



ROWAN UNIVERSITY

(A Component Unit of the State of New Jersey)

Basic Financial Statements, Management's Discussion and Analysis,
Required Supplementary Information and Schedule of Expenditures
of Federal Awards

June 30, 2024

(With Independent Auditors' Reports Thereon)

ROWAN UNIVERSITY
(A Component Unit of the State of New Jersey)

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Independent Auditors' Report

The Board of Trustees
Rowan University:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the University, as of June 30, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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. The financial statements of Rowan University Foundation and South Jersey Technology Park at Rowan University, Inc., were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

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

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



Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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

U.S. generally accepted accounting principles require that the management's discussion and analysis, the schedules of employer contributions, the schedules of proportionate share of net pension liability and the 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 GAAS, 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 audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2024 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

KPMG LLP

Short Hills, New Jersey
December 19, 2024

Introduction

This section of Rowan University's (the University or Rowan) financial statements presents our discussion and analysis of the University's financial performance for the fiscal years ended June 30, 2024 and 2023 with certain comparative amounts for the year ended June 30, 2022. Since this discussion and analysis is designed to focus on current activities, it should be read in conjunction with the University's basic financial statements, which follows this section. Management has prepared the financial statements and the related note disclosures, along with the discussion and analysis.

University Overview

Rowan University is a Carnegie-classified national doctoral research institution dedicated to excellence in undergraduate education. A public research university, it has campuses in Glassboro, Camden and Stratford, New Jersey, as well as online programs. Rowan is recognized for its nationally ranked academic and athletic programs, talented faculty and researchers and high-tech facilities. Rowan prides itself on being able to provide its approximately 22,000 students an outstanding education at an exceptional value. Rowan marked its Centennial year in 2024.

The University comprises eight academic colleges and nine schools, including the William G. Rohrer College of Business; the Ric Edelman College of Communication & Creative Arts; the Henry M. Rowan College of Engineering; Virtua Health College of Medicine & Life Sciences; the Colleges of: Education, Humanities & Social Sciences, Performing Arts, and Science & Mathematics; Cooper Medical School of Rowan University (CMSRU); Rowan-Virtua School of Osteopathic Medicine (SOM); the Rowan-Virtua School of Translational Biomedical Engineering & Sciences; the School of Innovation & Entrepreneurship; the Rita & Larry Salva School of Nursing & Health Professions; the School of Professional Studies; and the School of Earth & Environment, along with the interdisciplinary John H. Martinson Honors College and the School of Graduate Studies. The Shreiber School of Veterinary Medicine (SVM) is expected to welcome its first class in 2025. Rowan's Division of Global Learning & Partnerships offers flexible undergraduate and graduate programs on campus and off site – including at two area community colleges – and online. Within these colleges and schools the University offers more than 90 bachelor's degrees, 48 master's degrees, nine research/scholarship doctoral degrees (Ed.D. and Ph.D.) and two professional doctoral degrees, a Doctor of Medicine (M.D.) and a Doctor of Osteopathic Medicine (D.O.).

Rowan is one of four public universities in the nation to offer M.D. and D.O. medical degree programs. With the addition of SVM, expected in 2025, the University will be one of two universities in the nation to offer three medical degrees.

The institution is also home to the South Jersey Technology Park, which fosters the translation of applied research into commercial products and processes. In 2024, U.S. News & World Report ranked Rowan among the top 100 public universities in the nation. The publication ranked the University #98 in Best Value Schools; #120 in Best Colleges for Veterans; #113 in Best Undergraduate Engineering Programs; #171 in National Universities overall; #211 in Top Performers on Social Mobility; and #392 in Nursing.

Additionally, Rowan has been designated as an R2 institution (high research activity) by the Carnegie Classifications of Institutions of Higher Education. This distinction has only been attributed to 133 of more than 3,900 colleges and universities across the country.

In August 2023, the Chronicle of Education named the University the fourth fastest-growing public research university in the nation.

Rowan University is licensed and authorized by the State of New Jersey (the State) to offer baccalaureate degrees, post-baccalaureate certificates, master's degrees, specialist programs, graduate certificates, doctoral programs, and professional programs in accordance with its programmatic mission as a comprehensive public research university. The New Jersey Legislature appropriates funds annually to support the University. However,

the University operates autonomously from the State. Rowan is accredited by the Middle States Commission on Higher Education.

Financial Statements

The University's basic financial statements include three financial statements: statement of net position; statement of revenues, expenses and changes in net position; and statement of cash flows, which have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB). These statements focus on its assets, liabilities, deferred outflows and deferred inflows of resources, revenues, expenses, and cash flows on an entity-wide basis.

GASB issued Statement No. 100, *Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62* (GASB 100). This statement improves accounting and financial reporting for accounting changes and error corrections to provide more understandable, reliable, and comparable information for making decisions or assessing accountability. GASB 100 defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity. Under this Statement, accounting changes would require restatement of reported periods as well as additional note disclosure. The requirements of this standard are effective for periods beginning after June 15, 2023 (fiscal year 2024).

During the fiscal year 2024, Rowan Global Inc (RGI) executed a settlement agreement to take 100% ownership in Rowan Educational Services, LLC (RES) resulting in it becoming a wholly owned blended component unit of RGI which is subsequently a blended component unit of the University. Therefore under GASB 100, there has been an adjustment to the beginning net position of fiscal year 2024 in the amount of \$0.4 million to reflect the inclusion of RES in the financial statements as of the beginning of fiscal year 2024.

Statement of Net Position

The statement of net position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the University as of the end of the fiscal year. The statement of net position is a point of time financial statement. The purpose of the statement of net position is to present to the readers of the financial statements a fiscal snapshot of the University. The statement of net position presents end-of-the-year data concerning assets (current and noncurrent), deferred outflows of resources, liabilities (current and noncurrent), deferred inflows of resources, and net position.

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

From the data presented, readers of the statement of net position are able to determine the assets available to continue the operations of the University. They are also able to determine how much the University owes vendors, investors, and lending institutions. Finally, the statement of net position provides a picture of the net position (assets plus deferred outflows of resources minus liabilities minus deferred inflows of resources) and their availability for expenditure by the University.

Net position is divided into three major categories. The first category, net investment in capital assets, provides the institution's equity in property, plant, and equipment owned or leased (including similar subscription arrangements) by the institution less any debt outstanding to finance capital activity. The next category is restricted expendable net position. Restricted expendable net position represents amounts available for expenditure by the institution but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The final category is unrestricted net position. Unrestricted net position is available to the University for any lawful purpose of the University.

A condensed summary of the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position as of June 30, 2024, 2023, and 2022 follows:

Condensed Statements of Net Position (in thousands)			
	2024*	2023	2022
Current assets	\$ 220,577	235,218	252,355
Capital assets, net	1,072,063	1,046,711	1,037,581
Other noncurrent assets	427,439	235,444	275,417
Total assets	1,720,079	1,517,373	1,565,353
Deferred outflows of resources	129,106	137,624	61,535
Total assets and deferred outflows of resources	1,849,185	1,654,997	1,626,888
Current liabilities	197,182	182,033	147,994
Noncurrent liabilities	1,405,026	1,208,195	1,187,531
Total liabilities	1,602,208	1,390,228	1,335,525
Deferred inflows of resources	115,068	133,135	162,040
Total liabilities and deferred inflows of resources	1,717,276	1,523,363	1,497,565
Net position:			
Net investment in capital assets	186,691	196,472	174,782
Restricted expendable	42,777	36,816	29,244
Unrestricted	(97,559)	(101,654)	(74,703)
Total net position	\$ 131,909	131,634	129,323
* Fiscal year 2024 presented with Rowan Educational Services, LLC (RES) as a wholly owned component unit. RES was established and reported in fiscal year 2023 as a 50% owned joint venture.			

Current assets consist of cash and cash equivalents, deposits held by trustees under bond agreements for current principal and interest payments, the current portion of lease receivables, as well as other receivables, current portion of investments and other current assets. Noncurrent assets consist of deposits held by trustees under agreements for capital activities and long-term capitalized interest, investments, lease receivables, as well as other receivables and net capital assets. Deferred outflows of resources consist of those related to pensions and the loss on bond refinancing. Current liabilities consist of accounts payable and accrued expenses, unearned revenue and the current portion of bonds payable, leases payable to component unit, other long-term debt and financed purchase obligations. Noncurrent liabilities consist of compensated absences, unearned revenue, other liabilities, deposits held in custody for others, bonds payable, net pension liability, leases payable to component unit and other long-term debt. Deferred inflows of resources consist of those related to pensions, the gain on bond refinancing, deferred amounts for leases to be recognized in future periods, and service concession arrangement.

Fiscal Year 2024 Compared to 2023

The University's total assets increased \$202.7 million from \$1,517.4 million at June 30, 2023 to \$1,720.1 million at June 30, 2024. Current assets decreased \$14.6 million, capital assets increased \$25.3 million, and other noncurrent assets increased \$192.0 million.

The primary causes for the changes in assets are as follows:

- Within current assets, unrestricted cash and cash equivalents increased \$12.3 million primarily due to maturities and converting short-term investments into cash for operations and acquisition of capital assets. Restricted cash and cash equivalents increased \$7.6 million, primarily as a result appropriations related to

the SVM. Receivables decreased by \$2.6 million, primarily as a result of a decrease in State of New Jersey receivables of \$4.7 million and professional services of \$2.8 million offset by an increase of \$1.6 million and \$3.5 million in student receivables and interest and other, respectively. Investments decreased by \$40.9 million, primarily due to maturities and converting short-term investments into cash for operations and acquisition of capital assets. Restricted deposits held by trustees increased by \$7.9 million.

- Net capital assets increased approximately \$25.3 million primarily due to an increase in construction in process of \$39.8 million, building improvements of \$22.0 million, equipment of \$19.8 million, and right-of-use assets of \$11.3 million, offset by depreciation and amortization of \$71.1 million.
- Other noncurrent assets increased \$192.0 million for the year ended June 30, 2024. The increase is primarily due to a \$202.7 million increase in noncurrent restricted deposits held by trustees as a result of new bond issuances for capital projects.

Deferred outflows of resources decreased \$8.5 primarily as a result of the amortization of the loss on bond refinancing of \$5.7 million.

Current liabilities increased \$15.3 million. The increase is primarily attributed to a \$14.8 million increase in accrued expenses and a \$4.4 million increase in the current portion of long-term debt, offset by a \$4.1 million decrease in unearned revenue due to student deferred revenues.

Noncurrent liabilities increased \$196.8 million. This increase is due primarily to an increase in long-term debt of \$150.7 million resulting from the issuance of new bonds and an increase of \$47.2 million resulting from capital grants received from the State of New Jersey.

Deferred inflows of resources decreased \$18.1 million due primarily to the decrease of \$13.6 million in pension related deferred inflows of resources and a decrease of \$3.7 million in service concession arrangements.

Total net position increased by \$0.3 million at June 30, 2024 which is primarily the result of a \$6.0 million increase of the expendable restricted net position and a \$4.1 million increase of unrestricted net position, offset by a \$9.8 million decrease in net investment in capital assets.

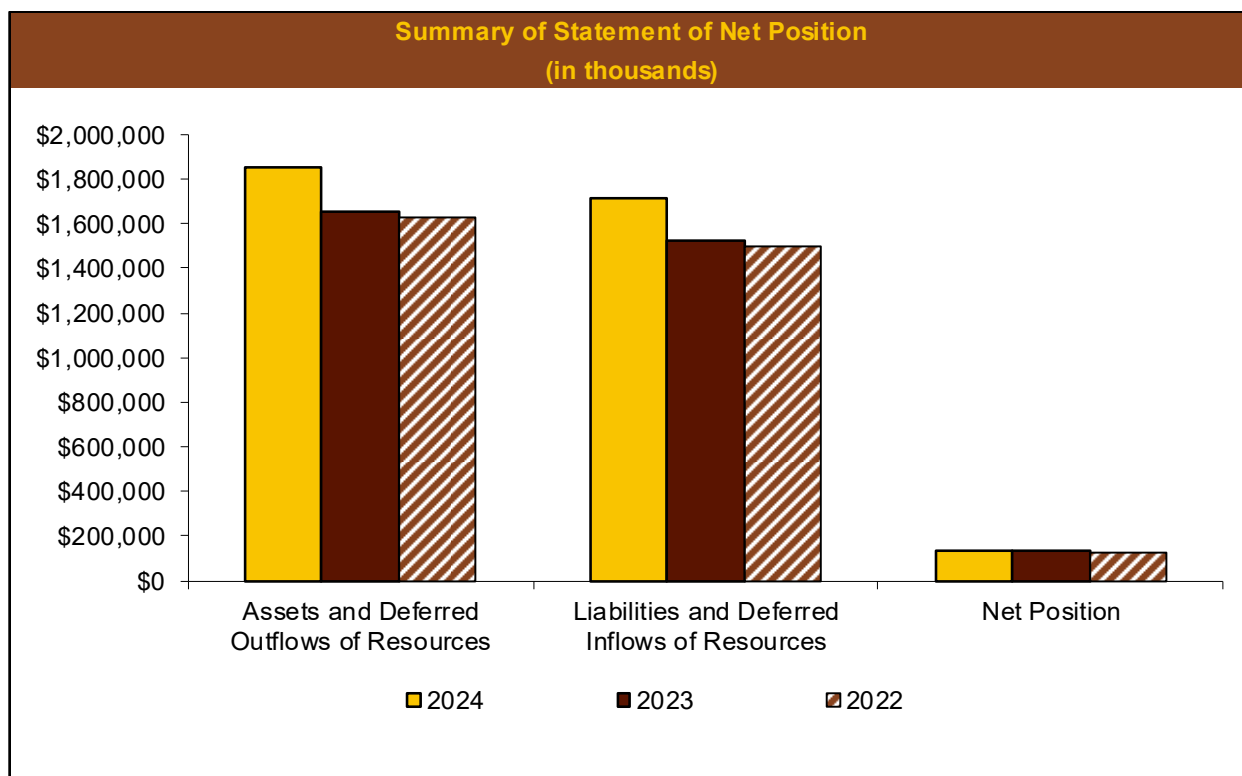
Fiscal Year 2023 Compared to 2022

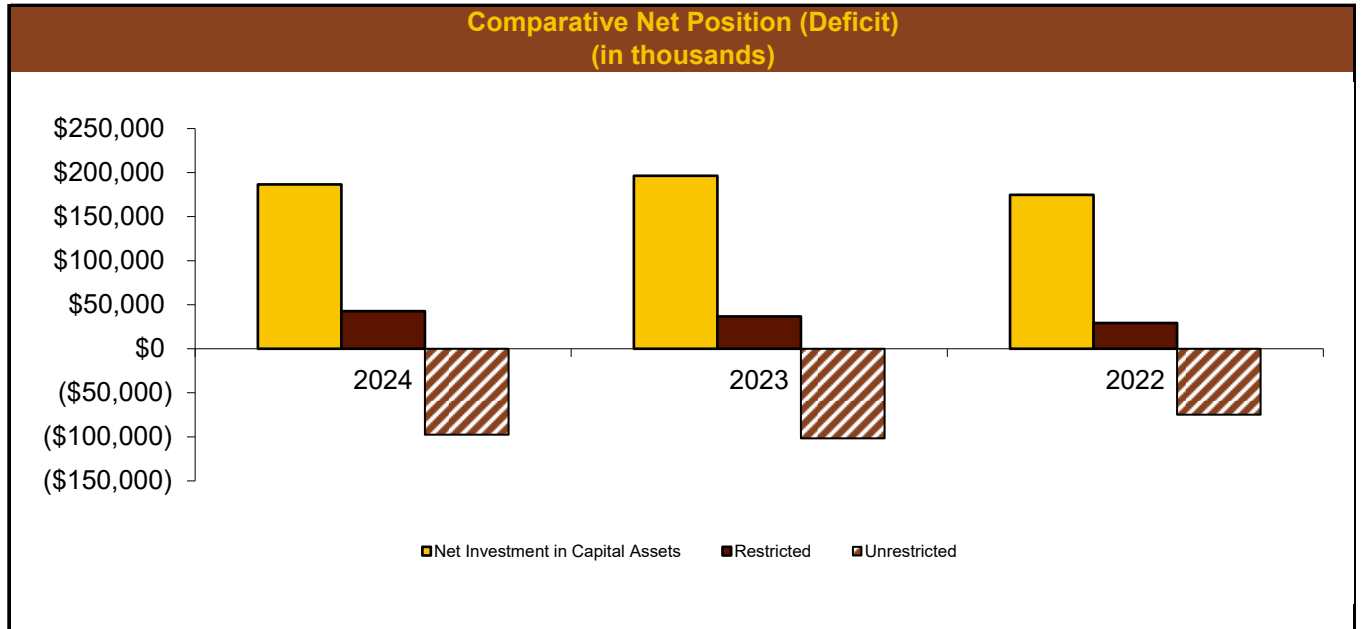
The University's total assets decreased \$48.0 million from \$1,565.4 million at June 30, 2022 to \$1,517.4 million at June 30, 2023. Current assets decreased \$17.1 million, capital assets increased \$9.1 million, and other noncurrent assets decreased \$40.0 million.

The primary causes for the changes in assets are as follows:

- Within current assets, unrestricted cash and cash equivalents decreased \$35.9 million, primarily as a result of increased transfers to investments. Restricted cash and cash equivalents increased \$3.8 million, primarily as a result appropriations related to the SVM. Receivables decreased by \$5.0 million, primarily as a result of a decrease in grants receivables of \$5.3 million and professional services of \$3.6 million offset by an increase of \$2.4 million and \$0.8 million in student receivables and interest and other, respectively. Investments increased by \$15.5 million, primarily due to \$12.7 million increase in unrealized gains. Restricted deposits held by trustees increased by \$2.4 million and other current assets increased by \$2.0 million.
- Net capital assets increased approximately \$9.1 million primarily due to an increase in building improvements of \$54.5 million, equipment of \$16.3 million, and land improvements of \$1.3 million, offset by depreciation and amortization of \$63.0 million.
- Other noncurrent assets decreased \$40.0 million for the year ended June 30, 2023. The decrease is primarily due to a \$34.5 million decrease in noncurrent restricted deposits held by trustees and a decrease of \$4.0 million in long-term investments.

- Deferred outflows of resources increased \$76.1 million primarily due to loss on bond refinancing of \$77.3 million with direct placement debt of the Industrial Development Authority of the City of Phoenix, Arizona (IDA) Series 2022A and Series 2022B bonds.
- Current liabilities increased \$34.0 million. The increase is primarily attributed to a \$29.5 million increase in current long-term debt, \$3.1 million increase in unearned revenue due to grant funds received in advance, and an increase \$1.4 million in accrued expenses.
- Noncurrent liabilities increased \$20.7 million. This increase is due primarily to an increase long-term debt of \$18.2 million and an increase of \$8.2 million in net pension liabilities, offset by a decrease unearned revenue of \$2.7 million and leases-component of \$0.7 million.
- Deferred inflows of resources decreased \$28.9 million due primarily to the decrease of \$26.4 million in pension related deferred inflows of resources.
- Total net position increased by \$2.3 million at June 30, 2023 which is primarily the result of a \$27.0 million decrease in unrestricted net position, offset by a \$21.7 million increase of net investment of capital assets and a \$7.6 million increase of the expendable restricted net position.





Statement of Revenues, Expenses, and Changes in Net Position

The year to year changes in total net position as presented on the statement of net position are based on the activity presented in the statement of revenues, expenses, and changes in net position. The purpose of the statement is to present the revenues received by the University, both operating and nonoperating, and the expenses paid by the University, operating and nonoperating, and any other revenues, expenses, gains, and losses received or spent by the University.

Generally speaking, operating revenues are received for providing goods and services to the various customers and constituencies of the University. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the University. Nonoperating revenues are revenues received for which goods and services are not provided. For example, state appropriations are nonoperating because they are provided by the State to the University without the State directly receiving commensurate goods and services for those revenues. Other revenues include capital grants and gifts primarily provided by the State under specific capital project proposals for which revenue is recognized as allowable expenditures occur.

The statement of revenues, expenses, and changes in net position presents the University's results of operations. A condensed summary of the University's revenues, expenses, and changes in net position for the years ended June 30, 2024, 2023, and 2022 as follows:

Condensed Statements of Revenue, Expenses, and Changes in Net Position (in thousands)			
	2024*	2023	2022
Operating revenues:			
Net student revenues	\$ 307,000	283,352	283,453
Grants	128,931	126,288	98,332
Professional services and contracts, net	41,648	50,481	56,574
Other	21,508	11,975	10,851
Total operating revenues	499,087	472,096	449,210
Operating expenses	803,810	717,239	690,395
Operating loss	(304,723)	(245,143)	(241,185)
Nonoperating revenues (expenses):			
State appropriations	266,885	246,549	235,693
Gifts from Rowan University Foundation	15,315	14,373	13,845
Investment income (loss), net	17,889	11,718	(5,970)
Interest on capital asset related debt	(33,025)	(30,501)	(37,300)
Other nonoperating revenues, net	2,894	3,398	44,526
Net nonoperating revenues	269,958	245,537	250,794
(Loss) income before other revenues	(34,765)	394	9,609
Capital grants and gifts	34,592	1,916	154
(Decrease) increase in net position	(173)	2,310	9,763
Net position – beginning of year (as restated)	132,082	129,324	119,561
Net position – end of year	\$ 131,909	131,634	129,324
* Fiscal year 2024 presented with RES as a wholly owned component unit. RES was established and is reported in fiscal year 2023 as a 50% owned joint venture. Fiscal year 2024 beginning net position has been restated to reflect the impact of the reporting change under GASB 100.			

