

**New Jersey City University**  
(A Component Unit of the State of New Jersey)

Financial Statements,  
Management's Discussion and Analysis and  
Required Supplementary Information

June 30, 2025

(With Independent Auditors' Report Thereon)

**New Jersey City University**  
(A Component Unit of the State of New Jersey)

Financial Statements  
June 30, 2025 and 2024

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## Independent Auditors' Report

**The Board of Trustees  
New Jersey City University  
Jersey City, New Jersey**

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of New Jersey City University (the University), a component unit of the State of New Jersey, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the University's basic financial statements for the year then ended as listed in the table of contents. The financial statements of the University as of June 30, 2024, and for the year then ended, were audited by other auditors whose report dated April 10, 2025, expressed an unmodified opinion on those statements.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the University as of June 30, 2025, and the respective changes in its financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The financial statements of the University's discretely presented component unit were not audited in accordance with *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Change in Accounting Principle*

We draw your attention to Note 13 in the notes to financial statements which disclose the effects of the University's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

### ***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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the management's discussion and analysis, schedule of employer contributions, schedules of proportionate share of the net pension liability, and schedule of proportionate share of the total OPEB liability be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with accounting principles generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*PKF O'Connor Davies, LLP*

Woodcliff Lake, New Jersey  
March 23, 2026

**New Jersey City University**  
(A Component Unit of the State of New Jersey)

Management's Discussion and Analysis (Unaudited)  
June 30, 2025 and 2024  
(Dollars in thousands)

## **Introduction**

The following management's discussion and analysis (MD&A) provides an analytical overview of the financial position of New Jersey City University (the University or NJCU), a component unit of the State of New Jersey (the State), as of June 30, 2025 and 2024. Management has prepared this MD&A and the financial statements and related notes to the financial statements in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) for public colleges and universities.

## **University Overview**

The University opened the doors in 1929. Since then, the University has evolved into a place of higher education serving the most racially, ethnically and socio-economically diverse student population in New Jersey. The revised mission of the University is to empower its students through a highly accessible, equity-driven, and transformative education. Our NJCU education focuses on students' personal, professional, and civic development to facilitate their socioeconomic mobility. We uplift our diverse community of students, including historically underserved and underrepresented, first-generation, and adult learners. One of the goals is our commitment to mentor through research, internships, and any other education experiences, to prepare our students for life outside of our campus community. The University finalized and issued its newly created Academic Master Plan. The guiding principles that drove the development of the plan's goal is mission, market, and margins. Our promise and a pillar of our commitment to being one of the best public anchor institution in Hudson County and the surrounding communities is what NJCU is striving to accomplish.

The University serves approximately 3,800 undergraduate, and 1,600 graduate students. As part of the Academic Master Plan the degree offerings and the curriculum were reviewed to ensure that they meet NJCU's goals. To enhance the relevance and effectiveness of our academic offerings, NJCU is committed to prioritizing programs that directly align with the current job market. We are focusing on academic programs that provide tangible career pathways. Currently, NJCU offers 59 undergraduate programs, 36 graduate programs, 2 doctoral programs and 23 certificate programs. Business, Management, and Marketing are the most common undergraduate majors, and education for graduate degrees. NJCU is striving to be the most transfer-friendly university for community college transfer students. To accomplish this goal, the University implemented the new general education curriculum, which allows for every course to be on the approved New Jersey Council of County Colleges (NJCCC) list to be accepted at NJCU for general education credit. The University continues to have a presence in downtown Jersey City where the School of Business is located, which is attracting students from New York area due to the proximity to the PATH and mass transit. This proximity to mass transit along with the new pricing strategy is helping to attract and register new incoming students that otherwise would attend elsewhere.

NJCU redesigned the General Education Program. This is a groundbreaking approach to higher education accessibility. NJCU implemented the new general education curriculum, which allows for every course to be on the approved New Jersey Council of County Colleges (NJCCC) list to be accepted at NJCU for general education credit. NJCU accepts every general education course approved in the community college system for full credit at NJCU. This new curriculum demonstrates NJCU's commitment to serving transfer students, first-generation learners, and working adults.

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June 30, 2025 and 2024  
(Dollars in thousands)

**University Overview (continued)**

NJCU started a Dual Enrollment Program for qualified local high school students to earn college and high school credits at the same time while attending high school. NJCU views this program as a great opportunity for high school students to take challenging courses and accelerate educational opportunities. It also exposes the student to college courses and thus gives them a better understanding of what will be expected in college. The qualified student must obtain approval from their respective high school and their parent or guardian.

NJCU signed a Memorandum of Understanding with local community colleges to establish a NJCU Transfer Program. Students in good academic standing who will earn an associate degree at a community school, will be granted joint admission into NJCU with junior academic status, in the same or similar academic program of study. The transfer program will enable a seamless transfer experience from the community college to NJCU.

NJCU Athletics has announced a transformative decision to join a new conference being formed that includes the eight Division III members of the City University of New York Athletic Conference (CUNYAC), marking a strategic expansion that will significantly enhance opportunities for Gothic Knight student-athletes while extending the university's brand into the New York City market. After serving as a founding member of the New Jersey Athletic Conference (NJAC) since its inception in 1957-58, NJCU will conclude its historic 67-year membership following the 2025-26 academic year. It is also expected that NJCU will become a founding member of a new reconstituted, relaunched, and rebranded league for an anticipated start on July 1, 2027 with the league's eight current institutions. Further league expansion is anticipated ahead of the official relaunching of the new league.

New Jersey City University Foundation (the Foundation) was established as a nonprofit corporation to provide an independent instrument to raise, control and distribute funds from donors other than the State, with its primary purpose to support the mission of the University. The Foundation qualifies under Section 501(c)(3) of the Internal Revenue Code and is exempt from both federal and State taxes. Because the Foundation's resources have historically been used only for the benefit of the University, the Foundation is considered a component unit and is discretely presented in the University's financial statements.

During 2015, the Foundation created West Campus Housing, LLC (WCH), a limited liability corporation of which the Foundation is the sole member. The University entered into a 40-year ground lease agreement with WCH for land associated with two existing residence halls and land located at its west campus site. The agreement also provides that WCH be deemed to be the owner of the two existing residence halls for the term of the ground lease. In March 2015, WCH issued \$50.6 million in revenue bonds through the New Jersey Economic Development Authority to finance the construction of a new residence hall and renovation of the existing housing facilities. WCH is solely responsible for repayment of the bonds. The University has no obligation to pay debt service on the financing.

In conjunction with the above, NJCU is strategically monetizing real estate assets to strengthen the University's financial positions. This monetization included re-leasing and/or selling underperforming assets. See Note 16 for specific information.

**New Jersey City University**  
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Management's Discussion and Analysis (Unaudited)  
June 30, 2025 and 2024  
(Dollars in thousands)

**Financial Statements**

The University's financial report includes in the financial statements: the Statements of Net Position, the Statements of Revenues, Expenses, and Changes in Net Position, and the Statements of Cash Flows. These financial statements are prepared in accordance with GASB principles and accounting principles generally accepted in the United States of America.

GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities* (GASB 35), establishes standards for external financial reporting for public colleges and universities requiring that financial statements be presented with the focus placed on the University as a whole. GASB Statement No. 61, *The Financial Reporting Entity*, Omnibus an amendment of GASB Statements No. 14 and No. 34 (GASB 61), establishes criteria for assessing whether certain organizations should be reported as a component unit of the financial reporting entity and has resulted in the inclusion of the Foundation's consolidated financial statements in the University's financial statements. The Foundation's financial statements are presented in accordance with the Financial Accounting Standards Board (FASB) principles, rather than GASB.

The University follows GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB No. 27* (GASB 68), which requires the net pension liability and pension expense of a defined benefit pension plan to be recorded on the financial statements of state and local governmental employers. Historically, the State provided the contributions to the plan while seeking reimbursement from the University for the University's non-State-authorized positions. The University recorded the fringe benefit revenue (100% of the State-authorized positions) and expense (100% of State-authorized positions plus non-State-authorized positions reimbursed to the State) in its financial statements.

With respect to the Teachers' Pension and Annuity Fund (TPAF), the State determined TPAF met the "special funding situation" included in GASB 68 and the State recorded the University's proportion of the net pension liability on its respective financial statements. With respect to the Public Employees' Retirement System (PERS), the State treats the University as a separate employer. Thus, for financial reporting purposes, the University records on the financial statements its proportion of the net pension liability and related deferred inflows and deferred outflows of resources and pension expense as determined by the State. However, the State has communicated to the Colleges that the GASB 68 pension liability allocations do not impact state laws or past funding arrangements that have been established annually in the State budget. The State funds the contributions to the plans directly and the University records revenues related to that contribution through the annual fringe benefit appropriation. There are no current members enrolled in the TPAF plan.

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Management's Discussion and Analysis (Unaudited)  
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**Financial Statements (continued)**

The University follows GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB) (GASB 75). This guidance establishes standards for the measurement, recognition, and reporting of the OPEB plans. The State is legally obligated for the benefit payments on behalf of the retirees of the University; therefore, the Plan meets the definition of a special funding situation as defined by GASB 75. The State has recorded the University's proportion of the OPEB liability on its respective financial statements. The University has recognized OPEB benefit and an off-setting State appropriation of approximately (\$3.7 million) and (\$5.7 million) in 2025 and 2024, respectively, in accordance with GASB 75.

In 2025, the University implemented GASB Statement No. 101, *Compensated Absences*. 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. As a result of this implementation, the University reviewed and adjusted its methodology for estimating compensated absences liabilities. The cumulative effect of applying this new standard required a restatement of beginning net position as of July 1, 2024. The recalculation of compensated absences liabilities resulted in a decrease of net position of \$5.1 million.

In 2025, the University adopted GASB Statement No. 102, *Certain Risk Disclosures*, issued January 2024. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for periods beginning after June 15, 2024, and all reporting periods thereafter. Management has reviewed the Statement and determined it did not have an impact on the financial statements.

The GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for period beginning after June 15, 2025, and all reporting periods thereafter. Management has not yet determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets including lease assets, intangible right-to-use assets, subscription assets, other intangible assets and assets held for sale. The requirements of this Statement are effective for periods beginning after June 15, 2025, and all reporting periods thereafter. Management has not yet determined the impact of the Statement on the financial statements.

**New Jersey City University**  
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Management's Discussion and Analysis (Unaudited)  
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(Dollars in thousands)

**Statements of Net Position**

The Statement of Net Position presents the University's financial position at the end of the fiscal year. Assets, excluding capital assets, are generally carried at estimated fair value. Capital assets are carried at cost and are depreciated over their respective useful lives. Assets are classified as current and noncurrent. Current assets generally are those assets considered to be convertible to cash within one year. The University's current assets consist primarily of cash, short-term investments, including the State of New Jersey Cash Management Fund, restricted deposits held with bond trustees, and student, grants, and other receivables. The University's noncurrent assets are those assets held for long-term purposes and consist primarily of capital assets, right-to-use leased and SBITA assets, transferor receivable, the noncurrent portion of restricted deposits held with bond trustees and student loans.

Net position is one indicator of the financial condition of the University, while the change in net position during the year is a measure of whether the overall condition has improved or worsened during the year.

Deferred outflows of resources are a consumption of net assets by the University that is applicable to a future reporting period. The University's deferred outflows of resources consist of bond deferred refunding amounts and changes in proportion of the allocated pension liability and differences in actuarial amounts used to calculate the pension liability.

Liabilities are also classified as current and noncurrent. Current liabilities are those liabilities due and anticipated to be paid within the upcoming fiscal year. The University's current liabilities consist primarily of accounts payable, accrued benefits, unearned grant revenue and the current portion of long-term debt and lease liabilities, while noncurrent liabilities consist primarily of the noncurrent portion of long-term debt, lease and SBITA liabilities and the pension liability.

Deferred inflows of resources are an acquisition of net assets by the University that is applicable to a future reporting period. The University's deferred inflows of resources are composed of changes in proportion of the allocated pension liability and differences in actuarial amounts used to calculate the pension liability and the transferor and lease receivables.

Net position is the residual interest in the University's assets after the liabilities are deducted. Net position is classified into three categories: net investment in capital assets (which includes leases and SBITAs), restricted expendable and unrestricted. Net investment in capital and leased assets reflects the University's equity in capital assets. Restricted expendable net position includes fund for debt service and government loans that are subject to externally imposed restrictions governing their use. Unrestricted net position is available to the University for general purposes and operational needs.

