deferred inflows of resources decreased $1 million in 2024 due to changes in University's deferred inflow of pension resources.

Bonds Payable and Other Debt

University debt is used to partially finance the addition of new capital assets. Amounts outstanding at the end of 2024, 2023 and 2022 were $379.1 million, $384.0 million, and $367.7 million, respectively.

The University's debt decreased $4.9 million in 2024 due to $199.6 million in additional debt offset by $177.3 million in refinancing and prepayments, $14.1 million in principal payments and $13.1 million in amortization, for a total of $204.5 million in reductions. The table below shows the components of the $4.9 million decrease in 2024, $16.3 million increase in 2023 and $15.8 million decrease in 2022 (dollars in thousands):

	2024	2023	2022
Beginning Balance	$ 383,969	$ 367,709	$ 383,547
Additions to outstanding debt	199,621	32,512	-
Refinancing and prepayments	(177,325)	-	-
Scheduled principal payments	(14,072)	(15,600)	(15,204)
Amortization of bond premium/discount - net	(13,107)	(652)	(634)
Net (decrease) increase in outstanding debt	(4,883)	16,260	(15,838)
Ending Balance	$ 379,086	$ 383,969	$ 367,709

As of June 30, 2024, the University had outstanding indebtedness in the form of annual rentals it assumed under certain leases and agreements with the New Jersey Educational Facilities Authority (NJEFA or the Authority) of $337.1 million.

The University is obligated to service debt with principal totaling $21.4 million of which $317 thousand relates to Bloomfield, under several state programs that support capital improvements, environmental infrastructure, and education-related technologies.

The University is obligated to service $15.6 million in lease principal payments primarily consisting of office space, dining space, and IT equipment.

The University is obligated to service $20.0 million in software subscription principal payments related to numerous cloud-based ERP systems, data management tools, and educational software that assist the campus community.

The composition of the University's long-term debt as of June 30, 2024, 2023, and 2022 follows (dollars in thousands):

	2024	2023	2022
NJEFA Revenue Bonds	$ 337,050	$ 337,855	$ 350,665
Private Placement Bond	-	26,234	-
Higher Education Capital Improvement Fund	21,364	2,218	2,933
NJ Environmental Infrastructure Trust	-	-	176
Higher Education Equipment Leasing Fund	-	-	42
Program Commercial Mortgage Loan	-	4,814	-
	$ 358,414	$ 371,121	$ 353,816
Leases	$ 15,657	$ 18,368	$ 20,171
Subscriptions	$ 20,036	$ 18,475	$ 3,572

Fitch Ratings remained unchanged in 2023 as 'A+' rating on the University's outstanding revenue bonds with a stable rating outlook.

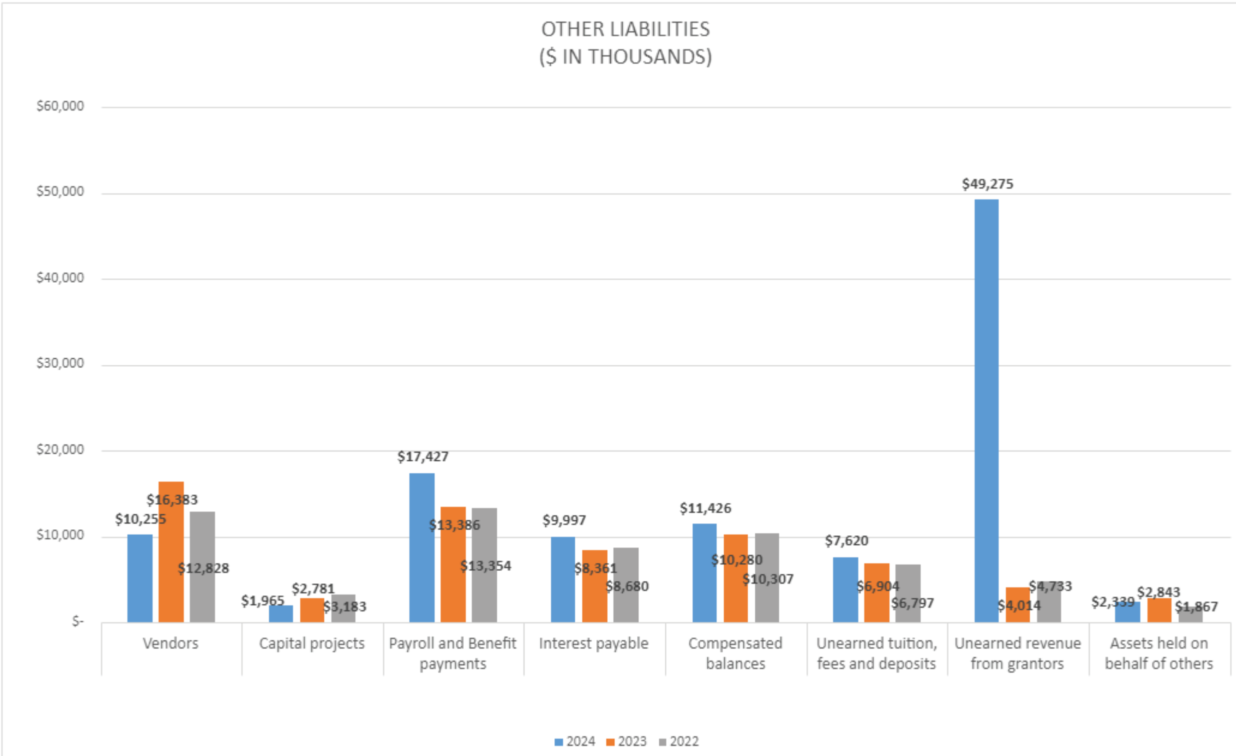
Net Pension Liability

The University records its proportionate share of the net pension liability and related pension activity as determined by the State of New Jersey, Division of Pensions and Benefits. The State of New Jersey contributes to the Public Employees' Retirement System (PERS), and the Police and Firemen's Retirement System (PFRS). Historically, the State of New Jersey has directly covered pension contributions on behalf of the University and there are no current changes to this legislation. The University's share of the net pension liability was $171.9 million, $174.7 million and $170.9 million in 2024, 2023 and 2022, respectively. The liability reflects the present value of projected future payments to those already retired and those who will retire with benefits due. The decrease in the accumulated net pension liability for 2024 was driven primarily by changes in actuarial methods. The actuarial valuation for 2024 is based on a measurement date as of June 30, 2023.

For each of the measurement date years 2023, 2022 and 2021, the portfolio's total investment rate of return was 7%.

Other Liabilities

Liabilities, other than those related to pensions and debt, consist of accounts payable and accrued expenses (due to vendors, capital projects, payroll and benefit payments and interest), compensated balances, unearned income, and assets held on behalf of others.



Deferred Inflows of Resources

Deferred inflows of resources are acquisitions of net assets that are applicable to a future reporting period. The deferred component is the recognition of inflows as revenues in relevant future periods. Deferred inflows of resources are related to the University's service concession arrangements, gains on debt refundings and certain changes in net pension liability.

Deferred inflows of resources decreased by $1.0 million in 2024, $19.4 million in 2023 and $10.1 million in 2022. The $1.0 million decrease in 2024 is due primarily to a $7.3 million decline in deferred service concession revenue and $8.8 million decrease in deferred inflow from pension resources associated with changes in University's proportion of the state-wide payroll offset by an $11.1 million increase in deferred inflow from debt refunding and a $4 million increase in deferred inflow from leases. The University's share decreased from .672% in 2023 to 0.656% (PERS) in 2024 and decreased from 0.562% in 2023 to 0.558% (PFRS) in 2024.

Net Position

Net position represents the residual interest in the University's assets and deferred outflows after all liabilities and deferred inflows are deducted. The University's net position was $404.6 million, $391.4 million, and $311.4 million in 2024, 2023, and 2022, respectively.

Net position is reported in the following categories: net investment in capital assets; restricted nonexpendable; restricted expendable; and unrestricted.

Net Investment in Capital Assets

The portion of net position invested in capital assets, net of accumulated depreciation and the related outstanding debt used to finance acquisitions, construction or improvement of these capital assets. The amounts as of June 30 2024, 2023, and 2022 were $273.1 million, $322.2 million and $301.4 million, respectively. The University continues to invest in physical facilities to maintain campus infrastructure and to meet new and evolving programmatic needs.

Restricted - Nonexpendable

Restricted - nonexpendable net position is subject to externally imposed stipulations that must be maintained permanently by the University. It is comprised of endowments and restricted cash equivalents. The amounts as of June 30 were $13.9 million and $13.6 million for 2024 and 2023, respectively.

Restricted - Expendable

Restricted - expendable net position is subject to externally imposed restrictions governing the use of certain assets. A portion of the net position may be spent only in accordance with the restrictions placed upon them and may include endowment income and gains, subject to the University's spending policy; support received from gifts, appropriations or capital grants, trustee-held investments; or other third-party receipts. The amounts as of June 30 were $97.4 million, $29.2 million and $23.2 million for 2024, 2023 and 2022, respectively. The $68.1 million increase in 2024 in restricted expendable funds is due principally to an increase in assets held under bond indenture, which reflects fundings for capital expenditures. The $6 million increase in 2023 in restricted expendable funds is due principally to an increase in assets held for donor designated purposes of which $5 million is due to the merger with Bloomfield.

Unrestricted

Under generally accepted accounting principles, net position components not subject to externally imposed restrictions governing their use must be classified as unrestricted for financial reporting purposes. Unrestricted net position was positive in 2024 and 2023 and negative in 2022. Positive results in 2024 are due primarily to increases in student revenues and grant and contract revenues which resulted in positive unrestricted net position of $20.1 million. Positive results in 2023 are due primarily to increases in grant and contract revenues and state appropriations which resulted in positive unrestricted net position of $26.4 million of which $11.1 million related to merger with Bloomfield. However, as shown in the adjusted statement excluding the effect of the non-cash pension obligation, the unrestricted net position was $186.4 million in 2024, $202.7 million in 2023 and $177.1 million in 2022.

The following represents an illustration of net position and unrestricted net position adjusted for the effects of the GASB 68 pension pronouncement* (dollars in thousands):

	2024	2023	2022
Net position (deficit) from the financial statements			
Net investment in capital assets	$ 273,148	$ 322,233	$ 301,414
Restricted	111,274	42,779	23,186
Unrestricted	20,147	26,433	(13,197)
Total net position - financial statements	$ 404,569	$ 391,445	$ 311,403
Adjustment of unrestricted surplus (deficit) above			
Unrestricted surplus (deficit)	$ 20,147	$ 26,433	$ (13,197)
GASB 68 pension adjustment:			
Net pension liability	171,925	174,695	170,948
Deferred outflow of resources	(23,816)	(25,449)	(22,222)
Deferred inflow of resources	18,190	27,005	41,616
Total unrestricted net position (as adjusted)	$ 186,446	$ 202,684	$ 177,145
Total net position (as adjusted)	$ 570,868	$ 567,696	$ 501,745

* Since GASB 75 has no effect on Net Position.

RESULTS OF OPERATIONS

The statement of revenues, expenses and changes in net position is a presentation of the University's operating results and indicates whether the financial condition has improved or deteriorated. In accordance with the GASB requirements, certain significant revenues relied upon and budgeted for operational support of the core instructional mission of the University are required to be recorded as non-operating revenues, including state appropriations, financial assistance, private gifts and investment income.

A summarized comparison of the operating results for 2024, 2023 and 2022, arranged in a format that matches the revenue and expense supporting the core activities of the University follows (dollars in thousands):

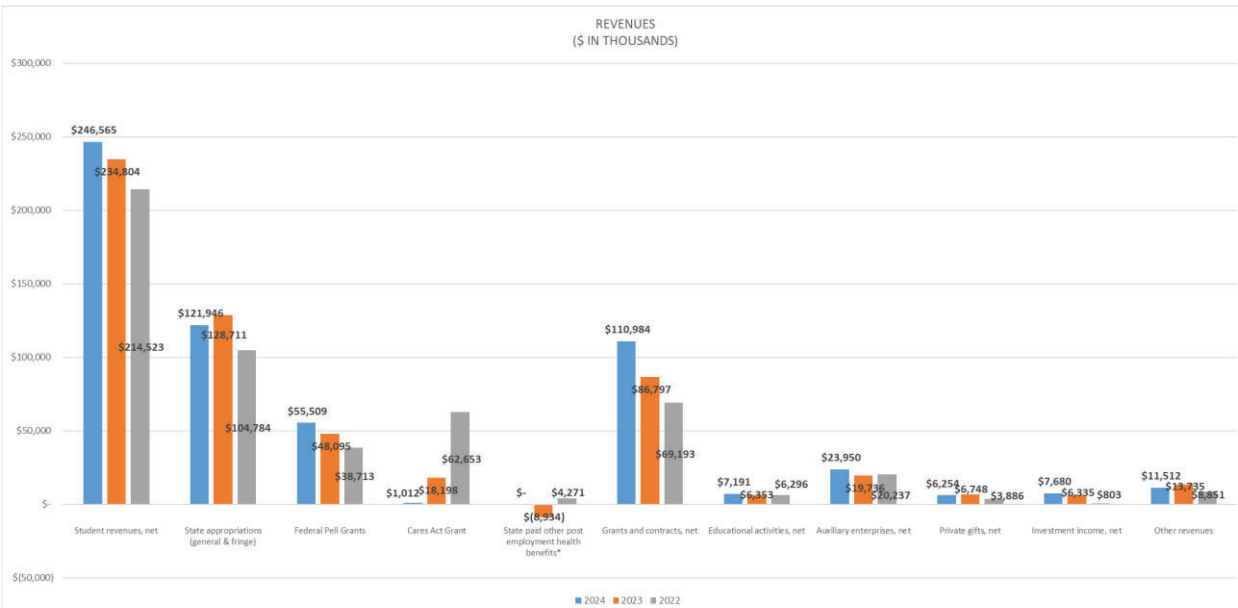
	2024	2023	2022
Revenues			
Student revenues, net	$ 246,565	$ 234,784	$ 214,523
State appropriations (general & fringe)*	121,946	128,711	104,784
Federal Pell Grants*	55,509	48,095	38,713
Pandemic related Financial Assistance*	1,012	18,198	62,653
State paid other post-employment health benefits*	Xxxxx	(8,934)	4,271
Grants and contracts	110,984	86,797	69,193
Educational activities	7,191	6,353	6,296
Auxiliary enterprises	23,950	19,736	20,237
Private gifts*	6,254	6,748	3,886
Investment income*	7,680	6,335	803
Recognition of deferred service concession revenue	7,343	7,343	7,343
Other revenues**	11,512	13,735	8,851
Revenues supporting core activities	599,946	567,901	541,553
Expenses			
Salaries and benefits	350,670	325,569	275,038
Services and Fees	71,173	67,114	48,627
Financial Aid excluding Pandemic related Assistance	34,915	30,835	27,573
Pandemic related Financial Assistance - Student Aid	-	2,268	41,330
Pension benefits	4,925	270	(204)
Post-employment health benefits	xxxxx	(8,934)	4,271
Utilities	21,530	20,691	19,072
Supplies and materials	12,754	11,946	9,781
Depreciation and amortization	63,571	61,242	59,057
Interest expense*	20,161	18,131	17,230
Other expenses**	14,379	14,745	9,763
Expenses associated with core activities	594,078	543,877	511,538
Income from core activities	5,868	24,024	30,015
Other nonoperating activities			
Net increase/(decrease) in fair value of investments	2,647	(2,692)	(3,561)
Income before other changes in net position	8,515	21,332	26,454
Other changes in net position			
Capital gifts and grants	4,609	514	253
Increase in net position	13,124	21,846	26,707
Gain on governmental combination	-	58,196	-
Net position			
Beginning of year	391,445	311,403	284,696
End of year	$ 404,569	$ 391,445	$ 311,403

* Represents nonoperating revenues or expenses.
** Other revenues consist of 21% of nonoperating revenues and other expenses consist of 13% of nonoperating expenses in 2024.

Revenues Supporting Core Activities

Revenues supporting the University's core activities, including those classified on the financial statements as non-operating revenues, were $600 million, $568 million, and $542 million in 2024, 2023 and 2022, respectively. These diversified sources of revenue increased by $32 million in 2024, $26 million in 2023 and $65.5 million in 2022. The increase in 2024 primarily relates to student revenue and grants and contract revenue.

The increase in 2023 is primarily attributable to $41.3 million in revenues from Bloomfield offset by $15 million decrease in Montclair's revenues primarily due to significant decrease in pandemic related financial assistance offset by increases in grant and contract revenue, and state appropriations.



The State of New Jersey's appropriations in conjunction with student tuition and fees are core components that support the instructional mission of the University. Grants and contracts provide opportunities for undergraduate and graduate students to participate in basic research alongside some of the most prominent researchers in the country.

Gifts to the University is one source of funding which can be unrestricted (to provide administrators with the flexibility to address immediate needs) or designated to support a specific college, program or other University initiative. Other significant revenues derive from educational activities and auxiliary enterprises such as student housing, food service operations and parking.

CATEGORIES OF BOTH OPERATING AND NON-OPERATING REVENUE THAT SUPPORTED THE UNIVERSITY'S CORE ACTIVITIES IN 2024 ARE AS FOLLOWS:

Student Revenues, Net

Student revenues are the largest component of operating revenues and are comprised of three main sources: tuition, fees, and room and board. Student revenues, net of scholarship allowances and bad debt expense, were $246.6 million, $234.8 million, and $214.5 million in 2024, 2023 and 2022, respectively.

Student tuition and fees were $329.3 million, $309.2 million, and $256.8 million in 2024, 2023 and 2022, respectively. In fiscal 2024, $20.1 million in additional student tuition and fees resulted from the University enrollment increase of 5.8% for academic year 2023-2024 and an average 6.8% increase in tuition and fee rates. In fiscal 2023, $32 million in additional student tuition and fees resulted from merger with Bloomfield and $20.4 million was attributed to Montclair's enrollment increase of 4.8% for academic year 2022-2023 and an average 4.6% increase in tuition and fee rates.

Room and board revenues were $58.5 million, $54.4 million, and $43.7 million in 2024, 2023 and 2022, respectively, reflecting an increase in occupancy and meal counts and rate increases of 3% for room fees and 1.1% - 3.2% rate increase for board fees. Bad debt expense/(recovery) totaled $2.3 million, $1.1 million, and $(446) thousand in 2024, 2023 and 2022, respectively.

The University places a high priority on scholarship assistance as part of its commitment to student access and affordability. Scholarship allowances, or financial aid, is the difference between the stated charge for tuition and fees and the amounts paid by students and third parties on behalf of the student, which are reported as offsets to revenue. These amounts totaled $141.2 million in 2024, $128.9 million in 2023 and $85.9 million in 2022. Scholarships and fellowships are awarded to students and reported as an offset to their tuition and fees and room and board charges, and financial aid is based on the availability of funds.