Fiscal Year 2024 Compared to 2023

Net position decreased \$0.2 million as a result of fiscal year 2024 activity. The University's total net position increased \$0.3 million in fiscal year 2024. This net amount primarily represents the total revenue available to the University of \$836.7 million compared to total expenses of \$836.8 million as well as an increase to beginning net position of \$0.4 million resulting from GASB 100.

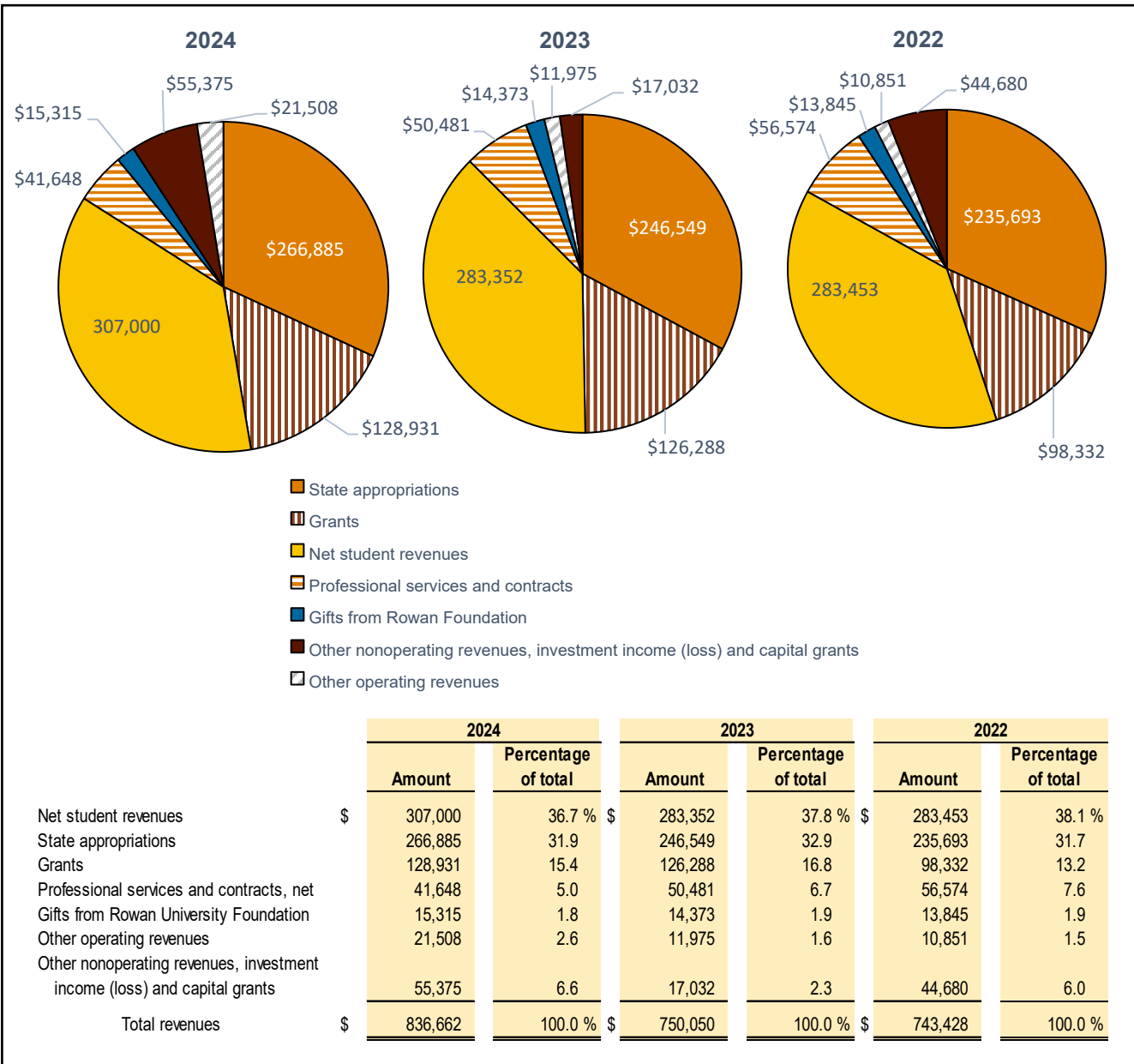
Fiscal Year 2023 Compared to 2022

The University's net position increased \$2.3 million in fiscal year 2023. This net amount represents the total revenue available to the University of \$750.0 million compared to total expenses of \$747.7 million.

Revenues

To fund its operations, the University receives revenues from a variety of operating and nonoperating sources including tuition and fees, auxiliary services, grants, professional services and contracts, State of New Jersey appropriations, gifts from the Rowan University Foundation and investment income. The University is continuing to seek additional funds from all possible sources to adequately fund operating activities. A summary of revenues for the years ended June 30, 2024, 2023, and 2022 as follows:

Summary of Revenues by Source
(in thousands)



Operating Revenues

Fiscal Year 2024 Compared to 2023

Operating revenues for fiscal year ended June 30, 2024 increased \$27.0 million over fiscal year 2023. The majority of this increase is due to net student revenues of \$23.6 million, offset by a decrease in net professional services and contracts of \$8.8 million.

Fiscal Year 2023 Compared to 2022

Operating revenues for fiscal year ended June 30, 2023 increased \$22.9 million over fiscal year 2022. The majority of this increase is due to grants of \$28.0 million, offset by a decrease in net professional services and contracts of \$6.1 million. The increase in grants is due to the University's efforts in increasing grant revenue from federal, state and private funding sources.

Nonoperating Revenues (Net)

Fiscal Year 2024 Compared to 2023

Nonoperating revenues (net) for the years ended June 30, 2024 and 2023 totaled \$270.0 million and \$245.5 million, respectively, which is a \$24.5 million increase. This primary source of this increase was State of New Jersey appropriations which include the University base appropriation as well as appropriations for CMSRU, SOM, SVM, other postemployment benefits (OPEB) revenues and the State paid fringe benefits. The University recorded \$266.9 million and \$246.5 million in State appropriations for fiscal year 2024 and 2023 respectively. State of New Jersey appropriations increased \$20.4 million of which \$27.2 million was fringe benefits as a result of an increased fringe rate, \$6.3 million was a base appropriation increase, and \$4.8 million increase for CMSRU offset by a decrease in the State of New Jersey appropriations for SOM of \$14.2 million and a decrease of \$3.7 million for OPEB. Investment income increase of \$6.2 million due to overall improvement in the market.

Fiscal Year 2023 Compared to 2022

Nonoperating revenues (net) for the years ended June 30, 2023 and 2022 totaled \$245.5 million and \$250.8 million, respectively, which is a \$5.3 million decrease. The primary source was a \$41.1 million decrease in other nonoperating revenue. The decrease in other nonoperating revenue is related to the prior year recognition of the federal aid awarded through the CARES Act, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and American Rescue Plan Act of 2021 (ARP). This decrease was offset by State of New Jersey appropriations which include the University base appropriation as well as appropriations for CMSRU, SOM, SVM, other postemployment benefits (OPEB) revenues and the State paid fringe benefits. The University recorded \$246.5 million and \$235.7 million in State appropriations for fiscal year 2023 and 2022, respectively. State of New Jersey appropriations increased \$10.8 million of which \$22.1 million was fringe benefits as a result of an increased fringe rate, \$5.8 million was a base appropriation increase and \$5.0 million increase for SVM offset by a decrease in the State of New Jersey appropriations for OPEB, CMSRU, and SOM of \$17.8 million, \$1.3 million, and \$3.0 million, respectively. Investment income increase of \$17.7 million due to overall improvement in the market.

Operating Expenses

Operating expenses are defined as expenses paid by the University to acquire or produce goods and services used to carry out its mission, in return for operating revenues. For the years ended June 30, 2024 and 2023, the University incurred operating expenses totaling \$803.8 million and \$717.2 million, respectively. The increase of \$86.6 million in operating expenses for fiscal year 2024 versus 2023 is an 12.1% increase from the prior year.

The increase of \$86.6 million is primarily driven by a \$57.4 million increase in non-grant salary and benefits, a \$14.5 million increase in operating expenditures, and a \$7.6 million increase in pension expense.

A summary of operating expenses for the years ended June 30, 2024, 2023 and 2022 follows:

Summary of Expenses (in thousands)						
	2024		2023		2022	
	Amount	Percentage of total	Amount	Percentage of total	Amount	Percentage of total
Instruction	\$ 239,897	29.9 %	\$ 217,266	30.2 %	\$ 199,460	28.9 %
Research	42,675	5.3	34,888	4.9	28,552	4.1
Public service	24,441	3.0	19,741	2.8	18,029	2.6
Academic support	88,086	11.0	66,165	9.2	56,512	8.2
Student services	49,883	6.2	44,291	6.2	38,290	5.5
Institutional support	143,051	17.8	124,187	17.3	103,875	15.0
Operation and maintenance of plant	44,820	5.6	44,999	6.3	39,944	5.8
Student aid	24,713	3.1	23,991	3.3	47,362	6.9
Professional services and contracts	38,969	4.8	43,103	6.0	48,783	7.1
Auxiliary enterprises	52,028	6.5	47,780	6.7	41,957	6.1
Other Postemployment Benefits (OPEB)	(15,890)	(2.0)	(12,157)	(1.7)%	5,621	0.8
Depreciation and amortization	71,137	8.8	62,985	8.8	62,010	9.0
Total operating expenses	\$ 803,810	100.0 %	\$ 717,239	100.0 %	\$ 690,395	100.0 %

Capital Assets and Debt Activities

The University continues to manage its financial resources so as to ensure adequate financial flexibility to access the capital markets as needed. The University maintains debt ratings from Standard and Poor's and Moody's Investors Service of A and A2, respectively.

As of June 30, 2024 and 2023, the University had \$186.7 million and \$196.5 million, respectively in net investment in capital assets. Outstanding long-term debt as of June 30, 2024 is \$1,011.0 million, compared to \$855.8 million as of June 30, 2023.

Significant transactions related to capital assets and bonded debt that occurred during fiscal year 2024 and 2023 were as follows:

In February 2024, The Camden County Improvement Authority (CCIA) issued Rowan University Series 2024 Bonds. The 2024 tax exempt revenue refunding bonds totaled \$15,375,000 with a coupon rate of 5.000% and maturity through 2032. The proceeds from these bond issuances were used to refund and redeem the Refunded 2013A Bonds, and pay the costs and expenses incurred in the issuance of the 2024 Bonds. The principal amount of this bond was \$15,375,000 as of June 30, 2024. The refunding resulted in a gross debt service cash-flow savings of \$1,306,058.

In February 2024, The Gloucester County Improvement Authority (GCIA) issued Rowan University Series 2024 Bonds. The 2024 loan revenue bonds totaled \$167,325,000 with a coupon rate of 5.000% and maturity through 2054. The proceeds from these bond issuances were used to finance a portion of the costs of the development and construction of a new, approximately 180,000 square foot, state-of-the-art school of veterinary medicine, applied science and clinical facility, improvements to housing facilities, and various other capital improvements or repairs.

In February 2024, The Gloucester County Improvement Authority (GCIA) issued Rowan University Series 2024 Notes. The 2024 loan revenue note totaled \$25,605,000 with a coupon rate of 4.000% and maturity through 2025. The proceeds from these bonds were amended and supplemented from the 2021 GCIA Note series and will continue to be used for a portion of the costs of a project consisting of the construction of an approximately thirty thousand square foot expansion of the Chamberlain Student Center. The principal amount of this note was \$25,605,000 as of June 30, 2024.

In November 2022, due to the purchase and blended financial reporting of MACQ – New Jersey I, LLC, the financed purchase obligations for SORA Housing LLC, SORA Retail LLC, and SORA A-1 Housing Urban Renewal Entity LLC are treated as refinanced debt using the IDA series 2022A bonds. The 2022 tax exempt lease revenue refunding bonds totaled \$191.4 million with a coupon rate of 2.80% and maturing through 2042. The proceeds from these bond issuances were used to refinance the debt associated with the University's financed purchases related to MACQ – New Jersey I, LLC. The principal amounts of these bonds were \$183.7 million and \$187.8 million as of June 30, 2024 and 2023, respectively.

In November 2022, the IDA issued Rowan University Series 2022B Bonds. The 2022 tax exempt lease revenue bonds totaled \$14.0 million with a coupon rate of 3.97% and maturing through 2042. The proceeds from these bond issuances were used to finance the costs of Rowan University acquiring the lease revenue bonds through the acquisition of the sole membership interest of MACQ – New Jersey I, LLC and cover the issuance costs of the IDA Series 2022A and Series 2022B. The principal amounts of these bonds were \$13.1 million and \$13.6 million as of June 30, 2024 and 2023, respectively.

The net capital assets related to GASB Statement No. 87, *Leases* (GASB 87) were \$109.8 million and \$116.4 million as of June 30, 2024 and 2023, respectively. The net capital assets associated with GASB 87 are included in the net investment in capital fund balance.

The net capital assets related to GASB Statement No. 96 *Subscription-based Information Technology Arrangements* (GASB 96) were \$12.0 million and \$6.8 million as of June 30, 2024 and 2023, respectively. The net capital assets associated with GASB 96 are included in the net investment in capital fund balance.

Economic Outlook

Rowan University's mission is to become a new model for higher education by being inclusive, agile, and responsive, offering diverse scholarly and creative educational experiences, pathways, environments, and services to meet the needs of all students; maintaining agility by strategically delivering organizational capacity across the institution; and responding to emerging demands and opportunities regionally and nationally. The University engages in continuous strategic planning in response to the dynamic context of higher education.

The University engages in continuous strategic planning in response to the dynamic context of higher education. A concise planning framework is utilized that identifies key external and internal factors that shape the strategic direction of the University, sets long-term goals, articulates operational values, and identifies key performance indicators. At the center of the plan are the four strategic pillars:

Access - We are committed to expanding quality educational opportunities for students by increasing our enrollment capacity; supporting student success; utilizing an increasing array of pedagogies and platforms; and creating new pathways to undergraduate, graduate, post-graduate, and professional studies.

Affordability - We are committed to keeping education affordable by managing costs; diversifying our revenue streams; reducing student debt; limiting tuition increases to the rate of inflation as measured by the consumer price index; and enhancing internship and employment opportunities for our students and graduates.

Quality - We are committed to providing rigorous, experiential, and engaging educational experiences; support for scholarly, creative, and research activities; a vibrant and healthy campus life; a rich intellectual, cultural, and artistic environment; and a safe, supportive, and inclusive culture that respects and values the diversity of all of its members.

Economic Engine - We are committed to benefiting our local and state communities by making every effort to partner with and invest in regional businesses and organizations that contribute in meaningful ways to furthering our mission; preparing an educated citizenry and skilled workforce; enhancing the health of our citizens and the quality of life; and developing innovative products, services, and ideas.

The four pillars express the University's priorities and guide planning and resource allocation. The functional groups involved in design and execution of the strategic plan include the Board of Trustees, the Executive Cabinet, the Administrative Cabinet, and the Deans' Council. The University Senate and University Budget and Planning Committee are representative bodies charged with engaging the campus community in the strategic planning process. The Office of the Provost oversees institutional data management and analytics to assess performance and inform decision-making. Through the process of continuing strategic planning and self-assessment, the University is committed in its efforts to continue to enrich the lives of those in the campus community and surrounding region.

Historical trends may not be indicative of future results for the foreseeable future. The University's inclusive, agile, and responsive strategic planning framework optimizes its capacity to anticipate uncertainties and to pivot to address new challenges and capitalize on emergent opportunities.

State appropriations remain a vital source of funding for the University and fiscal year 2025 appropriations increased over fiscal year 2024 levels. With increasing costs, particularly resulting from contractual obligations with faculty and staff and debt service, the University faces critical funding issues. Additionally, the University's desire to increase institutionally funded scholarships, continue building its academic program excellence and improve its capital assets will also impact the University's financial outlook.

The University continues to monitor local and national economic conditions as well as demographic changes that may impact the student-age population and the percentage of that population that pursues a college degree. The University will continue to meet the goals of its mission by monitoring operating costs and capital expenditures while seeking additional revenue sources. The University will continue to monitor the situation and maintain a close watch over resources so as to provide the University with the ability to react to potential budgetary challenges that may occur.

ROWAN UNIVERSITY
(A Component Unit of the State of New Jersey)
Statement of Net Position
June 30, 2024

	Rowan University	Rowan University Foundation	South Jersey Technology Park at Rowan University, Inc.	Total
Assets				
Current assets:				
Cash and cash equivalents (notes 2 and 13)	\$ 46,109,138	9,141,455	909,727	56,160,320
Restricted cash and cash equivalents (notes 2 and 13)	19,989,671	7,351,173	—	27,340,844
Receivables:				
Students, less allowance of \$2,747,573	12,246,104	—	—	12,246,104
Contributions, less allowance of \$6,253	—	6,191	—	6,191
Restricted contributions, less allowance of \$87,056	—	432,411	—	432,411
Grants	22,929,672	—	—	22,929,672
State of New Jersey	5,574,112	—	—	5,574,112
Professional services and contracts receivable, less allowance of \$76,600	2,527,879	—	—	2,527,879
Due from Rowan component unit	760,931	—	148,653	909,584
Leases	370,020	—	—	370,020
Leases with Rowan component unit	—	—	892,727	892,727
Interest and other, less allowance of \$267,265	6,965,282	268,722	3,428	7,237,432
Total receivables	51,374,000	707,324	1,044,808	53,126,132
Restricted deposits held by trustees (note 3)	34,825,466	—	—	34,825,466
Investments, at fair value (note 2)	58,469,962	—	—	58,469,962
Other current assets	9,808,985	1,005,025	8,904	10,822,914
Total current assets	220,577,222	18,204,977	1,963,439	240,745,638
Noncurrent assets:				
Restricted cash and cash equivalents (note 2)	56,558,160	—	—	56,558,160
Restricted deposits held by trustees (note 3)	241,975,095	—	—	241,975,095
Investments, at fair value (notes 2 and 13)	123,210,844	77,872,049	—	201,082,893
Restricted investments, at fair value (note 13)	—	62,621,424	—	62,621,424
Restricted nonexpendable investments, at fair value (note 13)	—	266,958,096	—	266,958,096
Loans receivable	1,662,899	—	—	1,662,899
Other noncurrent assets	800,000	—	—	800,000
Contributions receivable, less allowance of \$20,090	—	381,712	—	381,712
Due from Rowan component unit	—	—	—	—
Restricted contributions receivable, less allowance of \$133,687	—	2,540,057	—	2,540,057
Leases receivables	370,172	—	—	370,172
Lease receivables with Rowan component unit	2,861,873	—	14,680,823	17,542,696
Capital assets, net (notes 4 and 11)	1,072,063,012	—	11,467,885	1,083,530,897
Total noncurrent assets	1,499,502,055	410,373,338	26,148,708	1,936,024,101
Total assets	1,720,079,277	428,578,315	28,112,147	2,176,769,739
Deferred Outflows of Resources				
Deferred outflows of resources:				
Pensions related (note 6)	44,458,311	—	—	44,458,311
Loss on bond refinancing	84,647,554	—	—	84,647,554
Total deferred outflows of resources	129,105,865	—	—	129,105,865
Liabilities				
Current liabilities (note 9):				
Accounts payable and accrued expenses (note 7)	98,132,832	124,895	55,370	98,313,097
Due to University/ component units	148,653	555,531	205,400	909,584
Unearned revenue	34,164,677	—	—	34,164,677
Annuities payable – current portion	—	41,079	—	41,079
Leases with Rowan component unit (note 8)	892,727	—	—	892,727
Long-term debt – current portion (note 8)	63,842,986	—	259,724	64,102,710
Total current liabilities	197,181,875	721,505	520,494	198,423,874
Noncurrent liabilities (note 9):				
Compensated absences – noncurrent portion (note 11)	3,267,832	—	—	3,267,832
Unearned revenue	127,497,255	—	—	127,497,255
Other liabilities	22,173,804	—	—	22,173,804
Repurchase liability	3,220,000	—	—	3,220,000
Deposits held in custody for others	2,525,758	—	—	2,525,758
Annuities payable – noncurrent portion	—	256,934	—	256,934
Net pension liabilities (note 6)	284,556,488	—	—	284,556,488
Leases with Rowan component unit - noncurrent portion (note 8)	14,680,823	—	2,861,872	17,542,695
Long-term debt – noncurrent portion (note 8)	947,104,513	—	3,110,537	950,215,050
Total noncurrent liabilities	1,405,026,473	256,934	5,972,409	1,411,255,816
Total liabilities	1,602,208,348	978,439	6,492,903	1,609,679,690
Deferred Inflows of Resources				
Deferred inflows of resources:				
Pensions related (note 6)	15,751,471	—	—	15,751,471
Gain on bond refinancing	24,006	—	—	24,006
Developer contribution	4,890,000	—	—	4,890,000
Service concession arrangement (note 11)	89,857,193	—	—	89,857,193
Leases (note 12)	2,038,656	—	—	2,038,656
Leases with Rowan component unit (note 12)	2,506,712	—	14,497,583	17,004,295
Split interest agreements	—	298,868	—	298,868
Total deferred inflows of resources	115,068,038	298,868	14,497,583	129,864,489
Net Position				
Net investment in capital assets	186,691,004	—	5,051,513	191,742,517
Restricted:				
Nonexpendable (note 13)	—	266,958,096	—	266,958,096
Expendable:				
Debt service and reserve	23,947,269	—	—	23,947,269
Other scholarships	—	24,915,139	—	24,915,139
Other	18,829,876	48,149,732	—	66,979,608
Unrestricted	(97,559,393)	87,278,041	2,070,148	(8,211,204)
Total net position	\$ 131,908,756	427,301,008	7,121,661	566,331,425

See accompanying notes to the financial statements.