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**Statements of Net Position (continued)**

The following is a condensed summary of the Statement of Net Position as of June 30, 2025, 2024 and 2023:

	2025	2024	2023
		(In millions)	
<b>Assets:</b>			
Cash and investments	\$ 21.2	20.0	16.5
Receivables	18.9	17.8	9.3
Restricted deposits and student loans	8.4	8.1	7.7
Capital assets, net	204.5	213.5	221.9
Right-to-use leased and SBITA assets, net	20.7	47.2	50.1
Lease receivables	—	19.1	—
Transferor receivable	7.2	16.9	17.4
Total assets	<u>280.9</u>	<u>342.6</u>	<u>322.9</u>
<b>Deferred outflows of resources:</b>			
Deferred amounts from pensions	10.5	13.9	15.3
Deferred amounts from debt refunding	7.3	7.8	8.3
Total deferred outflows of resources	<u>17.8</u>	<u>21.7</u>	<u>23.6</u>
<b>Liabilities:</b>			
Current liabilities	38.8	36.6	32.0
Long-term debt, net of current portion	142.0	151.3	152.9
Net pension liability	108.4	113.0	121.2
Leased and SBITA liabilities, net of current portion	22.1	49.1	51.1
Other noncurrent liabilities	19.4	14.2	14.0
Total liabilities	<u>330.7</u>	<u>364.2</u>	<u>371.2</u>
<b>Deferred inflows of resources:</b>			
Deferred amounts from pensions	11.6	15.8	17.6
Deferred amounts from transferor	7.5	17.4	17.8
Deferred amounts from lease receivables	—	19.9	—
Total deferred inflows of resources	<u>19.1</u>	<u>53.1</u>	<u>35.4</u>
<b>Net position:</b>			
Net investment in capital assets	62.9	66.5	72.2
Restricted expendable	4.5	4.6	4.5
Unrestricted	(118.4)	(124.2)	(136.9)
Total net position	<u>\$ (51.0)</u>	<u>(53.1)</u>	<u>(60.2)</u>

**New Jersey City University**  
(A Component Unit of the State of New Jersey)

Management's Discussion and Analysis (Unaudited)  
June 30, 2025 and 2024  
(Dollars in thousands)

**Statements of Net Position – Financial Highlights**

As of June 30, 2025, the University's total assets decreased by approximately \$61.7 million to \$280.9 million from \$342.6 million as of June 30, 2024. This decrease relates to selling of lease assets Rivet 1, Rivet 2 and Honeywell. Capital assets decreased by approximately \$9.0 million due to depreciation expense and the sale of land.

As of June 30, 2024, the University's total assets increased by approximately \$19.7 million to \$342.6 million from \$322.9 million as of June 30, 2023. This increase is primarily attributable to increases of \$3.5 million in cash and investments and \$8.5 million in receivables and the recording of new lease receivables of \$19.1 million. Capital assets decreased by approximately \$8.4 million due to depreciation expense and disposals exceeding additions to capital assets.

The University's deferred outflows of resources from pensions decreased by approximately \$3.0 million as of June 30, 2025 compared to a decrease of \$1.4 million as of June 30, 2024. These changes were primarily due to changes in GASB 68-related pension actuarial assumptions.

As of June 30, 2025, the University's total liabilities decreased by approximately \$33.5 million to \$330.6 million from \$364.2 million as of June 30, 2024. The decrease is primarily due to decreases of \$27.0 million in lease and SBITA liabilities, \$9.3 million in long term debt and \$4.6 million in net pension liability.

As of June 30, 2024, the University's total liabilities decreased by approximately \$7.0 million to \$364.2 million from \$371.2 million as of June 30, 2023. The decrease is primarily due to decreases of \$8.2 million in the net pension liability and \$2.0 million in the long-term debt portion of the lease and SBITA liabilities, which were partially offset by an increase of \$3.6 million in the amount due to the New Jersey University Foundation and affiliate.

**Statements of Revenues, Expenses, and Changes in Net Position**

The Statement of Revenues, Expenses, and Changes in Net Position presents the revenues earned and expenses incurred during the fiscal year. The Statement of Revenues, Expenses, and Changes in Net Position is categorized into three sections: operating revenues, operating expenses, and net nonoperating revenues (expenses). The net difference between operating and nonoperating revenues and expenses and other changes in net position results in an increase or decrease in the University's net position. The change in net position indicates whether the overall financial condition of the University has improved or declined during the year.

Generally, operating revenues are earned in exchange for providing goods or services. Operating revenues in the University consist of net tuition and fees revenue, as well as Federal, State, and local grant revenues. Operating expenses are primarily incurred to carry out the University's mission, goals and objectives, and costs related to the operation and maintenance of its facilities and auxiliary services. State appropriations, certain Federal grants and investment income are classified as nonoperating revenues. Nonoperating expenses consist of interest expense and gifts to the Foundation.

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**Statements of Revenues, Expenses, and Changes in Net Position (continued)**

The following is a condensed summary of the Statement of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2025, 2024 and 2023:

	2025	2024	2023
	(In millions)		
Operating revenues:			
Student revenues, net	\$ 45.6	46.7	47.8
Grants and contracts	37.3	33.5	34.1
Other	4.2	4.2	4.7
Total operating revenues	87.1	84.4	86.6
Operating expenses	140.4	124.9	138.3
Operating loss	(53.3)	(40.5)	(51.7)
Nonoperating revenues (expenses):			
State appropriations	41.9	41.7	33.9
State paid fringe benefits	20.7	19.5	20.3
State paid OPEB (benefits) expense	(3.7)	(5.7)	(4.5)
Investment income	0.9	2.0	0.3
Interest expense	(5.6)	(6.4)	(6.4)
Interest expense on leased and SBITA assets	(2.0)	(2.6)	(2.6)
(Loss) gain on disposal of assets	9.2	—	(0.3)
Stimulus funds	—	—	12.8
WCH, LLC operational subsidy	(1.9)	(1.9)	(0.1)
Other nonoperating income, net	1.0	1.0	1.1
Net nonoperating revenues	60.5	47.6	54.5
Increase (decrease) in net position	7.2	7.1	2.8
Net position as of beginning of year - as previously reported	(53.1)	(60.2)	(63.0)
Cumulative effect of change in accounting principle	(5.1)	—	—
Beginning of year - as restated	(58.2)	(60.2)	(63.0)
Net position as of end of year	\$ (51.0)	(53.1)	(60.2)

The University's net position has been significantly impacted by the accounting and reporting of pensions under GASB 68. The change in net position excluding amounts related to accounting for pensions in accordance with GASB 68 is relevant and is displayed because the University participates in the State's plans and does not have any influence over the plans.

	2025	2024	2023
	(In millions)		
Change in net position, excluding GASB 68 and 101 \$	1.8	(1.5)	(7.7)

The impact of GASB 68 on the change in net position was a credit of (\$5.4) million, (\$8.6 million) and (\$10.5 million) in 2025, 2024, and 2023, respectively. The University's net position has also been significantly impacted by the accounting and reporting of sick time under GASB 101. The impact of GASB 101 on net position was an expense of \$5.1 million in 2025.

**New Jersey City University**  
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Management's Discussion and Analysis (Unaudited)  
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(Dollars in thousands)

**Financial Highlights – Revenues**

The University derives its revenue from a variety of sources. Net student revenues, State appropriations, and grants and contracts are the primary sources of funding for the University's academic programs. Net student revenues totaled \$45.6 million, \$46.7 million, and \$47.8 million for the years ended June 30, 2025, 2024 and 2023, respectively. Tuition rates were increased by 3.5%, 3.5%, and 3.0% for the years ended June 30, 2025, 2024 and 2023, respectively. The decrease in tuition revenues resulted from a decline in enrollment each year due to softness in undergraduate enrollment and lower than expected transfer matriculation.

Grants and contracts revenues increased by approximately \$3.8 million in 2025 and decreased \$0.6 million in 2024, primarily due to a \$1.5 million increase in state financial aid grants, with the remainder of \$1.4 million in Youth Corp, Some College No Degree and the Rapid grants.

State appropriations increased by approximately \$0.2 million in 2025 due to a \$2.9 million increase in the outcome-based allocation and \$0.3 million for deferred maintenance, partially offset by a decrease of \$3.0 million of stabilization funding.

**Financial Highlights – Expenses**

The following is a condensed summary of operating expenses, by natural classification, for the years ended June 30, 2025, 2024 and 2023.

	<u>2025</u>	<u>2024</u>	<u>2023</u>
	(In millions)		
Salaries and benefits	81.7	74.6	76.2
State paid fringe benefits	21.6	20.3	20.9
Pension expense	(5.4)	(8.5)	(10.4)
State paid OPEB (benefits) expense	<u>(3.7)</u>	<u>(5.7)</u>	<u>(4.5)</u>
Total salaries and benefits	94.2	80.7	82.2
Professional services	5.7	4.2	4.5
Student aid and bad debts	5.8	5.6	13.3
Utilities and maintenance	6.4	6.0	6.5
Real estate related	-	1.2	1.5
Other supplies and services	15.5	13.9	16.9
Depreciation	10.3	10.3	10.8
Amortization on leased and SBITA assets	<u>2.5</u>	<u>3.0</u>	<u>2.6</u>
Total operating expenses	<u>140.4</u>	<u>124.9</u>	<u>138.3</u>

**New Jersey City University**  
(A Component Unit of the State of New Jersey)

Management's Discussion and Analysis (Unaudited)  
June 30, 2025 and 2024  
(Dollars in thousands)

**Financial Highlights – Expenses (*continued*)**

Total expenses, excluding pension, OPEB, GASB101, and amortization on right-to-use leased and SBITA assets expenses, increased by approximately \$12.9 million in 2025 and decreased by \$9.4 million in 2024.

Salaries and benefits increased by approximately \$7.1 million in 2025 due to implementation of GASB 101 and the effect on compensated sick time accrual expense.

Professional services costs increased approximately \$1.5 million in 2025 due to higher legal and consulting expenses relating to the activities involving the monetization of transferor receivables and lease assets, the sale of land and the bond defeasance financing. Costs decreased \$0.3 million in 2024 due to lower legal and audit expenses. Bad debt expenses increased by approximately \$0.2 million in 2025 due to non-student bad debt reserves relating to other receivables which are reserved at 100%. In 2024 student aid and bad debts decreased \$7.7 million due to absence of any CARES Act grants that occurred in 2023. Student aid expense is reported in allowances in 2025.

Real estate related expenses in 2024 and 2023 pertained to the Fort Monmouth and Harborside leases. These costs are reported in other supplies and services in 2025. Other supplies and services costs increased by approximately \$1.6 million in 2025, primarily due to higher educational supplies, marketing expenses, and software maintenance costs.

**Capital Projects**

The University continues to evaluate its capital needs. Many major maintenance projects were started and/or completed during fiscal year 2025. Specifically, the University incurred capital construction expenditures totaling \$9.8 million on building and classroom renovations, various steam, piping, boiler and parking garage projects. Costs incurred of \$3.9 million on a residence hall were transferred to WCH.

**Bond Ratings**

In May 2025 Moody's Investors Service affirmed its Ba2 rating on the University's revenue bonds and upgraded the University's outlook from stable to positive. In November 2024 Fitch Ratings Services affirmed its rating of BBB- on the University's NJEFA bonds and upgraded the University's outlook from negative to stable.

**Summary and Outlook**

The University is seeing an increase in enrollment. This trend is contributed to the dedication and hard work of our senior leadership team. Transfer students have increased due to the diligence of the university team to reach out to the local high schools and community colleges to get future students excited about the University. The University's mission is and will continue to concentrate on the underserved and underrepresented, first generation, and adult learners. The University is empowering its students through a highly accessible, equity-driven and transformative education.

**New Jersey City University**  
(A Component Unit of the State of New Jersey)

Management's Discussion and Analysis (Unaudited)  
June 30, 2025 and 2024  
(Dollars in thousands)

**Summary and Outlook (*continued*)**

As we close out this fiscal year, we are proud to report that our organization remains on solid financial footing. Through careful stewardship, operational efficiencies, and a shared commitment to excellence, we have positioned ourselves to end the year with stability and momentum for the upcoming semesters at the NJCU campus.

Looking forward, the upcoming merger with Kean University marks a transformative step in our journey. This strategic partnership will provide greater financial resilience, expanded resources, and new opportunities for innovation and growth. By aligning with Kean, NJCU will gain access to enhanced infrastructure, broadened expertise, and long-term efficiencies that strengthen our ability to deliver on our mission. Equally important, the NJCU campus community will remain open and vibrant, continuing to serve our students, particularly the many first-generation students who rely on us for opportunity, support, and access to higher education. This commitment remains central to our vision and will only be strengthened by the partnership ahead.

While this year reflects disciplined management and steady progress, next year will open the door to even greater possibilities. The merger is not just a milestone, it is the beginning of a new chapter where NJCU will reinvest in our programs, expand opportunities for students and staff, and ensure sustainable success for years to come on the NJCU campus in Jersey City. We close out this year with gratitude for the dedication of our team and optimism for what lies ahead. Together with Kean University, we are building a future of stability, growth, and shared impact. Additional information regarding the State's financial condition may be found on the State's Treasury department website ([www.nj.gov/treasury/omb](http://www.nj.gov/treasury/omb)).