State Appropriations

Appropriations from the State of New Jersey totaled $121.9 million of which $3.7 million related to Bloomfield in 2024, $128.7 million of which $13 million related to Bloomfield in 2023, and $104.8 million in 2022. The total includes both the general operating appropriation and fringe benefit reimbursements. Approximately $80.7 million in general operating appropriation was received in 2024 exceeding the $72.4 received in 2023 and $63.3 received in 2022. In fiscal 2024, the $80.7 million in general operating appropriation includes $17.9 million and $1.8 million in Outcomes Based Appropriation (OBA) for Montclair and Bloomfield respectively, and $4.7 million in additional fringe support. In fiscal 2023, the $72.4 million includes $14.8 million in OBA and $2.2 million as additional fringe support. The OBA is an additional funding source provided from the State starting in fiscal 2020 for each senior public institution of higher education aimed at advancing equity and improving student outcomes. An increase in fringe benefit costs and changes in the State's fringe reimbursement rate decreased reimbursements to $42.0 million in 2024 from $43.3 million in 2023.

State Paid Other Post-Employment Health Benefits

In 2024, the University recognized _____ million of revenue and expense from the State of New Jersey attributable to post-employment health benefits, in accordance with GASB 75. This was a decrease of $(8.9) million compared to 2023 due to changes in census, claims, and premiums experience. The State is legally obligated to provide the funds required for such benefits and as such, these transactions have no effect on the University's net position.

Grants and Contracts

Revenues from grants and contracts were $110.9 million in 2024, $86.8 million in 2023, and $69.2 million in 2022.

The State's Tuition Aid Grant (TAG) increased by $3.6 million in 2024 compared to the previous year due to an increase in the average award amount of approximately $370 per recipient as a result of the University being a public research university.

In fiscal 2024, the University had a total of 340 awards of which 283 are sponsored external research grants, including 113 awards received by faculty, 36 financial aid grants and 21 contracts.

Faculty awards totaled $28 million in external sponsored projects funding, with awards coming from the National Science Foundation, the National Oceanic & Atmospheric Administration, the U.S. Department of Housing and Urban Development, the U.S. Department of Education, the State of New Jersey, the Department of Health and Human Services and the National Institute of Health. Several private sponsors also provided the University with funding which includes but is not limited to Geraldine R. Dodge Foundation, Democracy Fund and the Public Service Enterprise Group. External fund spending increased by approximately 10% over last year's total of $25 million. Among the larger grants received in fiscal 2024 was a $1.3 million grant from the National Institutes of Health. This project addresses learning of children with speech sound disorder (SSD). The University was also, awarded a $3 million grant from the National Science Foundation for an "HSI Institutional Transformation Project that supports the integration of psychoeducational counseling into internship and research experiences. A Montclair faculty member was awarded a $500 thousand National Science Foundation Early Career Award. The Early Career Award is the highest honor given to early career scholar-educators with demonstrated potential to become leaders and innovators in their discipline, and who have a demonstrated record of engaging students in research and discovery. This is the 8th Early Career Award received by a Montclair faculty member.

In October 2021, the Department of Health and Human Services approved the University's request for new rates for its facilities & administrative (F&A) and fringe benefit costs. The accepted rates allow the University to use an on-campus rate of 46% and an off-campus rate of 14.7% of modified total direct cost for the period between July 1, 2021 through June 30, 2025. These rates are applied in proposals and awards funded by externally sponsored grants and contracts. The F&A revenue was $2.5 million, $2.3 million, and $1.5 million in 2024, 2023 and 2022, respectively. The fringe benefit rate charged to grants is based on position type and is 28.10% for full time employees and 14.80% adjuncts and post docs. Fringe benefits recovered in 2024, 2023 and 2022 were $2.1 million, $2.0 million and $1.7 million, respectively.

Educational Activities and Auxiliary Enterprises

Revenue from educational activities and programs is generated primarily by the Benjamin Samuels Children's Center, the Benjamin Samuels Early Intervention program, and the Center for Autism and Early Childhood Mental Health (CAECMH). These revenues totaled $7.2 million, $6.4 million and $6.3 million in 2024, 2023 and 2022, respectively. Increase of $838 thousand in 2024 due to CAECMH new contracts with the New Jersey state agencies that will continue through fiscal year 2026, $57 thousand slight increase in 2023 and $1.7 million increase in 2022 due to the pandemic restrictions easing.

Auxiliary enterprises include housing, food service, parking, the bookstore, student center activities, and certain athletic programs. Revenue from auxiliary enterprises, net of allowances, totaled $23.9 million, $19.7 million and $20.2 million, in 2024, 2023 and 2022, respectively. The increase of $4.2 million in 2024 was due to an increase in food service revenues related to new commuter dining plan, the $501 thousand decrease in 2023 was due to a decrease in food service revenues due to changes in dining providers and the increase of $5.5 million in 2022 was due to the pandemic easing.

Expenses Associated With Core Activities

Expenses associated with the University's core activities, including those classified as non-operating expenses, were $594 million, $544 million, and $512 million, in 2024, 2023 and 2022, respectively.

Overall, expenses excluding depreciation and interest, totaled $510 million in 2024, representing an increase of $46 million or 10%. The increase in expenses is attributable to newly negotiated labor contracts, a $25.1 million increase in salaries and benefits, a $4.1 million increase in services and fees primarily due to an increase of $5 million in food and dining offset by a decrease of $1 million in software licenses and fees, a $4.1 million increase in financial aid, a $4.7 million increase in pension benefits, and a $xxxx million increase in post-employment benefits.

Expenses excluding depreciation and interest, totaled $464 million in 2023, representing an increase of $29 million, of which $35 million is attributed to the Bloomfield merger, offset by a $6 million decrease, or less than 1.4%, attributed to Montclair. Montclair's decrease was comprised of significant decrease in pandemic related financial assistance of $36 million and decrease in post-employment benefits of $13.2 million. This was offset for Montclair by a $27.5 million increase in salaries and benefits, a $9.9 million increase in services and fees primarily due to an increase in professional consulting & legal fees of $3 million and food & dining services of $3 million, a $1.6 million increase in utilities, a $1.3 million increase in supplies & materials and a $2 million increase in other expenses, primarily due to an increase in travel related expenses.

CATEGORIES OF BOTH OPERATING AND NON-OPERATING EXPENSES RELATED TO THE UNIVERSITY'S CORE ACTIVITIES IN 2023 ARE AS FOLLOWS:

Salaries and Benefits

Approximately 60% of the University's 2024 expenses are related to payroll costs and employee benefits (including pension expense). There was an average of 6,255 employees in fiscal 2024, as compared to 5,854 in fiscal 2023, an increase of 6.8% due to the merger with Bloomfield.

In 2024, salary and benefits increased by $25.1 million or 8% due to newly negotiated labor contracts covering most of the University's workforce. Total payroll for the University increased to $281.3 million, or 7%, in 2024 from $263.6 million in 2023, while fringe benefits costs increased to $68.3 million, or 10%, in 2024 from $62 million in 2023.

In 2023, salary and benefits increased by $50.5 million, of which $23 million related to Bloomfield salaries and benefits and $27.5 million, or 10%, related to Montclair. The increases were attributed to supporting academic and student-centered programs. Montclair's total payroll increased to $245.8 million, or 9%, in 2023 from $226.4 million in 2022, while fringe benefits costs increased to $56.7 million, or 16%, in 2023 from $48.7 million in 2022 due to increases in health insurance costs.

In 2024, pension expenses increased by $4.65 million, mainly from changes in actuarial methods. The actuarial liability for retirees who earned benefits under both a State and Local employer is assigned to the location with the highest salary prior to the retirement upon direction from the Division of Pensions and Benefits in 2024 as compared to 2023 where the actuarial liability for these retirees was split between the State and Local employers based on the benefit reported in the valuation data for each location. In 2023, pension expenses increased by $484 thousand mainly from changes in actuarial assumptions.

The University's pension expenses (benefit) are summarized below (dollars in thousands):

	2024	2023	2022
PERS	$ 2,850	$ (1,617)	$ (1,561)
PFRS	2,084	1,900	1,360
	4,934	283	(201)
TPAF	49	58	48
Alternate Benefit Program (ABP)	14,912	13,712	12,291
Defined Contribution Retirement Program (DCRP)	18	20	37
Total	$ 19,913	$ 14,073	$ 12,175

State-sponsored other post-employment benefits expenses/(recoveries) totaled ______ million and $(8.9) million in 2024 and 2023, respectively, which was offset by an equivalent amount of revenue from the state.

Other Expenses

Other expenses including travel, rent, lease, and grant subrecipients expenses totaled $14.4 million in fiscal 2024 and $14.8 million fiscal 2023, with a slight decrease of $366 thousand.

Operating Results

Operating losses were $167.1 million in 2024, $161.5 million in 2023, and $168.9 million in 2022. Operating losses were offset by non-operating revenue that support core operating activities of the University. These include state appropriations, Pell grants, pandemic related financial assistance, gifts and non-exchange grants, state paid other post-employment health benefits, investment income including unrealized and realized gains/(losses) and other non-operating revenue, which totaled $176.3 million in 2024, $241.0 million in 2023, and $195.3 million in 2022. Total revenues supporting core activities exceeded total expenses associated with core activities by $5.9 million, $24.0 million, and $30.0 million for the period ending June 30, 2024, 2023 and 2022, respectively. The decrease in income from core activities in 2024 and 2023 is primarily attributable to decrease in pandemic related financial assistance which ceased in 2024. The 2024 expenses associated with core activities increased from the 2023 expenses by $50.2 million. The net increase consisted of a $25.1 million increase in salaries and benefits, a $4.1 million increase in services and fees, a $4.1 million increase in financial aid, a $4.6 million increase in pension benefits, a $2.3 million increase in depreciation and amortization, $2 million increase in interest expense and $........ increase in postemployment health benefits.

OUTLOOK FOR FISCAL 2025

Montclair State University's strategic fiscal planning reflects the University's ongoing mission to provide transformational educational opportunities to New Jersey students that are affordable and accessible, expand the University's research contributions that drive innovation and development, and support communities through strategic partnerships and collaborations.

Investments will continue to support the academic, professional, and personal success of our diverse student body. Montclair's recent achievements reflect the University's commitment to engage in research that addresses the social, economic, educational and health care challenges of the culturally diverse communities of New Jersey and the region. The University is deeply committed to partnering with government, businesses, schools, health care providers, nonprofits and civic organizations to address the most pressing problems facing our State.

The University is strongly committed to making the University educational opportunity as accessible as possible while maintaining the financial security of the institution. In fiscal year 2025, the University increased tuition and fees at a higher rate after a modest increase in 2024. Despite the increase in tuition and fees for academic year 2024-2025, Montclair undergraduate tuition and fees remain below the average amount of New Jersey's senior public colleges and universities. Increases in tuition and fees are expected to be offset for students with financial need by increases in state TAG, federal Pell aid programs, and institutional financial aid. Institutional financial aid will increase by 14% over fiscal year 2024 in fulfilling the University's commitment to affordability.

In Fall 2023, the University launched several new undergraduate and graduate programs, including: Master of Science programs in Digital Marketing Analytics and Human Resource Analytics, new Bachelor degrees in Business Analytics (BS), Recording Arts and Production (BA), and Animation and Visual Effects (BFA); combined Bachelor of Arts programs in Medical Humanities or Psychology with a Master of Public Health (MPH), and undergraduate certificate programs in Spanish Language Journalism, and Harm Reduction Approaches for Substance Abuse. A minor in Neuroscience is also scheduled to launch beginning Spring 2024.

General state appropriations for the fiscal year 2025 are expected to increase to $57.5 million, up from $55.5 million in 2024. Outcome Based Allocation funding for fiscal year 2025 is expected to increase to $29.5 million from $19.7 million in 2024.

Operating expenses for fiscal year 2025 are expected to increase from fiscal year 2024 to reflect the University's priorities which include supporting academic and professional success for a diverse student body, maintaining affordability, expanding research and innovation, increasing community partnerships and public services, expanding Montclair Unbound, which will offer programs that give students the ability to learn how, when and where it works best for them; and funding employee salary and inflationary cost increases.

For the Fall 2024 semester, the University welcomed 4,548 students to the Montclair campus and 800 students to the Bloomfield College of Montclair State University campus, as part of the Class of 2028. It is the largest-ever incoming class in the University's history, a feat accomplished for the fourth consecutive year under President Jonathan Koppell. Total University enrollment is closing in on approximately 23,500 students, which is the largest student body in school history.

Members of the Class of 2028 represent 29 states and 75 countries compared to Class of 2027 which represented 33 states and 35 countries. 42% are first-generation college students, 45% of the incoming class identifies as Hispanic, further solidifying the University's status as New Jersey's largest Hispanic-Serving Institution. More than 50% of the undergraduate student population identify as minority group members and the class boasts a 3.25 cumulative high school GPA.

The University remains committed to providing the facilities and resources required to meet its educational, research and public service goals, while maintaining long-term financial sustainability. Support for the University's future capital plans is expected to continue to be provided from a combination of sources including the state of New Jersey, external financing, gifts, and other sources.

The fiscal year 2025 priorities for Bloomfield are operational integration into the broader University, determining the longer-term strategy and market position of Bloomfield distinct from the Montclair campus, and stabilizing the financial performance. Work is underway on integrating the parallel administrative, academic, and student service functions across the two campuses. This will create positive financial opportunities in economies of scale and in better deploying under-used assets such as vacant student housing on the Bloomfield campus. Academic Affairs will determine the strategy for the market position of Bloomfield relative to both Montclair and other institutions with the goal of defining a unique Bloomfield educational experience and program mix. This distinct Bloomfield value proposition will be the key to the enrollment growth necessary for longer term financial stability. Fall enrollment is expected to be steady from this past spring and provide a baseline for future growth as enrollment management begins recruiting for both campuses.

Additional information concerning the University's financial reports may be found on the website of Montclair State University at www.montclair.edu.

Additional information concerning state budget matters and the state's financial condition may be found on the website of the New Jersey Department of Treasury at www.state.nj.us/treasury.

Montclair State University
(A Component Unit of the State of New Jersey)

STATEMENT OF NET POSITION
June 30, 2024
(dollars in thousands)

	Business-Type Activities Montclair State University and Bloomfield College of Montclair State University	Component Unit Montclair State University Foundation	Total
ASSETS			
Current assets			
Cash and cash equivalents	$ 57,926	$ 2,657	$ 60,583
Investments	67,766	-	67,766
Assets held under bond indenture agreements	89,285	-	89,285
Restricted cash equivalents	3,390	-	3,390
Receivables:			
Students, less allowance for doubtful accounts of $5,595	20,893	-	20,893
Loans, less allowance for doubtful loans of $76	361	-	361
Rent	1,858	-	1,858
Gifts, grants and contracts	12,018	-	12,018
State of New Jersey grants and contracts	4,173	-	4,173
Other receivables	9,259	3,629	12,888
Other current assets	3,480	33	3,513
Total current assets	270,409	6,319	276,728
Noncurrent assets			
Investments	78,677	124,579	203,256
Loans receivable, less allowance for doubtful loans of $92	259	-	259
Rent receivable	29,800	-	29,800
Capital assets, net	916,026	-	916,026
Other noncurrent assets	301	4,663	4,964
Total noncurrent assets	1,025,063	129,242	1,154,305
Total assets	1,295,472	135,561	1,431,033
Deferred outflows of resources			
Deferred amount from debt refundings	26	-	26
Deferred outflow of pension resources	23,816	-	23,816
Total deferred outflows of resources	23,842	-	23,842
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	48,335	3,467	51,802
Bonds payable and other long-term debt	17,890	-	17,890
Lease liability	2,713	-	2,713
Subscription liability	6,012	-	6,012
Unearned tuition, fees, and deposits	7,620	-	7,620
Unearned revenue from grantors	49,275	-	49,275
Assets held on behalf of others	2,339	-	2,339
Total current liabilities	134,184	3,467	137,651
Noncurrent liabilities			
Bonds payable and other long-term debt	361,196	-	361,196
Lease liability	15,657	-	15,657
Subscription liability	20,036	-	20,036
Compensated absences	2,735	-	2,735
Net pension liability	171,925	-	171,925
Other long term liability	4,040	-	4,040
Total noncurrent liabilities	575,589	-	575,589
Total liabilities	709,773	3,467	713,240
Deferred inflows of resources			
Deferred service concession arrangement	139,525	-	139,525
Deferred inflow of pension resources	18,190	-	18,190
Deferred amount from debt refundings	16,675	-	16,675
Deferred inflow amount from leases	30,582	-	30,582
Total deferred inflows of resources	204,972	-	204,972
Net position			
Net investment in capital assets	273,148	-	273,148
Restricted nonexpendable	13,935	61,568	75,503
Restricted expendable for:			
Scholarships	4,609	1,522	6,131
Loans	909	-	909
Donor designated purpose	1,319	-	1,319
Renewal and replacement	64,889	-	64,889
Debt service and debt service reserve	24,396	-	24,396
Other	1,217	47,106	48,323
Unrestricted	20,147	21,898	42,045
Total net position	$ 404,569	$ 132,094	$ 536,663

The accompanying notes are an integral part of this financial statement.

Montclair State University
(A Component Unit of the State of New Jersey)

STATEMENT OF NET POSITION
June 30, 2023
(dollars in thousands)

	Business-Type Activities Montclair State University and Bloomfield College of Montclair State University	Component Unit Montclair State University Foundation	Total
ASSETS			
Current assets			
Cash and cash equivalents	$ 49,236	$ 2,123	$ 51,359
Investments	22,741	-	22,741
Assets held under bond indenture agreements	21,417	-	21,417
Restricted cash equivalents	3,280	-	3,280
Receivables:			
Students, less allowance for doubtful accounts of $3,387	13,616	-	13,616
Loans, less allowance for doubtful loans of $111	480	-	480
Rent	2,757	-	2,757
Gifts, grants and contracts	12,474	-	12,474
State of New Jersey grants and contracts	3,731	-	3,731
Other receivables	11,041	3,745	14,786
Other current assets	4,226	69	4,295
Total current assets	144,999	5,937	150,936
Noncurrent assets			
Investments	132,207	106,460	238,667
Loans receivable, less allowance for doubtful loans of $125	394	-	394
Rent receivable	25,685	-	25,685
Capital assets, net	932,142	-	932,142
Other noncurrent assets	1,400	6,606	8,006
Total noncurrent assets	1,091,828	113,066	1,204,894
Total assets	1,236,827	119,003	1,355,830
Deferred outflows of resources			
Deferred amount from debt refundings	1,196	-	1,196
Deferred outflow of capital purchase	4,667	-	4,667
Deferred outflow of pension resources	25,449	-	25,449
Total deferred outflows of resources	31,312	-	31,312
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	48,586	3,719	52,305
Bonds payable and other long-term debt	17,016	-	17,016
Lease liability	3,603	-	3,603
Subscription liability	5,232	-	5,232
Unearned tuition, fees, and deposits	6,904	-	6,904
Unearned revenue from grantors	4,014	-	4,014
Assets held on behalf of others	2,843	-	2,843
Total current liabilities	88,198	3,719	91,917
Noncurrent liabilities			
Bonds payable and other long-term debt	366,953	-	366,953
Lease liability	18,368	-	18,368
Subscription liability	18,475	-	18,475
Compensated absences	2,605	-	2,605
Net pension liability	174,695	-	174,695
Other long term liability	1,401	-	1,401
Total noncurrent liabilities	582,497	-	582,497
Total liabilities	670,695	3,719	674,414
Deferred inflows of resources			
Deferred service concession arrangement	146,869	-	146,869
Deferred inflow of pension resources	27,005	-	27,005
Deferred amount from debt refundings	5,572	-	5,572
Deferred inflow amount from leases	26,553	-	26,553
Total deferred inflows of resources	205,999	-	205,999
Net position			
Net investment in capital assets	322,233	-	322,233
Restricted nonexpendable	13,578	54,950	68,528
Restricted expendable for:			
Scholarships	3,551	2,139	5,690
Loans	911	-	911
Donor designated purpose	1,796	-	1,796
Renewal and replacement	36	-	36
Debt service and debt service reserve	21,381	-	21,381
Other	1,526	44,437	45,963
Unrestricted	26,433	13,758	40,191
Total net position	$ 391,445	$ 115,284	$ 506,729

The accompanying notes are an integral part of this financial statement.