ROWAN UNIVERSITY
(A Component Unit of the State of New Jersey)
Statement of Net Position
June 30, 2023

	Rowan University	Rowan University Foundation	South Jersey Technology Park at Rowan University, Inc.	Total
Assets				
Current assets:				
Cash and cash equivalents (notes 2 and 13)	\$ 33,835,246	12,178,080	1,062,059	47,075,385
Restricted cash and cash equivalents (notes 2 and 13)	12,386,394	8,561,235	—	20,947,629
Receivables:				
Students, less allowance of \$3,197,728	10,617,276	—	—	10,617,276
Contributions, less allowance of \$4,700	—	2,358	—	2,358
Restricted contributions, less allowance of \$55,529	—	39,828	—	39,828
Grants	22,789,080	—	—	22,789,080
State of New Jersey	10,319,015	—	—	10,319,015
Professional services and contracts receivable, less allowance of \$3,975,699	5,305,788	—	—	5,305,788
Due from Rowan component unit	847,779	—	136,409	984,188
Leases	568,185	—	—	568,185
Leases with Rowan component unit	—	—	856,566	856,566
Interest and other, less allowance of \$246,326	3,505,400	23,191	—	3,528,591
Total receivables	53,952,523	65,377	992,975	55,010,875
Restricted deposits held by trustees (note 3)	26,893,768	—	—	26,893,768
Investments, at fair value (note 2)	99,324,168	—	—	99,324,168
Other current assets	8,825,768	—	1,582	8,827,350
Total current assets	235,217,867	20,804,692	2,056,616	258,079,175
Noncurrent assets:				
Restricted cash and cash equivalents (note 2)	73,080,035	—	—	73,080,035
Restricted deposits held by trustees (note 3)	39,276,861	—	—	39,276,861
Investments, at fair value (notes 2 and 13)	116,269,485	68,529,098	—	184,798,583
Restricted investments, at fair value (note 13)	—	48,176,210	—	48,176,210
Restricted nonexpendable investments, at fair value (note 13)	—	252,436,857	—	252,436,857
Loans receivable	1,935,354	—	—	1,935,354
Other noncurrent assets	1,261,475	—	—	1,261,475
Contributions receivable, less allowance of \$3,287	—	62,453	—	62,453
Due from Rowan component unit	187,265	—	—	187,265
Restricted contributions receivable, less allowance of \$83,105	—	1,579,005	—	1,579,005
Leases receivables	604,724	—	—	604,724
Lease receivables with Rowan component unit	2,828,709	—	15,573,550	18,402,259
Capital assets, net (notes 4 and 11)	1,046,710,914	—	11,855,686	1,058,566,600
Total noncurrent assets	1,282,154,822	370,783,623	27,429,236	1,680,367,681
Total assets	1,517,372,689	391,588,315	29,485,852	1,938,446,856
Deferred Outflows of Resources				
Deferred outflows of resources:				
Pensions related (note 6)	47,240,656	—	—	47,240,656
Loss on bond refinancing	90,383,336	—	—	90,383,336
Total deferred outflows of resources	137,623,992	—	—	137,623,992
Liabilities				
Current liabilities (note 9):				
Accounts payable and accrued expenses (note 7)	83,341,184	116,991	69,516	83,527,691
Due to University/ component units	136,409	647,484	200,295	984,188
Unearned revenue	38,280,239	—	—	38,280,239
Annuities payable – current portion	—	37,530	—	37,530
Leases with Rowan component unit (note 8)	856,566	—	—	856,566
Long-term debt – current portion (note 8)	59,418,674	—	253,341	59,672,015
Total current liabilities	182,033,072	802,005	523,152	183,358,229
Noncurrent liabilities (note 9):				
Compensated absences – noncurrent portion (note 11)	2,739,755	—	—	2,739,755
Due to University/ component units	—	—	187,265	187,265
Unearned revenue	81,037,334	—	—	81,037,334
Other liabilities	21,642,406	—	—	21,642,406
Repurchase liability	3,220,000	—	—	3,220,000
Deposits held in custody for others	2,928,211	—	—	2,928,211
Annuities payable – noncurrent portion	—	247,067	—	247,067
Net pension liabilities (note 6)	284,644,784	—	—	284,644,784
Leases with Rowan component unit - noncurrent portion (note 8)	15,573,550	—	2,828,709	18,402,259
Long-term debt – noncurrent portion (note 8)	796,409,004	—	3,370,262	799,779,266
Total noncurrent liabilities	1,208,195,044	247,067	6,386,236	1,214,828,347
Total liabilities	1,390,228,116	1,049,072	6,909,388	1,398,186,576
Deferred Inflows of Resources				
Deferred inflows of resources:				
Pensions related (note 6)	29,314,663	—	—	29,314,663
Gain on bond refinancing	48,013	—	—	48,013
Developer contribution	5,161,667	—	—	5,161,667
Service concession arrangement (note 11)	93,554,577	—	—	93,554,577
Leases (note 12)	2,502,803	—	—	2,502,803
Leases with Rowan component unit (note 12)	2,553,135	—	15,571,478	18,124,613
Split interest agreements	—	114,342	—	114,342
Total deferred inflows of resources	133,134,858	114,342	15,571,478	148,820,678
Net Position				
Net investment in capital assets	196,471,742	—	5,025,173	201,496,915
Restricted:				
Nonexpendable (note 13)	—	252,436,857	—	252,436,857
Expendable:				
Debt service and reserve	20,136,217	—	—	20,136,217
Other scholarships	—	20,151,570	—	20,151,570
Other	16,679,623	37,828,960	—	54,508,583
Unrestricted	(101,653,875)	80,007,514	1,979,813	(19,666,548)
Total net position	\$ 131,633,707	390,424,901	7,004,986	529,063,594

See accompanying notes to the financial statements.

ROWAN UNIVERSITY (A Component Unit of the State of New Jersey) Statement of Revenues, Expenses, and Changes in Net Position Year ended June 30, 2024				
	Rowan University	Rowan University Foundation	South Jersey Technology Park at Rowan University, Inc.	Total
Operating revenues:				
Net student revenues:				
Tuition and fees	\$ 341,090,143	—	—	341,090,143
Auxiliary enterprises	59,412,696	—	—	59,412,696
Less scholarship allowances	(93,502,505)	—	—	(93,502,505)
Net student revenues	307,000,334	—	—	307,000,334
Grants	128,931,255	—	—	128,931,255
Self-funded programs	7,800,671	—	—	7,800,671
Fundraising events	—	31,519	—	31,519
Contributions	—	9,353,693	—	9,353,693
Professional services and contracts, net (note 10)	41,648,403	—	—	41,648,403
Rental income (note 14)	—	—	1,130,785	1,130,785
Other operating revenues	12,455,222	119,740	28,639	12,603,601
Other auxiliary	1,250,975	—	—	1,250,975
Total operating revenues	499,086,860	9,504,952	1,159,424	509,751,236
Operating expenses:				
Instruction	239,897,521	—	—	239,897,521
Research	42,674,839	—	—	42,674,839
Public service	24,441,316	—	—	24,441,316
Academic support	88,086,049	—	—	88,086,049
Student services	49,882,945	—	—	49,882,945
Institutional support	143,051,566	1,025,071	734,768	144,811,405
Operation and maintenance of plant	44,819,995	—	—	44,819,995
Student aid	24,712,600	—	—	24,712,600
Professional services and contracts	38,969,005	—	—	38,969,005
Auxiliary enterprises	52,027,752	—	—	52,027,752
Other Postemployment Benefits (OPEB) (note 6)	(15,889,763)	—	—	(15,889,763)
Depreciation and amortization	71,136,876	—	564,758	71,701,634
Total operating expenses	803,810,701	1,025,071	1,299,526	806,135,298
Operating (loss) income	(304,723,841)	8,479,881	(140,102)	(296,384,062)
Nonoperating revenues (expenses):				
State of New Jersey appropriations	59,945,952	—	—	59,945,952
State of New Jersey appropriations – CMSRU	25,036,369	—	—	25,036,369
State of New Jersey appropriations – Rowan-Virtua SOM	19,490,494	—	—	19,490,494
State of New Jersey appropriations – Veterinary School	12,000,000	—	—	12,000,000
State of New Jersey appropriations – OPEB (note 6)	(15,889,763)	—	—	(15,889,763)
State of New Jersey fringe benefits (note 5)	166,302,352	—	—	166,302,352
Student scholarships	—	(3,734,517)	—	(3,734,517)
Gifts from Rowan University Foundation (note 13)	15,314,513	(15,314,513)	—	—
Other grants	—	(18,028)	—	(18,028)
Investment income, net	17,888,949	32,938,271	42,865	50,870,085
Interest on capital asset related debt	(33,025,003)	—	(176,549)	(33,201,552)
Other nonoperating revenues, net	2,894,482	—	390,461	3,284,943
Net nonoperating revenues	269,958,345	13,871,213	256,777	284,086,335
(Loss) income before other revenues	(34,765,496)	22,351,094	116,675	(12,297,727)
Capital grants and gifts	34,592,333	—	—	34,592,333
Additions to permanent endowments	—	14,525,013	—	14,525,013
(Decrease) increase in net position	(173,163)	36,876,107	116,675	36,819,619
Net position as of beginning of year	131,633,707	390,424,901	7,004,986	529,063,594
Adjustment to beginning net position, change to financial reporting entity (note 1(a)(i))	448,212	—	—	448,212
Net position as of end of year	\$ 131,908,756	427,301,008	7,121,661	566,331,425

See accompanying notes to the financial statements.

ROWAN UNIVERSITY (A Component Unit of the State of New Jersey) Statement of Revenues, Expenses, and Changes in Net Position Year ended June 30, 2023				
	Rowan University	Rowan University Foundation	South Jersey Technology Park at Rowan University, Inc.	Total
Operating revenues:				
Net student revenues:				
Tuition and fees	\$ 315,702,761	—	—	315,702,761
Auxiliary enterprises	58,772,363	—	—	58,772,363
Less scholarship allowances	(91,123,206)	—	—	(91,123,206)
Net student revenues	283,351,918	—	—	283,351,918
Grants	126,288,443	—	—	126,288,443
Self-funded programs	6,106,017	—	—	6,106,017
Fundraising events	—	44,928	—	44,928
Contributions	—	6,134,713	—	6,134,713
Professional services and contracts, net (note 10)	50,481,365	—	—	50,481,365
Rental income (note 14)	—	—	1,107,375	1,107,375
Other operating revenues	4,693,269	152,759	—	4,846,028
Other auxiliary	1,175,181	—	—	1,175,181
Total operating revenues	472,096,193	6,332,400	1,107,375	479,535,968
Operating expenses:				
Instruction	217,266,184	—	—	217,266,184
Research	34,888,177	—	—	34,888,177
Public service	19,741,150	—	—	19,741,150
Academic support	66,165,004	—	—	66,165,004
Student services	44,291,199	—	—	44,291,199
Institutional support	124,187,011	348,808	636,562	125,172,381
Operation and maintenance of plant	44,998,612	—	—	44,998,612
Student aid	23,990,711	—	—	23,990,711
Professional services and contracts	43,103,168	—	—	43,103,168
Auxiliary enterprises	47,780,046	—	—	47,780,046
Other Postemployment Benefits (OPEB) (note 6)	(12,157,072)	—	—	(12,157,072)
Depreciation and amortization	62,985,421	—	529,312	63,514,733
Total operating expenses	717,239,611	348,808	1,165,874	718,754,293
Operating (loss) income	(245,143,418)	5,983,592	(58,499)	(239,218,325)
Nonoperating revenues (expenses):				
State of New Jersey appropriations	53,682,000	—	—	53,682,000
State of New Jersey appropriations – CMSRU	20,208,232	—	—	20,208,232
State of New Jersey appropriations – Rowan-Virtua SOM	33,745,192	—	—	33,745,192
State of New Jersey appropriations – Veterinary School	12,000,000	—	—	12,000,000
State of New Jersey appropriations – OPEB (note 6)	(12,157,072)	—	—	(12,157,072)
State of New Jersey fringe benefits (note 5)	139,071,078	—	—	139,071,078
Student scholarships	—	(3,738,943)	—	(3,738,943)
Gifts from Rowan University Foundation (note 13)	14,373,224	(14,373,224)	—	—
Other grants	—	(6,376)	—	(6,376)
Investment income, net	11,717,595	22,051,233	28,967	33,797,795
Interest on capital asset related debt	(30,500,692)	—	(184,942)	(30,685,634)
Other nonoperating revenues, net	3,397,907	—	411,008	3,808,915
Net nonoperating revenues	245,537,464	3,932,690	255,033	249,725,187
Income before other revenues	394,046	9,916,282	196,534	10,506,862
Capital grants and gifts	1,915,547	—	—	1,915,547
Additions to permanent endowments	—	31,163,352	—	31,163,352
Increase in net position	2,309,593	41,079,634	196,534	43,585,761
Net position as of beginning of year	129,324,114	349,345,267	6,808,452	485,477,833
Net position as of end of year	\$ 131,633,707	390,424,901	7,004,986	529,063,594

See accompanying notes to the financial statements.

<p style="text-align: center;">ROWAN UNIVERSITY (A Component Unit of the State of New Jersey) Statements of Cash Flows (Business-Type Activities – Rowan University only) Years ended June 30, 2024 and 2023</p>
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	2024	2023
Cash flows from operating activities:		
Student revenues	\$ 302,829,496	282,364,818
Government and private grants	128,014,127	133,280,173
Professional services and contract	44,426,312	54,064,888
Payments to suppliers	(205,892,299)	(195,936,868)
Payments for employee salaries and benefits	(367,671,507)	(359,136,090)
Self-funded programs and other receipts	7,800,671	6,106,017
Net cash used for operating activities	(90,493,200)	(79,257,062)
Cash flows from noncapital financing activities:		
State of New Jersey appropriations	116,472,815	134,676,377
Gifts	15,314,513	14,374,274
Receipts (payments) for other noncapital assets	5,654,589	(1,127)
Receipts for other nonoperating revenues	126,682	293,353
Net cash provided by noncapital financing activities	137,568,599	149,342,877
Cash flows from capital and related financing activities:		
Proceeds from bond issuance	238,786,965	209,486,731
(Funding) drawdown of restricted deposits held by trustees	(210,629,932)	32,145,593
Capital grants	80,255,239	—
Costs of issuance	(1,898,568)	(715,051)
Purchases of capital assets	(94,373,195)	(71,990,033)
Principal paid on capital debt	(80,230,397)	(237,873,004)
Interest paid on capital debt	(27,511,172)	(34,403,143)
Net cash used for capital and related financing activities	(95,601,060)	(103,348,907)
Cash flows from investing activities:		
Purchase of investments	(511,164,746)	(679,289,513)
Sale of investments	551,286,099	671,349,583
Interest on investments	11,759,602	7,263,730
Net cash provided by (used for) investing activities	51,880,955	(676,200)
Net increase (decrease) in cash and cash equivalents	3,355,294	(33,939,292)
Cash and cash equivalents as of beginning of the year	119,301,675	153,240,967
Cash and cash equivalents as of end of the year	\$ 122,656,969	119,301,675
Reconciliation of operating loss to net cash used for operating activities:		
Operating loss	\$ (304,723,841)	(245,143,418)
Adjustments to reconcile operating loss to net cash used for operating activities:		
State paid fringe benefits	166,302,352	124,030,125
State paid postemployment benefits	(15,889,763)	(12,157,072)
Depreciation and amortization expense	71,136,876	62,985,421
Changes in assets and liabilities:		
Receivables	(2,082,758)	6,160,348
Other current assets	(983,217)	(1,992,988)
Accounts payable and accrued expenses, excluding interest on capital debt	9,277,818	5,321,796
Unearned revenue - current portion, excluding capital related activities	(3,318,546)	2,325,290
Other liabilities	531,398	(1,869,463)
Deposits held in custody for others	(402,453)	(403,102)
Compensated absences – noncurrent portion	528,077	2,175
Net pension liability, net of deferred amounts	(10,869,143)	(18,516,174)
Net cash used for operating activities	\$ (90,493,200)	(79,257,062)
Noncash transaction:		
Unrealized gain on investments	\$ 6,208,507	4,899,304
Decrease in deferred inflows of resources - service concession arrangement	(3,697,384)	(2,091,677)
State of New Jersey paid fringe benefits	166,302,352	124,030,125
State of New Jersey paid other postemployment benefits	(15,889,763)	(12,157,072)
Right-of-use asset additions	10,425,694	4,096,731

See accompanying notes to the financial statements.

(1) Organization and Summary of Significant Accounting Policies

(a) Organization

Rowan University (the University), formerly Rowan College of New Jersey, was founded in 1923 and effective July 1, 1967, came under the general policy control of the New Jersey Board of Higher Education. Under the Higher Education Act of 1966, the University and all the other New Jersey State colleges became multipurpose institutions of higher education with an emphasis on the liberal arts and sciences and various professional areas including the science of education and the art of teaching. The operation and management of the University is vested in the University's Board of Trustees.

The University is recognized as a public institution by the State of New Jersey (the State). Under the law, the University is an instrumentality of the State with a high degree of autonomy. However, the University is considered a component unit of the State for financial reporting purposes. Accordingly, the financial statements of the University are included in the State's Annual Comprehensive Financial Report (ACFR).

On August 22, 2012 Governor Christie signed the "New Jersey Medical and Health Sciences Education Restructuring Act" (the Law) into law. Effective July 1, 2013, the School of Osteopathic Medicine (SOM) in Stratford, NJ (formerly under the University of Medicine and Dentistry of New Jersey (UMDNJ)) was integrated with the University. The Law also established the University as a public research institution.

(b) Summary of Significant Accounting Policies

(i) Basis of Presentation

The accounting policies of the University conform to accounting principles generally accepted in the United States of America as applicable to public colleges and universities. The University reports are based on all applicable Governmental Accounting Standards Board (GASB) pronouncements.

GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities – an amendment of GASB Statement No. 34* (GASB 35), establishes standards for external financial reporting for public colleges and universities and requires that resources be classified for accounting and reporting purposes into the following net position categories:

- *Net investment in capital assets*: Capital assets, including public-private partnerships, leases and similar subscription-based information technology (IT) arrangements, net of accumulated depreciation, capital related payables, outstanding principal balances and interest of debt and deposits held by trustees attributable to the acquisition, construction, or improvement of those assets.

- Restricted:

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

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

- *Unrestricted*: Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the University Board of Trustees.

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.

(ii) *Measurement Focus and Basis of Accounting*

The accompanying financial statements have been prepared on the accrual basis of accounting utilizing the economic resources measurement focus. The University reports as a business-type activity, as defined by GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* (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.

(iii) *Cash and Cash Equivalents*

The University classifies as cash equivalents, funds that are in short-term, highly liquid investments, and are readily convertible to known amounts of cash with a portfolio maturity of one year or less.

The University maintains portions of its cash with three custodians, one bank and the State of New Jersey Cash Management Fund (NJCMF). All are interest-bearing accounts from which the funds are available upon demand.

(iv) *Investments*

Investments are reflected at fair value. Purchases and sales of investments are accounted for on the trade-date basis. Investment income is recorded on an accrual basis. Realized and unrealized gains and losses are reported in investment income.

(v) *Capital Assets (Excluding Right-of-use Lease and Subscription-based IT Assets)*

Capital assets include land, land improvements, buildings, and equipment. Such assets are recorded at historical cost. Bulk equipment with a unit cost under \$5,000, land improvements, and building improvements costing over \$50,000, as well as equipment with a unit cost over \$5,000 are capitalized. Donated capital assets, including artwork, are recorded at the acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add value to the asset are not capitalized. Major outlays for capital assets are capitalized as projects are constructed. Artwork is considered inexhaustible and is not depreciated. Capital assets are depreciated using the straight-line method over the following useful lives:

Capital Asset	Useful lives
Land improvements	20 years
Buildings	20–40 years
Equipment	2–20 years

(vi) *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 and land leases. The University also has noncancelable subscription-based IT arrangements (similar to a lease) for the right-to-use IT hardware and software (subscription IT arrangements).

Short-term Leases and Subscription IT Arrangements

For leases and subscription IT arrangements with a maximum possible term of 12 months or less at commencement, the University recognizes expense or revenue based on the provisions of the lease contract or subscription IT arrangement, respectively.

Leases and Subscription IT Arrangements Other Than Short-term

For all other leases and subscription IT arrangements, the University recognizes a lease or subscription IT liability, respectively, and an intangible right-of-use lease or subscription IT asset, respectively. As a lessor, a lease receivable and a deferred inflow of resources are established.