**New Jersey City University**  
(A Component Unit of the State of New Jersey)

Statements of Net Position  
Business-Type Activities – University Only  
June 30, 2025 and 2024  
(In thousands)

	2025	2024
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 21,167	\$ 17,090
Investments	-	2,879
Receivables:		
Students, net of allowance of \$14,794 and \$12,240 in 2025 and 2024, respectively	9,342	6,965
Grants	2,548	4,434
Leases	523	2,496
Due from New Jersey City University Foundation and affiliate	2,442	1,635
Other	2,952	2,262
Total receivables	17,807	17,792
Restricted deposits held with bond trustees	3,838	3,465
Other current assets	1,412	329
Total current assets	44,224	41,555
Noncurrent assets:		
Restricted deposits held with bond trustees	4,174	4,331
Student loans, net of allowance of \$210 and \$317 in 2025 and 2024, respectively	67	6
Capital assets, net of accumulated depreciation of \$174,539 and \$167,940 in 2025 and 2024, respectively	204,503	213,532
Right-to-use leased and SBITA assets, net of accumulated amortization of \$9,209 and \$9,810 in 2025 and 2024, respectively	20,737	47,171
Transferor receivables	7,249	16,852
Lease receivables	-	19,103
Total noncurrent assets	236,730	300,995
Total assets	280,954	342,550
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred amounts from pensions	10,459	13,947
Deferred amounts from debt refunding	7,308	7,759
Total deferred outflows of resources	17,767	21,706
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and accrued expenses:		
Vendor	10,627	9,960
Payroll	3,953	3,504
Compensated absences, current portion	5,105	4,593
Due to New Jersey City University Foundation and affiliate	4,953	6,697
Accrued interest	3,169	3,890
Total accounts payable and accrued expenses	27,807	28,644
Unearned student tuition and fees	1,890	1,838
Unearned grant revenue	3,232	2,321
Long-term debt, current portion	4,010	1,650
Long-term lease and SBITA liabilities, current portion	1,864	2,113
Total current liabilities	38,803	36,566
Noncurrent liabilities:		
Unearned capital reimbursement	11,666	11,666
Other noncurrent liabilities	7,724	2,537
Long-term debt, noncurrent portion, net	142,000	151,299
Long-term lease and SBITA liabilities, noncurrent portion, net	22,080	49,100
Net pension liability	108,351	113,021
Total noncurrent liabilities	291,821	327,623
Total liabilities	330,624	364,189
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred amounts from pensions	11,632	15,830
Deferred amounts from transferor receivables	7,473	17,402
Deferred amounts from lease receivables	-	19,886
Total deferred inflows of resources	19,105	53,118
<b>NET POSITION</b>		
Net investment in capital assets	62,864	66,493
Restricted expendable:		
Debt service reserve	4,147	4,303
Perkins loans	348	322
Unrestricted	(118,367)	(124,169)
Total net position	\$ (51,008)	\$ (53,051)

See accompanying notes to basic financial statements

**New Jersey City University**  
(A Component Unit of the State of New Jersey)

Statements of Revenues, Expenses, and Changes in Net Position  
Business-Type Activities – University Only  
Years ended June 30, 2025 and 2024  
(In thousands)

	2025	2024
Operating revenues:		
Student revenues:		
Tuition and fees	\$ 82,190	\$ 84,239
Auxiliary enterprises	2,500	2,595
Less scholarship allowances	<u>(39,090)</u>	<u>(40,131)</u>
Total student revenues, net	45,600	46,703
Federal grants	17,591	17,077
State grants	19,218	16,245
Private and other grants	533	183
Other operating revenues	<u>4,112</u>	<u>4,183</u>
Total operating revenues	<u>87,054</u>	<u>84,391</u>
Operating expenses:		
Instruction	53,218	48,947
Academic support	10,887	9,044
Student services	20,988	19,936
Institutional support	21,594	22,899
Operation and maintenance of plant	16,437	14,073
Bad debt	5,832	63
Auxiliary enterprises	2,333	2,311
Other postemployment health benefits	(3,745)	(5,668)
Amortization on leased and SBITA liabilities	2,527	3,039
Depreciation	<u>10,302</u>	<u>10,281</u>
Total operating expenses	<u>140,373</u>	<u>124,925</u>
Operating loss	<u>(53,319)</u>	<u>(40,534)</u>
Nonoperating revenues (expenses):		
State appropriations	41,911	41,713
State paid fringe benefits	20,700	19,504
State paid other postemployment health benefits	(3,745)	(5,668)
Gifts to affiliates	(605)	(308)
Investment income	926	1,993
Interest expense	(5,616)	(6,356)
Interest expense on right-to-use leased and SBITA liabilities	(1,983)	(2,616)
Gain (loss) on disposal of assets	9,238	1
WCH, LLC operational subsidy	(1,850)	(1,900)
Other nonoperating income, net	<u>1,475</u>	<u>1,281</u>
Net nonoperating revenues	<u>60,451</u>	<u>47,644</u>
Increase in net position	7,132	7,110
Net position as of beginning of year - as previously reported	<u>(53,051)</u>	<u>(60,161)</u>
Cumulative effect of change in accounting principle	(5,089)	-
Beginning of year - as restated	<u>(58,140)</u>	<u>-</u>
Net position as of end of year	<u>\$ (51,008)</u>	<u>\$ (53,051)</u>

See accompanying notes to basic financial statements

**New Jersey City University**  
(A Component Unit of the State of New Jersey)

Statements of Cash Flows  
Business-Type Activities – University Only  
Years ended June 30, 2025 and 2024  
(In thousands)

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Student receipts	\$ 37,443	\$ 41,549
Grants and contracts	40,140	31,488
Payments for salaries and benefits	(81,628)	(75,349)
Payments to suppliers	(35,572)	(29,190)
Auxiliary enterprises	1,134	1,019
Other	3,798	2,074
Net cash used by operating activities	(34,685)	(28,409)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State of New Jersey appropriations	41,911	41,713
Net cash provided by noncapital financing activities	41,911	41,713
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Proceeds from sale of assets	14,672	-
Purchase of capital assets	(7,905)	(3,684)
Principal paid on capital debt	(6,940)	(1,621)
Interest paid on capital debt	(6,481)	(6,678)
Increase in deposits with trustees	216	203
Net cash used by capital financing activities	(6,438)	(11,780)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	2,579	-
Interest on investments	710	1,790
Net cash provided by investing activities	3,289	1,790
Net increase (decrease) in cash and cash equivalents	4,077	3,314
Cash and cash equivalents as of beginning of year	17,090	13,776
Cash and cash equivalents as of end of year	\$ 21,167	\$ 17,090
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>		
Operating loss	\$ (53,319)	\$ (40,534)
Adjustments to reconcile operating loss to net cash used by operating activities		
Provision for bad debts	5,832	5,564
Amortization and transfer expense	(8,730)	(5,158)
State paid fringe benefit expense	20,700	19,504
State paid other postemployment health benefits	(3,745)	(5,668)
Depreciation expense	10,302	10,281
Changes in assets and liabilities		
Receivables	1,758	(7,458)
Vendor accounts payable and accrued expenses	(1,402)	4,123
Unearned revenues	(799)	(303)
Other noncurrent liabilities	98	(134)
Net pension liability and related deferrals	(5,380)	(8,626)
Net cash used by operating activities	\$ (34,685)	\$ (28,409)
Noncash transactions		
State of New Jersey paid fringe benefits	\$ 20,700	\$ 19,504
State of New Jersey paid other postemployment benefits	(3,745)	(5,668)
SBITA liability and asset additions	510	98
Lease receivables	-	19,886
Restricted Escrow	1,100	-

See accompanying notes to basic financial statements

**New Jersey City University Foundation, Inc. and Affiliate**  
(A Component Unit of New Jersey City University)

Consolidated Statements of Financial Position  
June 30, 2025 and 2024  
(In thousands)

	2025	2024
<b>ASSETS</b>		
Cash and cash equivalents	\$ 461	\$ 434
Due from New Jersey City University and other receivables	4,956	6,678
Contributions receivable, net	2,000	2,213
Investments	4,162	4,959
Restricted deposits held by bond trustees	6,864	6,800
Restricted investments	19,874	18,498
Capital assets, net	45,093	42,406
Total assets	\$ 83,410	\$ 81,988
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and other accrued expenses	\$ 207	\$ 267
Accrued interest	1,071	1,098
Due to New Jersey City University	2,442	1,636
Long-term debt, net	44,876	45,958
Total liabilities	48,596	48,959
Net assets		
Without donor restrictions		
Foundation operating and board designated	1,339	911
West Campus Housing, LLC	7,725	7,143
Total without donor restrictions	9,064	8,054
With donor restrictions		
Restricted for specified purpose or passage of time	20,631	19,868
Restricted in perpetuity – endowment	5,119	5,107
Total with donor restrictions	25,750	24,975
Total net assets	34,814	33,029
Total liabilities and net assets	\$ 83,410	\$ 81,988

See accompanying notes to basic financial statements

**New Jersey City University Foundation, Inc. and Affiliate**  
(A Component Unit of New Jersey City University)

Consolidated Statement of Activities  
Year ended June 30, 2025  
(In thousands)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenues:			
Support from public contributions	\$ 195	\$ 673	\$ 868
Contributed services	605	-	605
Investment return, net	813	1,921	2,734
Student housing revenues	3,607	-	3,607
University operational revenue subsidy	1,850	-	1,850
Special events	22	-	22
Fair value adjustment of split interest agreements	-	13	13
Gift assessment	28	(28)	-
Net assets released from restrictions in satisfaction of program restrictions	1,804	(1,804)	-
Total support and revenues	<u>8,924</u>	<u>775</u>	<u>9,699</u>
Expenses:			
Program services	1,646	-	1,646
Student housing	1,707	-	1,707
Interest expense	2,089	-	2,089
Management and general	861	-	861
Special events	54	-	54
Fundraising	173	-	173
Depreciation and amortization	1,384	-	1,384
Total expenses	<u>7,914</u>	<u>-</u>	<u>7,914</u>
Change in net assets	1,010	775	1,785
Net assets as of beginning of year	<u>8,054</u>	<u>24,975</u>	<u>33,029</u>
Net assets as of end of year	<u>\$ 9,064</u>	<u>\$ 25,750</u>	<u>\$ 34,814</u>

See accompanying notes to basic financial statements

**New Jersey City University Foundation, Inc. and Affiliate**  
(A Component Unit of New Jersey City University)

Consolidated Statement of Activities  
Year ended June 30, 2024  
(In thousands)

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Support and revenues:			
Support from public contributions	\$ 167	\$ 933	\$ 1,100
Development grants and contracts	-	92	92
Contributed services	382	-	382
Investment return, net	1,008	1,690	2,698
Student housing revenues	3,484	-	3,484
University operational revenue subsidy	1,900	-	1,900
Fair value adjustment of split interest agreements	-	41	41
Gift assessment	26	(26)	-
Net assets released from restrictions in satisfaction of program restrictions	<u>1,608</u>	<u>(1,608)</u>	<u>-</u>
Total support and revenues	<u>8,575</u>	<u>1,121</u>	<u>9,696</u>
Expenses:			
Program services	1,357	-	1,357
Student housing	1,699	-	1,699
Interest expense	2,142	-	2,142
Management and general	866	-	866
Fundraising	30	-	30
Depreciation and amortization	<u>1,380</u>	<u>-</u>	<u>1,380</u>
Total expenses	<u>7,474</u>	<u>-</u>	<u>7,474</u>
Change in net assets	1,101	1,121	2,222
Net assets as of beginning of year	<u>6,953</u>	<u>23,854</u>	<u>30,807</u>
Net assets as of end of year	<u>\$ 8,054</u>	<u>\$ 24,975</u>	<u>\$ 33,029</u>

See accompanying notes to basic financial statements

**New Jersey City University**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements  
June 30, 2025 and 2024  
(Dollars in thousands)

**1. Organization and Summary of Significant Accounting Policies**

***Organization***

New Jersey City University (the University or NJCU) is a public institution of higher education in the State of New Jersey (the State) and an instrumentality of the State with a high degree of autonomy. The University is considered a component unit of the State for financial reporting purposes and its financial statements are included in the State's Annual Comprehensive Financial Report.

Opened in 1929 and granted university status in 1998, NJCU is dedicated to urban programs designed to meet the economic, social and educational needs of the surrounding urban region and beyond. The urban mission is unique among the State's colleges and universities and NJCU has embarked on a plan designed to make it the premier Cooperative Education University in the State. The University offers 59 undergraduate, 31 master and post-master and 2 doctoral program, which are housed in four colleges and schools on a 52-acre campus and a Harborside waterfront location in Jersey City. NJCU has approximately 3,800 undergraduate and 1,600 graduate students, who reflect the social and cultural diversity of the metropolitan area.

New Jersey City University Foundation (the Foundation) is a separate tax-exempt corporation, which serves primarily as a fundraising entity to supplement the resources available to the University in support of its mission. The Foundation is reported as a discretely presented unit in the University's financial report. See Note 15 for further details about the Foundation's activities.

During 2015, the Foundation created West Campus Housing, LLC (WCH), a limited liability corporation of which the Foundation is the sole member. The University entered into a 40-year ground lease agreement with WCH for land associated with two existing residence halls and land located at its west campus site. The agreement also provides that WCH be deemed to be the owner of the two existing residence halls for the term of the ground lease.

The University experienced declining enrollment for a number of years and was met with a financial crisis due to prior year decisions and agreements. As a result, the Board of Trustees declared a financial emergency in June 2022. This was deemed necessary to institute immediate cost-containment and right-sizing plans to address the University's historical structural budget deficits and its impact on cash reserves.

The State appointed a fiscal monitor for oversight and provided stabilization funds of \$7 million in 2025 and \$10 million in 2024, and another \$7 million is included in the State's approved 2026 budget. During 2025 the University monetized several real estate assets and lease agreements that improved its cash position and financial structure.

In May 2025 the University and Kean University signed a letter of intent that outlined a proposed merger, under which Kean would assume control of the University with a targeted merger date of July 1, 2026. In October 2025 both parties signed a definitive merger agreement to create Kean Jersey City as a new campus of Kean effective July 1, 2026.