Montclair State University
(A Component Unit of the State of New Jersey)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

June 30, 2024
(dollars in thousands)

	Business-Type Activities Montclair State University and Bloomfield College of Montclair State University	Component Unit Montclair State University Foundation	Total
Operating revenues			
Student revenues			
Student tuition and fees	$ 329,275	$ -	$ 329,275
Residence life - room and board	58,481	-	58,481
Less: scholarship allowance	141,191	-	141,191
Net student revenues	246,565	-	246,565
Federal grant and contracts	21,031	-	21,031
State of New Jersey grants and contracts	85,798	-	85,798
Nongovernmental grants and contracts	4,155	-	4,155
Sales and services of educational departments	7,191	-	7,191
Auxiliary enterprises	23,950	-	23,950
Other operating revenues	16,483	15,176	31,659
Total operating revenues	405,173	15,176	420,349
Operating expenses			
Instruction	153,111	-	153,111
Research	44,289	-	44,289
Public service	21,938	-	21,938
Academic support	49,011	-	49,011
Student services	29,662	-	29,662
Institutional support	74,564	11,673	86,237
Operations and maintenance of plant	40,708	-	40,708
Depreciation and amortization	63,571	-	63,571
Student aid	27,087	-	27,087
Residence life and auxiliary enterprises	68,298	-	68,298
Total operating expenses	572,239	11,673	583,912
Operating (loss) income	(167,066)	3,503	(163,563)
Nonoperating revenues (expenses)			
State of New Jersey appropriations	79,940	-	79,940
State of New Jersey paid fringe benefits	42,006	-	42,006
Pell grants	55,509	-	55,509
Pandemic related financial assistance	1,012	-	1,012
State paid other postemployment health benefits		-	-
Gifts and non-exchange grants	6,254	-	6,254
Unrealized and realized gains on investment securities	2,647	-	2,647
Investment income, net of investment expenses of $316	7,680	13,307	20,987
Interest expense	(20,161)	-	(20,161)
Administrative costs	(1,679)	-	(1,679)
Gain on disposal of capital assets	19		19
Other nonoperating revenues	2,354	-	2,354
Net nonoperating revenues	175,581	13,307	188,888
Income before other revenues	8,515	16,810	25,325
Capital gifts and grants	4,609	-	4,609
INCREASE IN NET POSITION	13,124	16,810	29,934
Net position			
Beginning of year	391,445	115,284	506,729
End of year	$ 404,569	$ 132,094	$ 536,663

The accompanying notes are an integral part of this financial statement.

Montclair State University
(A Component Unit of the State of New Jersey)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

June 30, 2023
(dollars in thousands)

	Business-Type Activities Montclair State University and Bloomfield College of Montclair State University	Component Unit Montclair State University Foundation	Total
Operating revenues			
Student revenues			
Student tuition and fees	$ 309,186	$ -	$ 309,186
Residence life - room and board	54,449	-	54,449
Less: scholarship allowance	128,851	-	128,851
Net student revenues	234,784	-	234,784
Federal grant and contracts	21,581	-	21,581
State of New Jersey grants and contracts	59,853	-	59,853
Nongovernmental grants and contracts	5,363	-	5,363
Sales and services of educational departments	6,353	-	6,353
Auxiliary enterprises	19,736	-	19,736
Other operating revenues	16,391	14,005	30,396
Total operating revenues	364,061	14,005	378,066
Operating expenses			
Instruction	145,147	-	145,147
Research	28,870	-	28,870
Public service	19,187	-	19,187
Academic support	42,707	-	42,707
Student services	28,824	-	28,824
Institutional support	75,628	12,570	88,198
Operations and maintenance of plant	37,728	-	37,728
Depreciation and amortization	61,242	-	61,242
Student aid	26,785	-	26,785
Residence life and auxiliary enterprises	59,469	-	59,469
Total operating expenses	525,587	12,570	538,157
Operating (loss) income	(161,526)	1,435	(160,091)
Nonoperating revenues (expenses)			
State of New Jersey appropriations	85,421	-	85,421
State of New Jersey paid fringe benefits	43,290	-	43,290
Pell grants	48,095	-	48,095
Pandemic related financial assistance	18,198	-	18,198
State paid other postemployment health benefits	(8,934)	-	(8,934)
Gifts and non-exchange grants	6,748	-	6,748
Gain on government combination	58,196	-	58,196
Unrealized and realized losses on investment securities	(2,692)	-	(2,692)
Investment income, net of investment expenses of $316	6,334	9,086	15,420
Interest expense	(18,131)	-	(18,131)
Administrative costs	(161)	-	(161)
Other nonoperating revenues	4,690	-	4,690
Net nonoperating revenues	241,054	9,086	250,140
Income before other revenues	79,528	10,521	90,049
Capital gifts and grants	514	-	514
INCREASE IN NET POSITION	80,042	10,521	90,563
Net position			
Beginning of year	311,403	104,763	416,166
End of year	$ 391,445	$ 115,284	$ 506,729

The accompanying notes are an integral part of this financial statement.

Montclair State University
(A Component Unit of the State of New Jersey)

STATEMENT OF CASH FLOWS

June 30, 2024
(dollars in thousands)

	Business-Type Activities Montclair State University and Bloomfield College of Montclair State University
Cash flows from operating activities:	
Student tuition and fees	$ 181,490
Grants and contracts	156,702
Payments for salaries	(277,499)
Payments for fringe benefits	(34,357)
Payments to suppliers	(112,601)
Payments for utilities	(22,281)
Payments for student aid	(27,087)
Collection of loans from students	288
Auxiliary enterprises charges:	
Residence life	58,481
Other	23,950
Sales and services of educational departments	7,191
Other receipts	20,362
Net cash used in operating activities	(25,361)
Cash flows from noncapital financing activities:	
State of New Jersey appropriations	76,198
Pell grants	55,509
Pandemic related financial assistance	1,012
Gifts and non-exchange grants	6,254
Student organization agency transactions	(505)
Other receipts	2,354
Net cash from noncapital financing activities	140,822
Cash flows from capital financing activities:	
Capital gifts and grants	4,609
Proceeds from capital debt	199,621
Principal paid on capital debt	(190,581)
Interest paid on capital debt	(21,345)
Purchases of capital assets	(49,567)
Gain on disposal of capital assets	19
Administrative costs	(509)
Change in deposits held by bond trustees	(67,868)
Net cash used in capital financing activities	(125,621)
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	6,297,746
Purchases of investments	(6,285,231)
Interest on investments	6,445
Net cash from investing activities	18,960
NET INCREASE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	8,800
Cash and cash equivalents and restricted cash:	
Beginning of year	52,516
End of year	$ 61,316

The accompanying notes are an integral part of this financial statement.

Montclair State University
(A Component Unit of the State of New Jersey)

STATEMENT OF CASH FLOWS - CONTINUED

June 30, 2024
(dollars in thousands)

		Business-Type Activities Montclair State University and Bloomfield College of Montclair State University
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	$	(167,066)
Adjustments to reconcile operating loss to net cash used in operating activities:		
State of New Jersey paid fringe benefits		45,305
State paid other postemployment health benefits		
Depreciation and amortization expense		63,571
Provision for bad debts		2,174
Changes in assets and liabilities:		
Student receivables		(9,484)
Loans receivables		288
Grants receivables		457
Other receivables		3,867
Other current assets		587
Accounts payable and accrued expenses		(1,070)
Unearned tuition, fees and deposits		717
Unearned revenue from grantors		45,261
Compensated absences - noncurrent portion		129
Net pension liability		(10,097)
Net cash used in operating activities	$	(25,361)

The accompanying notes are an integral part of this financial statement.

Montclair State University
(A Component Unit of the State of New Jersey)

STATEMENT OF CASH FLOWS

June 30, 2023
(dollars in thousands)

	Business-Type Activities Montclair State University and Bloomfield College of Montclair State University
Cash flows from operating activities:	
Student tuition and fees	$ 170,880
Grants and contracts	88,270
Payments for salaries	(263,697)
Payments for fringe benefits	(35,794)
Payments to suppliers	(97,168)
Payments for utilities	(23,209)
Payments for student aid	(28,114)
Collection of loans from students	415
Auxiliary enterprises charges:	
Residence life	52,929
Other	19,714
Sales and services of educational departments	6,353
Other receipts	13,999
Net cash used in operating activities	(95,422)
Cash flows from noncapital financing activities:	
State of New Jersey appropriations	90,443
Pell grants	48,202
Pandemic related financial assistance	18,194
Gifts and non-exchange grants	8,008
Student organization agency transactions	977
Other receipts	4,690
Net cash from noncapital financing activities	170,514
Cash flows from capital financing activities:	
Capital gifts and grants	514
Principal paid on capital debt	(15,675)
Interest paid on capital debt	(19,498)
Purchases of capital assets	(31,435)
Administrative costs	41
Change in deposits held by bond trustees	145
Net cash used in capital financing activities	(65,908)
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	6,662,607
Proceeds from government combination	14,162
Purchases of investments	(6,711,246)
Interest on investments	8,660
Net cash used in investing activities	(25,817)
NET DECREASE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	(16,633)
Cash and cash equivalents and restricted cash:	
Beginning of year	69,149
End of year	$ 52,516

The accompanying notes are an integral part of this financial statement.

Montclair State University
(A Component Unit of the State of New Jersey)

STATEMENT OF CASH FLOWS - CONTINUED

June 30, 2023
(dollars in thousands)

	Business-Type Activities Montclair State University and Bloomfield College of Montclair State University
Reconciliation of operating loss to net cash used in operating activities	
Operating loss	$ (161,526)
Adjustments to reconcile operating loss to net cash used in operating activities:	
State of New Jersey paid fringe benefits	39,546
State paid other postemployment health benefits	(8,934)
Depreciation and amortization expense	61,242
Provision for bad debts	457
Net realized and unrealized gains on investments	(1,704)
Changes in assets and liabilities:	
Student receivables	(4,192)
Loans receivables	416
Lease receivables	505
Grants receivables	(3,623)
Other receivables	(2,225)
Other current assets	(194)
Accounts payable and accrued expenses	1,077
Unearned tuition, fees and deposits	(490)
Unearned revenue from grantors	(719)
Compensated absences - noncurrent portion	(42)
Accrued retirement benefit obligation	(444)
Assets held on behalf of Federal government for loan programs	(481)
Net pension liability	(14,091)
Net cash used in operating activities	$ (95,422)

The accompanying notes are an integral part of this financial statement.

NOTE 1 - ORGANIZATION

Montclair State University (Montclair), established in 1908, has been a leading institution of higher education in New Jersey and is committed to serving the educational needs of the State. Its programs are characterized by academic rigor and advancement in the development of knowledge and its application. Due to this commitment, Montclair began a now completed strategic merger with Bloomfield College, a private not-for-profit 501(c)(3) organization, located in Bloomfield, New Jersey to preserve the only Predominantly Black Institution (PBI) in the state and to ensure the Bloomfield College students complete their degrees in a timely manner.

Montclair commenced working on this merger in 2021, strategically planning for approximately two years. On March 2, 2023, the University created a sole member not-for-profit entity named Bloomfield College of Montclair State University, Inc. (Bloomfield-Merger Sub). On June 30, 2023, the Middle States Commission on Higher Education Accrediting Board completed its review of the complex substantive change, authorizing Montclair and Bloomfield College to finalize the transfer of ownership. This approval allowed Montclair and Bloomfield to finalize a change in ownership. Bloomfield College became the thirteenth constituent college of Montclair State University, now known as Bloomfield College of Montclair State University (Bloomfield). This new entity was placed into the Bloomfield-Merger Sub, pending phase two approval of the merger by the U.S. Department of Education (ED). The ED has a two-step process: change in ownership and change in affiliation. Both steps were completed on May 2, 2024, and June 28, 2024, respectively, designating Bloomfield as an additional location of Montclair State University. On June 30, 2024, the second phase was completed by effectuating the merger transaction of Bloomfield and Montclair and dissolving the Bloomfield-Merger Sub entity. As of fiscal year 2023, Bloomfield is included as a business-type activity within the University's financial statements.

Bloomfield College, founded in 1868, was New Jersey's only institution of higher education designated by the United States Department of Education as a Predominantly Black, Hispanic-serving, and Minority serving institution. Bloomfield College served a diverse population and prepared students for success in a multicultural and global society. While the entity called Bloomfield College no longer exists after the merger, Bloomfield will continue to operate and serve these communities.

Situated on a 264-acre suburban campus, Montclair and Bloomfield (collectively, the University) delivers the instructional and research resources of a large public university in a supportive, sophisticated and diverse academic environment. Montclair is designated as a Research Doctoral University by the Carnegie Classification of Institutions of Higher Education and classified by the New Jersey Secretary of Higher Education as a doctoral degree-granting institution. The University has 13 degree-granting colleges and schools that serve more than 23,500 undergraduate and graduate students. The University has more than 300 doctoral, master's, and baccalaureate level programs.

Montclair State University Foundation, Inc. (the Foundation) is a nonstock corporation organized as a not-for-profit entity under the provisions of Title 15 of the New Jersey statutes. The Foundation was established for the benefit of the University to aid in obtaining additional resources to meet the needs of the University. The Foundation strives to raise funds from subscriptions, gifts, bequests and other devices and uses such funds as appropriately determined by its board of trustees. The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code ("IRC"). The Foundation operates under an independent board of trustees. As the Foundation's resources can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of the University. Accordingly, the Foundation's statement of net position and statement of revenues, expenses and changes in net position are included in the University's financial statements using a discrete presentation. Complete financial statements for the Foundation can be obtained from the Foundation's office at 1 Normal Avenue, Montclair, New Jersey 07043.

The University is an instrumentality of the State with a high degree of autonomy. However, under Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, the University, which is financially dependent on the State, is a component unit of the State for financial reporting purposes.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accounting policies of the University conform to accounting principles generally accepted in the United States of America (U.S. GAAP) as applicable to public colleges and universities. The University's reports are based on all applicable GASB authoritative literature in accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

GASB Statement No. 35 *Basic Financial Statements – and Management's Discussion and Analysis – Public Colleges and Universities* and GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* establish standards for external financial reporting for public colleges and universities and require 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, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

- *Restricted*:

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

  - *Expendable* – Net position whose use by the University is subject to externally-imposed stipulations that can be fulfilled by actions of the University 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 and initiatives and capital programs.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the University'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 University 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 the financial statement in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statement 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 on deposit with banking institutions and highly liquid short-term investment securities held in the State of New Jersey Cash Management Fund (CMF) and other investment accounts, with an original maturity of three months or less.

Investments

Investments are recorded in the financial statements at fair value, which is based on quoted market prices. Purchase and sales of investments are accounted for on the trade-date basis. Investment income is recorded on an accrual basis.

Assets Held Under Bond Indenture Agreements

Assets held under bond indenture agreements are recorded in the financial statements at fair value, which is based on quoted market price and consist of money market funds.

Restricted Cash Equivalents

ED determined in March 2023 that Bloomfield College failed to meet the financial responsibility standards set by the DOE. Bloomfield College was allowed to continue to participate in the Title IV, HEA programs by choosing to supply ED a Provisional Certification Alternative in the amount of $3.1 million. This amount represented 25% of the Title IV, HEA program funds received by Bloomfield College during its most recently completed fiscal year. Bloomfield College obtained a secured letter of credit from Provident Bank in the amount of $3.1 million, which is secured by a money market account totaling $3.4 million and $3.3 million as of June 30, 2024 and 2023, respectively, and is included as restricted cash equivalents in the accompanying statements of net position.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported in the statements of financial position that sum to the same such totals shown in the statements of cash flows (dollars in thousands):

	2024	2023
Cash and cash equivalents	$ 57,926	$ 49,236
Restricted cash equivalents	3,390	3,280
Total cash, cash equivalents and restricted cash equivalents	$ 61,316	$ 52,516

Receivables

Student receivables consist of tuition and fees charged to current and former students. State of New Jersey grants and contracts receivables, gifts, grants and contracts receivables are amounts due from federal and state governments in connection with reimbursement of allowable expenditures made pursuant to grants and contracts and other miscellaneous sources. Loans receivables consist of funds loaned to students under federal loan programs. Rent receivables consist of the present value of leases receipts expected during the lease term. Other receivables consist of employee receivables and a variety of billings ranging from clinical services, fee for service arrangements, and auxiliary enterprise contracts.

Receivables are reported at net realizable value. Student receivables which are past due by twelve months are reserved for at 50% and those past due by twenty-four months are reserved at 100%. Gifts, grants and contracts receivables, rent receivables, State of New Jersey grants and contracts receivables, and other receivables are written off when they are determined to be uncollectible based upon management's assessment of individual accounts. The allowance for doubtful grants and contracts, leases and other receivables is estimated based upon management's evaluation and periodic review of individual accounts.

Capital Assets

Capital assets with acquisition costs of at least $5,000 and useful lives of at least three years are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Assets acquired under lease agreements are classified as right-to-use assets and are recorded as capital assets.