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 the 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 right-of-use lease asset is amortized into depreciation expense 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, less lease payments received at or before the lease commencement date, less any lease incentives paid to, or on behalf of, the lessee at or before the lease commencement date. Subsequently, the deferred inflow of resources is amortized into rental income on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. Amounts associated with a purchase option are recognized as a receivable and an inflow of resources when the option is exercised.

Measurement of Subscription 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 into depreciation and amortization expense 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 Judgements

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 term, and (3) lease and subscription payments.

- The University generally uses its estimated incremental borrowing rate as the discount rate for leases and subscription IT arrangements unless the rate that the lessor/vendor charges is known. The incremental borrowing rate estimate is provided by an external financial advisor. The University's incremental borrowing rate for leases and subscription IT arrangement 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 own taxable rate as the discount rate.
- The lease or subscription term includes the noncancelable period of the lease or subscription IT arrangement, respectively, plus any additional periods covered by either a University or lessor/vendor unilateral 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 an 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, such as purchase options or payments for termination penalties.

Remeasurement of Leases 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.

Presentation in Statement of Net Position

Lease and subscription IT assets are reported within capital assets and lease and subscription IT liabilities are reported with long-term debt in the statement of net position.

(vii) Deposits Held in Custody for Others

The University holds cash and cash equivalents as custodian for the Student Government Association and the New Jersey President's Council.

(viii) 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), the Police and Firemen's Retirement System (PFRS) and the Teachers' Pension and Annuity Fund (TPAF), which is a special funding situation, and additions to/deductions from PERS's, PFRS's, and TPAF's fiduciary net position have been determined on the same basis as they are reported by PERS, PFRS 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, PFRS and TPAF, please refer to the State of New Jersey, Division of Pensions and Benefits' ACFR, which can be found at: www.state.nj.us/treasury/pensions/annual-reports.shtml.

(ix) *Financial Dependency*

One of the University's largest sources of revenue is appropriations from the State, which include state paid fringe benefits. The University is economically dependent on these appropriations to carry on its operations.

(x) *Student Tuition and Fees*

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

(xi) *Professional Services and Contract Revenues*

Professional services and contract revenues include the operations of the SOM faculty practice plans and affiliated hospital billings. The professional services and contract revenues are recorded on an accrual basis and reported at the estimated net realizable amounts from patients, third party payers and others for services rendered. The house staff and affiliations revenues are recorded on an actual basis based on contracts with various affiliated hospitals for reimbursement of salary, fringe and malpractice charges incurred by SOM.

(xii) *Grants and Contracts*

All grants and contracts 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 and contracts for which eligibility requirements have not been met under the terms of the agreement, are recorded as unearned revenue in the accompanying statements of net position.

(xiii) *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 and payment made for the purchase of goods and services. Examples include (1) student tuition and fees and auxiliary enterprises, net of scholarship allowances, (2) most Federal, State, and private grants and contracts, and (3) professional services and contract revenue. Nonoperating revenues include activities that have the characteristics of nonexchange transactions or do not result from the receipt or provision of goods and services, such as operating appropriations from the state, private gifts, and investment income.

(xiv) *New Accounting Standard Adopted*

In June 2024, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62* (GASB 100). This statement improves accounting and financial reporting for accounting changes and error corrections to provide a more understandable, reliable, and comparable information for making decisions or assessing accountability. GASB 100 defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity. Under this Statement, accounting changes would require restatement of reported periods as well as additional note disclosure. The requirements of this standard are effective for periods beginning after June 15, 2023 (fiscal year 2024). GASB 100 is immaterial for the University, but was adopted effective July 1, 2023 for a blended component unit, Rowan Global Inc (RGI).

(xv) *Accounting Pronouncements Applicable to the University, Issued but Not Yet Effective*

In June 2022, the GASB issued Statement No. 101, *Compensated Absences* (GASB 101). 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. The requirements of this standard are effective for periods beginning after December 15, 2023 (fiscal year 2025). The University is evaluating the impact of this new standard.

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures* (GASB 102). The objective of this Statement is to better provide essential information related to certain concentrations or constraints and related events that have occurred or have begun to occur that may make a government vulnerable to a substantial impact. The requirements of the standard are effective for periods beginning after June 15, 2024 (fiscal year 2025). The University is evaluating the impact of this new standard.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements* (GASB 103). This statement improves key components of the financial reporting model by enhancing the required information that is essential for decision making and assessing a government's accountability. The statement defines operating and nonoperating revenues and expenses and requires enhanced explanation of changes between fiscal years within the management's discussion and analysis. The requirements of the standard are effective for fiscal years beginning after June 15, 2025 (fiscal year 2026). The University is evaluating the impact of this new standard.

(xvi) *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

(xvii) *Tax Status*

The University is exempt from income taxes on related income pursuant to federal and state tax laws as an instrumentality of the State.

(xviii) *Financial Reporting Entity*

The University's financial statements and accompanying notes include a blended component unit, RGI. RGI is organized as a not-for-profit corporation in which the University is the sole corporate member and appoints the full Board of Directors, as identified in RGI's articles of incorporation. RGI is included in the financial reporting entity as a blended component unit pursuant to the provisions in paragraph 5 of GASB Statement No. 80, *Blending Requirements for Certain Component Units* and GASB Statement No. 14, *The Financial Reporting Entity* paragraphs 21-37, as amended.

During the fiscal year 2024, Rowan Global Inc (RGI) executed a settlement agreement to take 100% ownership in Rowan Educational Services, LLC (RES) resulting in it becoming a wholly owned blended component unit of RGI which is subsequently a blended component unit of the University. Therefore under GASB 100, there has been an adjustment to the beginning net position of fiscal year 2024 in the amount of \$448,212 to reflect the inclusion of RES in the financial statements as of the beginning of fiscal year 2024.

The University's financial statements and accompanying notes include a blended component unit, Rowan Educational Attractions, Inc (REA). REA is organized as a not-for-profit corporation in which the University is the sole corporate member and appoints the full Board of Directors, as identified in

REA's articles of incorporation. REA is included in the financial reporting entity as a blended component unit pursuant to the provisions in paragraph 5 of GASB Statement No. 80, *Blending Requirements for Certain Component Units* and GASB Statement No. 14, *The Financial Reporting Entity* paragraphs 21-37, as amended.

The University's financial statements and accompanying notes include a blended component unit, MACQ – NJ I, LLC (MACQ). MACQ is organized as a special-purpose entity formed for the purpose of acting as an intermediary and agency in connection with the issuance of industrial development bonds to refinance the cost of certain facilities at the University. The University is the sole corporate member. MACQ is included in the financial reporting entity as a blended component unit pursuant to the provisions in paragraph 5 of GASB Statement No. 80, *Blending Requirements for Certain Component Units* and GASB Statement No. 14, *The Financial Reporting Entity* paragraphs 21-37, as amended.

(2) Cash, Cash Equivalents, and Investments

(a) Cash and Cash Equivalents

Cash and cash equivalents consist of the following as of June 30, 2024 and 2023:

Cash and Cash Equivalents		
	2024	2023
Cash	\$ 120,783,756	112,301,033
State of New Jersey Cash Management Fund	712,458	675,757
Money market accounts	1,160,755	6,324,885
Total cash and cash equivalents	\$ 122,656,969	119,301,675

Cash and cash equivalents held at a depository and bank balances amounted to \$125,658,547 and \$115,590,708, respectively, as of June 30, 2024 and 2023. Of these amounts, \$850,826 and \$500,049 were FDIC insured, and \$121,262,714 and \$111,025,829 were collateralized pursuant to Chapter 64 of Title 18A of New Jersey Statutes as of June 30, 2024 and 2023, respectively. There was \$2,832,549 and \$3,389,073 in uncollateralized cash as of June 30, 2024 and 2023, respectively.

The University participates in NJCMF wherein amounts also contributed by other State entities are combined in a large-scale investment program. The University's deposits in the NJCMF were \$712,458 and \$675,757 as of June 30, 2024 and 2023, respectively. These amounts are collateralized in accordance with New Jersey Statute 52:18-16-1, but not in the University's name.

The operations of the NJCMF are governed by statutes of the State and the provisions of the State Investment Council Regulations for the purpose of determining authorized investments. The fair value of the NJCMF is based on the number of shares held by the University and the market price of those shares as of June 30, 2024 and 2023. The NJCMF is unrated with an average portfolio maturity of less than one year.

Money market funds are not subject to custodial risk, however, they are subject to credit risk. The balances in the University's money market accounts are unrated.

(b) Investments

The University's investments consist of the following as of June 30, 2024 and 2023:

Investments		
	2024	2023
U.S. government treasury securities	\$ 37,936,514	44,721,518
U.S. government agency securities	13,959,117	31,839,077
U.S. corporate bonds	36,278,259	42,877,072
Foreign corporate bonds	10,501,092	14,846,374
Commercial paper	1,796,103	2,760,487
Asset-backed securities	44,823,173	39,890,154
Commercial mortgage-backed securities	7,426,648	8,440,340
Municipal bonds	2,931,420	6,125,899
Collateralized mortgage obligations	2,353,074	3,435,345
Mutual funds – equity	23,437,830	20,397,953
Common stock – equity	237,576	259,434
Total investments	\$ 181,680,806	215,593,653

The University has an investment policy, which establishes guidelines for permissible investments. Short-term investment options include, but are not limited to, the funds, municipal obligations, etc. that are deemed appropriate and within the risk parameters as determined by the University Board of Trustees and the University Executive Staff.

The University's long-term investment options include, but are not limited to, the purchase of U.S. Government agency obligations, U.S. government treasury securities, corporate bonds, and other investment vehicles (i.e. mutual funds, asset backed securities, etc.) that are deemed appropriate and within the University's investment policy.

The University's investments are subject to various risks. Among these risks are credit risk and interest rate risk. Each one of these risks is discussed in more detail below.

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) and Standard and Poor's (S&P). The University's investment policy requires that fixed income securities are rated Baa3/BBB – or higher by at least one rating agency. At June 30, 2024 and 2023, the University does not have investments in a single issuer, excluding the U.S. Government, of more than 5% of its total investments and therefore does not have a concentration of credit risk.

The following tables summarize the agency ratings of the fixed income securities included in the University's investments as of June 30, 2024 and 2023:

		2024							
		S&P Rated			Moody's Rated			Total	
AAA	AA	A	BBB	Aaa	Aa	A			
U.S. government treasury securities	\$	—	37,936,514	—	—	—	—	37,936,514	
U.S. government agency securities		148,720	13,810,397	—	—	—	—	13,959,117	
U.S. corporate bonds		706,720	2,845,889	18,739,399	13,986,251	—	—	36,278,259	
Foreign corporate bonds		2,267,696	658,275	3,726,601	2,266,034	1,582,486	—	10,501,092	
Commercial paper		—	798,673	997,430	—	—	—	1,796,103	
Asset-backed securities		34,067,118	3,043,831	1,059,956	—	5,910,976	562,099	179,193	44,823,173
Commercial mortgage-backed securities		4,912,025	1,135,798	—	—	712,774	666,051	—	7,426,648
Municipal bonds		266,801	558,683	2,105,936	—	—	—	—	2,931,420
Collateralized mortgage obligations		2,301,861	10,456	—	—	40,757	—	—	2,353,074
Total	\$	44,670,941	60,798,516	26,629,322	16,252,285	8,246,993	1,228,150	179,193	158,005,400

		2023											
		S&P Rated				Moody's Rated				Other Rated			Total
		AAA	AA	A	BBB	Aaa	Aa	A	Baa	AAA	AA	A	
U.S. government treasury securities	\$	—	44,721,518	—	—	—	—	—	—	—	—	—	44,721,518
U.S. government agency securities		580,047	31,259,030	—	—	—	—	—	—	—	—	—	31,839,077
U.S. corporate bonds		—	1,136,055	18,399,415	21,356,182	—	995,100	—	—	—	—	990,320	42,877,072
Foreign corporate bonds		—	—	9,080,627	1,734,511	1,421,241	—	619,874	—	—	999,181	990,940	14,846,374
Commercial paper		—	—	—	—	—	—	—	2,760,487	—	—	—	2,760,487
Asset-backed securities		26,079,778	515,483	500,164	—	7,460,928	1,607,984	789,385	—	1,718,267	27,705	1,190,460	39,890,154
Commercial mortgage-backed securities		2,083,105	612,397	—	—	4,067,287	1,045,903	—	—	228,758	402,890	—	8,440,340
Municipal bonds		256,553	3,710,440	1,915,323	—	—	—	124,207	—	—	119,376	—	6,125,899
Collateralized mortgage obligations		1,286,155	—	—	—	875,177	—	—	—	1,274,013	—	—	3,435,345
Total	\$	30,285,638	81,954,923	29,895,529	23,090,693	13,824,633	3,648,987	1,533,466	2,760,487	3,221,038	1,549,152	3,171,720	194,936,266

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of a debt investment. The University's investment policy does not specifically address limitations in the maturities of investments. For the University, the following tables summarize the maturities of the fixed income security investments as of June 30, 2024 and 2023:

Investment type	Fair value	2024 Investment maturities (in years)			
		Less than 1	1-5	6-10	More than 10
U.S. government treasury securities	\$ 37,936,514	4,789,328	33,147,186	—	—
U.S. government agency securities	13,959,117	6,763,068	5,622,378	917,185	656,486
U.S. corporate bonds	36,278,259	13,806,165	22,472,094	—	—
Foreign corporate bonds	10,501,092	4,485,793	6,015,299	—	—
Commercial paper	1,796,103	1,796,103	—	—	—
Asset-backed securities	44,823,173	1,103,960	34,580,564	4,583,863	4,554,786
Commercial mortgage-backed securities	7,426,648	590,165	1,307,427	—	5,529,056
Municipal bonds	2,931,420	1,449,518	1,481,902	—	—
Collateralized mortgage obligations	2,353,074	—	10,456	—	2,342,618
Total	\$ 158,005,400	34,784,100	104,637,306	5,501,048	13,082,946

Investment type	Fair value	2023 Investment maturities (in years)			
		Less than 1	1-5	6-10	More than 10
U.S. government treasury securities	\$ 44,721,518	24,510,945	20,210,573	—	—
U.S. government agency securities	31,839,077	12,957,794	17,247,224	1,107,109	526,950
U.S. corporate bonds	42,877,072	18,070,779	24,806,293	—	—
Foreign corporate bonds	14,846,374	8,809,639	6,036,735	—	—
Commercial paper	2,760,487	2,760,487	—	—	—
Asset-backed securities	39,890,154	6,566,944	26,241,025	3,521,823	3,560,362
Commercial mortgage-backed securities	8,440,340	793,360	1,006,849	—	6,640,131
Municipal bonds	6,125,899	4,196,834	1,929,065	—	—
Collateralized mortgage obligations	3,435,345	—	639,769	—	2,795,576
Total	\$ 194,936,266	78,666,782	98,117,533	4,628,932	13,523,019

(c) 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 – quoted or published prices for identical assets or liabilities in active markets that a government can access 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 – pricing inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity or the investment.

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.

The categorization of a financial instrument within the hierarchy is based upon pricing transparency and is not necessarily an indication of the University's perceived risk of that instrument.

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

- U. S. government treasury securities and agency securities – The fair value of government securities and agencies are based on institutional bond quotes and evaluations based on various market and industry inputs.
- U. S. and foreign corporate bonds – The fair value of corporate bonds are based on institutional bond quotes and evaluations based on various market and industry inputs.
- Common stocks and mutual funds – equity – The fair value of mutual funds are based on quoted or published market prices, when available, or market prices provided by recognized broker-dealers.
- Asset backed securities, commercial paper, commercial mortgage-backed securities and collateralized mortgage obligations – The fair value of asset backed securities, mortgages, commercial mortgage-backed securities, and collateralized mortgage obligations are based on various market and industry inputs and quotes from market makers and other brokers recognized to be market participants.
- Municipal bonds – The fair value of municipal bonds are based on various market and industry inputs.

The University's financial instruments as of June 30, 2024 are summarized in the following table by their fair value hierarchy:

2024				
Investments Measured at Fair Value				
	Total	Level 1	Level 2	Level 3
Investment:				
U. S. government treasury securities	\$ 37,936,514	37,936,514	—	—
U. S. government agency securities	13,959,117	—	13,959,117	—
U. S. corporate bonds	36,278,259	—	36,278,259	—
Foreign corporate bonds	10,501,092	—	10,501,092	—
Commercial paper	1,796,103	—	1,796,103	—
Asset-backed securities	44,823,173	—	44,823,173	—
Commercial mortgage-backed securities	7,426,648	—	7,426,648	—
Municipal bonds	2,931,420	—	2,931,420	—
Collateralized mortgage obligations	2,353,074	—	2,353,074	—
Mutual funds – equity	23,437,830	23,437,830	—	—
Common stock – equity	237,576	237,576	—	—
Total investments	\$ 181,680,806	61,611,920	120,068,886	—

The University's financial instruments as of June 30, 2023 are summarized in the following table by their fair value hierarchy:

2023				
Investments Measured at Fair Value				
	Total	Level 1	Level 2	Level 3
Investment:				
U. S. government treasury securities	\$ 44,721,518	44,721,518	—	—
U. S. government agency securities	31,839,077	—	31,839,077	—
U. S. corporate bonds	42,877,072	—	42,877,072	—
Foreign corporate bonds	14,846,374	—	14,846,374	—
Commercial paper	2,760,487	—	2,760,487	—
Asset-backed securities	39,890,154	—	39,890,154	—
Commercial mortgage-backed securities	8,440,340	—	8,440,340	—
Municipal bonds	6,125,899	—	6,125,899	—
Collateralized mortgage obligations	3,435,345	—	3,435,345	—
Mutual funds – equity	20,397,953	20,397,953	—	—
Common stock – equity	259,434	259,434	—	—
Total investments	\$ 215,593,653	65,378,905	150,214,748	—



(3) Restricted Deposits Held by Trustees

Restricted deposits held by trustees include restricted funds held by three Board approved trustees. Deposits held by trustees consist of cash and money market investments, which are measured at amortized cost. The money market investments were unrated. Restricted deposits held by trustees include funds for construction, debt service reserve, and debt service and consist of the following as of June 30, 2024 and 2023:

Restricted Deposits Held by Trustees		
	2024	2023
Construction funds	\$ 241,975,095	37,750,346
Debt service and debt service reserve funds	34,825,466	28,420,283
	276,800,561	66,170,629
Less current portion	34,825,466	26,893,768
Noncurrent restricted deposits held by trustees	\$ 241,975,095	39,276,861

(4) Capital Assets

The detail of capital assets activity for the years ended June 30, 2024 and 2023 is as follows:

2024	Capital Assets Beginning balance	Additions/ Transfers	Deletions/ transfers	Ending balance
Nondepreciable assets:				
Land	\$ 51,246,664	721,000	(629,914)	51,337,750
Artwork	2,775,761	—	—	2,775,761
Construction in progress	86,722,827	66,599,761	(24,407,887)	128,914,701
Total nondepreciable assets	140,745,252	67,320,761	(25,037,801)	183,028,212
Depreciable assets:				
Land improvements	67,428,441	1,487,123	—	68,915,564
Buildings	1,302,308,594	22,342,355	(322,403)	1,324,328,546
Equipment	123,098,562	19,813,748	(19,313,886)	123,598,424
Total depreciable assets	1,492,835,597	43,643,226	(19,636,289)	1,516,842,534
Less accumulated depreciation:				
Land improvements	42,295,698	3,292,511	—	45,588,209
Buildings	585,605,758	42,536,353	—	628,142,111
Equipment	82,727,156	13,171,632	(19,278,208)	76,620,580
Total accumulated depreciation	710,628,612	59,000,496	(19,278,208)	750,350,900
Total capital assets, net excluding leases	\$ 922,952,237	51,963,491	(25,395,882)	949,519,846
Nondepreciable right-of-use assets:				
Prepayments on right-of-use assets	\$ 622,532	44,279	—	666,811
Depreciable right-of-use assets:				
Right-of-use assets	148,821,755	10,381,415	(6,845,399)	152,357,771
Less accumulated depreciation:				
Right-of-use assets	25,685,610	11,299,925	(6,504,119)	30,481,416
Right-of-use assets, net (Note 12)	\$ 123,758,677	(874,231)	(341,280)	122,543,166
Total capital assets, net as reported in the statement of net position				<u>1,072,063,012</u>

2023	Capital Assets Beginning balance	Additions/ Transfers	Deletions/ transfers	Ending balance
Nondepreciable assets:				
Land	\$ 51,246,664	—	—	51,246,664
Artwork	2,775,761	—	—	2,775,761
Construction in progress	59,763,089	56,643,267	(29,683,529)	86,722,827
Total nondepreciable assets	113,785,514	56,643,267	(29,683,529)	140,745,252
Depreciable assets:				
Land improvements	66,151,591	1,276,850	—	67,428,441
Buildings	1,274,709,768	27,598,826	—	1,302,308,594
Equipment	106,786,083	16,609,521	(297,042)	123,098,562
Total depreciable assets	1,447,647,442	45,485,197	(297,042)	1,492,835,597
Less accumulated depreciation:				
Land improvements	39,033,852	3,261,846	—	42,295,698
Buildings	543,579,131	42,026,627	—	585,605,758
Equipment	71,815,744	11,180,643	(269,231)	82,727,156
Total accumulated depreciation	654,428,727	56,469,116	(269,231)	710,628,612
Total capital assets, net excluding leases	\$ 907,004,229	45,659,348	(29,711,340)	922,952,237
Nondepreciable right-of-use assets:				
Prepayments on right-of-use assets	\$ 578,532	44,000	—	622,532
Depreciable right-of-use assets:				
Right-of-use assets	145,373,829	4,096,731	(648,805)	148,821,755
Less accumulated depreciation:				
Right-of-use assets	15,375,329	10,310,281	—	25,685,610
Right-of-use assets, net (Note 12)	\$ 130,577,032	(6,169,550)	(648,805)	123,758,677
Total capital assets, net as reported in the statement of net position				\$ 1,046,710,914

Depreciation expense for the year ending June 30, 2024 and 2023 is \$70,276,133 and \$66,779,397, respectively. The estimated cost to complete capital projects included in construction in progress as of June 30, 2024 approximates \$258,236,728. Anticipated financing for these projects is approximately \$123,530,175 in grant funds, \$95,642,546 in bond funding and \$39,064,088 in University funds.