**New Jersey City University**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements  
June 30, 2025 and 2024  
(Dollars in thousands)

**1. Organization and Summary of Significant Accounting Policies (continued)**

***Summary of Significant Accounting Policies***

***Basis of Presentation***

The accounting policies of the University conform to generally accepted accounting principles, as prescribed by the Governmental Accounting Standards Board (GASB). GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* (GASB 34) established state and local government financial reporting requirements and set forth the format and contents of the basic financial statements, certain related notes to the financial statements, and required supplementary information including management’s discussion and analysis. GASB Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities* (GASB 35) established standards for external financial reporting for public colleges and universities and requires resources be classified for accounting and reporting purposes into the following net position categories.

- *Net investment in capital assets*: Capital and leased and SBITA assets, net of accumulated depreciation and amortization, respectively, and outstanding principal balances of debt used to finance the acquisition, construction, or improvement of those assets.
- *Restricted – expendable*: Assets whose use by the University is subject to externally imposed stipulations as specified by creditors, grantors or the State that can be fulfilled by actions of the University pursuant to the stipulations, including Perkins loans and restricted deposits held with bond trustees.
- *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. Substantially all unrestricted net position is designated for academic programs, initiatives, and capital programs.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the 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 34. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

**New Jersey City University**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements  
June 30, 2025 and 2024  
(Dollars in thousands)

**1. Organization and Summary of Significant Accounting Policies (continued)**

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

***Measurement Focus and Basis of Accounting (continued)***

The Foundation reports under the codified standards of the Financial Accounting Standards Board. As such, certain revenue recognition criteria and presentation features are different from GASB standards. No modifications have been made to the Foundation's financial information in the University's financial reporting entity for these differences. Complete financial statements for the Foundation can be obtained from the Controller's Office at 2039 Kennedy Boulevard, Jersey City, New Jersey 07305.

***Use of Estimates***

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

***Cash and Cash Equivalents***

The University classifies resources that are in short-term, highly liquid investments and are readily convertible to known amounts of cash as cash equivalents. These funds mature in three months or less. The University maintains portions of its cash in two funds, a money market account, which permits the overnight sweep of available cash balances directly into a short-term investment, and the State of New Jersey Cash Management Fund wherein amounts also contributed by other state entities are combined into a large-scale investment program. Both are interest-bearing accounts from which the funds are available upon demand.

***Investments***

All investments are reported at fair value based upon quoted or published market prices. Purchases and sales of investments are accounted for on the trade-date basis. Investment income is recorded on an accrual basis. Changes in fair value, including realized and unrealized gains and losses, are reported within investment income.

***Other Receivables***

Other receivables include amounts due from the State for appropriations and reimbursement of fringe costs and amounts due from the Foundation and other affiliates for services rendered.

**New Jersey City University**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements  
June 30, 2025 and 2024  
(Dollars in thousands)

**1. Organization and Summary of Significant Accounting Policies (continued)**

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

***Restricted Deposits Held with Bond Trustees***

Restricted deposits held with bond trustees are reported at fair value, based on quoted market prices and consist of money market accounts, U.S. Treasury notes and government securities. Restricted deposits are externally restricted to maintain sinking or reserve funds or to purchase or construct capital assets.

***Capital Assets (excluding intangible right-to-use lease and SBITA assets)***

Capital assets are carried at historical cost or if the asset is donated, at acquisition value on the date the asset was donated. The costs for replacements are capitalized and the replaced items are retired. Gains or losses resulting from disposal of capital assets are included in nonoperating revenues (expenses). Depreciation is calculated on the straight-line basis over the following estimated useful lives:

Land improvements	10 years
Buildings and building improvements	25 to 50 years
Equipment and other assets	5 to 15 years

The University does not capitalize equipment with a cost less than \$5,000.

***Leases and Similar Subscription-based IT Arrangements***

The University is a lessee for various noncancelable leases of buildings and equipment and a lessor for various noncancelable building leases. The University also has noncancelable SBITA arrangements for the SBITA assets.

Right-to-use lease assets are reported under capital assets and lease liabilities are reported with long-term debt in the statements of net position.

For lease contracts or SBITA arrangements with a maximum possible term of 12 months or less at commencement the University recognizes expenses based on the lease contracts or SBITA arrangements. For other leases and SBITA arrangements, the University recognizes right-to-use lease and SBITA assets and lease and SBITA liabilities. As a lessor, a lease receivable and a deferred inflow of resources are established.

**New Jersey City University**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements  
June 30, 2025 and 2024  
(Dollars in thousands)

**1. Organization and Summary of Significant Accounting Policies (continued)**

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

***Measurement of Lease Amounts***

At lease commencement, as a lessee, 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, less lease payments made at or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. If the University is reasonably certain of exercising a purchase option contained in a lease, the lease asset will be amortized over the useful life of the underlying asset.

At lease commencement, as a lessor, the University initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable. Subsequently, the deferred inflow of resources is amortized into other operating revenues and other non-operating income.

***Measurement of Subscription Based IT Amounts***

At subscription commencement, the University initially measures the subscription IT liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription IT liability is reduced by the principal portion of subscription payments made. The subscription IT asset is initially measured as the initial amount of the subscription IT liability, less subscription payments made at or before the subscription commencement date, less any vendor incentives received at or before the subscription commencement date, plus the capitalizable implementation costs. Subsequently, the subscription IT asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying hardware or software.

***Key Estimates and Judgments***

Key estimates and judgements include how the University determines (1) the discount rate it uses to calculate the present value of the expected lease and subscription payments, (2) lease and subscription terms, and (3) lease and subscription payments.

**New Jersey City University**  
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**1. Organization and Summary of Significant Accounting Policies (continued)**

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

***Key Estimates and Judgments (continued)***

- The University generally uses its estimated incremental borrowing rate as the discount rate for leases and subscription IT arrangements unless the rate of the lessor/vendor charges is known. The University's incremental borrowing rate for leases and subscription IT arrangements is based on the rate of interest it would need to pay if it issued general obligation bonds to borrow an amount equal to the lease or subscription payments, respectively, under similar terms at the commencement or remeasurement date. As a lessor, the University uses its incremental borrowing rate as the discount rate.
- The lease or subscription term includes the noncancellable period of the lease or subscription IT arrangement, respectively, plus any additional periods covered by either the University or lessor option to (1) extend for which it is reasonably certain to be exercised, or (2) terminate for which it is reasonably certain not to be exercised. Periods in which both the University and the lessor/vendor have a unilateral option to terminate (or if both parties have to agree to extend) are excluded from the lease or subscription term.
- Payments are evaluated by the University to determine if they should be included in the measurement of the lease and subscription IT liabilities, including those payments that require a determination of whether they are reasonably certain of being made.

***Remeasurement of Lease and Subscription Amounts***

The University monitors changes in circumstances that may require remeasurement of a lease or subscription IT arrangement. When certain changes occur that are expected to significantly affect the amount of the lease or subscription IT liability, the liability is remeasured and a corresponding adjustment is made to the lease or subscription IT asset, respectively.

***Deferred Outflows of Resources and Deferred Inflows of Resources***

Deferred outflows of resources refer to the consumption of net position by the University that is applicable to a future reporting period. Deferred inflows of resources refer to the acquisition of net position by the University that is applicable to a future reporting period. Deferred outflows of resources increase the University's net position, similar to assets, while deferred inflows of resources decrease the University's net position, similar to liabilities. The University's deferred outflows of resources represent unamortized amounts from debt refunding and amounts related to changes in the net pension liability. The University's deferred inflows of resources represent amounts related to changes in the net pension liability and the transferor and lease receivables.

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**1. Organization and Summary of Significant Accounting Policies (continued)**

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

***Net Pension Liability and Related Pension Amounts***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and the Teachers' Pension and Annuity Fund (TPAF), and additions to/deductions from PERS's and TPAF's fiduciary net position have been determined on the same basis as they are reported by PERS and TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about PERS and TPAF, please refer to the plans' Annual Reports, which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

***Transferor Receivables and Deferred Inflows***

At the time the asset is placed into service, the University initially measures the transferor receivable at the present value of payments expected to be made during the contract term. Subsequently, the transferor receivable is reduced by the principal portion of payments made.

Key estimates and judgments include how the University determines (1) the discount rate it uses to calculate the present value of the expected lease payments, (2) contract term, and (3) contract payments.

Transferor receivables are reported under assets and deferred inflows or resources in the statements of net position.

***Other Post Employment Health Benefits***

The University's retirees participate in the State Health Benefit State Retired Employees Plan (the Plan). The Plan is a single employer defined 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 plan for standalone reporting purposes. For purposes of determining the cost of the University's retirees' other post-employment health benefits and related state funding, information has been provided by the State.

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**1. Organization and Summary of Significant Accounting Policies (continued)**

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

***Net Position***

The difference between the University's assets and deferred outflows of resources, and its liabilities and deferred inflows of resources, is referred to as the net position in the financial statements of the University. Net position reported as restricted refers to amounts restricted for the payment of future debt service obligations and Federal Perkins Loan Program loans due back to the United States Department of Education. Net position reported as unrestricted refers to the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or the aforementioned restricted components of the University's net position.

***Revenue Recognition***

Revenues from student tuition and fees and auxiliary enterprises are presented net of scholarships applied to student accounts and are recognized in the period earned. Other payments made directly to students are presented as scholarships and are included in operating expenses in the period incurred. Student tuition and fees and deposits collected in advance of the school year are recorded as unearned student tuition and fees in the accompanying statements of net position.

Grant revenues are comprised primarily of funds received from Federal and State sources and are recognized when all eligibility requirements for revenue recognition are met, which is generally the period in which related expenses are incurred. Amounts received from grants for which eligibility requirements have not been met under the terms of the agreements are included in unearned grant revenue in the accompanying statements of net position.

Revenues from State appropriations are recognized in the fiscal year during which the State appropriates the funds to the University.

***Classification of Revenue***

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. Examples include (1) student tuition and fees, net of scholarship allowances, (2) auxiliary enterprises, and (3) most Federal and State grants. Nonoperating revenues and expenses include activities that primarily have the characteristics of nonexchange transactions or do not result from the receipt or provision of goods and services, such as appropriations from the State, investment income, interest expense, stimulus funds and capital grants.

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**1. Organization and Summary of Significant Accounting Policies (continued)**

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

***Income Taxes***

The University is exempt from Federal income taxes under Internal Revenue Code Section 115.

***Financial Dependency***

Appropriations from the State are the University's largest source of nonoperating revenues. The University is economically dependent on these appropriations to carry on its operations.

***Reclassifications***

Certain prior year amounts have been reclassified to conform to the current year classification.

***New Accounting Standards***

GASB issued Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. 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. The College implemented this Statement during the 2024-25 fiscal year. See Note 13.

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 College implemented this Statement during the 2024-25 fiscal year. See Note 12.

GASB issued Statement No. 102, *Certain Risk Disclosures* in December 2023. This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Management has reviewed the Statement and determined it did not have an impact on the financial statements.

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**1. Organization and Summary of Significant Accounting Policies (continued)**

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

***New Accounting Standards (continued)***

GASB issued Statement No. 103, *Financial Reporting Model Improvements* in April 2024. This Statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Management has not determined the impact of the Statement on the financial statements.

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

**2. Cash and Cash Equivalents and Investments**

The University's cash and cash equivalents and investments are subject to various risks. Among these risks are custodial credit risk, concentration of credit risk, credit risk and interest rate risk which, in accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, are discussed below.

***Cash and Cash Equivalents***

The carrying amount of cash and cash equivalents as of June 30, 2025, and 2024 was approximately \$21.2 million and \$17.1 million, respectively, while the amount on deposit inclusive of nightly sweeps was approximately \$22.0 million and \$17.8 million, respectively.

Custodial credit risk associated with the University's cash and cash equivalents includes uncollateralized deposits, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the University's name. The University's bank deposits as of June 30, 2025, and 2024 were partially insured by Federal Depository Insurance in the amount of \$250,000. Bank balances, in excess of insured amounts of \$12.5 million in 2025 and \$17.5 million in 2024, are collateralized in accordance with Chapter 64 of Title 18A of New Jersey Statutes.

The University participates in the State of New Jersey Cash Management Fund (NJCMF) wherein amounts also contributed by other state entities are combined into a large-scale investment program. The carrying amount and fair value of amounts invested in this program by the University as of June 30, 2025, and 2024 was \$9.2 million and \$0.86 million, respectively. The NJCMF is unrated and the majority of its investments as of June 30, 2025 and 2024, mature in one year or less.

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**2. Cash and Cash Equivalents and Investments (continued)**

***Cash and Cash Equivalents (continued)***

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

***Investments***

Investments consist of the following as of June 30, 2025, and 2024:

	2025	2024
	(In thousands)	
Money market fund	\$ —	2,879

The University's investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the University, and are held by either the counterparty or the counterparty's trust department or agent but not in the University's name. The investment risk is that, in the event of the failure of the counterparty to a transaction, the University will not be able to recover the sale of the investment or collateral securities that are in the possession of the outside party. As of June 30, 2025 and 2024, the University's investments are insured, registered, or held by the University's investment custodian in the University's name.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt instrument is measured by nationally recognized statistical rating agencies such as Moody's Investors Service, Inc. (Moody's). As of June 30, 2025 and 2024, the University's investment quality ratings as rated by Moody's were Aaa.