Capital assets of the University are depreciated/amortized using the straight-line method over the following useful lives:

	Useful Lives
Buildings	50 years
Building improvements	20 years
Right-to-use buildings	4 - 22 years
Infrastructure	25 years
Land improvements	10 - 25 years
Equipment and vehicles	3 -10 years
Right-to-use equipment	2 - 5 years
Furniture and fixtures	10 years
Leasehold improvements	5 years
Software and licenses	3 years
Right-to-use subscription assets	2 - 10 years

The University owns works of art and other collectibles valued at approximately $3.9 million as of June 30, 2024 and 2023. Management has elected not to capitalize these items in accordance with GASB Statement No. 34.

Assets Held on Behalf of Others

The University holds cash and cash equivalents as custodian for the benefit of students or student organizations. A majority of the assets held on behalf of others relate to Red Hawk dollars. The Red Hawk dollars program is a prepaid debit account allowing the University community to purchase goods or services on campus or off campus where red hawk dollars are accepted. Funds carry over semester to semester, year to year, up until withdrawal or graduation, and remaining funds over $5 are refunded. Amounts related to the Red Hawk dollars program amounted to $1.4 million and $1.3 million as of June 30, 2024 and 2023, respectively.

Deferred Outflows and Deferred Inflows of Resources

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. 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 11 for the University's breakdown of these items.

Deferred outflows and inflows of resources include 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.

Deferred outflows of resources also include capital investment fund repayments funded by contractor.

Deferred inflows also relate to service concession agreements and rent receivables. Deferred inflows from rent relate to the rent receivable and amounts are deferred and amortized to lease revenue in a systematic and rational manner over the term of the lease.

Leases

The University is a lessor for noncancelable leases of buildings, sites, and land. The University recognizes a rent receivable and a deferred inflow of resources in the financial statements. At the commencement of a lease, the University initially measures the rent receivable at the present value of payments expected to be received during the lease term. Subsequently, the rent receivable is reduced by the principal portion of payments received. The deferred inflow of resources is initially measured as the initial amount of the rent receivable, adjusted for payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments to lessor accounting:

Discount Rate	The University uses the lessee's estimated borrowing rate as the discount rate to discount the expected lease receipts to present value. The estimated borrowing rate is determined by assessing the credit worthiness of the lessee based on their Moody's rating on public debt. A credit spread is determined based on such rating along with comparables, market factors and other factors starting with the U.S. Treasury rate. For lessees without a Moody's rating, a non-investment grade (Ba1/Ba2) is used to develop the credit spread.
Lease Term	The lease term includes the non-cancellable period of the lease.
Lease Payments	Cash receipts included in the measurement of the rent receivable are composed of fixed payments from the lessee and any payment renewal option that the University is reasonably certain to exercise.

The University is a lessee for noncancelable leases of buildings and equipment. The University recognizes a lease liability and an intangible right-to-use lease asset, included within capital assets, net, in the accompanying statements of net position. At commencement of a lease, the University initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments to lessee accounting include:

Discount Rate	The University uses the lessor's implicit interest rate as the discount rate to discount the expected lease payments to the present value. When the interest rate is not provided, the University uses its estimated incremental borrowing rate as the discount rate for leases.
Lease Term	The lease term includes the non-cancellable period of the lease.
Lease Payments	Lease payments included in the measurement of the lease liability are composed of fixed payments and any purchase option price that the University is reasonably certain to exercise.

Operating leases with a term of 12 months or less are not recorded on the statement of net position and are expensed. Right-to-use-assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the right-to-use asset and is included in depreciation and amortization expense in the statements of revenues, expenses, and changes in net position. The interest expense related to leases is recognized using the effective interest method based on the discount rate determined at lease commencement and is included within interest on indebtedness in the statements of revenues, expenses and changes in net position.

The University monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the rent receivable and deferred inflows of resources where the University is a lessor and lease assets and liability where the University is a lessee if certain changes occur that are expected to significantly affect the amount of the rent receivable or lease liability.

Subscription Based Information Technology Arrangements (SBITAs)

The University is a party to noncancelable subscription-based information technology agreements that convey the right to use a vendor's IT software. The University recognizes a subscription liability and an intangible right-to-use subscription asset, included within capital assets, net, in the accompanying statements of net position. At commencement of the agreement, the University initially measures the agreement liability at the present value of payments expected to be made during the agreement term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for the payments made at or before the commencement date, plus certain initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life which corresponds to the agreement term.

Key estimates and judgments to subscription accounting include:

Discount Rate	The University uses its estimated incremental borrowing rate as the discount rate to discount expected subscription payments to the present value.
Subscription Term	The subscription term is the period during which the University has a noncancelable right to use the vendor's IT software alone or in combination with the underlying IT assets.
Subscription Payments	Subscription payments included in the measurement of the subscription liability are composed of fixed payments.

Subscription agreements with a term of 12 months or less are not recorded on the statements of net position and are expensed. Subscription assets are amortized on a straight-line basis over the subscription term and is included in depreciation and amortization expense in the statements of revenues, expenses, and changes in net position. The interest expense related to subscriptions is recognized using the effective interest method based on the discount rate determined at subscription commencement and is included within interest on indebtedness in the statements of revenues, expenses and changes in net position.

The University monitors changes in circumstances that would require a remeasurement of its agreements and will remeasure subscription assets and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Revenue Recognition

Student tuition and fees are presented net of scholarships applied to student accounts, and bad debt expense of $2.3 million and $1.1 million for the years ended June 30, 2024 and 2023, respectively. Other payments made directly to students are presented as student aid and are included in operating expenses in the period incurred. Student tuition, fees, and deposits collected in advance of the academic year are recorded as unearned tuition, fees, and deposits in the accompanying financial statements.

Grants and contracts revenue consists mainly of funding received from Federal and State governments, and other nongovernmental sources and are recognized as the related expenses are incurred. Amounts received from grants which have not yet been earned under the terms of the agreement are recorded as unearned revenue from grantors in the accompanying financial statements.

The University recognized a deferred inflow of resources related to the acquisition of the Heights residence hall as part of its service concession agreement. The deferred inflow is amortized into income over the term of the agreement and is included in other operating revenues in the statements of revenues, expenses and changes in net position. See Note 16 - Service Concession Arrangement for Student Residence Hall Facility for more details.

Revenue from the State of New Jersey (the State) appropriations is recognized in the fiscal year during which the State appropriates the funds to the University. The University is fiscally dependent upon these appropriations.

Scholarship Allowance

Scholarship allowances are the difference between the stated charge for tuition and services provided by the University and the amount that is paid by students and/or third parties making payments on students' behalf. To the extent that revenues from such programs are used to satisfy tuition and fees and other student services, the University has recorded a scholarship allowance.

Classification of Revenue and Expense

The University's policy for defining operating activities in the statements of revenues, expenses, and changes in net position are those that serve the University's principal purpose and generally result from exchange transactions, such as the payment received for services and payment made for the purchase of goods and services. Examples include student tuition and fees, and residence life, net of scholarship allowances; sales and services of auxiliary enterprises; and most Federal, State, local and other grants and contracts. Non-operating revenues include activities that have the characteristics of non-exchange transactions and financial assistance, such as operating and capital appropriations from the State, Pell grants, Pandemic related financial assistance, and net investment income and gifts and non-exchange grants.

Interest expense is reported as a non-operating activity.

Tax Status

Montclair is exempt from Federal income taxes under Section 115 of the IRC. Its unrelated activities are subject to taxation under Section 512. Any required provision for UBIT is recorded in the financial statements and reported on Montclair's Federal Form 990-T. Bloomfield is exempt from Federal income taxes under the IRC Section 501(c)(3) and, therefore, has made no provision for Federal income taxes. Bloomfield 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. Bloomfield is subject to file Federal Form 990. 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, 2019.

Accounting Pronouncements

The GASB issued Statement No. 100, *Accounting Changes and Error Corrections*, in June 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Management has determined no impact of the Statement on the financial statements as of and for the year ended June 30, 2024 and 2023.

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. Management has not yet determined the impact of the Statement on the financial statements.

Subsequent Events

The University has reviewed and evaluated all events and transactions from June 30, 2024 through MONTH XX, 2025, the date that the financial statements are available to be issued. Except as disclosed in Note 24, the University is not aware of any subsequent events which would require recognition or disclosure in the accompanying financial statements. The effects of those events and transactions that provide information about conditions that existed at the statements of net position dates, have been disclosed in the accompanying financial statements.

NOTE 3 - CASH AND CASH EQUIVALENTS, INVESTMENTS, AND ASSETS HELD UNDER BOND INDENTURE AGREEMENTS

The University has assessed the custodial credit risk, interest rate risk, credit risk, and concentration of credit risk of its cash and cash equivalents, assets held under bond indenture agreements and investments.

Statutes of the State and regulations of the State Investment Council authorize the University to invest in obligations of the U.S. Treasury; agencies, and other 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 agreement; equity and convertible equity securities; and other common types of investment securities. Investee institutions and organizations are prescribed by statutes and regulations based on such things as minimum capital, dividend paying history, credit history, and other evaluation factors.

Custodial Credit Risk

The University is exposed to custodial credit risk, which is the risk that in the event of a bank or counterparty failure, the University may not be able to recover deposits or the value of its investments held by such parties. To protect bank deposits that are in excess of Federal Deposit Insurance Corporation ("FDIC") coverage limits, the University entered into collateral management agreements with JP Morgan and Provident. The agreements secure the uninsured portion of deposits held at JP Morgan and Provident. As of June 30, 2024 and 2023, cash and cash equivalents were held by depositories and amounted to $29.5 million and $29.8 million, respectively.

As of June 30, 2024 and 2023, $250,000 was FDIC insured at each bank and $28.8 million and $29.5 million, respectively, was collateralized with securities according to the agreements.

The University participates in the CMF wherein amounts contributed by the University are combined with funds from other state institutions into a large-scale investment program. The carrying amount and fair value of cash and cash equivalents at June 30, 2024 and 2023 was $1.8 million and $4.0 million, respectively. These amounts are collateralized in accordance with Chapter 64 of Title 18A of New Jersey statutes. The Fund is unrated.

For funds held in the University's investment account, the investment policy requires that any repurchase agreements held in the portfolio be collateralized at least 102% with U.S. Government securities or mortgage-backed securities. The maximum term of these agreements will be 90 days, and the collateral must be marked-to-market daily.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the University's investment policy stipulates that the portfolio shall be managed to have a targeted duration within a band +/- 20% of the Bank of America Merrill Lynch AAA rated U.S. Treasuries/Agencies 1-3 Year Index. The final maturity of each security within the portfolio shall not exceed seven years, with the exception that for U.S. Treasury securities where the final maturity shall not exceed 7.1 years.

As of June 30, 2024, the University had the following investments and maturities (dollars in thousands):

		2024 Maturities (in years)		
Investment Type	Fair Value	Less than 1	1-5	Greater than 5
U.S. Treasury Bonds	$ 91,319	$ 45,801	$ 44,724	$ 794
Agency Bonds	12,550	3,659	8,816	75
Corporate Bonds	17,839	802	15,176	1,861
Mortgage Securities	753	15	126	612
Asset Based Securities	12,664	-	11,307	1,357
Mutual Funds:				
US equities	6,159	6,159	-	-
International equities	3,928	3,928	-	-
Money market funds	757	757	-	-
Other fixed income securities	474	35	226	213
Total	$ 146,443	$ 61,156	$ 80,375	$ 4,912

As of June 30, 2023, the University had the following investments and maturities (dollars in thousands):

		2023 Maturities (in years)		
Investment Type	Fair Value	Less than 1	1-5	Greater than 5
U.S. Treasury Bonds	$ 93,286	$ -	$ 92,644	$ 642
Agency Bonds	11,044	3	10,958	83
Municipal Bonds	95	-	5	90
Corporate Bonds	26,841	5,170	20,072	1,599
Mortgage Securities	690	20	111	559
Asset Based Securities	10,960	-	10,960	-
Mutual Funds:				
US equities	5,371	5,371	-	-
International equities	3,449	3,449	-	-
Money market funds	1,722	1,722	-	-
Other fixed income securities	1,490	1,490	-	-
Total	$ 154,948	$ 17,225	$ 134,750	$ 2,973

Assets held under bond indenture agreements are not governed by the University's investment policies, but rather by the investment policies of NJEFA. As of June 30, 2024 and 2023, assets held under bond indenture were in cash and cash equivalents including money market funds of $89.3 million and $21.4 million, respectively.

Assets held under bond indenture agreements represent assets held by bond trustees under the terms of various bond and other long-term debt agreements. Assets held under bond indenture agreements are carried in the financial statements at fair value.

Assets held under bond indenture agreements are maintained for the following (dollars in thousands):

	2024	2023
Project and construction fund	$ 64,738	$ 35
Debt service fund for principal and interest	24,396	21,381
Rental pledge	151	1
Assets held under bond indenture agreements	$ 89,285	$ 21,417

Credit Risk

Securities must be rated A- or better by a nationally recognized credit rating agency at the time of purchase. Split rated credits will be considered to have the lower credit rating. Money market instruments must be rated A-1 or P-1 or better at the time of purchase.

In the event that a security is downgraded below these credit quality guidelines, the investment manager(s) shall notify the University and provide an evaluation and plan of action. If bonds in the portfolio are downgraded below the A- threshold and remain investment grade, the investment manager(s) may continue to hold up to 5% of the portfolio in these securities.

Temporary cash balances may be invested in a money market instruments (A-1/P-1 or better).

The following table summarizes Moody's and related Standard & Poor's agency ratings and of the University's investments at fair value as of June 30, 2024 and 2023 (dollars in thousands):

Investment Type	Moody's Rating	S&P Rating	2024	2023
U.S. Treasury Bonds	AAA	AAA	$ 91,319	$ 89,387
U.S. Treasury Bonds	AA1	AA+	-	4,678
Agency Bonds	AAA	AAA	12,550	10,850
Corporate Bonds	AA1	AA+	302	-
Corporate Bonds	AA2	AA	-	1,352
Corporate Bonds	AA3	AA-	-	448
Corporate Bonds	A1	A+	5,945	9,126
Corporate Bonds	A2	A	6,405	9,722
Corporate Bonds	A3	A-	2,570	4,887
Corporate Bonds	BAA1	BBB+	787	-
Corporate Bonds	BAA2	BBB	1,830	1,504
Mortgage Securities	AAA	AAA	753	
Asset Backed Securities	AAA	AAA	12,664	10,960
Other fixed income securities	AA2	AA	474	1,490
Not rated			10,844	10,544
			$ 146,443	$ 154,948

Concentration of Credit Risk

This is the risk associated with the amount of investments the University has with any one issuer. Except for treasuries, agency debentures, agency pass-throughs, agency real estate mortgage investment conduits, and asset-backed securities, no more than 2% of the portfolio shall be invested in securities of a single issuer. Asset-backed securities are limited to 5% per issuer.

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 University 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.
- Municipal bonds, corporate bonds, mortgage securities, asset backed securities and other fixed income securities are valued using prices based on bid evaluations or quoted prices in an inactive market.
- Money market funds and mutual funds are recorded at the quoted price which approximates fair value.

As of June 30, 2024 and 2023 the University's investments and assets held under bond indenture are summarized in the following table by their fair value hierarchy (dollars in thousands):

		2024		
Type	Total	Level 1	Level 2	Level 3
Investments:				
U.S. Treasuries	$ 91,319	$ 91,319	$ -	$ -
Agency bonds	12,550	12,550	-	-
Corporate bonds	17,839	3,670	14,169	-
Mortgage securities	1,097	753	344	-
Asset backed securities	12,664	91	12,573	-
Mutual funds:				
US equities	6,159	6,159	-	-
International equities	3,928	3,928	-	-
Money market funds	757	757	-	-
Other fixed income securities	130	130	-	-
Total investments	$ 146,443	$ 119,357	$ 27,086	$ -
Assets held under bond indenture:				
Money market funds	$ 89,285	$ 89,285	$ -	$ -

		2023		
Type	Total	Level 1	Level 2	Level 3
Investments:				
U.S. Treasuries	$ 93,301	$ 93,301	$ -	$ -
Agency bonds	11,008	11,008	-	-
Corporate bonds	26,837	3,131	23,706	-
Mortgage securities	629	629	-	-
Asset backed securities	11,020	60	10,960	-
Mutual funds:				
US equities	5,371	5,371	-	-
International equities	3,449	3,449	-	-
Money market funds	1,722	1,722	-	-
Other fixed income securities	1,611	121	1,490	-
Total investments	$ 154,948	$ 118,792	$ 36,156	$ -
Assets held under bond indenture:				
Money market funds	$ 21,417	$ 21,417	$ -	$ -

NOTE 4 - RENT RECEIVABLE

The receivable balances for each lease as of June 30, 2024 and 2023 are as follows (dollars in thousands):

	2024			
Description	Receivable	Deferred Inflows of Resources	Rent Revenue	Interest Revenue
Cell Towers	$ 12,016	$ 12,010	$ 109	$ 488
CHCP Plant	2,549	2,549	96	104
Heights Ground Lease	16,664	15,594	445	624
Ice Arena Space	424	424	92	21
35 Clove Road Lot	5	5	59	1
	$ 31,658	$ 30,582	$ 801	$ 1,238

	2023			
Description	Receivable	Deferred Inflows of Resources	Rent Revenue	Interest Revenue
Cell Towers	$ 7,296	$ 7,290	$ 135	$ 202
CHCP Plant	2,645	2,645	92	107
Heights Ground Lease	17,912	16,040	408	641
Ice Arena Space	515	515	85	24
Yogi Berra Stadium	-	-	15	2
35 Clove Road Lot	74	63	56	4
	$ 28,442	$ 26,553	$ 791	$ 980

Description	Lease Agreement Terms
Cell Towers	The University entered into seven lease agreements with various telecommunications companies for the right-to-use of the cell towers for periods ranging from three to ten years with annual increases of 2% to 5%. The agreements include one to five renewal options for an additional three to five year periods which have been accounted for. Based on the agreements, the University receives monthly payments through February 2053.
CHCP Plant	On May 16, 2012, the University entered into a lease agreement for the right-to-use its Combined Heating, Cooling, and Power (CHCP) Plant for a 30-year period. The agreement has one renewal option for an additional five year period which has not been included as it is not reasonably certain that it will be exercised. Based on the agreement, the University receives monthly payments through April 2042.
Heights Ground Lease	On June 1, 2010, the University entered into a lease agreement commencing on December 1, 2011 for the right-to-use its Student Housing & Dining Facility for a 40-year period. The agreement does not have a renewal option. Based on the agreement, the University receives monthly payments through June 2042.
Ice Arena Space	The University entered into lease agreements for the right-to-use its ice arena space for periods ranging from five to 10 years. The agreements have a renewal option of an additional five years and annual increases of up to 3% which the University anticipates renewing. Based on the agreements, the University receives monthly payments through December 2028.
35 Clove Road Lot	In April 2016, the University extended the term of the lease agreement for a five-year period beginning on August 1, 2019, for the right-to-use its lot. Based on the agreement, the University receives monthly payments through July 2024. There are no additional options to extend the lease term beyond July 2024.
Yogi Berra Stadium	In July 2017, the University entered into a multi-year lease agreement beginning November 1, 2017 and ending on October 2025 for the right-to-use its stadium space. Based on the agreement, the University receives monthly payments. The lease agreement was terminated on September 1, 2022.