(5) State of New Jersey Fringe Benefits

The State, through separate appropriations, pays certain fringe benefits, principally health benefits and FICA taxes, on behalf of University employees and retirees. The costs of these benefits, \$166,302,352 and \$139,071,078, respectively, for fiscal years 2024 and 2023, were paid directly by the State on behalf of the University and are included in the accompanying financial statements as State of New Jersey fringe benefits revenue and as operating expenses.

(6) Retirement Plans

The University participates in several retirement plans, administered by the State of New Jersey, Division of Pensions and Benefits (the Division), covering its employees – the PERS, the PFRS, the TPAF, the Alternate Benefit Program (ABP), and the Defined Contribution Retirement Program (DCRP). PERS, PFRS and TPAF are cost-sharing, multiple-employer defined benefit retirement plans, while ABP and DCRP are defined contribution retirement plans. Generally all employees, except certain part-time employees, participate in one

of these plans. The University is charged for pension costs through a fringe benefit charge assessed by the State which is included with the State of New Jersey fringe benefits in the accompanying financial statements (see note 5).

A publicly available ACFR of the State of New Jersey, Division of Pensions and Benefits, which includes financial statements, required supplementary information, and detailed information about the PERS's, PFRS's, and TPAF's fiduciary net position, can be obtained at <https://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, NJ 08625-0295.

(a) **Defined Benefit Pension Plans**

General Information

(i) Public Employees' Retirement System

Plan description – PERS was established under the provisions of N.J.S.A. 43:15A to provide retirement, death and disability benefits to substantially all full-time employees of the State or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

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

Contributions – The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. The member contribution rate at June 30, 2024 and 2023 was 7.5% of pensionable wages. The State contributes the employer's share 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. The University's contributions to PERS (amounts paid

by the State on behalf of the University) for the fiscal year ended June 30, 2024 and 2023 was \$21,342,842 and \$19,833,865, respectively.

(ii) *Police and Firemen's Retirement System*

Plan description – PFRS was established under the provisions of N.J.S.A. 43:16A to provide retirement, death and disability benefits to substantially all full time county and municipal police or firemen and state firemen or officer employees with police powers appointed after June 30, 1944.

Benefits provided – All benefits vest after ten years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

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

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

Contributions – The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. The State contributes the employer's share on behalf of the University. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. The member contribution rate at June 30, 2024 and 2023 was 10% of pensionable wages. The University's contributions to PFRS (amounts paid by the State on behalf of the University) for the fiscal year ended June 30, 2024 and 2023 were \$2,802,125 and \$2,934,363, respectively.

(iii) *Teachers' Pension and Annuity Fund*

Plan description – TPAF was established under the provisions of N.J.S.A. 18A:66 to provide retirement, death and disability benefits to substantially all teachers or members of the professional staff certified by the State Board of Examiners and employees of the State of New Jersey, Department of Education, who have titles that are unclassified, professional, and certified. Certain faculty members of the University participate in the TPAF. Under the provisions of N.J.S.A. 18A:66-33, the State is legally obligated to make contributions on behalf of all participating employers to the plan, therefore TPAF meets the definition of a special funding situation as defined in GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*.

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62, and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions – The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The full normal contribution rate at June 30, 2024 and 2023 was 7.5%. 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.

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

The University's respective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense related to PERS and PFRS are calculated by the Division. At June 30, 2024, the University reported a liability of \$263,749,830 and \$20,806,658 for PERS and PFRS, respectively, for its proportionate share of the respective PERS and PFRS net pension liabilities. At June 30, 2023, the University reported a liability of \$265,732,975 and \$18,911,809 for PERS and PFRS, respectively, for its proportionate share of the respective PERS and PFRS net pension liabilities. As the State is legally obligated to fund TPAF on behalf of the University, the University's proportionate share of net pension liability at June 30, 2024 and 2023 of \$818,959 and \$888,839, respectively, is recognized by the State. The total pension liabilities used to calculate the net pension liabilities, which were recorded in the statement of net position as of June 30, 2024, were determined by actuarial valuations as of July 1, 2022 and rolled forward to the measurement date of June 30, 2023. The total pension liabilities used to calculate the net pension liabilities, which were recorded in the statement of net position as of June 30, 2023, were determined by actuarial valuations as of July 1, 2021 and rolled forward to the measurement date of June 30, 2022. For PERS and PFRS, the University's proportionate share of the respective net pension liabilities for the fiscal years 2024 and 2023 were based on the actual contributions made by the State on behalf of the University relative to the total contributions of participating employers of the State Group for each plan for fiscal years 2023 and 2022, respectively. For TPAF, the University's proportionate share of the respective net pension liability for the fiscal year was based on the actual contributions made by the State on behalf of the University relative to the total contributions made by the

State for fiscal year 2023 and 2022. The University's allocation percentages and pension expense for each plan are as follows:

2023 Summary of Pension Amounts			
	PERS	PFRS	TPAF
2023 Allocation percentage – State Group/Nonemployer Group ¹	1.174 %	0.470 %	0.002 %
2023 Allocation percentage – Total Plan ²	0.712 %	0.119 %	0.002 %
Pension expense for the measurement date June 30, 2023	\$ 12,328,068	1,909,332	20,119

2022 Summary of Pension Amounts			
	PERS	PFRS	TPAF
2022 Allocation percentage – State Group/Nonemployer Group ¹	1.187 %	0.437 %	0.002 %
2022 Allocation percentage – Total Plan ²	0.707 %	0.106 %	0.002 %
Pension expense for the measurement date June 30, 2022	\$ 4,001,590	1,223,591	23,921

¹ – Allocation percentage for PERS and PFRS based on total State Group. Allocation percentage for TPAF based on total Nonemployer Group.

² – Allocation percentage calculated as the University's respective net pension liability as a percentage of the total plan's net pension liability.

As TPAF is a special funding situation, the University recognized revenue related to the support provided by the State as of June 30, 2024 and 2023 of \$20,119 and \$23,921, respectively, in the State of New Jersey fringe benefits amount on the statements of revenue, expenses and changes in net position.

The University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources as of June 30, 2024 and 2023:

2024			
Deferred Outflows and Inflows of Resources from Pensions			
	PERS	PFRS	Total
Deferred outflows of resources:			
Changes of assumptions	\$ 267,345	15,611	282,956
Changes in proportionate share	6,626,442	2,434,114	9,060,556
Differences between expected and actual experience	5,847,876	580,962	6,428,838
Net differences between projected and actual investment earnings on pension plan investments	4,034,170	506,824	4,540,994
Contributions subsequent to the measurement date	21,342,842	2,802,125	24,144,967
Total	\$ 38,118,675	6,339,636	44,458,311
Deferred inflows of resources:			
Changes in proportionate share	\$ 6,377,151	179,099	6,556,250
Differences between expected and actual experience	785,010	339,959	1,124,969
Changes of assumptions	7,570,381	499,871	8,070,252
Total	\$ 14,732,542	1,018,929	15,751,471

2023			
Deferred Outflows and Inflows of Resources from Pensions			
	PERS	PFRS	Total
Deferred outflows of resources:			
Changes of assumptions	\$ 397,072	19,085	416,157
Changes in proportionate share	10,961,882	1,579,232	12,541,114
Differences between expected and actual experience	4,284,841	140,776	4,425,617
Net differences between projected and actual investment earnings on pension plan investments	6,419,490	670,050	7,089,540
Contributions subsequent to the measurement date	19,833,865	2,934,363	22,768,228
Total	\$ 41,897,150	5,343,506	47,240,656
Deferred inflows of resources:			
Changes in proportionate share	\$ 6,710,825	373,775	7,084,600
Differences between expected and actual experience	1,399,371	468,116	1,867,487
Changes of assumptions	19,453,388	909,188	20,362,576
Total	\$ 27,563,584	1,751,079	29,314,663

As the State is legally obligated to fund TPAF on behalf of the University, the University's proportionate share of deferred outflows of resources and deferred inflows of resources are recognized by the State.

At June 30, 2024, \$24,144,967 was reported as deferred outflows of resources related to pensions resulting from contributions made on behalf of the University by the State subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Future Net Deferred Outflows (Inflows) of Resources			
	PERS	PFRS	Total
Years ending:			
2025	\$ (2,619,632)	280,497	(2,339,135)
2026	1,987,513	597,418	2,584,931
2027	2,631,302	865,611	3,496,913
2028	23,434	388,562	411,996
2029	20,674	333,872	354,546
Thereafter	—	52,622	52,622
	<u>\$ 2,043,291</u>	<u>2,518,582</u>	<u>4,561,873</u>

Actuarial Assumptions

The total pension liabilities related to PERS, PFRS, and TPAF measured as of June 30, 2023 and 2022 were based on actuarial valuations as of July 1, 2022 and 2021 using the following actuarial assumptions:

2024 Actuarial Assumptions			
	PERS	PFRS	TPAF
Inflation rate:			
Price	2.75%	2.75%	2.75%
Wage	3.25%	3.25%	3.25%
Salary increases:			
	2.75 – 6.55%	3.25 – 16.25%	2.75 – 4.25%
	based on years of service	based on years of service	based on years of service
Investment rate of return	7.00%	7.00%	7.00%

2023 Actuarial Assumptions			
	PERS	PFRS	TPAF
Inflation rate:			
Price	2.75%	2.75%	2.75%
Wage	3.25%	3.25%	3.25%
Salary increases:			
	2.75 – 6.55%	3.25 – 16.25%	2.75 – 5.65%
	based on years of service	based on years of service	based on years of service
Investment rate of return	7.00%	7.00%	7.00%

2023

For PERS, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021. The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

2022

For PERS, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021. The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

2023

For PFRS, employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and a 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021. The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

2022

For PFRS, employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality

rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and a 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021. The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

2023

For 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 the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. 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 base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021. The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

2022

For 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 the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. 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 base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021. The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return

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

Best estimates of the arithmetic real rates of return for each major asset class included in PERS's, PFRS's and TPAF's target asset allocations as of June 30, 2023 and 2022 are summarized in the following tables:

2023		
Target Asset Allocation and Long-Term Expected Rate of Return		
	PERS PFRS TPAF	
	Target allocation	Long-term expected real rate of return
Risk Mitigation Strategies	3.00 %	6.21 %
Cash Equivalents	2.00	3.31
U.S. Treasuries	4.00	3.31
Investment Grade Credit	7.00	5.19
High Yield	4.50	6.97
Private Credit	8.00	9.20
Real Assets	3.00	8.40
Real Estate	8.00	8.58
US Equity	28.00	8.98
Non-U.S. Developed Markets Equity	12.75	9.22
Emerging Markets Equity	5.50	11.13
Private Equity	13.00	12.50
International Small Cap Equity	1.25	9.22

2022		
Target Asset Allocation and Long-Term Expected Rate of Return		
	PERS PFRS TPAF	
	Target allocation	Long-term expected real rate of return
Risk Mitigation Strategies	3.00 %	4.91 %
Cash Equivalents	4.00	1.75
U.S. Treasuries	4.00	1.75
Investment Grade Credit	7.00	3.38
High Yield	4.00	4.95
Private Credit	8.00	8.10
Real Assets	3.00	7.60
Real Estate	8.00	11.19
US Equity	27.00	8.12
Non-U.S. Developed Markets Equity	13.50	8.38
Emerging Markets Equity	5.50	10.33
Private Equity	13.00	11.80

Discount Rate

The discount rate used to measure the total pension liability was 7.00% for PERS, PFRS, and TPAF as of June 30, 2023 and 2022.

In fiscal year 2024, for PERS, PFRS, and TPAF, the projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contribution for the State. Based on those assumptions, the plan's fiduciary net position as of June 30, 2023 was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

In fiscal year 2023, for PERS, PFRS, and TPAF, the projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contribution for the State. Based on those assumptions, the plan's fiduciary net position as of June 30, 2022 was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

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

The following presents the net pension liability of the University as of the June 30, 2023 measurement date calculated using the discount rates as disclosed above as well as the net pension liability if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

2023 Sensitivity of Net Pension Liability			
Plan (rates)	At 1% decrease	At current discount rate	At 1% increase
PERS(6.00%, 7.00%, 8.00%)	\$ 301,586,110	263,749,830	231,628,889
PFRS(6.00%, 7.00%, 8.00%)	24,283,393	20,806,658	17,910,229

The following presents the net pension liability of the University as of the June 30, 2022, measurement date calculated using the discount rates as disclosed above as well as the net pension liability if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

2022 Sensitivity of Net Pension Liability			
Plan (rates)	At 1% decrease	At current discount rate	At 1% increase
PERS(6.00%, 7.00%, 8.00%)	\$ 303,222,173	265,732,975	233,912,281
PFRS(6.00%, 7.00%, 8.00%)	22,007,749	18,911,809	16,333,209

(b) Defined Contribution Retirement Plans**Alternative Benefit Program (ABP)**

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. Participation eligibility as well as contributory and noncontributory requirements is established by the State of New Jersey Retirement and Social Security Law. Contributions can be invested with up to six investment carriers available under the plan. Additional voluntary contributions may be made on a tax-deferred basis, subject to limits within the Internal Revenue Code. The University assumes no liability for ABP members other than payment of contributions.

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 contribute 5% of salary and may contribute a voluntary additional contribution up to the maximum Federal statutory limit, on a pre-tax basis.

Employer contributions are 8%. During the year ended June 30, 2024 and 2023, ABP investment carriers received employer and employee contributions as follows:

ABP Employer and Employee Contributions			
		2024	2023
Employer contributions	\$	16,002,820	14,779,184
Employee contributions		30,372,559	28,106,213
Basis for contributions:			
Participating employee salaries	\$	200,035,250	184,739,801

Employer contributions to ABP are paid by the State and are reflected in the accompanying financial statements as State of New Jersey fringe benefit revenue and as expenses.

Effective July 1, 2010, Governor Christie signed Chapter 31, P.L. 2010 into law, which only allowed employer contributions to ABP for salaries up to \$141,000. Effective July 1, 2018, Chapter 14, P.L. 2018 increased the salary cap allowing for employer contributions to ABP for salaries up to \$175,000.

Defined Contribution Retirement Plan

DCRP was established under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit along with life insurance and disability coverage. DCRP enrollment eligibility criteria includes employees who: (1) earn below a minimum base salary, or (2) do not work a minimum number of hours per week, or (3) are enrolled in PERS and make in excess of the established "maximum contribution" limits. Participating eligibility, as well as contributory and noncontributory requirements, is established by the State of New Jersey Retirement and Social Security Law.

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

Participating University employees contribute 5.5% of their eligible wages. Employer contributions are 3%. During the years ended June 30, 2024 and 2023, Prudential received employer and employee contributions as follows:

DCRP Employer and Employee Contributions		
	2024	2023
Employer contributions	\$ 65,680	48,012
Employee contributions	120,412	88,021
Basis for contributions:		
Participating employee salaries	\$ 2,189,294	1,600,369

(c) Post-Employment Benefits Other than Pensions

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

Plan description, including benefits provided - The Plan is a single-employer defined benefit other postemployment benefit (OPEB) plan, which provides medical, prescription drug, and Medicare Part B reimbursements to retirees and their covered dependents. Although the Plan is a single-employer plan, it is treated as a cost-sharing multiple employer plan for standalone reporting purposes. In accordance N.J.S.A. 52:14-17.32, the State of New Jersey (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 one or more of the following pension plans: the Public Employees' Retirement System (PERS), the Alternate Benefit Program (ABP) or the Police and Firemen's Retirement System (PFRS). In addition, Chapter 302, P.L. 1996 provides that for purposes of this Plan, the University's employees retain any and all rights to the health benefits in the Plan, even though the University is considered autonomous from the State, therefore, its employees are classified as State employees. As such, the State is legally obligated 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 in GASB Statement No. 75, *Accounting and Financial Reporting for Other Postemployment Benefits Other Than Pensions* (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 of a trust as per GASB 75.

Total OPEB Liability and OPEB expense

As of June 30, 2024 and 2023, the State recorded a liability of \$397,117,012 and \$419,423,528, 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. At June 30, 2024, the University's share was 7.18% and 1.89% of the special funding situation and of the Plan, respectively. At June 30, 2023, the University's share was 7.54% and 2.01% of the special funding situation and of the Plan, respectively.

For the year ended June 30, 2024 and 2023, the University recognized OPEB benefit of (\$15,889,763) and (\$12,157,072), respectively. As the State is legally obligated for benefit payments on behalf of the University, the University recognized revenue related to the support provided by the State of (\$15,889,763) and (\$12,157,072) in 2024 and 2023, respectively.

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

OPEB Valuation Assumption	
	2024
Inflation	N/A
Discount rate	3.65%
Salary increases	
Through all future years	2.75 – 16.25% based on years of service

OPEB Valuation Assumption	
	2023
Inflation	N/A
Discount rate	3.50%
Salary increases	
Through all future years	2.75 – 16.25% based on years of service

The discount rate is based on the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Salary increases depend on the pension plan a member is enrolled in. In addition, they are based on years of service and age in 2024 and 2023, respectively.

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

The June 30, 2021 valuation used preretirement mortality rates based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the

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

Health Care Trend Assumptions – The June 30, 2022 valuations initially used a trend rate of 6.5% 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 Medicare Advantage trend rates for fiscal year 2024 through 2025 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 trend rate is 9.5% and decreases to a 4.5% long-term trend rate after seven years.

The June 30, 2021 valuations initially used a trend rate of 6.25% and decreases to a 4.5% long-term trend rate after seven years for pre-Medicare medical benefits. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2023 through 2024 are reflected. For PPO the trend is initially 6.36% in fiscal year 2025, increasing to 14.35% in fiscal year 2026 and decreases to 4.5% after 8 years. For HMO the trend is initially 6.53% in fiscal year 2025, increasing to 15.47% in fiscal year 2026 and decreases to 4.5% after 8 years. For prescription drug benefits, the initial trend rate is 8.0% and decreases to a 4.5% long-term trend rate after seven years.

(7) Accounts Payable and Accrued Expenses

The components of accounts payable and accrued expenses as of June 30, 2024 and 2023 are as follows:

Accounts Payable and Accrued Expenses		
	2024	2023
Vendors and other	\$ 45,111,554	35,682,513
Salaries, benefits, and withholdings	20,858,151	20,283,864
Due to State of New Jersey	7,974,155	6,561,067
Compensated absences – current portion	12,154,704	11,108,342
Accrued interest payable	12,034,268	9,705,398
Total accounts payable and accrued expenses	\$ 98,132,832	83,341,184

(8) Long-term Debt**(a) Bonds Payable**

Capital assets are financed through revenue bonds of the New Jersey Educational Facilities Authority (NJEFA), the CCIA and the GCIA. The following obligations were outstanding as of June 30, 2024 and 2023:

Outstanding Bonds Payable			
	Interest rate	2024	2023
NJEFA Series 2011 C Revenue Refunding Bonds, due serially to 2025	3.000%–5.000%	\$ 2,245,000	4,690,000
CCIA Series 2013 A SOM Revenue Refunding Bonds, due serially to 2032	3.000%–5.000%	—	17,820,000
CCIA Series 2013 B SOM Revenue Refunding Bonds due serially to 2032	0.890%–5.160%	14,085,000	15,415,000
GCIA Series 2015 A Revenue Bonds, due serially to 2036	3.250%–5.000%	34,745,000	34,745,000
GCIA Series 2015 B Revenue Refunding Bonds, due serially to 2031	1.500%–5.000%	33,900,000	38,135,000
GCIA Series 2015 C Revenue Bonds, due serially to 2044	4.000%–5.000%	51,550,000	51,550,000
NJEFA Series 2016 C Revenue Refunding, due serially to 2031	2.500%–5.000%	28,485,000	32,165,000
GCIA Series 2017 A Revenue Bonds, due serially to 2033	3.000%–5.000%	52,550,000	58,560,000
GCIA Series 2019 Revenue Bonds, due serially to 2048	4.000%–5.000%	56,600,000	56,600,000
CCIA Series 2020 A Revenue Refunding Bonds, due serially to 2035	5.000%	62,570,000	63,740,000
CCIA Series 2020 B Revenue Refunding Bonds, due serially to 2023	1.125%–1.330%	—	2,710,000
GCIA Series 2021 Loan Revenue Bonds, due serially to 2052	4.000%–5.000%	64,780,000	64,780,000
GCIA Series 2021 Loan Revenue Notes, due serially to 2025	0.600%	—	24,500,000
GCIA Series 2024 Loan Revenue Bond, due serially to 2054	5.000%	167,325,000	—
GCIA Series 2024 Loan Revenue Notes, due serially to 2025	4.000%	25,605,000	—
CCIA Series 2024 Lease Revenue Refunding Bond, due serially to 2032	5.000%	15,375,000	—
		609,815,000	465,410,000
Plus:			
Bond premium		66,435,389	54,260,281
Total bonds payable		\$ 676,250,389	519,670,281

Future annual debt service requirements approximate the following:

Bonds Payable Principal and Interest Repayments			
	Principal amount	Interest amount	Total amount
Year ending June 30:			
2025	\$ 49,355,000	26,249,591	75,604,591
2026	23,945,000	25,405,955	49,350,955
2027	25,340,000	24,178,044	49,518,044
2028	29,670,000	22,788,346	52,458,346
2029	24,595,000	21,771,173	46,366,173
2030-2034	106,920,000	93,705,019	200,625,019
2035-2039	95,445,000	70,287,838	165,732,838
2040-2044	92,660,000	49,068,075	141,728,075
2045-2049	82,810,000	28,043,200	110,853,200
2050-2054	66,555,000	10,923,875	77,478,875
2055-2059	12,520,000	313,000	12,833,000
	\$ 609,815,000	372,734,116	982,549,116

In February 2024, The Camden County Improvement Authority (CCIA) issued Rowan University Series 2024 Bonds. The 2024 tax exempt revenue refunding bonds totaled \$15,375,000 with a coupon rate of 5.000% and maturity through 2032. The proceeds from these bond issuances were used to refund and redeem the Refunded 2013A Bonds, and pay the costs and expenses incurred in the issuance of the 2024 Bonds. The principal amount of this bond was \$15,375,000 as of June 30, 2024, respectively. The refunding resulted in a gross debt service cash-flow savings of \$1,306,058.