The concentration of credit risk is the risk associated with the amount of investments the University has with any one issuer that exceed 5% or more of its total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. The University's investment policy provides limitations to the diversification to avoid undue risk of large losses over long time periods of the investment portfolio. With the exception of fixed income investments explicitly guaranteed by the U.S. government, no single investment security shall represent more than 10% of total portfolio assets. With respect to fixed income investments, the minimum average credit quality of these investments shall be investment grade (Standard and Poor's BBB or Moody's Baa or higher). The University was not subject to concentration of credit risk.

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**2. Cash and Cash Equivalents and Investments (continued)**

***Investments (continued)***

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The University's investment policy provides limitations in the maturities of the various types of investments as a means of managing its exposure to fair value losses arising from interest rate fluctuations. Portfolio holdings will be sufficiently liquid to ensure that 5% of the portfolio can be sold on a day's notice with no material impact on fair value. The final maturity of each security within the portfolio will not exceed five years for intermediate investments and thirty years for long-term investments. All of the University's investments at June 30, 2025, and 2024 had maturities of less than one year and were money market funds. The money market fund was closed out in 2025. All proceeds were transferred to the University's operating account.

**3. Restricted Deposits Held with Bond Trustees**

Restricted deposits held with bond trustees include funds that are restricted under the terms of various long-term debt agreements. Restricted deposits held with bond trustees are carried in the financial statements at fair value and consist of money market funds and government securities. They include the following as of June 30, 2025, and 2024:

	2025	2024
	(In thousands)	
Construction funds	\$ 27	27
Debt service funds	7,985	7,769
Total restricted deposits	8,012	7,796
Less-current portion	(3,838)	(3,465)
Noncurrent portion	\$ 4,174	4,331

The University's investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the University, and are held by either the counterparty or the counterparty's trust department or agent but not in the University's name. As of June 30, 2025, and 2024, the University's deposits held with bond trustees were either insured, registered, or held by the University's investment custodian in the University's name.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt instrument is measured by nationally recognized statistical rating agencies such as Moody's. As of June 30, 2025, and 2024, the University's investment quality ratings as rated by Moody's for the U.S. Treasury notes and government securities were AAA and the money market funds are not rated.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As of June 30, 2025, and 2024, all deposits held with bond trustees had maturities of less than one year.

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**4. 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 or published prices for identical assets or liabilities in active markets available at the measurement date.
- Level 2 – quoted or published 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 methodology used for the University's investments measured at fair value:

Money market funds – the fair value of these investments at measurement date is based on the net asset value of this open-end fund which invests in a broad range of U.S. dollar-denominated money market instruments, including government, bank, and commercial obligations and repurchase agreements.

All of the University's cash equivalents, investments and restricted deposits held by trustees as of June 30, 2025, and 2024 were categorized as Level 1.

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**5. Capital Assets**

The detail of capital assets activity for the years ended June 30, 2025, and 2024 follows:

	June 30, 2024	Additions	Capitalization/ Retirements	June 30, 2025
	(In thousands)			
Depreciable assets:				
Land improvements	\$ 14,450	\$ 9,248	\$ (1,978)	\$ 21,720
Buildings and building improvements	283,513	1,548	(417)	284,644
Equipment and other assets	40,847	1,283	(1,461)	40,669
	<u>338,810</u>	<u>12,079</u>	<u>(3,856)</u>	<u>347,033</u>
Less accumulated depreciation:				
Land improvements	(7,527)	(945)	1,850	(6,622)
Buildings and building improvements	(125,375)	(7,471)	401	(132,445)
Equipment and other assets	(35,038)	(1,886)	1,452	(35,472)
	<u>(167,940)</u>	<u>(10,302)</u>	<u>3,703</u>	<u>(174,539)</u>
Total depreciable assets	170,870	1,777	(153)	172,494
Nondepreciable assets:				
Land	31,431	-	(5,933)	25,498
Construction in progress	11,231	9,436	(14,156)	6,511
Capital assets, net	<u>\$ 213,532</u>	<u>\$ 11,213</u>	<u>\$ (20,242)</u>	<u>\$ 204,503</u>
Right-to-use subscription assets	\$ 1,211	\$ 510	\$ (1,114)	\$ 607
Accumulated amortization	(881)	(72)	870	(83)
Right-to-use subscription assets, net	<u>\$ 330</u>	<u>\$ 438</u>	<u>\$ (244)</u>	<u>\$ 524</u>
Right-to-use lease assets	\$ 55,770	\$ -	\$ (26,432)	\$ 29,338
Accumulated amortization	(8,929)	(2,455)	2,259	(9,125)
Right-to-use lease assets, net	<u>\$ 46,841</u>	<u>\$ (2,455)</u>	<u>\$ (24,173)</u>	<u>\$ 20,213</u>

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Notes to Financial Statements  
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**5. Capital Assets (continued)**

	June 30, 2023	Additions	Capitalization/ Retirements	June 30, 2024
	(In thousands)			
Depreciable assets:				
Land improvements	\$ 14,450	\$ -	\$ -	\$ 14,450
Buildings and building improvements	279,697	3,816	-	283,513
Equipment and other assets	40,890	211	(254)	40,847
	<u>335,037</u>	<u>4,027</u>	<u>(254)</u>	<u>338,810</u>
Less accumulated depreciation:				
Land improvements	(6,582)	(945)	-	(7,527)
Buildings and building improvements	(118,286)	(7,089)	-	(125,375)
Equipment and other assets	(33,044)	(2,247)	253	(35,038)
	<u>(157,912)</u>	<u>(10,281)</u>	<u>253</u>	<u>(167,940)</u>
Total depreciable assets	177,125	(6,254)	(1)	170,870
Nondepreciable assets:				
Land	31,431	-	-	31,431
Construction in progress	13,346	758	(2,873)	11,231
Capital assets, net	<u>\$ 221,902</u>	<u>\$ (5,496)</u>	<u>\$ (2,874)</u>	<u>\$ 213,532</u>
Right-to-use subscription assets	\$ 1,113	\$ 98	\$ -	\$ 1,211
Accumulated amortization	(571)	(310)	-	(881)
Right-to-use subscription assets, net	<u>\$ 542</u>	<u>\$ (212)</u>	<u>\$ -</u>	<u>\$ 330</u>
Right-to-use lease assets	\$ 55,770	\$ -	\$ -	\$ 55,770
Accumulated amortization	(6,199)	(2,729)	(1)	(8,929)
Right-to-use lease assets, net	<u>\$ 49,571</u>	<u>\$ (2,729)</u>	<u>\$ (1)</u>	<u>\$ 46,841</u>

The major projects included in construction in progress as of June 30, 2025, are building and classroom renovations, various underground steam and condensation piping, chillers and boiler projects, and parking garage repairs.

The major projects included in construction in progress as of June 30, 2024, are the infrastructure expansion and various renovation, HVAC, and boiler repair projects.

The University has received \$11.7 million as unearned capital reimbursement from the City of Jersey City (the City) for the infrastructure project and expects to receive approximately \$4.3 million in the future.

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**6. Long-Term Debt**

The University has financed capital assets through various revenue bonds issued by the New Jersey Educational Facilities Authority (NJEFA).

The following obligations to the NJEFA were outstanding as of June 30, 2025, and 2024:

	<u>Interest rate</u>	<u>2025</u>	<u>2024</u>
(In thousands)			
NJEFA Revenue Bonds:			
Series 2007 F, due July 1, 2032	3.00–5.00%	\$ 2,645	\$ 2,645
Series 2010 G, due July 1, 2040	6.19 %	18,310	18,310
Series 2015 A, due July 1, 2045	2.75–5.25%	35,340	35,340
Series 2016 D, due July 1, 2035	3.00–5.00%	30,605	35,885
Series 2021 A, due July 1, 2036	4.00–5.00%	5,640	5,640
Series 2021 B, due July 1, 2051	4.33–4.43%	<u>38,545</u>	<u>38,545</u>
Total NJEFA Revenue bonds payable		<u>131,085</u>	<u>136,365</u>
Other long-term debt:			
NJEFA Capital Improvement Fund:			
Series 2016 B	3.00–5.50%	1,220	1,293
New Jersey Environmental Infrastructure:			
Trust Loan 2005 A	4.00–5.00%	60	115
Fund Loan 2005 A, net of imputed interest of \$31 and \$51, respectively	— %	112	223
Trust Loan 2013 A	3.00–5.00%	1,785	1,975
Fund Loan 2013 A	— %	<u>4,337</u>	<u>4,901</u>
Total other long-term debt		<u>7,514</u>	<u>8,507</u>
Unamortized bond premiums		<u>7,411</u>	<u>8,077</u>
Total long-term debt		146,010	152,949
Less-current portion debt and premium		<u>(4,010)</u>	<u>(1,650)</u>
Noncurrent portion		<u>\$ 142,000</u>	<u>\$ 151,299</u>

All NJEFA Revenue Bonds are secured by a pledge of, lien on and security interest in and to the tuition and fees granted by the University pursuant to the terms of the Security Agreement.

The payments of principal and interest on the Bonds have been guaranteed under an insurance policy issued by Assured Guaranty Municipal Corp. (Assured).

As long as 2021 A and 2021 B are outstanding, the Agreement provides that the University is not allowed to incur any new long-term debt without achieving a certain debt service coverage ratio and requires the University to maintain a certain level of days' cash on hand.

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**6. Long-Term Debt (continued)**

**Future Minimum Payments**

The following is a schedule of future minimum principal and interest payments on the University's long-term debt obligations as of June 30, 2025:

	Principal	Interest (In thousands)	Total
Year ending June 30:			
2026	\$ 3,349	\$ 6,229	\$ 9,578
2027	4,120	6,102	10,222
2028	4,303	5,929	10,232
2029	5,312	5,746	11,058
2030	6,257	5,508	11,765
2031–2035	36,827	23,691	60,518
2036–2040	22,900	16,061	38,961
2041–2045	21,760	10,899	32,659
2046–2050	27,515	5,149	32,664
2051–2052	6,256	277	6,533
Total	\$ 138,599	\$ 85,591	\$ 224,190

**7. Noncurrent Liabilities**

The following table summarizes the changes in noncurrent liabilities during the years ended June 30, 2025, and 2024:

	June 30, 2024	Cumulative Effect Change In Accounting Principle	Additions	Reductions	June 30, 2025	Current portion
			(In thousands)			
Unearned capital reimbursement	\$ 11,666	\$ -	\$ -	\$ -	\$ 11,666	\$ -
Compensated absences	5,590	5,089	733	-	11,412	5,105
Other noncurrent liabilities	1,540	-	-	(123)	1,417	-
Lease and SBITA liabilities (note 18)	51,213	-	510	(27,779)	23,944	1,864
Long-term debt	152,949	-	-	(6,939)	146,010	4,010
Total noncurrent liabilities	\$ 222,958	\$ 5,089	\$ 1,243	\$ (34,841)	\$ 194,449	\$ 10,979

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**7. Noncurrent Liabilities (continued)**

	June 30, 2023	Additions	Reductions (In thousands)	June 30, 2024	Current portion
Unearned capital reimbursement	\$ 11,666	\$ -	\$ -	\$ 11,666	\$ -
Compensated absences	5,388	202	-	5,590	4,593
Other noncurrent liabilities	1,877	418	(755)	1,540	-
Lease and SBITA liabilities (note 18)	53,222	97	(2,106)	51,213	2,113
Long-term debt	154,571	-	(1,622)	152,949	1,650
Total noncurrent liabilities	<u>\$ 226,724</u>	<u>\$ 717</u>	<u>\$ (4,483)</u>	<u>\$ 222,958</u>	<u>\$ 8,356</u>

The change in compensated absences is presented as a net change. \* See Note 13.

**8. Retirement Plans**

**(a) Introduction**

The University participates in the State of New Jersey Public Employees' Retirement System (PERS) and the Teachers' Pension and Annuity Fund (TPAF). Both plans are cost-sharing, multiple-employer defined benefit pension plans administered by the State of New Jersey, Division of Pensions and Benefits and fall within the scope of GASB 68 which requires participating employers to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense in their financial statements, unless the plan meets the GASB 68 special funding situation. Under GASB 68, the University has recorded its proportionate share of the PERS plan in its financial statements. With respect to TPAF, the State has determined that it meets the special funding situation of GASB 68 and therefore the University's proportionate share of the net pension liability is recorded by the State and not the University.

The State issues publicly available financial reports that include financial statements, required supplementary information, and detailed information about the PERS and TPAF plans' fiduciary net position. The reports may be obtained by visiting [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml) or by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

The University also participates in two defined contribution retirement plans, the Alternative Benefit Program (ABP) and the Defined Contribution Retirement Program (DCRP). Under these plans, participants make annual contributions, and the State, in accordance with annual appropriations, makes employer contributions on behalf of the University. The University is charged for pension costs through a fringe benefit charge assessed by the State which is included within the State fringe benefit appropriations in the accompanying financial statements.

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**8. Retirement Plans (continued)**

**(b) Plan Descriptions**

*(i) Public Employees' Retirement System (PERS)*

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten 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.

*(ii) Teachers' Pension and Annuity Fund (TPAF)*

The vesting and benefit provisions for TPAF 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. There are currently no active members in the TPAF pension plan from the University.

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**8. Retirement Plans (continued)**

**(b) Plan Descriptions (continued)**

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 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, 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.