Future minimum receipts on the University's rent receivables as of June 30, 2024 are as follows (dollars in thousands):

Years Ending June 30:	
2025	$ 1,858
2026	852
2027	913
2028	979
2029	1,025
2025 - 2029 subtotal	5,627
2030-2034	6,336
2035-2039	8,963
2040-2044	6,079
2045-2049	3,683
2050-2054	970
	$ 31,658

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 is comprised of the following (dollars in thousands):

	2024			
	Beginning Balance	Additions and Other Increases	Dispositions and Other Decreases	Ending Balance
Capital assets being depreciated/amortized:				
Infrastructure	$ 46,970	$ 277	$ -	$ 47,247
Buildings and improvements	1,216,065	13,518	-	1,229,583
Right-to-use leased buildings	28,941	-	-	28,941
Equipment	317,899	15,882	(161)	333,620
Right-to-use leased equipment	5,577	-	(390)	5,187
Right-to-use subscription assets	33,339	8,955	(5,156)	37,138
Other	38,021	5,133	-	43,154
Total capital assets being depreciated/amortized	1,686,812	43,765	(5,707)	1,724,870
Less: accumulated depreciation/amortization on:				
Infrastructure	30,766	1,735	-	32,501
Buildings and improvements	462,126	32,790	-	494,912
Right-to-use leased buildings	9,601	3,005	-	12,606
Equipment	264,616	17,381	(151)	281,846
Right-to-use leased equipment	3,663	588	(385)	3,866
Right-to-use subscription assets	9,850	6,899	(5,156)	11,593
Other	26,904	1,173	-	28,077
Total accumulated depreciation/amortization	807,526	63,571	(5,692)	865,401
Depreciable/amortizable assets, net	879,286	(19,806)	(15)	859,469
Nondepreciable assets:				
Land	41,148	-	-	41,148
Construction in progress	11,708	39,417	(35,712)	15,409
Total nondepreciable assets	52,856	39,417	(35,712)	56,557
Total capital assets, net	$ 932,142	$ 19,611	$ (35,727)	$ 916,026

Capital asset activity for the year ended June 30, 2023 is comprised of the following (dollars in thousands):

	2023			
	Beginning Balance	Additions and Other Increases	Dispositions and Other Decreases	Ending Balance
Capital assets being depreciated/amortized:				
Infrastructure	$ 46,965	$ 5	$ -	$ 46,970
Buildings and improvements	1,109,660	106,405	-	1,216,065
Right-to-use leased buildings	28,355	586	-	28,941
Equipment	284,446	33,453	-	317,899
Right-to-use leased equipment	1,197	4,380	-	5,577
Right-to-use subscription assets	11,401	21,938	-	33,339
Other	37,193	828	-	38,021
Total capital assets being depreciated/amortized	1,519,217	167,595	-	1,686,812
Less: accumulated depreciation/amortization on:				
Infrastructure	29,043	1,723	-	30,766
Buildings and improvements	386,629	75,497	-	462,126
Right-to-use leased buildings	6,010	3,591	-	9,601
Equipment	232,691	31,925	-	264,616
Right-to-use leased equipment	862	2,801	-	3,663
Right-to-use subscription assets	4,248	5,602	-	9,850
Other	26,163	741	-	26,904
Total accumulated depreciation/amortization	685,646	121,880	-	807,526
Depreciable/amortizable assets, net	833,571	45,715	-	879,286
Nondepreciable assets:				
Land	37,821	3,327	-	41,148
Construction in progress	18,783	14,756	(21,831)	11,708
Total nondepreciable assets	56,604	18,083	(21,831)	52,856
Total capital assets, net	$ 890,175	$ 63,798	$ (21,831)	$ 932,142

Estimated costs to complete the projects classified as construction in progress as of June 30, 2024 and 2023 approximated $43.5 million and $43.3 million, respectively, and are expected to be funded from unrestricted resources, State grants and contracts and NJEFA bonds.

NOTE 6 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

As of June 30, 2024 and 2023, accounts payable and accrued expenses consist of the following (dollars in thousands):

	2024	2023
Vendors	$ 10,256	$ 16,383
Capital projects	1,965	2,781
Employees	17,427	13,386
Interest payable	9,997	8,361
Compensated absences	8,690	7,675
	$ 48,335	$ 48,586

NOTE 7 - BONDS PAYABLE AND OTHER LONG-TERM DEBT

Bonds Payable

The Board of Trustees of the University, the New Jersey Board of Higher Education and the Authority have entered into various agreements whereby, although legal title remains with the State, the University is given use of buildings, improvements and equipment through enabling legislation and the University agrees to make lease payments equal to the related debt and interest payments of the underlying revenue bonds issued by the Authority. These bonds are general obligations of the University. The following bonds payable of the Authority related to the University were outstanding as of June 30, 2024 and 2023 (dollars in thousands):

	Interest Rates %	2024	2023
New Jersey Educational Facilities Authority Revenue Bonds:			
Series 2014 A Revenue Bonds, refunded 2024	3.00 - 5.00	$ 4,475	$ 160,000
Series 2015 D Revenue Bonds, due serially to 2036	3.75 - 5.00	63,710	66,685
Series 2016 B Revenue Bonds, due serially to 2038	3.00 - 5.00	109,435	111,170
Series 2024 A Revenue Bonds, due serially to 2044	5.00	159,430	-
Private Placement Bond, due May 1, 2043	3.76 - 6.56	-	26,234
Bonds payable		337,050	364,089
Plus: Bond premium		20,672	12,848
Total bonds payable		$ 357,722	$ 376,937

Refunding Activity

On April 3, 2024, the New Jersey Educational Facilities Authority issued Revenue Refunding Bonds (Montclair State University Issue, Series 2024 A) for $159.4 million to refund Private Placement Bond due

May 1, 2043, Commercial Mortgage Loan due December 31, 2023, Commercial Mortgage Loan due January 1, 2036 and New Jersey Educational Facilities Authority Revenue Refunding Bonds Series 2014 A. As of June 30, 2024, $4.5 million remained as outstanding bonds payable for New Jersey Educational Facilities Authority Revenue Refunding Bonds Series 2014 A which was subsequently paid on July 1, 2024. As part of the refunding, the University reduced its total debt service over the next 20 years by $34.3 million and it equates to savings to the University of approximately $26.1 million. The difference between the reacquisition price and the net carrying amount of the old debt of $11.5 million was recorded in 2024 as deferred amount from debt refundings and is amortized as a reduction to interest expense through the year 2044.

Other Long-Term Debt

The following other long-term debt was outstanding as of June 30, 2024 and 2023 (dollars in thousands):

	Interest Rates %	2024	2023
Series 2016 B Higher Education Capital Improvement Fund, due serially to 2036	3.00 - 5.50	$ 1,733	$ 1,827
Series 2023 A Higher Education Capital Improvement Fund, due serially to 2050	4.63 - 5.25	19,260	-
Commercial Mortgage Loan due December 31, 2023	5.50	-	2,297
Commercial Mortgage Loan due January 1, 2036	5.88	-	2,517
Higher Education Capital Improvement Fund due serially to 2037	3.00 - 5.00	371	391
Total other long-term debt		$ 21,364	$ 7,032

Future Principal and Interest Payments

The following is a schedule of future minimum principal and interest and fee payments on the University's bonds payable and other long-term debt as of June 30, 2024 (dollars in thousands):

Years Ending June 30:	Principal	Interest and Fees
2025	$ 17,890	$ 17,199
2026	17,212	16,388
2027	18,092	15,534
2028	18,952	14,634
2029	20,664	13,647
2025 - 2029 Subtotal	92,810	77,402
2030 – 2034	109,163	52,154
2035 – 2039	84,508	29,341
2040 – 2044	72,075	12,125
2045 – 2049	18,083	1,265
2050 – 2051	2,447	131
	$ 379,086	$ 172,418

JP Morgan Chase Bank $20 Million Revolving Line of Credit

On September 29, 2023 the University was issued a $20 million revolving line of credit with JP Morgan Chase Bank that expires on September 26, 2025. Borrowings under the line of credit bear interest at the Secured Overnight Financing Rate (SOFR) SOFR plus 80 basis points if the credit is used, and 15 basis points if the credit remains unused. As of June 30, 2024, there were no borrowings under this line of credit.

In 2023, the University had a $20 million revolving line of credit with JP Morgan Chase Bank that expired on May 26, 2023. Borrowings under the line of credit bear interest at the Secured Overnight Financing Rate (SOFR) or the CB Floating Rate. As of June 30, 2023, there were no borrowings under this line of credit.

NOTE 8 - SUMMARY OF CHANGES IN NONCURRENT LIABILITIES

The following table summarizes the changes in noncurrent liabilities during the year ended June 30, 2024 and 2023 (dollars in thousands):

	2024				
	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Bonds payable and other long-term debt	$ 383,969	$ 199,621	$ (204,504)	$ 379,086	$ 17,890
Leases	21,971	-	(3,601)	18,370	2,713
Subscriptions	23,707	8,998	(6,657)	26,048	6,012
Compensated absences	10,280	1,145	-	11,425	8,690
Net pension liability	174,695	-	(2,770)	171,925	-
Other long-term liability	1,401	4,040	(1,401)	4,040	-
Total noncurrent liabilities	$ 616,023	$ 213,804	$ (218,933)	$ 610,894	$ 35,305

	2023				
	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Bonds payable and other long-term debt	$ 367,709	$ 32,512	$ (16,252)	$ 383,969	$ 17,016
Leases	23,700	1,209	(2,938)	21,971	3,603
Subscriptions	7,172	21,938	(5,403)	23,707	5,232
Compensated absences	10,307	-	(27)	10,280	7,675
Assets held on behalf of Federal government for loan programs	481	-	(481)	-	-
Net pension liability	170,948	3,747	-	174,695	-
Other long-term liability	143	1,401	(143)	1,401	-
Total noncurrent liabilities	$ 580,460	$ 60,807	$ (25,244)	$ 616,023	$ 33,526

NOTE 9 - LONG TERM LIABILITIES - LEASES

Leases payable as of June 30, 2024 and 2023 are comprised of the following individual agreements (dollars in thousands):

		2024				
Description	Contract Date	Remaining Lease Term (Years)	Interest Rate %	Original Amount	Ending Balance	Current Portion
Audiology Clinic Office Space	10/1/2009	0.3	0.70	$ 4,014	$ 239	$ 239
Administrative Office Space	12/18/2015	3.0 – 5.0	0.92 - 1.08	9,921	4,564	1,441
Heights Dining	5/31/2011	18.0	2.43	14,420	12,195	591
IT Servers	7/1/2022	2.7	2.30	181	71	57
Copiers	1/1/2023	3.5	2.96	933	668	184
Laptops	4/1/2017	0.3	1.14 - 4.53	2,835	2	2
Laundry Equipment	7/1/2022	1.2 – 3.0	2.10 - 2.49	1,010	631	199
					$ 18,370	$ 2,713

		2023				
Description	Contract Date	Remaining Lease Term (Years)	Interest Rate %	Original Amount	Ending Balance	Current Portion
Audiology Clinic Office Space	10/1/2009	1.3	0.70	$ 4,014	$ 1,193	$ 954
Administrative Office Space	12/18/2015	4.0 – 6.0	0.92 - 1.08	9,921	5,965	1,401
Heights Dining	5/31/2011	19.0	2.43	14,420	12,772	577
IT Servers	3/31/2019	0.2 - 3.8	0.70 - 2.10	771	234	167
Copiers	1/1/2023	4.5	2.96	933	846	178
Laptops	4/1/2017	0.2 - 1.3	1.14 - 4.53	2,835	141	140
Laundry Equipment	7/1/2022	3.7 – 4.0	2.30 - 2.49	998	820	186
					$ 21,971	$ 3,603

The University has lease arrangements for real estate office space, dining facilities, network equipment including servers and storage, and office equipment including copiers and laptops. Leases have remaining lease terms ranging from 0.3 years to 18 years, some of which include options to extend the leases term for up to 10 years, and some of which include options to terminate the leases. Real estate office space leases include additional payments for maintenance expenses and taxes which are considered as variable payments and not included in the measurement of lease liability. For the majority of leases the University concluded it is not reasonably certain to exercise the options to extend the lease or terminate the lease. Therefore, as of the lease commencement date, the lease terms generally do not include these options. The University includes options to extend the lease when it is reasonably certain that it will exercise that option.

During June 1, 2010, the University completed a transaction with Provident Group - Montclair Properties LLC to lease and operate approximately 24,216 square feet of floor area in dining facilities, convenience store and coffee shop in the Heights Residence Halls managed and operated by third party. The University has an agreement with Provident Group for a minimum of 32 years. This lease is subject to all of the terms, covenants, and conditions of the Ground Lease (See Note 4), which includes the renewal terms. The lease will be renewed to the extent, if any, that the term of the Ground Lease may be extended or renewed, provided that the term of this lease shall in all cases expire one day before the last day of the extended or renewed term of the Ground Lease.

As of November 7, 2023, the University was contractually obligated to lease payments totaling $5.1 million for office space that has commenced in fiscal 2025. The University has certain rights and obligations for this lease, but did not recognize a right-to-use asset or lease liability since the lease has not yet commenced as of June 30, 2024.

Future Principal and Interest Payments

The following is a schedule of future minimum principal and interest payments on the University's lease payable as of June 30, 2024 (dollars in thousands):

Years Ending June 30:	Principal	Interest
2025	$ 2,713	$ 358
2026	2,499	318
2027	2,558	278
2028	793	247
2029	709	230
2025 - 2029 Subtotal	9,272	1,431
2030 - 2034	3,502	900
2035 – 2039	3,951	449
2040 – 2041	1,645	40
	$ 18,370	$ 2,820

NOTE 10 - LONG TERM LIABILITIES - SUBSCRIPTIONS

Subscriptions payable as of June 30, 2024 and 2023 are comprised of the following subscription-based information technology agreement groups (dollars in thousands):

		2024				
Description	Starting Contract Date	Remaining Lease Term (Years)	Interest Rate %	Original Amount	Ending Balance	Current Portion
Data Management Tools	7/1/21 - 6/6/24	0.8 - 4.5	0.50 - 3.42	$ 6,046	$ 3,822	$ 1,819
Online Payment Tools	7/1/21	0.8	0.54	988	27	27
Education & Engagement Tools	7/1/21 - 6/1/24	0.1 - 4.6	0.50 - 3.98	7,875	4,923	1,769
Cloud Based ERP Systems	7/1/21 - 5/1/24	0.3 - 8.5	0.60 - 3.76	20,305	17,084	2,312
Cloud Based Data Storage	7/1/22 - 12/15/22	0.5 - 2.1	2.16 - 2.90	126	36	30
IT Infrastructure Software	4/1/24	2.8	3.19	170	156	55
					$ 26,048	$ 6,012

Description	Starting Contract Date	Remaining Lease Term (Years)	Interest Rate %	2023 Original Amount	Ending Balance	Current Portion
Data Management Tools	11/1/18 - 5/10/23	0.2 - 4.8	0.48 - 3.38	$ 4,887	$ 2,905	$ 1,484
Online Payment Tools	8/1/19 - 7/1/22	1.0 - 1.1	0.54 - 1.97	993	351	324
Education & Engagement Tools	1/31/19 - 5/31/23	0.5 - 4.6	0.50 - 3.16	5,621	3,608	1,295
Cloud Based ERP Systems	5/1/20 - 1/31/23	0.8 - 9.5	0.54 - 3.56	19,025	16,768	2,079
Cloud Based Data Storage	8/18/22 - 12/15/22	1.5 - 2.1	2.16 - 2.90	105	75	50
					$ 23,707	$ 5,232

The University has subscription-based information technology agreements (SBITAs) for various needs throughout the University. They are listed above according to their type of subscription usage.

Subscriptions have remaining agreement terms ranging from 0.1 years to 8.5 years, some of which include options to extend the agreement term for up to three years, and some of which include options to terminate the agreement. For the majority of subscriptions, the University concluded it is not reasonably certain to exercise the options to extend the subscription or terminate the subscription. Therefore, as of the subscription commencement date, the subscription terms generally do not include these options. The University includes options to extend the subscriptions when it is reasonably certain that it will exercise that option.

Future Principal and Interest Payments

The following is a schedule of future minimum principal and interest payments on the University's subscription payable as of June 30, 2024 (dollars in thousands):

Years Ending June 30:	Principal	Interest
2025	$ 6,012	$ 724
2026	5,237	556
2027	3,650	418
2028	2,345	324
2029	1,980	255
2025 - 2029 Subtotal	19,224	2,277
2030 - 2034	6,824	394
	$ 26,048	$ 2,671

NOTE 11 - RETIREMENT PLANS

Montclair employees participate in three major retirement plans: Public Employees' Retirement System (PERS), Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP). PERS and PFRS are cost-sharing, multiple-employer defined benefit plans administered by the State, Division of Pensions and Benefits (the Division). For additional information about PERS and PFRS, please refer to Division's Annual Comprehensive Audited Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml. The ABP is administered by separate boards of trustees. Generally, all employees, except certain part-time employees, participate in one of these plans.

PERS was established under the provisions of N.J.S.A 43:15A to provide coverage, including postretirement healthcare, to substantially all full-time employees of the State of New Jersey public agencies, provided the employee is not a member of another State-administered retirement system.

PFRS was established under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full-time county and municipal police or firefighters and state firefighters appointed after June 30, 1994.

In addition to the three plans referred to above, certain faculty members of Montclair participate in Teachers' Pension and Annuity Fund (TPAF), which is a State cost-sharing, multiple employer defined benefit plan with a special-funding situation by which the State is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State Division. TPAF was established under the provisions of N.J.S.A. 18A:66 to provide coverage, including postretirement healthcare, to substantially all full-time public-school employees in the State. The plan's eligibility requirements are similar to PERS' requirement. PERS replaced this plan for all new employees and members of TPAF were able to transfer to PERS. For additional information about TPAF, please refer to Division's Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Public Employees' Retirement System and Police and Firemen's Retirement System

The vesting and benefit provisions are set by N.J.S.A. 43:15A for PERS and N.J.S.A. 43:16A for PFRS. PERS and PFRS provide retirement, death and disability benefits. With PERS, 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. With PFRS, all benefits vest after ten years of service, except disability benefits which vest after four years of service.

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 before age 62 with 25 or more years of service credit 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.

The following represents the membership tiers for PFRS:

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving 10 years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and PFRS is set by N.J.S.A. 43:16A and require contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution for PERS 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. The State’s contribution for PFRS is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. For fiscal year 2023, the State’s pension contribution for PERS and PFRS was more than the actuarial determined amount.