In February 2024, The Gloucester County Improvement Authority (GCIA) issued Rowan University Series 2024 Bonds. The 2024 loan revenue bonds totaled \$167,325,000 with a coupon rate of 5.000% and maturity through 2054. The proceeds from these bond issuances were used to finance a portion of the costs of the development and construction of a new, approximately 180,000 square foot, state-of-the-art school of veterinary medicine, applied science and clinical facility, improvements to housing facilities, and various other capital improvements or repairs. The principal amount of this bond was \$167,325,000 as of June 30, 2024.

In February 2024, The Gloucester County Improvement Authority (GCIA) issued Rowan University Series 2024 Notes. The 2024 loan revenue note totaled \$25,605,000 with a coupon rate of 4.000% and maturity through 2025. The proceeds from these bonds were amended and supplemented from the 2021 GCIA Note series and will continue to be used for a portion of the costs of a project consisting of the construction of an approximately thirty thousand square foot expansion of the Chamberlain Student Center. The principal amount of this note was \$25,605,000 as of June 30, 2024.

(b) Financed Purchase Obligation

In 2008, the University entered into a lease agreement with SORA Housing LLC (SORA Housing). SORA Housing constructed two four story student housing facilities with a total of 242 units, consisting of 884 total beds, on a leasehold interest in land that was conveyed to SORA Housing by the Borough of Glassboro. SORA Housing agreed to lease the land, the facilities and the facilities equipment together with the fixtures, improvements and equipment to the University.

In 2008, the University entered into a lease agreement with SORA Retail LLC (SORA Retail). SORA Retail constructed an approximately thirty six thousand square foot two story building for use as a university bookstore and other uses compatible with a university bookstore. The bookstore, which also contains a coffee shop, is being sub-leased to Barnes & Noble College Booksellers, Inc. Rental payments are due in monthly installments.

In 2011, the University entered into a lease agreement with SORA A-1 Housing Urban Renewal Entity, LLC (SORA A-1). SORA A-1 constructed a mixed-use building on land it owns in Glassboro, New Jersey. The building consists of a five-story, mid-rise apartment building with ground floor retail. Within this building, on the second through fifth floor, SORA A-1 constructed apartment units, classrooms, offices and other administrative spaces. The administrative space, in addition to classrooms and offices, includes lounges, study rooms, recreational rooms together with all common elements, including elevators, laundry facilities, recreational and fitness facilities and other amenities. The University's lease pertains to the apartment units and administrative areas only. The apartment units are being occupied by University honor students and consist of 280 beds.

In 2012, the University entered into a Master Lease Agreement to restructure the three leases above into a single lease. The Master Lease will be for a thirty-year term through 2042. The University has the option to purchase all, but not less than all, of the Premises at any time during the Term of the Lease in accordance with terms listed in the Agreement. If no election to purchase the Premises occurs during the term, upon the payment in full of all rent and other charges due under the Lease, the Premises shall be conveyed to the University at the conclusion of the term without additional consideration. The University received a landlord contribution of \$8,150,000 to help defray the costs of implementation of the property to its intended use.

In November 2022, due to the purchase and blended financial reporting of MACQ – New Jersey I, LLC, the financed purchase obligations for SORA Housing, SORA Retail, and SORA A-1 are treated as refinanced debt using the IDA Series 2022A and Series 2022B bonds.

In fiscal year 2022, the University's 2019 parking license agreement with the GCIA commenced. GCIA constructed a multi-level parking garage consisting of approximately 1,025 parking spaces. The University's agreement pertains to 507 parking spaces. The term of the agreement is 30 years, or such time as any bonds, notes or other indebtedness issued to finance or refinance the parking garage are no longer outstanding. The University has a financed purchase payable as of June 30, 2024 and 2023 in the amount of \$14,137,938 and \$14,453,319, respectively.

Future minimum lease payments under the financed purchases are as follows:

Financed Purchase Principal and Interest Payments			
	Principal amount	Interest amount	Total amount
Year ending June 30:			
2025	\$ 329,616	597,994	927,610
2026	344,374	583,613	927,987
2027	359,692	568,590	928,282
2028	375,580	552,911	928,491
2029	391,715	536,898	928,613
2030-2034	2,230,805	2,410,855	4,641,660
2035-2039	2,748,829	1,881,397	4,630,226
2040-2044	3,375,421	1,229,694	4,605,115
2045-2049	3,981,906	431,201	4,413,107
	<u>\$ 14,137,938</u>	<u>8,793,153</u>	<u>22,931,091</u>

(c) Other Long-Term Debt

Other long-term debt consists of the following:

- (A) In July 2013, the University received notification of an institutional grant award from the New Jersey Higher Education Capital Facilities Grant Program. The University was awarded \$26,588,048 from the Higher Educational Capital Improvement Fund Act. The University is required to pay 1/3 of the debt service on its allocation of the bond proceeds plus administrative fees of the Trustees and the Authority. The outstanding balance as of June 30, 2024 and 2023 is \$5,246,120 and \$5,647,041, respectively, with maturities through August 15, 2033.
- (B) In July 2016, the University was notified by the State that it was awarded a \$16,000,000 grant under the Higher Education Capital Improvement Fund Act. Funding was provided from bonds issued by the NJEFA. The grant is to be used to fund two projects: (1) Facilities Adaptive Reuse Program for Academic Space Expansions and (2) Joint Health Sciences Center Expansion. The University is required to pay 1/3 of the debt service on its allocation of the bond proceeds. The outstanding balance as of June 30, 2024 and 2023 is \$3,961,328 and \$4,176,184, respectively, with maturities through August 15, 2036.
- (C) In October 2023, the University was notified by the State that it was awarded a \$8,000,000 grant under the Higher Education Equipment Leasing Fund Program. Funding was provided from bonds issued by the NJEFA. The grant is to be used to fund a Core Network and Datacenter Telecommunications Infrastructure project. The University is required to pay 1/4 of the debt service on its allocation of the bond proceeds. The outstanding balance as of June 30, 2024 is \$1,893,483, with maturities through August 1, 2031.
- (D) In October 2023, the University was notified by the State that it was awarded a \$6,000,000 grant under the Higher Education Equipment Leasing Fund Program. Funding was provided from bonds issued by the NJEFA. The grant is to be used to fund a Business continuity and Disaster Recovery Improvement project. The University is required to pay 1/4 of the debt service on its allocation of the bond proceeds. The outstanding balance as of June 30, 2024 is \$1,428,303, with maturities through August 1, 2030.

Principal and interest payments for these obligations are as follows:

Other Long Term Debt Principle and Interest Repayments			
	Principal amount	Interest amount	Total amount
Year ending June 30:			
2025	\$ 1,018,409	573,350	1,591,759
2026	1,068,313	523,476	1,591,789
2027	1,120,431	471,145	1,591,576
2028	1,171,760	419,810	1,591,570
2029	1,224,972	366,501	1,591,473
2030-2034	5,759,914	959,981	6,719,895
2035-2039	1,165,435	89,346	1,254,781
	<u>\$ 12,529,234</u>	<u>3,403,609</u>	<u>15,932,843</u>

(d) Direct Placements

Capital assets are financed through direct placement debt of the IDA. The following obligations were outstanding as of June 30, 2024 and 2023:

Outstanding Direct Placement Debt			
	Interest rate	2024	2023
IDA Series 2022A Lease Revenue Refunding Bonds, due serially to 2042	2.800%	183,705,000	187,785,000
IDA Series 2022B Lease Revenue Bonds, due serially to 2042	3.970%	13,145,000	13,640,000
Total direct placement bonds payable		<u>\$ 196,850,000</u>	<u>201,425,000</u>

Direct Placement Debt Principle and Interest Repayments			
	Principal amount	Interest amount	Total amount
Year ending June 30:			
2025	\$ 5,055,000	5,665,597	10,720,597
2026	5,560,000	5,518,031	11,078,031
2027	6,090,000	5,356,091	11,446,091
2028	6,645,000	5,179,078	11,824,078
2029	7,230,000	4,986,232	12,216,232
2030-2034	46,635,000	21,409,890	68,044,890
2035-2039	68,380,000	13,509,780	81,889,780
2040-2042	51,255,000	2,931,433	54,186,433
	<u>\$ 196,850,000</u>	<u>64,556,132</u>	<u>261,406,132</u>

In November 2022, the IDA issued Rowan University Series 2022A Bonds. The 2022 tax exempt lease revenue refunding bonds totaled \$191,425,000 with a coupon rate of 2.800% and maturing through 2042. The proceeds from these bond issuances were used to refinance the debt associated with the University's financed purchases related to MACQ – New Jersey I, LLC. The principal amounts of these bonds were \$183,705,000 and \$187,785,000 as of June 30, 2024 and 2023, respectively.

In November 2022, the IDA issued Rowan University Series 2022B Bonds. The 2022 tax exempt lease revenue bonds totaled \$13,965,000 with a coupon rate of 3.970% and maturing through 2042. The proceeds from these bond issuances were used to finance the costs of Rowan University acquiring the lease revenue bonds through the acquisition of the sole membership interest of MACQ – New Jersey I, LLC and cover the issuance costs of the IDA Series 2022A and Series 2022B. The principal amounts of these bonds were \$13,145,000 and \$13,640,000 as of June 30, 2024 and 2023, respectively.

(e) Long-Term Obligations

Changes in long-term obligations for the year ended June 30, 2024 and 2023 are as follows:

2024					
Long-term Obligations Rollforward					
	Beginning balance	Additions	Reductions	Ending balance	Due within One Year
Bonds payable	\$ 519,670,281	225,083,765	68,503,657	676,250,389	49,355,000
Other long-term debt	9,823,225	3,321,786	615,777	12,529,234	1,018,409
Financed purchase obligation	14,453,319	—	315,381	14,137,938	329,616
Direct placement debt	201,425,000	—	4,575,000	196,850,000	5,055,000
Leases and subscriptions, including component unit	126,885,969	10,381,415	10,513,896	126,753,488	8,977,688
Total long-term obligations	\$ 872,257,794	238,786,966	84,523,711	1,026,521,049	64,735,713

2023					
Long-term Obligations Rollforward					
	Beginning balance	Additions	Reductions	Ending balance	Due within One Year
Bonds payable	\$ 545,244,495	—	25,574,214	519,670,281	47,485,000
Other long-term debt	11,410,460	—	1,587,235	9,823,225	615,777
Financed purchase obligation	136,387,396	—	121,934,077	14,453,319	315,382
Direct placement debt	—	205,390,000	3,965,000	201,425,000	4,575,000
Leases and subscriptions, including component unit	132,228,759	4,096,731	9,439,521	126,885,969	7,284,081
Total long-term obligations	\$ 825,271,110	209,486,731	162,500,047	872,257,794	60,275,240

The University does not have any open lines of credit.

The GCIA 2015A, GCIA 2015B, GCIA 2015C, NEFA 2016C, GCIA 2017A, GCIA 2019, GCIA 2021 Bonds, IDA 2022A, IDA 2022B, GCIA 2024 Bonds, and GCIA 2024 Notes series contain provisions that, in the event of default, the bondholders have the right to request all outstanding amounts of their respective bond in default immediately. The NJEFA 2011C, CCIA 2013B, CCIA 2020A, and CCIA 2024 series are secured with the collateral of their respective financed projects. The default remedy allows the respective issuer to refit the building and sublet the property until all outstanding amounts have been recovered, including the refit costs. The lease arrangements with Nexus for a multi-level parking garage and a five-story retail, classroom, and office building contain provisions that, in the event of default, the

leaseholder has the right to terminate the lease and sell privately or publicly, the goods, fixtures, or other personal property, as well as cancel the respective purchase options at the end of the lease. The CIF 2016B grants from the Higher Education Capital Improvement Fund Act include provisions that, in the event of default, the issuer has the right to request the forfeiture of all the unused grant funds and the repayment of all used funds, with a credit for any principal payments already made by the University, with respect to the issuance in default. The 2014 grant from the New Jersey Higher Education Capital Facilities Grant Program contains a provision that, in the event of a default, the State is allowed to withhold appropriations to recover the amount owed. The 2023 grants from the New Jersey Higher Education Equipment Leasing Fund Program are secured with the collateral of their respective financed projects and include provisions that, in the event of default, the issuer has the right to request the forfeiture of all the unused grant funds and the repayment of all used funds, with a credit for any principal payments already made by the University, with respect to the issuance in default and the State is allowed to withhold appropriations to recover the amount owed.

(9) Noncurrent Liabilities

Noncurrent liabilities activity for the year ended June 30, 2024 and 2023 was as follows:

2024 Noncurrent Liabilities Activity						
	Beginning balance	Additions	Reductions	Ending balance	Current portion	Non-current portion
Compensated absences	\$ 13,848,097	12,682,781	11,108,342	15,422,536	12,154,704	3,267,832
Unearned revenue	119,317,573	80,624,598	38,280,239	161,661,932	34,164,677	127,497,255
Other liabilities	23,511,869	2,645,826	1,991,945	24,165,750	1,991,946	22,173,804
Repurchase liability	3,220,000	—	—	3,220,000	—	3,220,000
Deposits held in custody for others	2,928,211	2,491,754	2,894,207	2,525,758	—	2,525,758
Net pension liability	284,644,784	29,992,023	30,080,319	284,556,488	—	284,556,488
Bonds payable	519,670,281	225,083,765	68,503,657	676,250,389	49,355,000	626,895,389
Other long-term debt	9,823,225	3,321,786	615,777	12,529,234	1,018,409	11,510,825
Financed purchase obligation	14,453,319	—	315,381	14,137,938	329,616	13,808,322
Direct placement debt	201,425,000	—	4,575,000	196,850,000	5,055,000	191,795,000
Leases and subscriptions, including component unit	126,885,969	10,381,415	10,513,896	126,753,488	8,977,688	117,775,800
Total noncurrent liabilities	\$ 1,319,728,328	367,223,948	168,878,763	1,518,073,513	113,047,040	1,405,026,473

2023 Noncurrent Liabilities Activity						
	Beginning balance	Additions	Reductions	Ending balance	Current portion	Non-current portion
Compensated absences	\$ 13,710,198	11,110,518	10,972,619	13,848,097	11,108,342	2,739,755
Unearned revenue	118,907,831	35,567,675	35,157,933	119,317,573	38,280,239	81,037,334
Other liabilities	32,173,474	—	8,661,605	23,511,869	1,869,463	21,642,406
Repurchase liability	3,220,000	—	—	3,220,000	—	3,220,000
Deposits held in custody for others	3,559,335	2,610,493	3,241,617	2,928,211	—	2,928,211
Net pension liability	276,489,837	33,207,500	25,052,553	284,644,784	—	284,644,784
Bonds payable	545,244,495	—	25,574,214	519,670,281	47,485,000	472,185,281
Other long-term debt	11,410,460	—	1,587,235	9,823,225	615,777	9,207,448
Financed purchase obligation	136,387,396	—	121,934,077	14,453,319	315,382	14,137,937
Direct placement debt	—	205,390,000	3,965,000	201,425,000	4,575,000	196,850,000
Leases and subscriptions, including component unit	132,228,759	4,096,731	9,439,521	126,885,969	7,284,081	119,601,888
Total noncurrent liabilities	\$ 1,273,331,785	291,982,917	245,586,374	1,319,728,328	111,533,284	1,208,195,044

(10) Professional Services and Contract Revenues

The SOM Faculty Practice Plan revenues primarily consist of fee for service payments, inclusive of quality incentives and capitation payment, from the Centers for Medicare & Medicaid Services (CMS) and other third party insurance providers for inpatient and outpatient services provided by the SOM faculty. In addition, significant contract payments for medical directorships and other contracted service agreements, such as behavioral health and hospitalist services, account for approximately one-third of the revenues.

On June 5, 2023 a new affiliation agreement went into effect at the University's faculty practices. As a result, the affiliate collects the patient services revenues including gross charges, allowances, and bad debt directly and pays an affiliation fee to the University.

The components of net professional services and contract revenues for the year ended June 30, 2024 and 2023 are as follows:

Net Professional Services and Contracts Revenue			2024	2023
Faculty practice revenues:				
Gross charges	\$	5,878,764	73,608,575	
Contractual and other allowances		1,509,931	(36,459,544)	
Provision for bad debts		(36,191)	(905,325)	
Bad debt recovery		96,785	193,721	
Affiliation revenue		30,511,928	2,393,092	
Total faculty practice		37,961,217	38,830,519	
House staff and affiliation revenues:				
House staff billings		2,242,169	8,481,144	
Affiliation billings		1,445,017	3,169,702	
Total house staff and affiliation		3,687,186	11,650,846	
Total net professional services and contract revenues	\$	41,648,403	50,481,365	

Gross charges pertain to the following payers:

Faculty Practice Plan Gross Charges		
	2024	2023
Medicare	— %	38 %
Medicaid and Medicaid HMO	—	20
Contracts	100	10
Other third party payors	—	30
Uninsured, charity care and self pays	—	2
	100 %	100 %

Faculty practice gross accounts receivable pertain to the following payers:

Faculty Practice Plan Accounts Receivable		
	2024	2023
Medicare	— %	18 %
Medicaid and Medicaid HMO	—	29
Contracts	100	29
Other third party payors	—	24
Self pays	—	—
	100 %	100 %

(11) Commitments and Contingencies

(a) *Compensated Absences*

The University recorded a liability for accumulated vacation time in the amount of approximately \$12,155,000 and \$11,108,000 as of June 30, 2024 and 2023, respectively, which is included in accounts payable and accrued expenses in the accompanying statements of net position. The liability is calculated based upon employees' accrued vacation leave as of the statements of net position date.

Payments for accumulated sick leave balances are made to retiring employees upon regular retirement. The payment is based on 50% of the employee's sick leave accumulation, at the pay rate in effect at the time of retirement up to a maximum of \$15,000. Employees separating from University service prior to retirement are not entitled to payments for accumulated sick leave balances. Accordingly, the University recorded a liability for accumulated sick leave balances in the amount of approximately \$2,940,000 and \$2,417,000 as of June 30, 2024 and 2023, respectively, which is included in compensated absences non-current portion in the accompanying statements of net position.

During fiscal year 2010, through negotiations with the State of New Jersey, bargaining unit employees were required to take seven unpaid days. In exchange, three paid time off days were provided for either future use or pay out upon separation. A liability for the accumulated leave bank in the amount of approximately \$328,000 and \$322,000 as of June 30, 2024 and 2023, respectively, is recorded in compensated absences non-current portion in the accompanying statements of net position.

(b) Risk Management

The University is exposed to various risks of loss. As an instrumentality of the State of New Jersey, the liability of the University is subject to all of the provisions of the New Jersey Tort Claims Act (N.J.S.A. 59:1-1 et seq.), the New Jersey Contractual Liability Act (N.J.S.A. 59:13-1 et seq.), and the availability of appropriations. The Tort Claims Act also creates a Tort Claims Fund and provides for payment of eligible claims filed against the University or against its employees, whom the State is obligated to indemnify against tort claims which arise out of the performance of their duties. Therefore, the University's liability and employee benefit exposures are self-funded programs maintained and administered by the State (including tort liability, employment liability, medical professional liability, auto liability, trustee's and officer's liability, workers' compensation, unemployment, temporary and long-term disability, unemployment liability, life insurance and employee retirement programs). An annual appropriation is provided by the legislature for all statutory self-funded programs.