*(iii) Defined Contribution Plans*

The ABP pension plan is a defined contribution program administered by the State of New Jersey, Division of Pensions and Benefits. ABP provides retirement and death benefits for or on behalf of those full-time professional employees and faculty members electing to participate in this optional retirement program.

The DCRP, which is administered for the Division of Pensions and Benefits by Prudential Financial, provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees otherwise eligible to enroll in the PERS or TPAF plans after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment, but who earn a salary of at least \$5,000 annually, are eligible to participate in the program. Participation in this plan is insignificant.

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**8. Retirement Plans (continued)**

**(c) Contributions**

The contribution policy for PERS and TPAF is set by N.J.S.A. 43:15A and N.J.S.A 18A:66, respectively, and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State makes employer contributions on behalf of the University. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal years 2025 and 2024, the State's pension contribution was more than the actuarial determined amount.

For permanent employees, PERS enrollment begins after the employees complete their probationary period, which is normally four months. All temporary employees must be enrolled after one year of continuous employment. PERS members were required to contribute 7.5 % of their annual covered salary for the years ended June 30, 2025, and 2024. The State contributes the remaining amounts necessary to pay benefits when due. The contribution requirements of the plan members and the University are established and may be amended by the State. The University's contributions to the PERS plan (amounts paid by the State on behalf of the University) for the fiscal year ended June 30, 2025, and 2024 were \$7.8 million and \$8.8 million, respectively.

Former faculty members of the University participate in the TPAF. Under the special funding situation, the State is legally responsible for 100% of the employer contributions. TPAF covered employees are required by State statute to contribute a certain percentage of their salaries to the plan. Each member's percentage is based on age determined at the effective date of enrollment. In addition, the required contributions are made on the University's behalf by the State annually at an actuarially determined rate.

The University no longer enrolls new employees into the TPAF plan and there are currently no active members.

**(d) Pension Amounts**

In accordance with GASB 68, the University reported a liability of \$108.4 million and \$113.0 million as of June 30, 2025, and June 30, 2024, respectively for its proportionate share of the PERS net pension liability. The PERS net pension liability reported at June 30, 2025, was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The PERS net pension liability reported at June 30, 2024, was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023.

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**8. Retirement Plans (continued)**

**(d) Pension Amounts (continued)**

The University's proportionate share of the respective net pension liabilities was based on actual contributions to PERS on behalf of the University relative to the total contributions of participating state group employers for the plan for the fiscal years 2025 and 2024 and was 0.489% and 0.503%, respectively. The University's proportionate share of the respective net pension liabilities for the plan as a whole for the fiscal years 2025 and 2024 was 0.302% and 0.305%, respectively.

For the years ended June 30, 2025, and 2024, pension benefit and expense of (\$2.958) million and (\$0.8) million related to PERS, respectively, was recognized within the functional classifications in the statements of revenues, expenses, and changes in net position.

As of June 30, 2025, and 2024, the University reported deferred outflows of resources and deferred inflows of resources related to the PERS pension plan from the following sources (in thousands):

	2025		2024	
	PERS Deferred outflows of resources	PERS Deferred inflows of resources	PERS Deferred outflows of resources	PERS Deferred inflows of resources
Changes in assumptions	\$ 59	\$ 575	\$ 114	\$ 3,244
Differences between expected and actual experience	2,143	218	2,506	336
Net difference between projected and actual earnings on pension plan investments	357	—	1,729	—
Changes in proportion	109	10,839	790	12,250
University contributions paid subsequent to the measurement date	7,791	—	8,808	—
Total	\$ 10,459	\$ 11,632	\$ 13,947	\$ 15,830

The \$7,791 and \$8,808 reported as deferred outflows of resources related to PERS pensions at June 30, 2025, and 2024, respectively, resulting from University contributions paid subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year.

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**8. Retirement Plans (continued)**

**(d) Pension Amounts (continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pensions as of June 30, 2025, will be recognized in pension expense as follows (in thousands):

<u>Year Ending June 30:</u>	
2026	\$ (764)
2027	(6,879)
2028	(1,203)
2029	(38)
2030	<u>(80)</u>
Total	<u>\$ (8,964)</u>

The University's proportion of the TPAF net pension liability was based on the ratio of the State's contributions made on behalf of the University towards the actuarially determined contribution amount to total contributions to the TPAF plan, as adjusted by locations who participated in the State's early retirement incentives, for the years ended June 30, 2024 and 2023. The 2025 and 2024 TPAF net pension liability was measured as of June 30, 2024 and 2023, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024 and 2023, respectively, which was rolled forward to June 30, 2025 and 2024, respectively. The University's proportionate share of the TPAF net pension liability for fiscal year 2025 and 2024 was \$4.5 million and \$4.8 million, respectively. The University's proportionate share of the respective net pension liabilities for the plan, as a whole for the fiscal years 2025 and 2024 was 0.009% and 0.009%, respectively. The TPAF net pension expense attributable to the University was (\$0.01) million and \$0.1 million for the years ended June 30, 2025, and June 30, 2024, respectively, and has been recorded as an operating expense by functional classification and related revenue in the statements of revenues, expenses, and changes in net position.

**(e) Defined Benefit Plan Assumptions**

The University's net pension liability for PERS as of June 30, 2025, was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024.

The University's net pension liability for PERS as of June 30, 2024, was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023.

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**8. Retirement Plans (continued)**

**(e) Defined Benefit Plan Assumptions (continued)**

The significant actuarial assumptions used to measure the total pension liability as of June 30, 2025 and June 30, 2024 were as follows:

	Actuarial methods and assumptions	
	PERS (2024 and 2025)	TPAF (2024 and 2025)
Inflation rate:		
Price	2.75 %	2.75 %
Wage	3.25	3.25
Salary increases:		
	2.75% - 6.55%	2.75% - 4.25%
	based on years	based on years
	of service	of service
Investment rate of return	7.00 %	7.00 %
Experience study dates	7/1/2018 - 6/30/2021	7/1/2018 - 6/30/2021

For the July 1, 2024, and July 1, 2023 actuarial valuation dates, pre-retirement mortality rates for PERS 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 for the June 30, 2024 and 2023 measurement dates.

For the June 30, 2025, and June 30, 2024 measurement dates, TPAF 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 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. Disability 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 year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021 for the June 2024 and 2023 measurement dates.

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Notes to Financial Statements  
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**8. Retirement Plans (continued)**

**(e) Defined Benefit Plan Assumptions (continued)**

*(i) Long-Term Expected Rate of Return*

The long-term expected rate of return on pension plan investments (7.00% at June 30, 2024, and 2023) was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans 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 cation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2024 and 2023 measurement dates are summarized in the following tables:

Target asset allocation and long-term expected rate of return				
Asset class	2024		2023	
	PERS & TPAF		PERS & TPAF	
	Target allocation	Long-term expected real rate of return	Target allocation	Long-term expected real rate of return
Risk mitigation strategies	3.00%	7.10	3.00%	6.21
Cash equivalents	2.00%	3.57	2.00%	3.31
U.S. Treasuries	4.00%	3.57	4.00%	3.31
Investment grade credit	7.00%	5.37	7.00%	5.19
High yield	5.00%	6.74	5.00%	6.97
Private credit	8.00%	8.90	8.00%	9.20
Real assets	3.00%	8.20	3.00%	8.40
Real estate	8.00%	10.95	8.00%	8.58
U.S. Equity	28.00%	8.63	28.00%	8.98
Non-U.S. developed markets equity	12.75%	8.85	12.75%	9.22
Emerging markets equity	5.50%	10.66	5.50%	11.13
Private equity	13.00%	12.40	13.00%	12.50
International Small Cap Equity	1.00%	8.85	1.00%	9.22

*(ii) Discount Rate*

The discount rate used to measure the PERS and TPAF total pension liability was 7.00% as of June 30, 2024, and 2023. These discount rates for PERS and TPAF are single blended discount rates and are based on the long-term expected rate of return on pension plan investments of 7.00% as of June 30, 2024, and 2023, respectively.

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Notes to Financial Statements  
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**8. Retirement Plans (continued)**

**(e) Defined Benefit Plan Assumptions (continued)**

*(ii) Discount Rate (continued)*

For 2024 and 2023, 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 in determining the total pension liability for PERS and TPAF.

*(iii) Sensitivity to the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following table presents the University's proportionate share of the collective net pension liability as of June 30, 2025 and 2024 calculated using the discount rate as disclosed above for each plan as well as the University's proportionate share of the collective net pension liability if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate.

Sensitivity of the net pension liability			
	1% decrease in discount rate	At current discount rate (In thousands)	1% increase in discount rate
June 30, 2025			
PERS (6.00%, 7.00%, 8.00%)	\$ 124,309	108,351	94,801
TPAF (6.00%, 7.00%, 8.00%)	5,306	4,500	3,821
June 30, 2024			
PERS (6.00%, 7.00%, 8.00%)	\$ 129,235	113,021	99,257
TPAF (6.00%, 7.00%, 8.00%)	5,693	4,828	4,100

The TPAF net pension liability shown above represents the State's proportionate share of the net pension liability attributable to the University. It is not included in the net pension liability on the statement of net position because it meets the special funding situation criteria.

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**8. Retirement Plans (continued)**

**(f) Alternate Benefit Program (ABP)**

The ABP pension plan is a tax-sheltered, defined contribution retirement program for higher education faculty and certain administrators administered by the State of New Jersey Division of Pensions and Benefits. The plan allows enrollees to make contributions to the following carriers: Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA/CREF), Equitable (formerly AXA), Empower (formerly MassMutual), MetLife/Brighthouse (formerly Travelers/CitiStreet), Empower (formerly Prudential), Corebridge Financial (formerly AIG), and VOYA Equitable, VALIC, Empower, MetLife, VOYA Financial Services and Prudential.

Employees enrolled in ABP are faculty members, administrators, and managers of the University.

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

Participating University employees are required to contribute 5% of their base annual salary and may contribute, on a pretax basis, an additional voluntary contribution up to the maximum Federal statutory limit. Employer contributions for the ABP are 8%. During the years ended June 30, 2025, and 2024, the ABP received employer and employee contributions that approximated the following from the University:

	2025	2024
	(In thousands)	
Employer contribution	\$ 3,518	\$ 3,413
Employee contribution	2,199	2,133
Basis for contribution:		
Participating employee salaries	43,974	42,662

Employer contributions to ABP are paid by the State and are reflected in the accompanying financial statements as appropriations revenue and operating expenses.

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**9. Postemployment Benefits Other Than Pensions**

***(a) Introduction and Description***

The University's retirees participate in the State Health Benefit State Retired Employees Plan (the Plan). The Plan is a single-employer defined 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 plan for standalone reporting purposes. In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums and periodic charges for OPEB of State employees who retire with 25 years or more of credited service or on a disability pension from PERS, TPAF, the 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 for the benefit payments on behalf of the retirees of the University; therefore, the Plan meets the definition of a special funding situation as defined by GASB 75.

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

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

***(b) OPEB Liability and Expense***

As of June 30, 2025, and June 30, 2024, the State recorded a liability of \$157.5 million and \$141.6 million, respectively, which represents 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. As of June 30, 2025, the University's share was 2.50% and 0.66% of the special funding situation and of the Plan, respectively. As of June 30, 2024, the University's share was 2.56% and 0.67% of the special funding situation and of the Plan, respectively.

For the years ended June 30, 2025, and 2024, the University recognized OPEB expense of (\$3.7 million) and (\$5.7 million), respectively. As the State is legally obligated for benefit payments on behalf of the University, the University also recognized revenue related to the support provided by the State of (\$3.7 million) and (\$5.7 million) related appropriations for the years ended June 30, 2025, and 2024, respectively.

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**9. Postemployment Benefits Other Than Pensions (*continued*)**

**(c) Actuarial Assumptions**

The State's liability associated with the University as of June 30, 2025, was determined by an actuarial valuation as of June 30, 2023, which was rolled forward to the measurement date of June 30, 2024. The State's liability associated with the University as of 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. Other actuarial assumptions used in this illustration to measure the OPEB liability as of June 30, 2025, and 2024 were as follows:

	2025	2024
Inflation rate	N/A	N/A
Discount rate	3.93%	3.65%
Salary increases:		
Through all future years based on years of service	2.75% -- 16.25%	2.75% -- 16.25%

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

For the June 30, 2023 and June 30, 2022 actuarial valuations, preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Future disability mortality was based on the Pub-2010 "Teachers" (TPAF/ABP) and "General" (PERS) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Current disabled retirees' mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Certain actuarial assumptions used in the June 30, 2023 and June 30, 2022 valuations were based on the results of actuarial experience studies of the State's defined benefit plans, including PERS (July 1, 2018 through June 30, 2021) and ABP (using the experience of the TPAF-July 1, 2018 through June 30, 2021).

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**9. Postemployment Benefits Other Than Pensions (continued)**

**(c) Actuarial Assumptions (continued)**

*Health Care Trend Assumptions* – The June 30, 2023, valuations initially used a trend rate of 7.5% and decreases to a 4.5% long-term trend rate after nine years for pre-Medicare medical benefits. For post-65 medical benefits, the actual fully insured Medical Advantage trend rates for fiscal year 2024 through 2035 are reflected. For PPO the trend is initially 7.5% in fiscal year 2025, increasing to 15.93% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially 7.89% in fiscal year 2025, increasing to 17.83% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial rate is 9.5% and decreases to a 4.5% long-term trend rate after seven years.