During the years ended June 30, 2024 and 2023, PERS members were required to contribute 7.50% of pensionable wages, and PFRS members were required to contribute 10% of their pensionable wages and Montclair is required to contribute at an actuarially determined rate. The State contributes to PERS and PFRS on behalf of Montclair. Employers were not required to contribute in 2024 or 2023 due to legislation enacted in 1997 by the State of New Jersey, which fully funded previously existing unfunded accrued liabilities of PERS through State of New Jersey bonds. The contribution requirements of the plan members and Montclair are established and may be amended by the State.

Allocated employer contributions provided by the State and recognized by the PERS and PFRS plans from Montclair for the year ending June 30, 2024 totaled $12.2 million and $2.2 million, respectively and for the year ending June 30, 2023 totaled $12.4 million and $2.2 million, respectively.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

Net pension liability, pension expense, deferred outflows of resources, and deferred inflows of resources amounts recorded to reflect the provisions of GASB Statement No. 68 are reflective of the respective plan’s published financial statements and actuarial valuations as of June 30, 2023 (“Measurement Date”).

Montclair's respective net pension liability, deferred outflows of resources, deferred inflows of resources, and net pension expense related to PERS and PFRS, at and for the fiscal year ended June 30, 2024 and 2023 (as of June 30, 2023 and 2022 measurement dates), are as follows:

	2024		
	PERS	PFRS	Total
		(in thousands)	
Proportionate share of the net pension liability ($)			
2023	$ 147,253	$ 24,672	$ 171,925
2022	$ 150,387	$ 24,308	$ 174,695
Proportionate share of the net pension liability (%)			
2023	0.656%	0.558%	
2022	0.672%	0.562%	
Deferred outflows of resources	17,450	6,366	23,816
Deferred inflows of resources	16,649	1,541	18,190
Pension expense	2,850	2,084	4,934

	2023		
	PERS	PFRS	Total
		(in thousands)	
Proportionate share of the net pension liability ($)			
2022	$ 150,387	$ 24,308	$ 174,695
2021	$ 150,148	$ 20,800	$ 170,948
Proportionate share of the net pension liability (%)			
2022	0.672%	0.562%	
2021	0.694%	0.512%	
Deferred outflows of resources	18,409	7,040	25,449
Deferred inflows of resources	24,583	2,422	27,005
Pension expense (benefit)	(1,617)	1,900	283

Montclair's proportionate share of each respective plan's net pension liability was based on the State contribution to the respective plans from July 1, 2022 to June 30, 2023 (as of June 30, 2023 and 2022 measurement dates) relative to the total contributions from all participating employers.

The components of pension related deferred outflows of resources and deferred inflows of resources as of the measurement date (June 30, 2023 and June 30, 2022) for the fiscal year ended June 30, 2024 and 2023, are as follows:

	2024		
	PERS	PFRS	Total
		(in thousands)	
Deferred outflows of resources:			
Difference between expected and actual experience	$ 3,265	$ 689	$ 3,954
Changes of assumptions	149	19	168
Net differences between projected and actual earnings on pension plan investments	2,252	601	2,853
Changes in proportionate share	196	1,875	2,071
Contributions subsequent to the measurement date	11,588	3,182	14,770
	$ 17,450	$ 6,336	$ 23,816
Deferred inflows of resources:			
Difference between expected and actual experience	$ 438	$ 403	$ 841
Changes of assumptions	4,227	593	4,820
Changes in proportionate share	11,984	545	12,529
	$ 16,649	$ 1,541	$ 18,190

	2023		
	PERS	PFRS	Total
		(in thousands)	
Deferred outflows of resources:			
Difference between expected and actual experience	$ 2,425	$ 181	$ 2,606
Changes of assumptions	225	25	250
Net differences between projected and actual earnings on pension plan investments	3,633	861	4,494
Changes in proportionate share	1,292	2,494	3,786
Contributions subsequent to the measurement date	10,834	3,479	14,313
	$ 18,409	$ 7,040	$ 25,449
Deferred inflows of resources:			
Difference between expected and actual experience	$ 792	$ 603	$ 1,395
Changes of assumptions	11,009	1,168	12,177
Changes in proportionate share	12,782	651	13,433
	$ 24,583	$ 2,422	$ 27,005

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of $11.6 million for PERS and $3.2 million for PFRS are recognized as a reduction of the net pension liability in the year ended June 30, 2024 as of June 30, 2023 measurement date.

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense in the statement of revenues, expenses and changes in net position as follows:

Years Ended June 30,	PERS	PFRS	Total
		(in thousands)	
2024	$ 32,484	$ 9	$ 33,493
2025	(5,125)	128	(4,997)
2026	(41,242)	(1,649)	(42,891)
2027	(7,713)	(382)	(8,095)
2028	(832)	(510)	(1,342)
Thereafter	-	(83)	(83)
	(22,375)	(1,539)	(23,914)
Contributions paid subsequent to Measurement Date	11,588	3,182	14,770
	$ (10,787)	$ 1,643	$ (9,144)

Actuarial Assumptions

Montclair's net pension liability as of the June 30, 2023 measurement date (based on the July 1, 2022 actuarial valuation, which was rolled forward to June 30, 2023) was determined using the following assumptions:

	June 30, 2023	
	PERS	PFRS
Inflation rate		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary increases through all future years	2.75 - 6.55% based on years of service	3.25 - 16.25% based on years of service
Investment rate of return	7.00%	7.00%

	June 30, 2022	
	PERS	PFRS
Inflation rate		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary increases through all future years	2.75 - 6.55% based on years of service	3.25 - 16.25% based on years of service
Investment rate of return	7.00%	7.00%

PERS

For the June 30, 2023 measurement date, 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 (June 30, 2023 measurement date.)

PFRS

For the June 30, 2023 measurement date, pre-retirement mortality rates were based on the PubS-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For healthy annuitants, post-retirement mortality rates were based on the PubS-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries, the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used unadjusted with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the PubS-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021 (June 30, 2023 measurement date.)

The collective 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, 2023.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at the June 30, 2023 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and New Jersey Division of Pension 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of the arithmetic real rates of return for each major asset class included in the PERS and PFRS target asset allocations as of June 30, 2023 and 2022 measurement date is summarized in the following table:

	2023		2022	
	PERS and PFRS		PERS and PFRS	
Asset Class	Target Allocation %	Long-Term Expected Real Rate of Return %	Target Allocation %	Long-Term Expected Real Rate of Return %
U.S. Equity	28.00	8.98	27.00	8.12
Non U.S. Developed Markets Equity	12.75	9.22	13.50	8.38
International Small Cap Equity	1.25	9.22	-	-
Emerging Markets Equity	5.50	11.13	5.50	10.33
Private Equity	13.00	12.50	13.00	11.80
Real Estate	8.00	8.58	8.00	11.19
Real Assets	3.00	8.40	3.00	7.60
High Yield	4.50	6.97	4.00	4.95
Private Credit	8.00	9.20	8.00	8.10
Investment Grade Credit	7.00	5.19	7.00	3.38
Cash Equivalents	2.00	3.31	4.00	1.75
U.S. Treasuries	4.00	3.31	4.00	1.75
Risk Mitigation Strategies	3.00	6.21	3.00	4.91

Discount Rates

The discount rate used to measure the total pension liabilities was 7.00% for PERS and PFRS as of the June 30, 2023 and 2022 measurement dates respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer 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 expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

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

	2024			
	PERS		PFRS	
	Rate %	Amount	Rate %	Amount
1% decrease	6.00	$ 168,377	6.00	$ 28,795
Current discount rate	7.00	147,253	7.00	24,672
1% increase	8.00	129,320	8.00	21,237

	2023					
	PERS			PFRS		
	Rate %		Amount	Rate %		Amount
1% decrease	6.00	$	171,603	6.00	$	28,287
Current discount rate	7.00		150,387	7.00		24,308
1% increase	8.00		132,379	8.00		20,994

Teachers' Pension and Annuity Fund

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

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 member 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 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. 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 TPAF is set by N.J.S.A 18A:66 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 on the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2023 measurement date, the State's pension contribution was more than the actuarial determined amount.

Allocated employer contributions provided by the State and recognized by the plan from Montclair totaled $163 thousand and $176 thousand for the years ending June 30, 2024 and 2023, respectively.

Net Pension Liability

As of June 30, 2024 and 2023, the State's proportionate share of the TPAF net pension liability associated with Montclair was $2 million and $2.17 million, respectively. The University's proportionate share was $0.

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, 2023. 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. The June 30, 2023 and 2022 actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement:

June 30, 2023	
Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases	2.75 - 4.25%
through all future years	based on years of service
Investment rate of return	7.00%

June 30, 2022	
Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases	2.75 - 5.65%
through all future years	based on years of service
Investment rate of return	7.00%

For the July 1, 2023 and 2022 valuations, pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disabled mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021 (June 30, 2023 & June 30, 2022 measurement dates).

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023 and 2022 measurement dates. As of June 30, 2023 measurement date, this single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7% and a municipal bond rate of 3.65% 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State as of both June 30, 2023 and June 30, 2022, respectively. 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 expected rate of return on plan investments was applied to projected benefit payments through 2062, and the municipal bond rate was applied to all projected benefit payments in determining the total pension liability.

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

The following presents the net pension liability of Montclair as of June 30, 2023 and 2022 measurement date calculated using the discount rate as disclosed above as well as what Montclair's 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):

	2024		
	At 1% Decrease (6%)	At Current Discount Rate (7%)	At 1% Increase (8%)
Net pension liability	$ 60,267,920	$ 51,109,962	$ 43,396,785
Allocation percentage	0.0039148375%	0.0039148375%	0.0039148375%
Montclair's proportionate share of the net pension liability	$ 2,359	$ 2,001	$ 1,699

	2023		
	At 1% Decrease (6%)	At Current Discount Rate (7%)	At 1% Increase (8%)
Net pension liability	$ 60,591,897	$ 51,676,587	$ 44,166,559
Allocation percentage	0.0042026397%	0.0042026397%	0.0042026397%
Montclair's proportionate share of the net pension liability	$ 2,546	$ 2,172	$ 1,856

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023 and 2022 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments 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 real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 and 2022 measurement dates are summarized in the following table:

	2023 TPAF		2022 TPAF	
Asset Class	Target Allocation%	Long-Term Expected Real Rate of Return%	Target Allocation%	Long-Term Expected Real Rate of Return%
U.S. Equity	28.00	8.98	27.00	8.12
Non U.S. Developed Markets Equity	12.75	9.22	13.50	8.38
International Small Cap Equity	1.25	9.22	-	-
Emerging Markets Equity	5.50	11.13	5.50	10.33
Private Equity	13.00	12.50	13.00	11.80
Real Estate	8.00	8.58	8.00	11.19
Real Assets	3.00	8.40	3.00	7.60
High Yield	4.50	6.97	4.00	4.95
Private Credit	8.00	9.20	8.00	8.10
Investment Grade Credit	7.00	5.19	7.00	3.38
Cash Equivalents	2.00	3.31	4.00	1.75
U.S. Treasuries	4.00	3.31	4.00	1.75
Risk Mitigation Strategies	3.00	6.21	3.00	4.91

Components of Net Pension Liability

The components of the net pension liability of the participating employers for TPAF as of June 30, 2023 and 2022 measurement dates are as follows (dollars in thousands):

	2023 State	2022 State
Total pension liability	$ 78,240,143	$ 76,317,118
Plan fiduciary net position	27,130,181	24,640,531
Net Pension Liability	$ 51,109,962	$ 51,676,587
Plan fiduciary net position as a percentage of the total pension liability	34.68%	32.29%

	2023 Montclair	2022 Montclair
Net pension liability	$ 51,109,962	$ 51,676,587
Allocation percentage	0.0039148375%	0.0042026397%
Montclair's proportionate share of the net pension liability	$ 2,001	$ 2,172

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of Montclair. Montclair's portion of the non-employer contributing entities' total proportionate share of the net pension liability was $1.998 million as of June 30, 2023 and $2.168 million as of June 30, 2022. Montclair records their proportionate share of the pension expense as a revenue and expense in the accompanying Statement of Revenues, Expenses, and Changes in Net Position. The amount was $49 thousand in 2023 and $58 thousand in 2022.

Alternate Benefit Program (ABP) Information

ABP provides the choice of seven investment carriers, which are privately operated, defined contribution retirement plans and is administered by the NJ Division of Pensions and Benefits. These seven investment carriers are VOYA, Metropolitan Life Insurance (MetLife), Teachers Insurance and Annuity Association (TIAA), AIG Valic, Mass Mutual, AXA Equitable, and Prudential. Montclair assumes no liability for ABP members other than payment of contributions. ABP provides retirement and death benefits for or on behalf of those full-time professional employees and faculty members electing to participate in this retirement program as an alternative to PERS. Participation eligibility as well as contributory and noncontributory requirements are 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. Employee contributions immediately vest and employer contributions 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. Participating Montclair employees are required to contribute 5% of salary, up to the maximum Federal statutory limit, on a pretax basis.

The ABP permits additional tax-deferred contributions to be made to ABP investment carrier account(s) (except Prudential) at an amount over and above the 5% required employee contribution under the voluntary 403(b) component of the program and/or participation in the New Jersey State Employees Deferred Compensation Plan (NJSEDCP). The 403(b) and/or NJSEDCP plan accounts are available to employees in ABP, PERS, PFRS, and DCRP pension plans. Employer contributions in ABP are 8% of salary. The maximum compensation to be considered for employer contributions is $175,000 per New Jersey state law Chapter 31, P.L. 2018. This law was effective as of July 1, 2018. Montclair created the Supplemental Alternate Benefits Program to fund the 8% employer match above $175,000 compensation limit. These contributions are funded by Montclair. During the years ended June 30, 2024 and 2023, ABP received employee contributions of approximately $9.8 million and $8.6 million, respectively; and employer contributions of approximately $15.7 million and $13.7 million, respectively, which were based on participating employee salaries of $196.0 million and $171.4 million, respectively. Employer contributions to ABP are paid by the State and Montclair and are reflected within operating expenses by function and within non-operating revenues as State of New Jersey paid fringe benefits in the accompanying statements of revenues, expenses, and changes in net position.

Defined Contribution Retirement Program (DCRP)

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 Financial, which jointly administers the DCRP investments with the Division of Pensions and Benefits. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit along with life insurance and disability coverage.

DCRP enrollment eligibility criteria includes employees enrolled in PERS or PFRS 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 Retirement and Social Security Law.

The University 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. Participating Montclair employees contribute 5.5% of their eligible wages and the employer match contributions are 3% of base salary.

During the years ended June 30, 2024 and 2023, Prudential received employer and employee contributions as follows:

	2024	2023
Employer contributions	$ 19,233	$ 20,431
Employee contributions	35,236	37,347
Basic for contributions:		
Participant employee salaries	$ 641,100	$ 681,033

Employer contributions to DCRP are paid by the University and are reflected as expenses in the statements of revenues, expenses, and changes in net position.

Other Voluntary Retirement Plans

New Jersey State Employees Deferred Compensation Plan (NJSEDCP)

The NJSEDCP, governed by the guidelines of the IRC Section 457 and the laws of the State, is administered by Prudential Financial for the State. The Deferred Compensation Board is the final authority on all matters concerning the operation of the Plan; by law, the State Investment Council has the right to supervise certain aspects of the Plan including the investment assets. The NJSEDCP is a voluntary tax-deferred savings plan that provides for pre-tax and/or post-tax voluntary employee contributions. NJSEDCP is available to all employees whether they participate in PERS, PFRS, ABP or under the voluntary 403(b) component of the ABP. The plan does not include any matching employer contributions. Participation in the plan is limited and the associated amounts are not significant.

Supplemental Alternate Benefits Program

The Plan is administered by the University. TIAA is the privately operated investment carrier for this defined contribution plan. All contributions are made by the University with Non-State funds. The plan is intended to qualify as a governmental plan that is tax-sheltered annuity plan under section 403(b) of the IRC of 1986, as amended. It is also intended that the Plan be exempt from the Employee Retiree Income Security Act of 1974, as amended, pursuant to Department of Labor regulations section 2510.3-2(f). Each employee whose compensation exceeds the State limit of $175,000 on contributions for the ABP in a given year shall be eligible to participate in the plan and have employer contributions made on their behalf. The University will contribute 8% of the employee’s compensation in excess of the State limit on compensation. Participation in the plan is limited and the associated amounts are not significant.

Additional Contributions Tax-Sheltered Programs (ACTS)

As a PERS and PFRS member, employees may also participate in the Additional Contributions Tax-Sheltered Programs (ACTS). Through salary reduction agreements, employees are able to obtain supplemental tax-deferred annuities (IRC Section 403[b]) with a variety of investment carriers. The ACTS Program is separate from, and in addition to, the employees' basic pension benefit. The authorized carriers and investment options are the same as currently available to members of the ABP. Participation in the plan is limited and the associated amounts are not significant.

Supplemental Annuity Collective Trust (SACT)

As a PERS, PFRS, or ABP member, employees may also participate in the Supplemental Annuity Collective Trust (SACT), which invests the entire voluntary contributions in common stocks. There are two separate plans, the SACT-Regular Plan and the SACT-Tax-Sheltered Plan (IRC Section 403[b]). Under the SACT-Regular Plan, contributions are made post-tax. Under the SACT-Tax-Sheltered Plan, a portion of salary is tax deferred. Participation in the plan is limited and the associated amounts are not significant.

Supplemental Deferred Compensation Plan

The Plan is administered by the University. This deferred compensation plan is sponsored by the New Jersey Alternate Benefit Program and administered by TIAA. The plan is a supplemental 403(b)/457(f) retirement plan subject to plan terms and applicable Plan and IRS limits. At the end of each fiscal year during the initial term and any renewal year, the University will make a 10% supplemental retirement contribution of the President's base salary paid during the respective fiscal year into the plan. All deferred compensation will vest upon expiration of the employment agreement accompanied by a separation from service, as it may be renewed from time to time, except that the President's deferred compensation will vest sooner in event of death, disability, or involuntary separation from service without cause; otherwise all deferred compensation will be forfeited in the event of resignation or termination for cause before the normal vesting date. Participation in the plan is limited and the associated amounts are not significant.

NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

The University retirees participate in the State Health Benefit State Retired Employees Plan (the "Plan"). 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 with a special funding situation for stand-alone financial statement reporting purposes. 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 Statement No. 75.

In accordance N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension, from one or more of the following pension plans: the Public Employees' Retirement System (PERS), the Alternate Benefit Program (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 University's employees retain any and all rights to the health benefits in the Plan, even though the University is considered autonomous from the State, therefore, its employees are classified as State employees. As such, the State is legally obligated to pay the premiums of the University. The State shall also reimburse such retired employees for the premium charges under the Part B of the federal Medicare program covering the retired employee and the employee's spouse. 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.