The University purchases and maintains a commercial property insurance policy through a joint insurance program with the New Jersey Association of State Colleges and Universities (NJASCU a/k/a the Consortium). University buildings, contents, plant operations, boiler & machinery, business interruption, and lost revenue are insured on an all-risk replacement cost basis with a per occurrence limit of \$2.0 billion, subject to a \$100,000 per occurrence deductible. A \$500,000 combined per occurrence deductible applies to several University buildings due to flood exposure; the University's per occurrence policy deductible is capped at the \$500,000.

In addition to the property insurance policy maintained through the consortium, the University maintains several policies of insurance to ensure a comprehensive approach to managing the risk of loss from exposures that are or may be ineligible for Tort Claims Protection. The following policies are maintained and these policies also extend coverage to the University's separately incorporated 501(c)(3) auxiliary organizations: Crime insurance policy (moneys and securities coverage) in the amount of \$2,000,000 with a per loss deductible of \$25,000; Information Security & Privacy Liability in the amount of \$15,000,000 with a per loss deductible of \$250,000; and Pollution Legal Liability in the amount of \$10,000,000 with a per loss deductible of \$100,000. The University maintains a Student Professional Liability policy in the amount of \$1,000,000 per occurrence with a \$3,000,000 annual aggregate and a per loss deductible of \$10,000 to cover students participating in professional internships (excludes medical students since they are provided protection through the Tort Claims Act). The University also maintains an Executive Plus Director's and Officer's Liability policy in the amount of \$5,000,000.

The following policies of insurance are maintained for the University's separately incorporated 501(c)(3) auxiliary organizations (New Jersey Statutes Title 18A Education provides each auxiliary organization with the power to "sue and be sued" (N.J.S.A. 18A:64-30) and directs them to procure their own legal representation because they will not be represented by the State of New Jersey Office of Attorney General (N.J.S.A. 18A:64-35), thereby exempting them from protection under the New Jersey Tort Claims Act): Director's and Officer's Liability in the amount of \$5,000,000 with a per occurrence deductible of \$25,000; General Liability in the amount of \$1,000,000 per occurrence with a \$3,000,000 annual aggregate and a per occurrence deductible of \$100,000, which also extends coverage to Rowan student educational programs and activities; and excess liability in the amount of \$20,000,000 which responds above the General Liability policy, and the University's Student Professional Liability policy referenced above, and also provides difference in conditions coverage to the University to cover any gaps in Tort Claims liability protection. In addition, a professional liability insurance policy is maintained for Rowan Global, Inc. in the amount of \$2,000,000 per occurrence and \$2,000,000 in the annual aggregate with a deductible of \$2,500 per claim.

All commercial insurance policies are renewed on an annual basis. There has been no decrease in insurance coverage during the current year. There have been no settlements in excess of insurance coverage in the past three years.

(c) Medical Malpractice Self-Insurance Fund

The University participates in a fund administered by the State known as the Medical Malpractice Self-Insurance Fund (the Fund), which is used to pay malpractice claims and related insurance premiums. The University and the State approve the payment of claims and the University is required to make contributions to the Fund from the SOM Faculty Practice Plan and the Graduate Medical Education (GME) programs. Monies in the Fund, commercial excess liability insurance coverage, and coverage provided by the New Jersey Tort Claims Act are used to meet the cost of claims against SOM. The State has the ultimate liability for any claims in excess of the Fund's assets.

Payment of claims (indemnity and expenses) from the Fund totaled \$449,773 and \$372,365 in fiscal year 2024 and 2023, respectively, for SOM. The University contributed \$1,484,000 to the fund for fiscal year 2024. Of this amount for fiscal year 2024, \$1,113,000 was paid while the remaining \$371,000 is included in accounts payable and accrued expenses as of June 30, 2024. The University contributed \$3,250,000 to the fund for fiscal year 2022. Of this amount for fiscal year 2023, \$1,874,550 was paid while the remaining \$625,450 is included in accounts payable and accrued expenses as of June 30, 2023.

(d) Voluntary Compliance Plan

UMDNJ had operated under a five year Corporate Integrity Agreement (CIA) with the Department of Health and Human Services Offices of the Inspector General (DHHS OIG) since September 2009. This agreement was assignable to successor organizations. Upon the integration of SOM into Rowan University, the Board of Trustees of Rowan University adopted a healthcare compliance program consistent with relevant laws and practices, and to fulfill the requirements of the CIA and the 15 remaining months of the agreement. The CIA requirements expired September 2014, but the compliance measures that have been developed and implemented will be continued. A Voluntary Compliance Program was implemented on September 26, 2014 and remains in place.

(e) Other Contingencies

The University is involved in several claims and lawsuits incidental to its operations. In the opinion of management, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the University.

(f) Service Concession Arrangement for the Student Housing Facility

(i) Ground Lease

On April 30, 2015, the University entered into a ground lease with Provident Group – Rowan Properties LLC (Provident) to develop, construct and operate a student housing facility (the Project), consisting of an approximately 1,415 bed student housing facility including a shell for a residential dining facility, with all buildings, improvements, fixtures, furnishing, equipment and amenities necessary for the operation thereof on certain real property located on the campus (the Land), along with associated site infrastructure and various related amenities, utilities and improvements within and outside the Land. The term of the ground lease is 37 years and commenced on April 30, 2015 with no option to renew or extend by Provident. Upon termination of the ground lease, all rights, title and interest to the Project shall automatically and immediately vest in the University. The base annual rent is equal to the surplus cash flows, net of reserve requirements from inception to the preceding period. In the event the rent payment would cause Provident to break any debt covenants, the University would not collect rent for that year.

In connection with the ground lease, the New Jersey Economic Development Authority issued Revenue Bonds (the Bonds) and lent the proceeds to Provident in order to fulfill their obligations under the ground lease. The University has no obligation to pay debt service on the Bonds.

During the term of the ground lease, Provident shall use and operate the Land for the sole and exclusive purpose of developing and constructing the Project, operating the Project as a student housing facility only for residents, with a sublease of the Dining Facility with the University under the Dining Facility Sublease for use by the residents, the University, students and staff of the University and their visitors and authorized representatives. The University will act as an agent for Provident, entering into Residence License Agreements with students to reside in the student housing facility, collecting all amounts due and remitting them to the Bond Trustee and enforcing compliance with the Residence License Agreements in accordance with the management agreement. Under the terms of the Bond Trustee Indenture, the Bond Trustee will accumulate these fees to pay the annual debt service of Provident and reimburse the operating expenses of the student housing facilities on a monthly basis.

(ii) *Management Agreement*

On April 30, 2015, the University entered into a management agreement with Provident and University Student Living Management, LLC (the Manager) (collectively, the Management Agreement) to engage the Manager to manage, operate and maintain the student housing facility. The term of the Management Agreement is five years with extensions for two successive five year periods commencing with the expiration of the original five year engagement, unless either party provides notice of nonextension at least 120 days prior to such expiration. The original five year engagement began after the date of substantial completion of the student housing facility in which revenues are deposited to the Bond Trustee.

All fees due to the Manager are the responsibility of Provident. The University is responsible for the billing and collection of student housing fees, deposits, charges and other amounts under residence license agreements and remitting the funds to the Bond Trustee. The University will provide resident life services and staffing; marketing of the student housing facility; and cable, telephone and internet services, all of which may be reimbursed as operating expenses of the Project.

(iii) *Dining Facility Sublease*

On April 30, 2015, the University entered into a Dining Facility Sublease with Provident for the operation and management of a dining facility that was constructed under the project development agreement. The term began on the date that the Project is substantially completed and the University accepts possession of the dining facility. The end of the lease is concurrent with the ground lease with automatic renewal to the extent that the ground lease is extended or renewed. The base annual rent is \$1.00.

(iv) *Nature and Extent of Rights*

During the term of the ground lease, Provident shall use and operate the Property for the sole and exclusive purpose of developing and constructing the Project, operating the Project as a student housing facility only for residents, with a sublease of the Dining Facility with the University under the Dining Facility Sublease for use by the residents, the University, students and staff of the University and their visitors and authorized representatives. The building shall be named as determined by the University in its sole and absolute discretion. The Manager shall manage, operate, and maintain the Student Housing Facility, with the advice and consultation of a project operations committee established by Provident under the Operating Agreement, pursuant to the Ground Lease, which shall at all times be composed of five (5) members, three (3) of whom shall be appointed by the University, one (1) of whom shall be appointed by the Manager, one (1) of whom shall be appointed by Provident. Under the ground lease, the University also have the right and option at any time after ten (10) years either (a) to purchase Provident's right, title, and interest in and to the Property, or (b) to terminate the Ground Lease, or (c) to acquire all the rights, titles and interests of Provident under the Loan Agreement and the other Bond Documents and any and all disbursements to be made. Upon

the termination or expiration of the Ground Lease from any cause, all rights and interests of Provident shall immediately cease and terminate, and all of the Project and Property, including all buildings, structures, improvements, equipment, engines, machinery, dynamos, generators, boilers, furnaces, elevators, fire escapes, and all lifting, lighting, heating, cooling, refrigerating, air conditioning, ventilating, gas, electric and plumbing apparatus, appliances and fixtures, as well as other fixtures attached to or within the Property, and all personal property and any other personal property located thereon, shall thence forward constitute and belong to and be the absolute property of the University or the University's successors and assigns.

(v) Amounts of Assets and Deferred Inflows of Resources

The assets that resulted from the service concession arrangement for the student housing facility consists of equipment, building, and building improvements. The equipment for the year ending June 30, 2024 and 2023 is \$4,113,495 and \$3,987,171, respectively. The building for the year ending June 30, 2024 and 2023 is \$115,155,436. The building improvements for the year ending June 30, 2024 and 2023 is \$0 and \$893,088, respectively. The deferred inflow of resources related to service concession arrangement for the year ending June 30, 2024 and 2023 is \$89,857,193 and \$93,554,577, respectively.

(g) Availability Payment Arrangements for the Camden Garage

On May 22, 2019, the University entered into a ground lease with The Camden County Improvement Authority (CCIA) for the sum of \$1,500,000 to develop and construct a parking garage (the Project), consisting of an approximately 1,025 space parking facility to provide parking to, among others, students, faculty, staff, patients, and visitors of the Medical School and Cooper facilities and the expanding health sciences campus. In connection with the ground lease, CCIA issued revenue bonds to construct the Project and settle the lease payment to the University. The University has no obligation to pay debt service on the bonds. The term of the ground lease is from commencement of May 22, 2019 and shall terminate on the date fifteen years from the final maturity date of the Bonds, which shall occur on June 30, 2049. The lease may be extended should the issuance of additional bonds be required to complete the Project. The lease also has an early termination clause should all indebtedness issued in connection with the Project be paid and all monthly fees owed by the University or Cooper under the parking license agreements (noted below) are paid in full. During the term of the ground lease, CCIA shall use and operate the land for the sole and exclusive purpose of developing and constructing the Project and operating the Project as a parking facility. The parking garage was completed in October 2021. Operating expenses related to the parking garage for the year ending June 30, 2024 and 2023 is \$562,232 and \$555,360, respectively.

(h) Dining Services

In June 2014, the University entered into a dining services agreement with Gourmet Dining, LLC to provide dining services. The agreement also established a Capex Fund for the University related to the purchase of dining facility related equipment to be amortized over the life of the agreement. The University amended the agreement effective October 2018 which extended the agreement through June 30, 2033 and established an Investment Fund balance at the University to be funded by Gourmet Dining through annual deposits through October 2021, which the University will return in monthly increments through June 30, 2035. The University amended the agreement effective October 2020 which allowed the University to defer the monthly Investment Fund increments due October 2020 through December 2021 until fiscal year 2022. A subsequent amendment extended this deferral through the remainder of fiscal year 2021. The full deferral of \$1,102,355 will be amortized beginning July 1, 2021 through June 30, 2034. The unamortized balance in the Capex Fund as of June 30, 2024 and 2023 was \$7,196,983 and \$7,950,785, respectively. The remaining balance in the Investment fund as of June 30, 2024 and 2023 was \$22,859,757 and \$22,060,765.

(i) Camden Housing Project

In April 2014, the University entered into an agreement regarding Development of Housing and Related Guaranty of Rental Payment with Broadway Housing Partners LLC (the Developer) to purchase and redevelop the properties in the immediate vicinity of CMSRU. These properties contain approximately fifty-six residential rental units, which the Developer intends to lease to University students as fair market rental housing, and, with regard to any units that are not leased to University students, to any other qualified renters, so as to maximize occupancy of the units in the project. As the University directly benefits from the redevelopment of the properties, the University warrants to pay the Developer on an annual basis the difference between ninety-five percent of aggregate standard rent and the aggregate rent collected. There is no cap of these shortfall payments during the initial term (years 1–10). During the second term (years 11–20), as the rent increases, in year 11 the shortfall payment shall not exceed \$300,000; and in each calendar year thereafter the cap shall be increased by a percentage equal to the percentage increase in the CPI index. The University's shortfall payments will not exceed the aggregate amount of \$2,500,000 over the course of the second term. The University shall have no obligation to pay any amounts to the Developer for the periods after the expiration of the second term. The first rental year began on August 1, 2015. The University made \$264,077 and \$260,481 shortfall payments during fiscal year 2024 and 2023, respectively.

(j) Glassboro Housing Project

In November 2016, December 2016, and April 2017 the University entered into agreements with Urban Renewal, LLC (the Developer) for affiliated student housing in Glassboro NJ. These three properties provide housing for approximately 1,619 students. As the University directly benefits from the development of the properties, the University warrants to pay the Developer on an annual basis the difference between ninety-five percent of aggregate standard rent and the aggregate rent collected for each agreement. The ninety-five percent annual guaranty amount for all three properties extends through the spring semester of 2024. The University is due a placement fee per bed up to the ninety-five percent of student units. This amount may be deducted from any shortfall payment the University may need to make. The University received a payment net of the annual guarantee from the developer of \$681,089 and \$99,803 for fiscal year 2024 and 2023, respectively.

(k) Inspira Health Network

The University entered into a Purchase and Sale Agreement with Inspira Health Network (Inspira) for certain property owned by the University for \$11.5 million during fiscal year 2016. In conjunction with the transaction, the University and Inspira also entered into a Repurchase and Right of First Refusal Agreement, whereas the University has the option to repurchase the property if Inspira has not commenced efforts to develop the land by the fourth anniversary of the closing and further, the University has the option to repurchase undeveloped portions of the property after 20 years from the date of the closing. On May 24, 2017, Inspira broke ground on the medical center project planned for the 100-acre parcel property purchased from the University. The first phase of the medical center was approximately 467,000 square feet which will allow for additional development over time. This phase was completed in December 2019. The portion of the property currently under construction represents approximately 72% of the overall property cost. As a result, the University recognized the partial land sale of \$8,280,000, a gain of \$830,817, as well as \$900,000 in contribution revenue for the appraised market value of the donated land from Harrison Township and reduced the original repurchase liability from \$12,400,000 as of June 30, 2016 to \$3,220,000 as of June 30, 2017. As of June 30, 2024 and 2023, the University has a repurchase liability of \$3,220,000.

(12) Leases and SBITAs**(a) Lessee and SBITA**

As discussed in note 1(b)(vi), 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.

A summary of right-of-use asset activity during the years ended June 30, 2024 and 2023 are as follows:

2024	Right-of-use Assets			
	Beginning balance	Additions/ Transfers	Deletions/ transfers	Ending balance
Nondepreciable right-of-use assets:				
Prepayment of subscription	\$ 622,532	44,279	—	666,811
Total right-of-use assets	622,532	44,279	—	666,811
Right-of-use assets:				
Real Estate	134,456,808	45,305	(1,192,268)	133,309,845
Equipment	391,170	—	(344,647)	46,523
Subscription	13,973,777	10,336,110	(5,308,484)	19,001,403
Total right-of-use assets	148,821,755	10,381,415	(6,845,399)	152,357,771
Less accumulated depreciation:				
Right-of-use assets:				
Real Estate	18,202,287	6,206,371	(850,989)	23,557,669
Equipment	282,653	98,562	(344,647)	36,568
Subscription	7,200,670	4,994,992	(5,308,483)	6,887,179
Total accumulated depreciation	25,685,610	11,299,925	(6,504,119)	30,481,416
Total right-of-use assets, net	\$ 123,758,677	(874,231)	(341,280)	122,543,166

2023	Right-of-use Assets			
	Beginning balance	Additions/ Transfers	Deletions/ transfers	Ending balance
Nondepreciable right-of-use assets:				
Prepayment of subscription	\$ 578,532	44,000	—	622,532
Total right-of-use assets	578,532	44,000	—	622,532
Right-of-use assets:				
Real Estate	134,181,693	923,920	(648,805)	134,456,808
Equipment	391,170	—	—	391,170
Subscription	10,800,966	3,172,811	—	13,973,777
Total right-of-use assets	145,373,829	4,096,731	(648,805)	148,821,755
Less accumulated depreciation:				
Right-of-use assets:				
Real Estate	11,974,425	6,227,862	—	18,202,287
Equipment	184,091	98,562	—	282,653
Subscription	3,216,813	3,983,857	—	7,200,670
Total accumulated depreciation	15,375,329	10,310,281	—	25,685,610
Total right-of-use assets, net	\$ 130,577,032	(6,169,550)	(648,805)	123,758,677

Lease and Subscription Liabilities

A summary of changes in the related lease and subscription liabilities during the years ended June 30, 2024 and 2023 are as follows:

2024						
Lease and Subscription Liabilities						
	Beginning balance	Additions	Remeasurements	Reductions	Ending balance	Due within One Year
Leases	\$ 121,394,371	45,305	(341,280)	4,666,376	116,432,020	4,537,685
Subscriptions	5,491,598	10,336,110	—	5,506,240	10,321,468	4,440,003
Total leases and subscriptions	\$ 126,885,969	10,381,415	(341,280)	10,172,616	126,753,488	8,977,688

2023						
Lease and Subscription Liabilities						
	Beginning balance	Additions	Remeasurements	Reductions	Ending balance	Due within One Year
Leases	\$ 125,604,832	923,920	(648,805)	4,485,576	121,394,371	4,661,752
Subscriptions	6,623,927	3,172,811	—	4,305,140	5,491,598	2,622,329
Total leases and subscriptions	\$ 132,228,759	4,096,731	(648,805)	8,790,716	126,885,969	7,284,081

Future annual payments are as follows:

Lease Payments			
	Principal amount	Interest amount	Total amount
Year ending June 30:			
2025	\$ 4,537,685	3,182,181	7,719,866
2026	5,149,330	3,073,485	8,222,815
2027	6,126,819	2,929,975	9,056,794
2028	6,326,019	2,775,186	9,101,205
2029	6,603,183	2,613,400	9,216,583
2030–2034	31,409,853	10,570,044	41,979,897
2035–2039	23,917,885	6,745,233	30,663,118
2040–2044	20,376,615	3,323,634	23,700,249
2045–2049	9,563,841	1,036,300	10,600,141
2050–2054	2,420,790	60,161	2,480,951
	<u>\$ 116,432,020</u>	<u>36,309,599</u>	<u>152,741,619</u>

Subscription Payments			
	Principal amount	Interest amount	Total amount
Year ending June 30:			
2025	\$ 4,440,003	211,581	4,651,584
2026	3,785,719	100,959	3,886,678
2027	1,274,588	30,380	1,304,968
2028	821,158	1,943	823,101
	<u>\$ 10,321,468</u>	<u>344,863</u>	<u>10,666,331</u>

The University incurred variable expenses associated with SBITAs in the amount of \$1,145,886 and \$1,012,239, as of June 30, 2024 and 2023, respectively.

(b) Lessor

As discussed in note 1(b)(vi), the University is a lessor for various noncancelable leases of buildings and land.

The University received variable lease income in the amount of \$357,635 and \$375,502 as of June 30, 2024 and 2023, respectively.

Future annual lease revenues are as follows:

Lease Revenue					
	Component unit		Non-component unit		Total
	Future inflows	Interest amount	Future inflows	Interest amount	
Year ending June 30:					
2025	\$ 46,421	87,800	400,500	20,739	555,460
2026	46,421	88,797	340,299	7,338	482,855
2027	46,421	89,773	70,079	65	206,338
2028	46,421	90,725	33,333	—	170,479
2029	46,421	91,650	33,333	—	171,404
2030–2034	232,103	471,013	166,667	—	869,783
2035–2039	232,103	488,532	166,667	—	887,302
2040–2044	232,103	499,147	166,667	—	897,917
2045–2049	232,103	500,124	166,667	—	898,894
2050–2054	232,103	488,018	166,667	—	886,788
2055–2059	232,103	458,515	166,667	—	857,285
2060–2064	232,103	406,234	161,110	—	799,447
2065–2069	232,103	324,500	—	—	556,603
2070–2074	232,103	205,060	—	—	437,163
2075–2079	185,680	46,279	—	—	231,959
	\$ 2,506,712	4,336,167	2,038,656	28,142	8,909,677

(13) Rowan University Foundation

(a) Component Unit

Rowan University Foundation (the Foundation) is a legally separate, tax exempt component unit of the University with a fiscal year end of June 30. The Foundation has received a determination letter from the Internal Revenue Service concluding that it is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation acts primarily as a fundraising entity to supplement the resources that are available to the University in support of its programs. Although the University does not control the timing or amount of receipts from the Foundation, the Foundation's assets are used exclusively for the benefit, support, and promotion of the University and its educational activities. Because these resources held by the Foundation can only be used by, or are for the benefit of the University, the Foundation is considered a component unit of the University and is discretely presented as part of the University's financial statements. The University provides accounting, accounts payable, and payroll services for the Foundation.