For pre-Medicare medical benefits, the trend is initially 7.50% and decreases to a 4.5% long-term trend rate after nine years. For PPO the trend is initially 3.06% in fiscal year 2025, increasing to 21.39% in fiscal year 2027 and decreases to 4.5% in fiscal year 2034. For HMO the trend is initially 2.65% in fiscal year 2025, increasing to 24.11% in fiscal year 2027 and decreases to 4.5% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.5% long-term trend rate after nine years.

**10. Commitments and Contingent Liabilities**

The University is a 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.

**11. State of New Jersey Fringe Benefit Appropriations**

The State, through separate appropriations, pays certain fringe benefits, primarily health benefits, a matching portion for the pension contributions of current employees and FICA taxes. For the years ended June 30, 2025, and 2024, such payments amounted to approximately \$20.7 million and \$19.5 million, respectively, and are included in appropriations revenue and operating expenses by function in the accompanying financial statements.

**12. Compensated Absences**

***Vacation, Compensatory and Paid Leave Bank Time***

The University's general policy states that eligible employees are entitled, upon termination, to all time carried over from the previous year and the accrued time for the current year for unused earned vacation, compensatory and paid leave bank time. Employees may also accrue up to four complimentary days per year on days worked that fall on school holidays that are nonpublic holidays. Faculty employees are not eligible for vacation time. The liability for unused vacation, compensatory and paid leave bank time at June 30, 2025 and 2024 amounted to approximately \$5.1 million and \$4.6 million, respectively.

**New Jersey City University**  
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**12. Compensated Absences (continued)**

***Accumulated Unpaid 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 the University's service prior to retirement are not entitled to payments for accumulated sick-leave balances. The liability for sick leave balances was approximately \$6.3 million and \$0.9 million as of June 30, 2025, and 2024, respectively, and is included in other noncurrent liabilities in the accompanying statements of net position. In 2025, the University adopted GASB Statement No. 101, *Compensated Absences*, which updates the approach on accruing for unpaid sick leave and this resulted in an increase in the accumulated unpaid sick leave of \$5.4 million. The University paid \$0.09 million and \$0.2 million in sick-leave payments for employees who retired during the years ended June 30, 2025, and 2024, respectively.

**13. Change in Accounting Principle and Restatement of Net Position**

Effective for the year ended June 30, 2025, the University implemented the provisions of GASB Statement No. 101, *Compensated Absences*. This statement establishes new recognition and measurement criteria for compensated absences, requiring governments to recognize a liability for certain types of compensated absences when the leave is earned, rather than when it is paid. In addition to the value of unused leave time owed to employees upon separation from employment, the University now also recognizes as part of the compensated absences liability an estimated amount of unused leave earned as of year-end that will be used by employees as time off in future years. As a result of this implementation and in accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*, the beginning net position as of July 1, 2024 was restated to reflect the cumulative effect of the change of approximately (\$5.1) million recognized in the 2025 changes in net position.

**14. Student Financial Assistance Programs**

The University's students receive support from Federal and State 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 U.S. Department of Education. 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.

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**15. Discretely Presented Component Unit – New Jersey City University Foundation, Inc. and Affiliate**

The Foundation is a separate tax-exempt corporation, which serves primarily as a fund-raising entity to supplement the resources available to the University in support of its programs. Since the resources and assets of the Foundation are used exclusively for the benefit of the University, it meets the criteria to be discretely reported as a component unit in the University's financial statements.

During 2015, the Foundation created West Campus Housing, LLC (WCH), a limited liability corporation of which the Foundation is the sole member. The University entered into a ground lease agreement with WCH for land associated with two existing student residence halls and land located at its west campus site. The term of the ground lease is 40 years with no right to renew or extension option. The base annual rent is equal to the surplus cash flow generated by the operation of the student housing facilities and is paid annually upon WCH's certification that the annual debt service ratio has been met. The agreement also provides that WCH be deemed to be the owner of the two existing residence halls for the term of the ground lease. Therefore, the net book value of \$8.9 million related to the building and building improvements of the halls was transferred to WCH in 2016. Upon termination of the ground lease and full repayment of the related debt, all rights, title and interest in the West Campus Housing Facility shall revert to the University. There were no rental payments for the years ended June 30, 2025, and 2024.

In connection with the ground lease agreement, in March 2015 WCH issued \$50.6 million in revenue bonds through the New Jersey Economic Development Authority (NJEDA) to finance the construction of a new residence hall and renovation of the existing housing facilities. A 425-bed residence hall opened in July 2016 on the west campus, while improvements to the existing housing facilities were completed in 2017. WCH is solely responsible for repayment of the bonds. The University has no obligation to pay debt service on the financing.

In connection with the NJEDA bonds, WCH is subject to certain restrictive covenants, including provisions relating to certain debt ratios. The Debt Service Coverage Ratio (DSCR) requirement under Section 4.12 of the Trust Indenture is not less than 1.00 to 1.00. If the DSCR falls below 1.00 to 1.00, the DSCR must equal or exceed 1.00 to 1.00 by the end of the next succeeding Annual Period or failure to do so will constitute an Event of Default. In addition, per Section 6.2 of the Loan Agreement, if the DSCR falls below 1.20 to 1.00, WCH is to hire a Rate Covenant Consultant and make any recommendations as the Rate Covenant Consultant believes appropriate to enable WCH to achieve the DSCR of at least 1.20 to 1.00 for the subsequent Annual Period. WCH is in compliance with the DSCR requirements provided under the Continuing Disclosure Agreement Section 4.12 and Section 6.2 of the Loan Agreement in fiscal 2025.

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Notes to Financial Statements  
June 30, 2025 and 2024  
(Dollars in thousands)

**15. Discretely Presented Component Unit – New Jersey City University Foundation, Inc. and Affiliate (continued)**

The University acts as WCH’s agent by collecting student housing fees and related charges under the student housing agreements, which totaled \$3.6 million in 2025 and \$3.5 million in 2024 and depositing them with the bond trustee pursuant to the bond documents for payment of debt service and operating expenses. The University also provides certain administrative, resident life, security and other maintenance services to WCH’s student housing facilities and pays for student housing utility costs, which are to be reimbursed by WCH as operating expenses. These costs totaled \$0.3 million and \$0.2 million during the years ended June 30, 2025, and 2024. The University has provided an operating subsidy to WCH for fiscal year 2025 and 2024 of \$1.9 million.

During the years ended June 30, 2025, and 2024, the Foundation distributed \$0.7 million and \$0.9 million in the form of scholarships and program support. The University contributed \$0.6 million and \$0.3 million in contributed services to the Foundation during the years ended June 30, 2025, and 2024, respectively. The University recognized expenses procured and disbursed for the Foundation totaling \$1.1 million and \$0.3 million in 2025 and 2024, respectively.

The Foundation records its net assets in accordance with FASB ASC Subtopic 958-205, *Not-for-Profit Entities – Presentation of Financial Statements* (ASC 958-205). ASC 958-205 provides guidance on the net asset classification of donor restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act.

The Foundation’s net assets with donor restrictions are subject to purpose restrictions for scholarships and awards. Net assets with donor restrictions are designated for the following purposes:

	2025	2024
	(In thousands)	
Scholarships	\$ 7,463	\$ 7,428
Student and other activities	13,168	12,440
Donor restricted endowment in perpetuity	5,119	5,107
Total net assets with donor restrictions	\$ 25,750	\$ 24,975

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**16. University Development Programs and Public-Private Partnerships**

***(a) University Place***

The University intended to enhance the environment for teaching, learning, living, and working. The plan was to develop in conjunction with the City of Jersey City as part of its Redevelopment Plan, University Place (UP) a master mixed-use redevelopment plan with seven components that was designed to transform the University's 22-acre west campus neighborhood into a university urban village that would have included residential units, a supermarket, restaurants, and parking. The plan was developed under the 2009 Economic Stimulus Act and in partnership with several private developers and the city. In July 2015, the University submitted three Public Private Partnership applications to the NJEDA for the development of UP which also included development agreements and ground leases that were executed by the University with CRT Holdings, LLC (Crossroads Companies), HC West Campus I LLC and HC West Campus II LLC (collectively, Claremont) and KKF University Enterprises, LLC. (KKF). Simultaneously, the University sold general obligation bonds to finance and develop the Phase I of an infrastructure project, which consisted of streets, landscape, streetscape, water management systems and utilities and was completed in 2019. Development agreements and ground leases were executed by the University with three developers, and the WCH student housing facility was completed.

However, due to the deteriorating operating results and cash flow constraints of the University, the UP has been placed on hold and will no longer be pursued. After completion of a strategic real estate analysis, the University decided to monetize its real estate assets to improve its financial structure.

***(b) Rivet Apartment Project***

In August 2018, Rivet, a 163-unit apartment and retail project developed by Claremont and the Hampshire Companies, was completed as the second component of UP. In December 2024, Rivet 1 and 2 were sold for \$10.1 million. In connection with the sale, \$1.1 million of the proceeds was funded into an infrastructure improvements escrow and is being held in escrow as of June 30, 2025. The escrow is used to reimburse the purchaser for defined infrastructure improvements performed on University-owned surrounding property and is reported as a restricted asset, classified between current and noncurrent based on expected disbursement timing. The transferor receivable and related deferred inflows of resources associated with the leases were eliminated upon sale.

***(c) City Line Apartment Projects***

In October 2019, City Line West, a 149-unit apartment project developed by KKF was completed as the third component of UP. The transferor receivable and related deferred inflows of resources for the two remaining ground leases totaled \$7.5 million at June 30, 2025. The University is in discussion to sell the two ground leases in fiscal year 2026.

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(Dollars in thousands)

**16. University Development Programs and Public-Private Partnerships (continued)**

**(d) Other Land**

During 2025, the University sold another parcel of land for \$5.2 million.

**(e) Roadway Phase II**

The West Campus infrastructure and roadway project (the roadway project), which improves the connection of the main campus to the West Campus, is expected to be completed at a cost of \$16.0 million as part of the UP development. The University has received \$11.7 million from Jersey City, “the City”, as unearned capital reimbursement pursuant to an Infrastructure Agreement with the City. The project closed out in 2025 with additional funding still expected from the City of approximately \$4.3 million per the agreement.

The Infrastructure Agreement with the City is considered a voluntary nonexchange transaction. There is a contingency in the Infrastructure Agreement in which the City will determine ownership of the roadway once the project is completed. Accordingly, funds received from the City under this agreement have been reported as unearned. The University is currently under negotiations to finalize the terms of the transfer with the City.

**(f) Fort Monmouth Satellite Campus**

In 2025 the agreement to lease a building at the former Fort Monmouth site ended. The lease was taken over by RWJ Barnabas Health in February 2025. NJCU no longer has any obligations under this lease arrangement. The related lease receivable and deferred inflows of resources balances were eliminated from the financial statements.

**17. Risk Management**

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to students, faculty and staff; and natural disasters. The University purchased and funds property and casualty insurances through a joint insurance program with the nine State Public Colleges and Universities. The University’s risk management program involves insurance for all property risk in the joint insurance program and all liability risk and employee benefit exposures are self-funded programs maintained and administered by the State (including tort liability, auto liability, trustees and officers’ liability, workers’ compensation, unemployment, temporary and long-term disability, unemployment liability, life insurance and employee retirement.

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June 30, 2025 and 2024  
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**17. Risk Management (continued)**

All-Risk Property Insurance provides coverage for buildings, plants, and equipment, and business interruption to the extent that losses exceed \$100,000 per occurrence with a maximum per occurrence limit of \$2 billion for the policy period. Starting July 1, 2022 the flood deductible applying to select campus buildings became \$500,000. Commercial Crime Insurance coverage provides limits of liability of: \$5,000,000 for Employee Theft, Computer Fraud, and Funds Transfer Fraud Coverages, subject to \$150,000 retention; \$500,000 limits of liability for Premises, In Transit, Forgery, Money Orders and Counterfeit Currency Fraud, Credit Card, and Client Coverages, subject to \$50,000 retention; and \$150,000 limit of liability for Social Engineering Fraud Coverage, subject to \$150,000 retention. Student Blanket Professional and General Liability Insurance provides coverage for students in curriculum-based practicums/internships with a limit of liability of \$2,000,000 each occurrence, \$4,000,000 in the aggregate. The University also maintains a Fine Arts Insurance Policy that insures all permanent fine arts on campus, as well as temporary loan exhibitions that take place in the University art galleries to the extent that losses exceed \$1,000 for each separate occurrence of loss with a limit of liability of \$500,000.

As an instrumentality of the State, the liability of the University is subject to all of the provisions of the New Jersey Tort Claims Act (NJSA 59:1-1 et seq.), the New Jersey Contractual Liability Act (NJSA 59:13-1 et seq.), and the availability of appropriations. The Tort Claims Act also creates a fund and provides for payment of claims under the Act against the State or against 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 on an annual basis. All of the State self-funded programs are statutory with an annual appropriation provided by the legislature.

**18. Leases and Subscription (SBITA)**

As discussed in Note 1, the University is a lessee for various noncancelable leases of buildings and equipment. The University also has noncancelable SBITAs for the right-to-use IT hardware and software.