Total OPEB Liability and OPEB Expense

As of June 30, 2024, and 2023, the State recorded a liability of $_____ million and $308.2 million, respectively, which represent the portion of the State's total proportionate share of the collective total OPEB liability that is associated with the University (the University's share). The University's share was based on the ratio of its members to the total members of the Plan. At June 30, 2024 and 2023, the University's share of the special funding situation was ________% and 5.541176%, respectively. At June 30, 2024 and 2023, the University's share of the Plan was ________% and 1.475584%, respectively. The State is legally required to pay for the OPEB benefit coverage for eligible retirees. Therefore, the University is considered to be in a special funding situation as defined by GASB Statement 75 and the State is treated as a nonemployer contributing entity. Since the University does not contribute directly to the plan there is no total OPEB liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements. For the year ended June 30, 2024 and 2023, the University recognized OPEB expense of ______ million and ($8.9) million, respectively. As the State is legally obligated for benefit payments on behalf of the University, the University recognized revenue related to the support provided by the State of ______ million and ($8.9) million, respectively.

Actuarial assumptions and other inputs – The State's liability associated with the University at June 30, 2024 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to the measurement date of June 30, 2023. The State's liability associated with the University at June 30, 2023 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to the measurement date of June 30, 2022.

	2023	2022
Inflation		-
Discount rate	%	3.54%
Salary increases		
Through 2026		-
Thereafter	%	2.75-16.25%

The discount rate is based on the Bond Buyer General Obligation 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 years of service.

The June 30, 2022 valuation used pre-retirement 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 the Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational improvement projections from the central year using the Scale MP-2021. Disability mortality was based on the Pub-2010 "General" (PERS) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The June 30, 2021 valuation used pre-retirement 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 the Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational improvement projections from the central year using the Scale MP-2021. Disability mortality was based on the Pub-2010 "General" (PERS) 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 was 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).

Certain actuarial assumptions used in the June 30, 2021 valuation was 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 the June 30, 2022 pre-Medicare medical benefits valuation, the trend rate is initially 6.25% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rate is 6.36% for PPO and 6.53% for HMO for fiscal year 2023 through 2024. The rates used for 2025 and 2026 are 14.35% for PPO and 15.47% for HMO, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 8.0% and decreases to a 4.5% long-term trend rate after seven years.

For the June 30, 2021 pre-Medicare medical benefits valuation, the trend rate is initially 6.25% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rate is 6.36% for PPO and 6.53% for HMO for fiscal year 2023 through 2024. The rates used for 2025 and 2026 are 14.35% for PPO and 15.47% for HMO, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 8.0% and decreases to a 4.5% long-term trend rate after seven years.

NOTE 13 – RESTRICTED NET POSITION AND CONTINGENT LIABILITIES

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

Restricted expendable net position by purpose or passage of time related to Bloomfield consist of funds restricted for the following purposes as of June 30, 2024 and 2023 is as follows (dollars in thousands):

	2024	2023
Scholarships	$ 4,609	$ 3,551
Other:		
Instruction support	211	211
Institution support	67	80
Academic support	735	1,113
Student support	204	122
Total other	$ 1,217	$ 1,526

Restricted nonexpendable net position is comprised of endowments and restricted cash equivalents. Endowments are subject to restrictions of gift instruments requiring that the principal be invested in perpetuity from which the income generated becomes restricted expendable net position that can be used for the following donor specified purposes at that time.

The type of nonexpendable net position with the purposes listed relating to future expendable net position of the earnings as of June 30, 2024 and 2023 is as follows (dollars in thousands):

	2024	2023
Academic	$ 1,207	$ 1,207
Institution support	1,000	1,000
Physical plant	213	213
Scholarships	8,125	7,878
Total endowments	10,545	10,298
Restricted cash	3,390	3,280
Total restricted nonexpendable	$ 13,935	$ 13,578

Contingent Liabilities

The University is party to various legal actions arising in the ordinary course of business. While it is not possible at this time to predict the ultimate outcome of these actions, it is the opinion of management that the resolution of these matters will not have a material adverse effect on the University's financial position.

NOTE 14 – STATE OF NEW JERSEY PAID FRINGE BENEFITS

The State of New Jersey, through separate appropriations, pays certain fringe benefits (principally health insurance, retirement and FICA taxes) on behalf of University employees. For the years ended June 30, 2024 and 2023, such benefits amounted to approximately $42.0 million and $43.3 million, respectively, and are included in non-operating revenues as State of New Jersey paid fringe benefits and in operating expenses by function in the accompanying statements of revenues, expenses, and changes in net position.

NOTE 15 – COMPENSATED ABSENCES

The University recorded a liability for compensated absences (i.e., unused vacation, sick leave, and paid leave bank days attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee) in the amount of $11.43 million and $10.28 million as of June 30, 2024 and 2023, respectively. The liability is calculated based upon employees' accrued vacation and furlough leave as of June 30, 2024 and 2023, as well as an estimated vested amount for accrued sick leave.

Payments for accumulated sick leave balances are made to retiring employees upon regular retirement. The payment is based on 50% of the employee's sick leave accumulation, at the pay rate in effect at the time of retirement up to a maximum of $15,000. Employees separating from University service prior to retirement are not entitled to payments for accumulated sick leave balances. During the years ended June 30, 2024 and 2023, the University paid approximately $419 thousand and $347 thousand, respectively, in sick leave payments for employees who retired.

NOTE 16 – SERVICE CONCESSION ARRANGEMENT FOR STUDENT RESIDENCE HALL FACILITY

During fiscal 2012, construction was completed on the Heights student residence hall facility pursuant to an agreement entered into with Provident Group-Montclair Properties, LLC (Provident) under which Provident agreed to design, finance, build and operate the residence hall facility for a term up to 32-years. Provident will be entitled to all housing revenues during the term of the agreement. At the end of the term, the residence hall facility and its operations will be transferred to the University. In 2012 the University recorded the dormitory as a capital asset and related deferred inflow of resources with a carrying amount of $235.0 million

The capital asset is being depreciated in accordance with the University's capitalization policies and accumulated depreciation as of June 30, 2024 and 2023 was $96.3 million and $92.6 million, respectively. As of June 30, 2024 and 2023, the deferred inflow of resources on the concession arrangement was $139.5 million and $146.9 million, respectively in the statement of net position. The University has reported a deferred inflow of resources in the amount of $7.3 million in the statement of revenues, expenses and changes in net position.

NOTE 17 - COMMITMENTS

The University entered into a 30-year contract to permit third parties to install, operate and maintain a heating and cooling facility on certain University properties. In exchange, the University will purchase all electricity, chilled water and steam generated by the facility at a set price. Annual minimum lease payments on this lease are estimated to be $16.8 million through 2042.

The University has a guaranty agreement effective November 2017 and ending November 2037 whereas the University is the guarantor with respect to certain obligations of UMM Energy Partners LLC to Public Service Electric & Gas Company. UMM Energy Partners LLC operates as a Special Purpose Entity. The Company is responsible for the construction, design, development, and operations of the Montclair State University Energy Project. The University guarantees to Public Service Electric & Gas if UMM fails to pay any portion of the minimum annual distribution charge for any of 20 years per the agreement that the University shall provide payment within 30 days of demand. The potential liability is $95 thousand per year and the total potential future liability or $1.2 million representing the sum of the remaining payments. The University is securing the guaranty with a standby letter of credit in the amount of $2.3 million that expires on September 2043. No amounts have been drawn under the standby letter of credit.

University has a sub-sublease agreement effective December 3, 2022 with Stadium Subtenant LLC to hold a leasehold interest in Hinchliffe Stadium located in Paterson, New Jersey. Initial term of the lease is 10 years with option to extend the term for two (2) five-year periods. The University is not obligated to pay rent, instead it has agreed to reimburse for out-of-pocket, without markup, cleaning costs, utilities and garbage removal costs. Certain conditions need to be met by Landlord prior to commencement of the lease.

Union contracts are effective until June 30, 2027, with the exception of one contract with PBA-SLEU (governing police officers) that was effective through June 30, 2023. The PBA-SLEU employees continue working under the expired contract until terms of the new contract are reached. Management believes that any adjustment from renegotiations will not have a material effect on the accompanying statement of net position and pursuant to NJSA 18A:64N-21, the Governor is given authority to negotiate our union contracts. Historically, those negotiations go on beyond the date the contract is expired but the University continue to honor the terms of the expired contract until a new contract is placed into effect.

NOTE 18 - RISK MANAGEMENT

The University is exposed to various risks of loss. The University participates in a consortium with eight 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 thousand per occurrence, with a per occurrence limit of $2 million. The University also purchases coverage for certain types of theft of financial assets, which provides for the actual loss in excess of $150 thousand with a per loss limit of $5 million, and for certain types of exposures related to cyber threats, which provides for the actual loss in excess of $150 thousand with a per loss limit of $5 million.

All liability risk and employee benefit exposure, including tort, auto and trustees and officers' liability, workers' compensation, unemployment, disability, life insurance and employee retirement plans, are self-funded programs maintained and administered by the State. As an agency of the State, the University's liability is subject to all provisions of the New Jersey Tort Claims Act, the New Jersey Contractual Liability Act and the availability of appropriations.

The Tort Claims Act provides for payment of claims under the Act against the State or its employees for which the State is obligated to indemnify against tort claims, which arise out of the performance of their duties. All insurance policies are renewed annually. All State self-funded programs are statutory with an annual appropriation provided by the legislature. There has been no decrease in coverage during the current year. There have been no settlements in excess of insurance coverage.

The University may be the subject of employment related lawsuits not covered by the Tort Claims Act. The University retains the risk for any such settlements. Management believes that any employment settlements will not have a material effect on the accompanying financial statements.

NOTE 19 - STUDENT FINANCIAL ASSISTANCE PROGRAM

The University's students receive support from Federal and State of New Jersey student financial assistance programs. The University's compliance with the requirements of the Federal student financial assistance programs authorized by Title IV of the U.S. Higher Education Act of 1965, as amended (Title IV Programs), is subject to annual audit by an independent auditor. Such compliance audits are subject to review by the ED. Management is of the opinion that a liability, if any, resulting from compliance audits would not have a material adverse effect on the University's financial position.

NOTE 20 - MONTCLAIR STATE UNIVERSITY FOUNDATION, INC.

Component Unit

For the years ended June 30, 2024 and 2023, total gifts and grants given to the University from the Foundation amounted to $7.8 million and $8.8 million, respectively.

Investments

The following applies to the Foundation's investments which are managed pursuant to a Board of Trustees approved Investment Policy Statement:

Valuation: Investments are carried at fair value. The fair value of alternative investments has been estimated using the Net Asset Value ("NAV") as reported by the management of the respective alternative investment funds.

Investment Income: Unrealized gains and losses are reported in the statements of revenues, expenses, and changes in net position of as part of investment return. Interest and dividends from investments are recorded as investment return when earned. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of income.

Investment Income Allocations: The Foundation maintains investment accounts for its endowments, including quasi-endowments, under the pooled unitization method. Realized and unrealized gains and losses from securities in the investment accounts are allocated quarterly to the individual endowment funds based on the relationship of the market value of each endowment fund to the total market value of the investment accounts, as adjusted for additions to or deductions from those accounts.

For the years ended June 30, 2024 and 2023, Foundation's investments totaled $124.6 million and $106.5 million, respectively.

NOTE 21 - PANDEMIC RELATED FINANCIAL ASSISTANCE

The CARES Act was signed into law on March 27, 2020. Part of the funding package, known as the Higher Education Emergency Relief Fund (HEERF), was designated for direct aid to colleges and universities to provide financial assistance to students who were impacted by the pandemic and the disruption of campus operations, as well as, to support additional costs incurred by the institution resulting from the COVID-19 health emergency. The act also included aid specifically intended for Minority Serving Institutions (MSI) which may be used for student support. Additional monies under the CARES Act were awarded to states, which may be made available to higher educational institutions subject to state program requirements. These include the Governor's Emergency Education Relief Fund (GEERF) and the Coronavirus Relief Fund (CRF).

HEERF II

On January 14, 2021, the U.S. Department of Education announced that an additional $21.2 billion became available to higher education institutions to ensure that student learning was uninterrupted during the COVID-19 pandemic under the CRRSAA as HEERF II which was signed into law on December 27, 2020. The University was awarded a total of $33.7 million between March 2021 and April 2021 of which $9.9 million was allocated to the student aid portion, $21.7 million to the institution aid portion, and $2 million to the MSI aid. The University recognized $8.7 million in institutional aid for the period ended June 30, 2023.

HEERF III

On March 11, 2021, the ARP was signed into law authorizing HEERF III funding to provide an additional $39.6 billion in support to institutions of higher education to service students and ensure learning continues during the COVID-19 pandemic. The University was awarded a total of $59 million of which $27.9 million was allocated to the student aid portion, $27.7 million to the institutional aid and $3.4 million to MSI student aid. The University distributed $263.7 thousand in student aid for the period ended June 30, 2023. The University also recognized $827 thousand and $7 million in institutional aid for the periods ending June 30, 2024 and 2023, respectively. The University distributed $1.6 million of MSI aid for the period ended June 30, 2023.

For the period ending June 30, 2024, the University has drawn down funding from HEERF III of $2.7 million in institutional aid. For the period ending June 30, 2023, the University drew down funding from HEERF II of $8.7 million in institutional aid. For HEERF III, the University drew down $259.8 thousand in student aid, $1.6 million in minority institution aid, and $6.8 million in institutional aid and such is included in the nonoperating section of the statement of revenues, expenses, and changes in net position for the year ending June 30, 2023.

<u>Governor's Emergency Education Relief (GEERF)</u>

On May 22, 2020, a total of $68.8 million GEERF funds became available to New Jersey's public colleges and universities to help institutions continue providing high-quality educational services to students amid the ongoing COVID-19 pandemic. GEERF Funding from the U.S. Department of Education provided Governors flexibility through an emergency block grant to decide how best to meet the needs of students, schools, postsecondary institutions and other education-related organizations in their states. The New Jersey Office of the Secretary of Higher Education (OSHE) has made this funding available through emergency assistance grants to institutions based on an OSHE-developed allocation formula that considers – among other things – institutional expenses incurred as a result of the pandemic.

On July 12, 2021, the University was awarded a $1.3 million grant as part of the "Opportunity Meets Innovation Challenge" and $100 thousand in support of the "Hunger-Free Campus" grant programs administered by the Office of the Secretary of Higher Education. Funding for the program is provided through the second round of federal GEERF funding (GEERF II) to support core priorities of the State Plan for Higher Education and address the impacts of COVID-19 on postsecondary students. The University recognized $185 thousand and $673 thousand as part of the "Opportunity Meets Innovation Challenge" for the period ending June 30, 2024 and 2023, respectively. The University recognized $27 thousand and $49 thousand under the "Hunger-Free Campus" grants for the period ending June 30, 2024 and 2023, respectively. These are included in the non-operating section of the statement of revenues, expenses, and changes in net position.

NOTE 22 - BLOOMFIELD COLLEGE OF MONTCLAIR STATE UNIVERSITY

In accordance with GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34* the University determined a blended consolidated approach should be applied.

The following is the condensed statement of net position of the University as of June 30, 2023 (dollars in thousands):

	Montclair State University	Bloomfield College of Montclair State University	Total
Assets:			
Current assets	$ 112,536	$ 32,463	$ 144,999
Capital assets, net	871,661	60,481	932,142
Other non-current assets	159,686	-	159,686
Total assets	1,143,883	92,944	1,236,827
Total deferred outflows of resources	31,312	-	31,312
Liabilities:			
Current liabilities	82,787	5,411	88,198
Other non-current liabilities	554,500	27,997	582,497
Total liabilities	637,287	33,408	670,695
Total deferred inflows of resources	205,999	-	205,999
Net position:			
Net investment in capital assets	292,431	29,802	322,233
Restricted nonexpendable	-	13,578	13,578
Restricted expendable	24,124	5,077	29,201
Unrestricted	15,354	11,079	26,433
Total net position	$ 331,909	$ 59,536	$ 391,445

The following is the condensed statement of revenues, expenses, and changes in net position of the University as of June 30, 2023 (dollars in thousands):

	Montclair State University	Bloomfield College of Montclair State University	Total
Operating revenues			
Net student revenues	$ 217,049	$ 17,735	$ 234,784
Grants and contracts	82,367	4,430	86,797
Auxiliary enterprises	19,709	27	19,736
Other operating revenues	21,884	860	22,744
Total operating revenue	341,009	23,052	364,061
Operating expenses			
Operating expenses	428,857	35,488	464,345
Depreciation and amortization	57,165	4,077	61,242
Total operating expenses	486,022	39,565	525,587
Operating loss	(145,013)	(16,513)	(161,526)
Nonoperating revenues (expenses)			
State appropriations and paid fringe benefits	115,719	12,992	128,711
Pell grants	43,656	4,439	48,095
Pandemic related financial assistance	18,198	-	18,198
Gain on government combination	-	58,196	58,196
Interest expense	(16,869)	(1,262)	(18,131)
Nonoperating revenues	4,301	1,684	5,985
Net nonoperating revenues	165,005	76,049	241,054
Income before other revenues	19,992	59,536	79,528
Capital gifts and grants	514	-	514
Increase in net position	20,506	59,536	80,042
Net position			
Beginning of year	311,403	-	311,403
End of year	$ 331,909	$ 59,536	$ 391,445

The following is the condensed statement of cash flows of the University as of June 30, 2023 (dollars in thousands):

	Montclair State University	Bloomfield College of Montclair State University	Total
Net cash used in operating activities	$ (79,799)	$ (15,623)	$ (95,422)
Net cash from noncapital financing activities	151,716	18,798	170,514
Net cash used in capital financing activities	(62,410)	(3,498)	(65,908)
Net cash used in investing activities	(40,891)	15,074	(25,817)
Net (decrease) increase in cash and cash equivalents	(31,384)	14,751	(16,633)
Cash and cash equivalents			
Beginning of year	69,149	-	69,149
End of year	$ 37,765	$ 14,751	$ 52,516

Additional information for the components of the blended method can be found in the consolidating statement of net position, consolidating statement of revenues, expenses and changes in net position and consolidated statements of cash flows included within the supplementary information.

NOTE 23 - SUBSEQUENT EVENTS

As Noted in Note 4, effective July 31, 2024 the University lease agreement that provided use of 35 Clove Road Lot expired with no option to extend. The University plans on using the property in the future.

As Noted in Note 9, as of November 7, 2023, the University was contractually obligated to lease payments totaling $5.1 million for office space that commences in fiscal 2025. The University will recognize a right-to-use asset and lease liability in fiscal 2025 upon lease commencement.

As of July 1, 2024, the University executed an amendment to its dining services agreement that provided the University with an additional $3.4 million in capital investment to support construction, renovation, and other capital improvements to University facilities. The University recognized $3.4 million in deferred revenue in fiscal 2025 to be amortized over the remaining contract term.