In December 2014, the University entered into a 20-year lease agreement in a building located at the Harborside Financial Center in Jersey City to house the University's School of Business. In April 2021, the University entered into an amendment to the lease agreement for additional space. Rental payments for the additional space of \$0.7 million began in October 2022. The discount rate used was 5%.

In 2024, the University also entered into a 40-year lease for a renovated building at a satellite campus on the former site of Fort Monmouth effective July 2021, with annual lease payments of approximately \$1.5 million for the first five years and approximately \$1.8 million thereafter. The discount rate used was 5%. This lease ended in fiscal year 2025 and RWJ Barnabas Health assumed the lease payments. The related lease receivable and deferred inflows of resources balances were eliminated from the financial statements.

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Notes to Financial Statements  
June 30, 2025 and 2024  
(Dollars in thousands)

**18. Leases and Subscription (SBITA) (continued)**

Future annual lease payments are as follows:

	Principal	Interest (In thousands)	Total
Year ending June 30:			
2026	\$ 1,864	1,155	3,019
2027	1,973	1,059	3,032
2028	2,089	958	3,047
2029	2,198	851	3,049
2030	2,255	739	2,994
2031–2035	13,065	1,862	14,927
thereafter	500	3	503
Total	\$ 23,944	6,627	30,571

**(b) Lessor**

As discussed in Note 1, the University was a lessor for various noncancelable leases of buildings and land beginning in 2024 and received variable lease income of \$1.6 million and \$0.6 million in 2025 and 2024, respectively. In 2025 the agreement to lease a building at the former Fort Monmouth site ended. The lease was taken over by RWJ Barnabas Health in February 2025. Additionally, the charter school was sold in July 2026, see Note 19. There are no anticipated future annual lease revenues as of June 30, 2025.

**19. Subsequent Events**

The University has evaluated events and transactions subsequent to June 30, 2025, and through March 23, 2026, the date on which the financial statements were issued, for recognition and disclosure in the accompanying financial statements and noted the following:

- On July 15, 2025, the University completed the sale of the Charter School, which resulted in net proceeds of \$12.2 million.
- On August 21, 2025, RWJ Barnabas Health purchased assets from the University for \$500K with an offsetting credit of \$100K for shared remedial activity.
- In October 2025, Kean University and New Jersey City University signed a definitive merger agreement to create Kean Jersey City as a new campus of Kean effective July 1, 2026.

There were no other significant subsequent events required to be recognized or disclosed in the accompanying financial statements.

**New Jersey City University**  
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(Dollars in thousands)

**20. Contingencies**

***Unearned Capital Reimbursement***

In August 2017, the University entered into an Infrastructure Agreement with Jersey City (“the City”) in which the City was to provide funding in the amount of \$16 million in relation to various infrastructure improvements pertaining to the redevelopment of the West Campus Redevelopment area. The University has received \$11.7 million of the funding which is recognized as unearned capital reimbursement on the statement of financial position. The University expects to receive the remaining \$4.3 million upon acceptance by the City of certain conditions precedent to funding but has not recognized these amounts as certain conditions have not yet been met. As the City has retained the right to claim ownership of the project or request reimbursement of the funding, the \$11.7 million and any additional funding received in the future will remain unearned until naming rights of the projects have been agreed upon.

***Merger with Kean University***

As noted above, the University and Kean University signed a letter of intent that outlined a proposed merger, under which Kean would assume control of the University with a targeted merger date of July 1, 2026. In October 2025 both parties signed a definitive merger agreement to create Kean Jersey City as a new campus of Kean effective July 1, 2026.

The proposed merger may give rise to certain contingencies, including, but not limited to:

***Litigation and Claims***

In connection with the proposed merger, the University may become subject to litigation, claims, or other proceedings. At this time, any potential loss or range of loss related to merger-related claims cannot be reasonably estimated.

***Contractual Obligations and Exit Costs***

The merger may result in modifications or terminations of existing contracts, employment agreements, or vendor arrangements. Costs associated with termination benefits, contract settlements, or other restructuring activities will be recognized when the criteria for recognition are met.

***Accreditation and Programmatic Matters***

The merger is subject to review and approval by institutional and programmatic accrediting agencies. While management expects accreditation continuity, the outcome of these reviews has not been completed as of the issuance date of this financial statement.

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**New Jersey City University**

Required Supplementary Information (Unaudited)

**New Jersey City University**  
(A Component Unit of the State of New Jersey)

Required Supplementary Information (Unaudited)  
Schedule of Employer Contributions  
June 30, 2025  
(In thousands)

	Public Employees' Retirement System									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contributions	\$ 7,791	\$ 8,808	\$ 8,720	\$ 9,318	\$ 6,607	\$ 5,370	\$ 4,599	\$ 3,769	\$ 2,780	\$ 2,218
Contributions in relation to the contractually required contributions	<u>7,791</u>	<u>8,808</u>	<u>8,720</u>	<u>9,318</u>	<u>6,607</u>	<u>5,370</u>	<u>4,599</u>	<u>3,769</u>	<u>2,780</u>	<u>2,218</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University employee covered-payroll (University year end)	\$ 21,813	\$ 20,145	\$ 20,781	\$ 22,561	\$ 23,371	\$ 24,249	\$ 24,447	\$ 23,781	\$ 25,182	\$ 24,987
Contributions as a percentage of employee covered payroll	35.72%	43.72%	41.96%	41.30 %	28.27 %	22.15 %	18.81 %	15.85 %	11.04 %	8.88 %

Information provided for Required Supplementary Information will be provided for ten years, as the information becomes available.  
See accompanying independent auditors' report.

**New Jersey City University**  
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Required Supplementary Information (Unaudited)  
Schedules of Proportionate Share of the Net Pension Liability  
June 30, 2025  
(In thousands)

	Public Employees' Retirement System									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
University proportion of the net pension liability – State Group	0.489%	0.503%	0.541 %	0.552 %	0.583 %	0.570 %	0.584 %	0.588 %	0.576 %	0.574 %
University proportion of the net pension liability – Total Plan	0.302	0.305	0.322	0.355	0.335	0.319	0.319	0.308	0.287	0.295
University proportionate share of the net pension liability	\$ 108,351	\$ 113,021	\$ 121,203	\$ 119,342	\$ 129,669	\$ 131,190	\$ 138,407	\$ 150,813	\$ 169,296	\$ 136,182
University employee covered-payroll (measurement date)	21,813	20,145	20,781	22,561	23,371	24,447	23,781	25,182	24,987	25,432
University proportionate share of the net pension liability as a percentage of the employee covered-payroll	496.7 %	561.0 %	583.2 %	529.0 %	554.8 %	536.6 %	582.0 %	598.9 %	677.5 %	535.5 %
Plan fiduciary net position as a percentage of the total pension liability	51.27%	48.45%	46.41 %	51.52 %	42.90 %	42.40 %	40.45 %	36.78 %	31.20 %	38.21 %

**Notes**

Changes in benefit terms - There were no significant changes in PERS benefits for the June 30, 2024 measurement date (actuarial valuation as of July 1, 2023).  
Changes in assumptions - The following lists the significant changes in assumptions for PERS between the July 1, 2022 valuation and the July 1, 2013 valuation:

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Experience study period	7/1/2018-6/30/21	7/1/2018-6/30/2021	7/1/2014-6/30/2018	7/1/2014-6/30/2018	7/1/2014-6/30/2018	7/1/2011-6/30/2014	7/1/2011-6/30/2014	7/1/2011-6/30/2014	7/1/2008-6/30/2011	7/1/2008-6/30/2011
Inflation rate	2.75%	2.75 %	2.75 %	2.75 %	2.75 %	2.25 %	2.25 %	3.08 %	3.04 %	3.01 %
Projected salary increases, 2017–2026 (based on age)	2.75%-6.55%	2.75%-6.55%	2.00%-6.00%	2.00%-6.00%	2.00%-6.00%	1.65%-4.15%	1.65%-4.15%	1.65%-4.15%	2.15%-4.40%	2.15%-4.40%
Projected salary increases, thereafter (based on age)	2.75%-6.55%	2.75%-6.55%	3.00%-7.00%	3.00%-7.00%	3.00%-7.00%	2.65%-5.15%	2.65%-5.15%	2.65%-5.15%	3.15%-5.40%	3.15%-5.40%
Investment rate of return	7.00%	7.00 %	7.00 %	7.00 %	7.00 %	7.00 %	7.00 %	7.65 %	7.90 %	7.90 %
Discount rate	7.00	7.00	7.00	7.00	6.28	5.66	5.00	3.98	4.90	5.39
Mortality table	Pub-2010	Pub-2010	Pub-2010	Pub-2010	Pub-2010	RP-2000	RP-2000	RP-2000	RP-2000	RP-2000

	Teachers' Pension and Annuity Fund									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
University proportion of the net pension liability	0%	0%	— %	— %	— %	— %	— %	— %	— %	— %
University proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability	4,500	4,828	5,240	4,956	7,743	7,824	8,477	9,531	11,231	39,065
Total net pension liability	4,500	4,828	5,240	4,956	7,743	7,824	8,477	9,531	11,231	39,065
University employee covered-payroll	—	—	—	—	—	—	—	56	129	123
University proportionate share of the net pension liability as a percentage of the employee covered-payroll	— %	— %	— %	— %	— %	— %	— %	0.0 %	0.0 %	0.0 %
Plan fiduciary net position as a percentage of the total pension liability	37.99%	34.68%	32.29 %	35.52 %	24.60 %	26.95 %	26.40 %	25.41 %	22.33 %	28.71 %

**Notes**

Changes in benefit terms – There were no significant changes in TPAF benefits for the June 30, 2024 measurement date (actuarial valuation as of July 1, 2023).  
Changes in assumptions - The following lists the significant changes in assumptions for TPAF between the July 1, 2022 valuation and the July 1, 2013 valuation:

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Experience study period	7/1/2018-6/30/2021	7/1/2018-6/30/2021	7/1/2015-6/30/2018	7/1/2015-6/30/2018	7/1/2015-6/30/2018	7/1/2012-6/30/2015	7/1/2012-6/30/2015	7/1/2012-6/30/2015	7/1/2009-6/30/2012	7/1/2009-6/30/2012
Inflation rate	2.75%	2.75 %	2.75 %	2.75 %	2.75 %	2.25 %	2.25 %	2.50 %	2.50 %	2.50 %
Projected salary increases, 2017–2026	2.75%-5.65%	2.75%-5.65%	1.55%-3.05%	1.55%-4.55%	1.55%-4.55%	1.55%-4.55%	Varies based on experience			
Projected salary increases, thereafter	2.75%-5.65%	2.75%-5.65%	2.75%-4.25%	2.75%-5.65%	2.75%-5.65%	2.00%-5.45%	Varies based on experience			
Investment rate of return	7.00%	7.00 %	7.00 %	7.00 %	7.00 %	7.00 %	7.00 %	7.65 %	7.90 %	7.90 %
Discount rate	7.00	7.00	7.00	5.40	5.60	4.86	4.25	3.22	4.13	4.68
Mortality table	Pub-2010	Pub-2010	Pub-2010	Pub-2010	Pub-2010	RP-2006	RP-2006	RP-2006	RP-2000	RP-2000

**New Jersey City University**  
(A Component Unit of the State of New Jersey)

Required Supplementary Information (Unaudited)  
Schedule of Proportionate Share of the Total OPEB Liability  
June 30, 2025  
(In thousands)

	State Health Benefit State Retired Employees Plan							
	2025	2024	2023	2022	2021	2020	2019	2018
University's proportionate share of the collective total OPEB liability	— %	— %	— %	— %	— %	— %	— %	— %
University's proportionate share of the collective OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective OPEB liability associated with the University	<u>157,493</u>	<u>141,648</u>	<u>155,282</u>	<u>190,009</u>	<u>224,873</u>	<u>146,809</u>	<u>192,695</u>	<u>225,294</u>
Total proportionate share of the collective OPEB liability	<u>\$ 157,493</u>	<u>\$ 141,648</u>	<u>\$ 155,282</u>	<u>\$ 190,009</u>	<u>\$ 224,873</u>	<u>\$ 146,809</u>	<u>\$ 192,695</u>	<u>\$ 225,294</u>
University's covered-employee payroll (for the year ended as of the measurement date)	\$ 50,503	\$ 52,269	\$ 61,015	\$ 70,628	\$ 71,721	\$ 71,465	\$ 68,523	\$ 57,576
University's proportionate share of the collective OPEB liability as percentage of the employee covered payroll.	— %	— %	— %	— %	— %	— %	— %	— %

For the State Health Benefit State Retired Employees Plan, there are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Other Postemployment Benefits Other Than Pensions*

For 2025, the discount rate changed from 3.65 to 3.93%. The mortality tables utilized Pub-2010 and scale MP-2021.

For 2024, the discount rate changed from 3.50 to 3.65%. The mortality tables utilized Pub-2010 and scale MP-2021.

For 2023, the discount rate changed from 2.16% to 3.50%. The mortality tables utilized Pub-2010 and scale MP-2021.

For 2022, the discount rate changed from 2.21% to 2.16%. The mortality tables utilized Pub-2010 and scale MP-2021.

For 2021, the discount rate changed to 2.21% from 3.50%. The mortality tables utilized Pub-2010 and Scale MP-2020.

For 2020, the discount rate changed to 3.50% from 3.87%. The mortality tables utilized changed from RP-2006 in 2018 to Pub-2010 in 2019.