SUPPLEMENTARY INFORMATION

Montclair State University
(A Component Unit of the State of New Jersey)

SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF NET POSITION
MONTCLAIR STATE UNIVERSITY AND BLOOMFIELD COLLEGE OF MONTCLAIR STATE UNIVERSITY

June 30, 2024
(dollars in thousands)

	Business-Type Activities		
	Montclair State University	Bloomfield College of Montclair State University	Consolidated Total
ASSETS			
Current assets			
Cash and cash equivalents	$ 50,736	$ 7,190	$ 57,926
Investments	50,247	17,519	67,766
Assets held under bond indenture agreements	89,285	-	89,285
Restricted cash equivalents	-	3,390	3,390
Receivables			
Students, less allowance for doubtful accounts of $5,595	19,753	1,140	20,893
Loans, less allowance for doubtful loans of $76	361	-	361
Rent	1,858	-	1,858
Gifts, Grants and contracts	11,867	151	12,018
State of New Jersey grants and contracts	4,045	128	4,173
Other receivables	8,885	374	9,259
Other current assets	3,375	105	3,480
Total current assets	240,412	29,997	270,409
Noncurrent assets			
Investments	78,677	-	78,677
Loans receivable, less allowance for doubtful loans of $92	259	-	259
Rent receivable	29,800	-	29,800
Capital assets, net	859,386	56,640	916,026
Other noncurrent assets	301	-	301
Due to/from component unit	33,366	(33,366)	-
Total noncurrent assets	1,001,789	23,274	1,025,063
Total assets	1,242,201	53,271	1,295,472
Deferred outflows of resources			
Deferred amount from debt refundings	26	-	26
Deferred outflow of pension resources	23,816	-	23,816
Total deferred outflows of resources	23,842	-	23,842
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	46,874	1,461	48,335
Bonds payable and other long-term debt	17,869	21	17,890
Lease liability	2,654	59	2,713
Subscription liability	5,859	153	6,012
Unearned tuition, fees, and deposits	7,242	378	7,620
Unearned revenue from grantors	49,207	68	49,275
Assets held on behalf of others	2,304	35	2,339
Total current liabilities	132,009	2,175	134,184
Noncurrent liabilities			
Bonds payable and other long-term debt	360,846	350	361,196
Lease liability	15,638	19	15,657
Subscription liability	19,938	98	20,036
Compensated absences	2,708	27	2,735
Net pension liability	171,925	-	171,925
Other postemployment health benefits		-	-
Other long term liability	4,040	-	4,040
Total noncurrent liabilities	575,095	494	575,589
Total liabilities	707,104	2,669	709,773
Deferred inflows of resources			
Deferred service concession arrangement	139,525	-	139,525
Deferred inflow of pension resources	18,190	-	18,190
Deferred amount from debt refundings	16,675	-	16,675
Deferred Inflow amount from rent	30,582	-	30,582
Total deferred inflows of resources	204,972	-	204,972
Net position			
Net investment in capital assets	246,023	27,125	273,148
Restricted nonexpendable	-	13,935	13,935
Restricted expendable for:	-		
Scholarships	-	4,609	4,609
Loans	909	-	909
Donor Designated purpose	1,319	-	1,319
Renewal and replacement	64,889	-	64,889
Debt service and debt service reserve	24,396	-	24,396
Other	-	1,217	1,217
Unrestricted	16,431	3,716	20,147
Total net position	$ 353,967	$ 50,602	$ 404,569

Montclair State University
(A Component Unit of the State of New Jersey)

SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
MONTCLAIR STATE UNIVERSITY AND BLOOMFIELD COLLEGE OF MONTCLAIR STATE UNIVERSITY

June 30, 2024
(dollars in thousands)

	Business-Type Activities		
	Montclair State University	Bloomfield College of Montclair State University	Consolidated Total
Operating revenues			
Student Revenues:			
Student tuition and fees	$ 315,485	$ 13,790	$ 329,275
Residence life - room and board	54,468	4,013	58,481
Less scholarship allowance	129,630	11,561	141,191
Net student revenues	240,323	6,242	246,565
Federal grant and contracts	19,832	1,199	21,031
State of New Jersey grants and contracts	79,704	6,094	85,798
Nongovernmental grants and contracts	4,150	5	4,155
Sales and services of educational departments	7,191	-	7,191
Auxiliary enterprises	23,910	40	23,950
Other operating revenues	16,389	94	16,483
Total operating revenues	391,499	13,674	405,173
Operating expenses			
Instruction	144,805	8,306	153,111
Research	44,236	53	44,289
Public service	21,938	-	21,938
Academic support	46,983	2,028	49,011
Student services	25,548	4,114	29,662
Institutional support	68,346	6,218	74,564
Operations and maintenance of plant	37,682	3,026	40,708
Depreciation and amortization	59,690	3,881	63,571
Student aid	26,761	326	27,087
Residence life and auxiliary enterprises	65,517	2,781	68,298
Total operating expenses	541,506	30,733	572,239
Operating loss	(150,007)	(17,059)	(167,066)
Nonoperating revenues (expenses)			
State of New Jersey appropriations	78,134	1,806	79,940
State of New Jersey paid fringe benefits	40,026	1,980	42,006
Pell grants	51,795	3,714	55,509
Pandemic related financial assistance	1,012	-	1,012
State paid other postemployment health benefits	-	-	-
Gifts and non-exchange grants	5,735	519	6,254
Unrealized and realized gains on investment securities	1,363	1,284	2,647
Investment income, net of investment expenses of $316	7,190	490	7,680
Interest expense	(18,422)	(1,739)	(20,161)
Administrative costs	(1,263)	(416)	(1,679)
Gain on disposal of capital assets	19	-	19
Other nonoperating revenues	1,867	487	2,354
Net nonoperating revenues	167,456	8,125	175,581
Income (loss) before other revenues	17,449	(8,934)	8,515
Capital gifts and grants	4,609	-	4,609
INCREASE (DECREASE) IN NET POSITION	22,058	(8,934)	13,124
Net position			
Beginning of year	331,909	59,536	391,445
End of year	$ 353,967	$ 50,602	$ 404,569

Montclair State University
(A Component Unit of the State of New Jersey)

SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF CASH FLOWS
MONTCLAIR STATE UNIVERSITY AND BLOOMFIELD COLLEGE OF MONTCLAIR STATE UNIVERSITY

June 30, 2024
(dollars in thousands)

	Business-Type Activities		
	Montclair State University	Bloomfield College of Montclair State University	Consolidated Total
Cash flows from operating activities:			
Student tuition and fees	$ 180,153	$ 1,337	$ 181,490
Grants and contracts	148,576	8,126	156,702
Payments for salaries	(264,309)	(13,190)	(277,499)
Payments for fringe benefits	(32,565)	(1,792)	(34,357)
Payments to suppliers	(104,043)	(8,558)	(112,601)
Payments for utilities	(21,208)	(1,073)	(22,281)
Payments for student aid	(26,761)	(326)	(27,087)
Collection of loans from students	288	-	288
Auxiliary enterprises charges:			
Residence life	54,468	4,013	58,481
Other	23,910	40	23,950
Sales and services of educational departments	7,191	-	7,191
Other receipts	20,642	(280)	20,362
Net cash used in operating activities	(13,658)	(11,703)	(25,361)
Cash flows from noncapital financing activities:			
State of New Jersey appropriations	74,130	2,068	76,198
Pell grants	51,795	3,714	55,509
Pandemic related Financial Assistance	1,012	-	1,012
Gifts and non-exchange grants	5,735	519	6,254
Student organization agency transactions	(540)	35	(505)
Other receipts	1,867	487	2,354
Due to /from component unit	(33,366)	33,366	-
Net cash from noncapital financing activities	100,633	40,189	140,822
Cash flows from capital financing activities:			
Capital gifts and grants	4,609	-	4,609
Proceeds from capital debt	199,621	-	199,621
Principal paid on capital debt	(159,927)	(30,654)	(190,581)
Interest paid on capital debt	(19,615)	(1,730)	(21,345)
Purchases of capital assets	(49,319)	(248)	(49,567)
Gain on disposal of capital assets	19	-	19
Administrative costs	(93)	(416)	(509)
Change in deposits held by bond trustees	(67,868)	-	(67,868)
Net cash used in capital financing activities	(92,573)	(33,048)	(125,621)
Cash flows from investing activities:			
Proceeds from sales and maturities of investments	6,296,462	1,284	6,297,746
Purchases of investments	(6,283,848)	(1,383)	(6,285,231)
Interest on investments	5,955	490	6,445
Net cash from investing activities	18,569	391	18,960
Net increase (decrease) in cash and cash equivalents	12,971	(4,171)	8,800
Cash and cash equivalents:			
Beginning of year	37,765	14,751	52,516
End of year	$ 50,736	$ 10,580	$ 61,316

Montclair State University
(A Component Unit of the State of New Jersey)

SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF CASH FLOWS
MONTCLAIR STATE UNIVERSITY AND BLOOMFIELD COLLEGE OF MONTCLAIR STATE UNIVERSITY - CONTINUED

June 30, 2024
(dollars in thousands)

	Business-Type Activities		
	Montclair State University	Bloomfield College of Montclair State University	Consolidated Total
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES			
Operating loss	$ (150,007)	$ (17,059)	$ (167,066)
Adjustments to reconcile operating loss to net cash used by operating activities			
State of New Jersey paid fringe benefits	43,715	1,590	45,305
State paid other postemployment health benefits	-	-	-
Depreciation and amortization expense	59,690	3,881	63,571
Provision for bad debts	3,108	(934)	2,174
Changes in assets and liabilities:			
Student receivables	(9,452)	(32)	(9,484)
Loans receivables	288	-	288
Rent receivables	-	-	-
Grants receivables	(303)	760	457
Other receivables	4,241	(374)	3,867
Other current assets	202	385	587
Accounts payable and accrued expenses	(982)	(88)	(1,070)
Unearned tuition, fees and deposits	643	74	717
Unearned revenue from grantors	45,193	68	45,261
Compensated absences - noncurrent portion	102	27	129
Net pension liability	(10,096)	(1)	(10,097)
Net cash used in operating activities	$ (13,658)	$ (11,703)	$ (25,361)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

Montclair State University
(A Component Unit of the State of New Jersey)

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF UNIVERSITY CONTRIBUTIONS

June 30,
(Dollars in Thousands)

	2024	
	PERS	PFRS
Contractually Required Contribution	$ -	$ -
Contributions in relation to the Contractually Required Contribution	-	-
Contribution Deficiency (Excess)	-	-
University Employee Covered Payroll (reporting date June 30th)	-	-
Contributions as a percentage of Employee Covered Payroll	#DIV/0!	#DIV/0!

	2023	
	PERS	PFRS
Contractually Required Contribution	$ 10,834	$ 3,479
Contributions in relation to the Contractually Required Contribution	10,834	3,479
Contribution Deficiency (Excess)	-	-
University Employee Covered Payroll (reporting date June 30th)	30,021	2,824
Contributions as a percentage of Employee Covered Payroll	36.09%	123.19%

	2022	
	PERS	PFRS
Contractually Required Contribution	$ 11,045	$ 3,603
Contributions in relation to the Contractually Required Contribution	11,045	3,603
Contribution Deficiency (Excess)	-	-
University Employee Covered Payroll (reporting date June 30th)	31,153	2,874
Contributions as a percentage of Employee Covered Payroll	35.45%	125.37%

	2021	
	PERS	PFRS
Contractually Required Contribution	$ 7,937	$ 2,276
Contributions in relation to the Contractually Required Contribution	7,937	2,276
Contribution Deficiency (Excess)	-	-
University Employee Covered Payroll (reporting date June 30th)	31,510	2,493
Contributions as a percentage of Employee Covered Payroll	25.19%	91.30%

	2020	
	PERS	PFRS
Contractually Required Contribution	$ 6,518	$ 1,977
Contributions in relation to the Contractually Required Contribution	6,518	1,977
Contribution Deficiency (Excess)	-	-
University Employee Covered Payroll (reporting date June 30th)	32,277	2,499
Contributions as a percentage of Employee Covered Payroll	20.19%	79.11%

Montclair State University
(A Component Unit of the State of New Jersey)

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF UNIVERSITY CONTRIBUTIONS - CONTINUED

June 30,
(Dollars in Thousands)

	2019	
	PERS	PFRS
Contractually Required Contribution	$ 5,721	$ 1,614
Contributions in relation to the Contractually Required Contribution	5,721	1,614
Contribution Deficiency (Excess)	-	-
University Employee Covered Payroll (reporting date June 30th)	32,313	2,420
Contributions as a percentage of Employee Covered Payroll	17.70%	66.69%

	2018	
	PERS	PFRS
Contractually Required Contribution	$ 4,500	$ 1,500
Contributions in relation to the Contractually Required Contribution	4,500	1,500
Contribution Deficiency (Excess)	-	-
University Employee Covered Payroll (reporting date June 30th)	30,903	2,484
Contributions as a percentage of Employee Covered Payroll	14.56%	60.39%

	2017	
	PERS	PFRS
Contractually Required Contribution	$ 3,226	$ 996
Contributions in relation to the Contractually Required Contribution	3,226	996
Contribution Deficiency (Excess)	-	-
University Employee Covered Payroll (reporting date June 30th)	32,212	2,609
Contributions as a percentage of Employee Covered Payroll	10.01%	38.18%

	2016	
	PERS	PFRS
Contractually Required Contribution	$ 2,282	$ 618
Contributions in relation to the Contractually Required Contribution	2,282	618
Contribution Deficiency (Excess)	-	-
University Employee Covered Payroll (reporting date June 30th)	31,508	2,515
Contributions as a percentage of Employee Covered Payroll	7.24%	24.57%

	2015	
	PERS	PFRS
Contractually Required Contribution	$ 1,126	$ 561
Contributions in relation to the Contractually Required Contribution	1,126	561
Contribution Deficiency (Excess)	-	-
University Employee Covered Payroll (reporting date June 30th)	32,362	2,315
Contributions as a percentage of Employee Covered Payroll	3.48%	24.23%

* This schedule is presented to illustrate the requirement to show information for ten years.

Montclair State University
(A Component Unit of the State of New Jersey)

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF PROPORTIONATE SHARE OF THE TOTAL OTHER POST-EMPLOYMENT BENEFITS (OPEB) LIABILITY
LAST TEN FISCAL YEARS*

(Dollars in Thousands)

Public Employees' Retirement System (PERS)

Reporting Fiscal Year (Measurement Date, June 30,)	University's Proportion of the Net Pension Liability - State Group		University's Covered Employee Payroll	University's Proportionate Share of the Net Pension Liability as a Percentage of the Employee Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
	%	$			
2024 (2023)	0.000%	$ -	$ -	0.000%	0.000%
2023 (2022)	0.672%	150,387	30,021	500.94%	23.19%
2022 (2021)	0.694%	150,148	31,153	481.97%	25.29%
2021 (2020)	0.745%	165,517	31,510	525.28%	21.39%
2020 (2019)	0.750%	171,899	32,277	532.57%	22.03%
2019 (2018)	0.728%	172,619	32,313	534.21%	22.11%
2018 (2017)	0.720%	185,255	30,903	599.47%	21.18%
2017 (2016)	0.730%	215,708	31,508	684.61%	19.02%
2016 (2015)	0.730%	172,860	32,362	534.14%	24.96%

Police and Firemen's Retirement System (PFRS)

Reporting fiscal year (Measurement Date, June 30,)	University's Proportion of the Net Pension Liability - State Group		University's Covered Employee Payroll	University's Proportionate Share of the Net Pension Liability as a Percentage of the Employee Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
	%	$			
2024 (2023)	0.000%	$ -	$ -	0.000%	0.000%
2023 (2022)	0.562%	24,308	2,824	860.76%	27.20%
2022 (2021)	0.512%	20,800	2,874	723.73%	29.72%
2021 (2020)	0.520%	22,376	2,493	897.55%	24.81%
2020 (2019)	0.501%	21,048	2,499	842.26%	26.06%
2019 (2018)	0.525%	22,738	2,420	939.59%	25.84%
2018 (2017)	0.510%	22,418	2,484	902.50%	25.99%
2017 (2016)	0.447%	21,068	2,515	837.69%	24.70%
2016 (2015)	0.402%	17,255	2,315	745.36%	29.06%

Teachers' Pension and Annuity Fund (TPAF)

Reporting Fiscal Year (Measurement Date, June 30,)	University's Proportion of the Net Pension Liability		University's Covered Employee Payroll	University's Proportionate Share of the Net Pension Liability as a Percentage of the Employee Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
	%	$			
2024 (2023)	0.000%	$ -	$ -	0.000%	0.000%
2023 (2022)	0.004%	2,172	-	0.00%	32.29%
2022 (2021)	0.004%	2,055	-	0.00%	35.52%
2021 (2020)	0.005%	3,204	-	0.00%	24.60%
2020 (2019)	0.005%	2,942	-	0.00%	26.95%
2019 (2018)	0.005%	3,196	-	0.00%	26.49%
2018 (2017)	0.005%	3,610	-	0.00%	25.41%
2017 (2016)	0.005%	4,275	-	0.00%	22.33%
2016 (2015)	0.027%	17,290	-	0.00%	28.71%

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years which information is available.
** The University did not have TPAF pensionable wages subsequent to the 2014 fiscal year.

Montclair State University
(A Component Unit of The State of New Jersey)

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF PROPORTIONATE SHARE OF THE TOTAL OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY
STATE HEALTH BENEFIT STATE RETIRED EMPLOYEES PLAN

Last Ten Fiscal Years*

	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018
University's proportion of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
University's proportionate share of the total OPEB liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State of New Jersey's proportionate share of the OPEB liability associated with the University	$ -	$ 308,213,857	$ 372,050,570	$ 432,699,220	$ 278,973,080	$ 366,011,934	$ 418,649,617
Total State of NJ OPEB liability	$ -	$ 20,887,585,522	$ 24,954,062,223	$ 28,296,690,169	$ 18,205,874,446	$ 23,601,362,208	$ 28,104,795,207
University's covered-employee payroll	$ -	$ 151,156,956	$ 149,183,574	$ 150,442,218	$ 153,370,916	$ 151,734,073	$ 126,232,049
University's proportionate share of the collective total OPEB liability as a percentage of covered-employee	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

PENSIONS

Benefit Changes

None.

Changes of Assumptions

PERS

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

PFRS

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

TPAF

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

Changes of Methods

PERS

The actuarial liability for retirees who earned benefits under both a State and Local employer is assigned to the location with the highest salary prior to retirement upon direction from the Department of Pension and Benefits. Previously, the actuarial liability for these retirees was split between State and Local employers based on the benefit reported in the valuation data for each location.

PFRS

None.

TPAF

None.

POST-RETIREMENT BENEFITS

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