On August 14, 2014, the Rowan Innovation Venture Fund (the Fund) was formed as a legally separate, single member limited liability corporation whose sole member is the Foundation. The Fund is managed by or under the direction of the Fund's Board of Managers as appointed by the Foundation. Further, the Foundation is able to impose its will on the Fund by influencing its activities and is legally entitled to or can otherwise access the Fund's resources. Because the Foundation is financially accountable for the Fund, the Fund is considered a component unit of the Foundation. The primary purpose of the Fund is establishing, developing, owning, managing, operating and administering a seed and early stage venture capital fund to support and leverage the innovation talents and ideas of the members of the Rowan University community and to accelerate the impact of the University on the economic development of Southern New Jersey. As the Fund is organized as a not-for-profit corporation for which the Foundation is the sole member, its activities are blended into the totals of the Foundation. The Fund is treated as a disregarded entity by the Foundation under Treasury Regulations Sections 301.7701-1 through 301.7701-3 as it is a limited liability corporation with a single owner. Accordingly, the Fund is recognized as a tax exempt entity as described in Section 501(c)(3).

During the year ended June 30, 2024 and 2023 the University received \$15,314,513 and \$14,373,224, respectively, from the Foundation. Complete financial statements of the Foundation can be obtained from the Office of the Chief Financial Officer, Rowan University, Glassboro, New Jersey.

(b) Cash, Cash Equivalents, Restricted Nonexpendable Investments and Investments

As of June 30, 2024 and 2023, the Foundation's cash, cash equivalents and investments are reported on the statements of net position as follows:

Cash, Cash Equivalents, and Investments		
	2024	2023
Cash and cash equivalents	\$ 9,141,455	12,178,080
Restricted cash and cash equivalents	7,351,173	8,561,235
	<u>\$ 16,492,628</u>	<u>20,739,315</u>
Investments	\$ 77,872,049	68,529,098
Restricted investments	62,621,424	48,176,210
Restricted nonexpendable investments	266,958,096	252,436,857
	<u>\$ 407,451,569</u>	<u>369,142,165</u>

Cash, cash equivalents, restricted nonexpendable investments and investments consist of the following as of June 30, 2024 and 2023:

Cash, Cash Equivalents, and Investments		
	2024	2023
Cash and cash equivalents:		
Cash	\$ 8,488,591	7,023,930
Money market funds	8,004,037	13,715,385
	<u>\$ 16,492,628</u>	<u>20,739,315</u>
Investments:		
Bond mutual funds (domestic)	\$ 35,843,070	34,806,073
Common stock mutual funds (domestic)	90,903,971	88,209,870
Common stock mutual funds (international)	62,588,876	52,583,720
Privately held common stock	185,989	214,928
Venture capital investments	5,806,713	5,276,491
Alternative investments	212,122,950	188,051,083
	<u>\$ 407,451,569</u>	<u>369,142,165</u>

For the years ended June 30, 2024 and 2023, the decrease in fair value on investments was \$27,164,547 and an increase of \$16,078,226, respectively and the net realized gain on investments for June 30, 2024 and 2023 was \$5,341,208 and \$6,457,740, respectively. The calculation of realized gains and losses is independent of a calculation of the net change in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year were included as a change in the fair value of investments reported in the prior year and the current year.

The Foundation has an investment policy, which establishes guidelines for permissible investments. The Foundation may invest in domestic equity securities, international equity securities, fixed income securities, real estate investments and venture capital investments. The Foundation's cash and cash equivalents and investments are subject to various risks. Among these risks are custodial credit risk, credit risk and interest rate risk. Each one of these risks is discussed below.

Custodial credit risk is the risk that in the event of a bank failure, the Foundation's deposits may not be returned to it. Cash and money market accounts were held at a depository and bank balances amounted to \$16,506,820 and \$20,422,408 as of June 30, 2024 and 2023, respectively. Of this amount, \$304,898 and \$303,981 was FDIC insured, leaving an uninsured and uncollateralized balance of \$16,201,922 and \$20,118,427.

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 S&P and Moody's. The Foundation's investment policy requires fixed income securities to replicate the Barclays Capital Aggregate characteristics with regard to maturity, structure, duration, credit quality, sector distribution, etc. As of June 30, 2024 and 2023, the bond mutual funds (domestic) were unrated.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of a debt investment. The Foundation's investment policy does not specifically address limitations in the maturities of investments.

The Foundation's investments' average effective duration for June 30, 2024 and 2023 are as follows:

2024 Foundation Investments' Average Duration		
Investment type	Fair value	Average effective duration
Bond mutual funds (domestic)	\$ 18,829,785	6.91 years
Bond mutual funds (domestic)	10,572,693	6.15 years
Bond mutual funds (domestic)	6,290,702	7.13 years
Bond mutual funds (domestic)	149,890	6.13 years
Total	\$ 35,843,070	

2023 Foundation Investments' Average Duration		
Investment type	Fair value	Average effective duration
Bond mutual funds (domestic)	\$ 10,188,561	6.62 years
Bond mutual funds (domestic)	18,330,877	7.13 years
Bond mutual funds (domestic)	6,154,007	7.13 years
Bond mutual funds (domestic)	132,628	6.29 years
Total	\$ 34,806,073	

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 that a government can access 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 – pricing inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity or the investment.

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.

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

- Bond and common stock mutual funds – The fair value of bond and common stock mutual funds are based on quotations obtained from national securities exchanges or the published price as of the measurement date.
- Venture capital investments – The fair value of the venture capital investments is based off of the initial cost of investments that are entered into during the current fiscal year and cost was determined to approximate fair value. Venture capital investments made in prior years are analyzed to determine if any adjustments to the cost basis of such investments is necessary.
- Alternative investments (including absolute return, private equity and realty investments) – The fair value is based off of the net asset value (NAV), which is provided by the investment managers and reviewed by the management for reasonableness.

While the Foundation 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 Foundation's financial instruments at June 30, 2024 are summarized in the following table by their fair value hierarchy:

Foundation Financial Instruments Fair Value Hierarchy				
	Total	Level 1	Level 2	Level 3
Investments measured at fair value:				
Bond mutual funds (domestic)	\$ 35,843,070	35,843,070	—	—
Common stock mutual funds (domestic)	90,903,971	90,903,971	—	—
Common stock mutual funds (international)	62,588,876	62,588,876	—	—
Privately held common stock	185,989	—	—	185,989
Venture capital investments	5,806,713	—	—	5,806,713
Subtotal	195,328,619	\$ 189,335,917	—	5,992,702
Investments measured at net asset value:				
Absolute return	47,735,279			
Private equity	146,231,959			
Realty investments	18,155,712			
Subtotal	212,122,950			
Total cash equivalents and investments	\$ 407,451,569			

The Foundation's financial instruments at June 30, 2023 are summarized in the following table by their fair value hierarchy:

Foundation Financial Instruments Fair Value Hierarchy				
	Total	Level 1	Level 2	Level 3
Investments measured at fair value:				
Bond mutual funds (domestic)	\$ 34,806,073	34,806,073	—	—
Common stock mutual funds (domestic)	88,209,870	88,209,870	—	—
Common stock mutual funds (international)	52,583,720	52,583,720	—	—
Privately held common stock	214,928	—	—	214,928
Venture capital investments	5,276,491	—	—	5,276,491
Subtotal	181,091,082	\$ 175,599,663	—	5,491,419
Investments measured at net asset value:				
Absolute return	44,478,054			
Private equity	127,885,195			
Realty investments	15,687,834			
Subtotal	188,051,083			
Total cash equivalents and investments	\$ 369,142,165			

Investments Measured at NAV

The following table represents the unfunded commitments and redemption terms by investment type as of June 30, 2024:

Investments Measured at NAV				
	Fair value	Unfunded commitments	Redemption frequency (if currently eligible)	Redemption notice period
Absolute return ^(a)	\$ 47,735,279	1,925,042	Quarterly	65–100 days
Private equity ^(b)	146,231,959	53,440,527	Illiquid	Not applicable
Realty investments ^(c)	18,155,712	18,700,859	Illiquid	Not applicable
	\$ 212,122,950			

The following table represents the unfunded commitments and redemption terms by investment type as of June 30, 2023:

Investments Measured at NAV				
	Fair value	Unfunded commitments	Redemption frequency (if currently eligible)	Redemption notice period
Absolute return ^(a)	\$ 44,478,054	3,750,000	Quarterly	65–100 days
Private equity ^(b)	127,885,195	46,800,267	Illiquid	Not applicable
Realty investments ^(c)	15,687,834	16,101,982	Illiquid	Not applicable
	<u>\$ 188,051,083</u>			

- (a) Absolute return includes 5 and 6 hedge funds as of June 30, 2024 and 2023, respectively. The funds seek to achieve capital appreciations through various strategies, including long/short equity, long/short credit, relative value and other market neutral strategies. One of the investments, about 0.1% of the overall total, has been liquidated and fully redeemed by June 2024. The remaining investments are redeemable as disclosed above.
- (b) Private equity includes 33 and 32 funds as of June 30, 2024 and 2023, respectively. The funds seek to invest in nonpublicly traded investments that will eventually be sold at a return in excess of public markets. This strategy is implemented through illiquid vehicles and cannot be redeemed. The remaining life of these funds is 1 to 12 years with possible extensions for 14 funds. Capital is distributed to investors as the funds' investments are liquidated over that time period.
- (c) Realty investments includes 11 and 9 funds as of June 30, 2024 and 2023, respectively. All of the funds seek to purchase real estate that can be improved and later sold to provide a return that is in excess of public real estate markets. This strategy is implemented through illiquid vehicles and cannot be redeemed. The remaining life of these funds is 1 to 10 years with possible extensions for four funds. Capital is distributed to investors as the funds' investments are liquidated over that time period.

(c) Restricted Nonexpendable Net Position

Restricted nonexpendable net position as of June 30, 2024 and 2023 consists of the following:

	2024	2023
Henry and Betty Rowan for general operations	\$ 97,000,118	97,000,118
Virtua Health College of Medicine & Health Sciences Endowment	54,375,000	50,000,000
Henry M. Rowan College of Engineering Endowment	21,000,000	21,000,000
Jean & Ric Edelman Fossil Park Endowment	19,354,204	19,354,204
The Ric Edelman College of Communication & Creative Arts Endowment	9,500,000	9,500,000
Rohrer College of Business	6,097,280	5,597,280
Menon and Grant Scholarship Fund for College of Science and Mathematics	5,921,947	5,921,947
Rita and Larry Salva Virtua Health College of Medicine & Life Sciences of Rowan University Fund	5,850,000	—
The Shreiber Family Pet Therapy Program	3,001,345	3,001,330
The John H. Martinson Honors College	3,000,080	2,000,000
Shreiber School of Veterinary Medicine of Rowan University	2,000,500	1,000,000
RowanSOM Endowed Scholarship	—	1,750,000
Keith and Shirley Campbell Endowment to support library operations	1,641,896	1,641,896
Thomas N. Bantivoglio Honors Program for scholarships	1,403,897	1,403,897
Rohrer College of Business Honors	1,400,000	1,200,000
Rona Stern Staut Res. Professorship	1,346,517	1,346,517
John B. Campbell Professorial Chair	1,176,282	1,176,282
Rohrer Scholars for scholarships	1,080,932	1,080,932
Gus & Janice Bader Scholarship	1,019,742	1,019,542
Gourmet Dining Endowed Veterans Medical School Scholarship Fund	1,000,000	—
Lawrence and Rita Salva Medical Scholars Fund for CMSRU	1,000,000	1,000,000
William G. Rohrer Professorial Chair in the College of Business	1,000,000	1,000,000
King Family Professorial Chair	1,000,000	1,000,000
Inspira Health Network Endowed Fund	1,000,000	1,000,000
Endowed Chair for Geriatrics	1,000,000	1,000,000
Larry and Rita Salva Student Financial Assistance Fund for Rowan University	500,000	1,000,000
Other endowment funds	24,288,356	21,442,912
	<u>\$ 266,958,096</u>	<u>252,436,857</u>

(14) South Jersey Technology Park at Rowan University, Inc.*Component Unit*

South Jersey Technology Park at Rowan University, Inc. (SJTP) was established and is being maintained as part of the economic outreach vision of the University, its initial sole member. SJTP hopes to create jobs and job training and provide new and varied “hands-on” educational experiences for the University students as well as combat community deterioration. The goal of SJTP is to create job opportunities and job training for the under-employed and unemployed of the South Jersey region. SJTP is an organization described under Section 501(c) (3) of the Internal Revenue Code and therefore exempt from Federal income taxes under Section 501(a) of the Code. SJTP’s assets are used exclusively for the benefit, support, and promotion of the University and its educational activities. Because the members of the SJTP Board of Directors are appointed by the Board of Trustees of the University, SJTP is considered a component unit of the University and is discretely presented as part of the University’s financial statements.

(a) Related Party Transactions

Lease Agreements

In fiscal year 2008, the University Board of Trustees approved a long-term lease agreement for the SJTP to use a parcel of land owned by the University. The lease commenced on January 1, 2008 and is for 50 years with a renewal term of 20 years. The rental payment as of June 30, 2024 and 2023 was \$53,045 and \$51,500, respectively. The rental payment is subject to GASB 87, as such the interest portion of the payment is included in other nonoperating revenues, net in the accompanying statements of revenues, expenses, and changes in net position for fiscal years 2024 and 2023. The lease is also included in the accompanying statements of net position as discussed in note 1(b)(vi).

The University Board of Trustees approved a lease agreement by and between the University and the SJTP to lease the first floor of the Samuel H. Jones Innovation Center to support its educational mission. Beginning July 16, 2016, the University also assumed the lease for the second floor of the Innovation Center and intends to conduct renovations to increase wet lab space for the University. For the year ended June 30, 2024 and 2023, SJTP recognized \$1,130,785 and \$1,107,375, respectively, in rental income related to this lease agreement. The University also reimbursed SJTP \$200,452 and \$209,982 for utility charges associated with this lease for fiscal year 2024 and 2023, respectively.

Business Operating Agreement

SJTP and the University entered into a business operating agreement for the University to provide certain services and functions to SJTP. SJTP pays the University for these services and functions which include salaries and benefits of employees who perform functions for SJTP, accounting services, custodial services, repairs and maintenance, and other indirect charges. The charges amounted to \$522,064 and \$422,491 for fiscal year 2024 and 2023, respectively, and are reflected in professional and other services expenses in the accompanying statements of revenues, expenses, and changes in net position.

Services Agreement

During fiscal 2024, SJTP entered into a Staffing Services Agreement with SJTP to address mutual staffing needs. SJTP charges the University a proportionate share of the costs related to the employees as well as a fee based on staffing time utilized by the University. These charges amount to \$28,639 in fiscal year 2024.

(15) Subsequent Events

The University evaluated events subsequent to June 30, 2024 and through December 19, 2024, the date of which the financial statements were issued.

ROWAN UNIVERSITY
 (A Component Unit of the State of New Jersey)
 Required Supplementary Information (Unaudited)
 Schedules of Employer Contributions
 June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Public Employees' Retirement System										
Contractually required contribution	\$ 21,342,842	19,833,865	19,973,992	14,018,029	10,282,861	9,320,515	7,325,414	5,331,193	3,690,074	2,386,805
Contributions in relation to the contractually required contribution	21,342,842	19,833,865	19,973,992	14,018,029	10,282,861	9,320,515	7,325,414	5,331,193	3,690,074	2,386,805
Contribution deficiency (excess)	\$ —	—	—	—	—	—	—	—	—	—
University employee covered-payroll	\$ 59,057,114	56,738,564	54,444,989	53,739,590	53,894,207	53,123,772	50,762,197	52,135,711	50,275,748	51,495,300
Contributions as a percentage of employee covered payroll	36.14 %	34.96 %	36.69 %	26.09 %	19.08 %	17.54 %	14.43 %	10.23 %	7.34 %	4.63 %
Police and Firemen's Retirement System										
Contractually required contribution	\$ 2,802,125	2,934,363	2,803,178	1,925,985	1,491,764	1,248,845	1,069,699	805,419	545,161	268,537
Contributions in relation to the contractually required contribution	2,802,125	2,934,363	2,803,178	1,925,985	1,491,764	1,248,845	1,069,699	805,419	545,161	268,537
Contribution deficiency (excess)	\$ —	—	—	—	—	—	—	—	—	—
University employee covered-payroll	\$ 2,719,834	2,388,960	2,220,027	2,259,186	2,214,424	1,974,471	1,901,881	1,960,579	1,918,325	2,066,181
Contributions as a percentage of employee covered payroll	103.03 %	122.83 %	126.27 %	85.25 %	67.37 %	63.25 %	56.24 %	41.08 %	28.42 %	13.00 %

See accompanying independent auditors' report.

ROWAN UNIVERSITY
(A Component Unit of the State of New Jersey)
Required Supplementary Information (Unaudited)
Schedules of Proportionate Share of the Net Pension Liability
June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Public Employees' Retirement System										
University proportion of the net pension liability – state group	1.174 %	1.187 %	1.197 %	1.138 %	1.181 %	1.157 %	1.152 %	1.147 %	1.058 %	1.184 %
University proportion of the net pension liability – total plan	0.712	0.707	0.770	0.654	0.661	0.832	0.604	0.571	0.544	0.613
University proportionate share of the net pension liability	\$ 263,749,830	265,732,975	258,885,863	252,952,884	271,842,274	274,241,746	295,481,815	337,030,671	251,080,946	238,238,870
University employee covered-payroll	56,738,564	54,444,989	53,739,590	53,894,207	53,123,772	50,762,197	52,135,711	50,275,748	51,495,300	50,121,737
University proportionate share of the net pension liability as a percentage of the employee covered-payroll	464.9 %	488.1 %	481.7 %	469.4 %	511.7 %	540.2 %	566.8 %	670.4 %	487.6 %	475.3 %
Plan fiduciary net position as a percentage of the total pension liability	48.45 %	46.41 %	51.52 %	42.90 %	42.04 %	40.45 %	36.78 %	31.20 %	38.21 %	42.74 %
Police and Firemen's Retirement System										
University proportion of the net pension liability – state group	0.470 %	0.437 %	0.433 %	0.393 %	0.388 %	0.412 %	0.412 %	0.395 %	0.379 %	0.406 %
University proportion of the net pension liability – total plan	0.119	0.106	0.131	0.086	0.089	0.091	0.084	0.073	0.073	0.083
University proportionate share of the net pension liability	\$ 20,806,658	18,911,809	17,603,974	16,879,196	16,288,499	17,849,912	18,121,876	18,589,182	16,256,503	14,428,274
University employee covered-payroll	2,388,960	2,220,027	2,259,186	2,214,424	1,974,471	1,901,881	1,960,579	1,918,325	2,066,181	1,985,629
University proportionate share of the net pension liability as a percentage of the employee covered-payroll	871.0 %	851.9 %	779.2 %	762.2 %	825.0 %	938.5 %	924.3 %	969.0 %	786.8 %	726.6 %
Plan fiduciary net position as a percentage of the total pension liability	65.04 %	63.29 %	71.41 %	58.78 %	60.20 %	57.91 %	54.52 %	48.55 %	52.84 %	58.86 %
Teachers' Pension and Annuity Fund										
University proportion of the net pension liability	0.002 %	0.002 %	0.002 %	0.002 %	0.002 %	0.002 %	0.002 %	0.002 %	0.010 %	0.012 %
University proportionate share of the net pension liability	\$ —	—	—	—	—	—	—	—	—	—
State's proportionate share of the net pension liability associated with the University	818,959	888,839	840,599	1,313,388	1,205,870	1,310,288	1,479,732	1,744,239	6,423,696	6,406,231
Total net pension liability	\$ 818,959	888,839	840,599	1,313,388	1,205,870	1,310,288	1,479,732	1,744,239	6,423,696	6,406,231
University employee covered-payroll	\$ —	—	—	—	—	—	—	—	7,656	7,656
University proportionate share of the net pension liability as a percentage of the employee covered-payroll	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
Plan fiduciary net position as a percentage of the total pension liability	34.68 %	32.29 %	35.52 %	24.60 %	26.95 %	26.49 %	25.41 %	22.33 %	28.71 %	33.64 %

Notes to Required Supplementary Information

Changes in benefit terms – There were no significant changes in benefits for any of the actuarial valuations used to determine required contributions.

Changes in assumptions – The significant changes in assumptions and the annual change in the discount rate and the change in the long-term rate of return are as follows:

PERS

For 2023, the discount rate remained at 7.00% and the long-term rate of return remained at 7.00%.

For 2022, the discount rate remained at 7.00% and the long-term rate of return remained at 7.00%.

For 2021, the discount rate remained at 7.00% and the long-term rate of return remained at 7.00%.

For 2020, the discount rate changed to 7.00% from 6.28% and the long-term rate of return remained at 7.00%.

For 2019, the mortality rates changed from RP-2006 tables to Pub-2010 tables. The discount rate changed to 6.28% from 5.66% and the long-term rate of return remained at 7.00%.

For 2018, the discount rate changed to 5.66% and the long-term rate of return remained at 7.00%.

For 2017, the discount rate changed to 5.00% and the long-term rate of return changed to 7.00%.

For 2016, the discount rate changed to 3.98% and the long-term rate of return changed to 7.65% from 7.90%.

For 2015, the discount rate changed to 4.90% from 5.39%.

PFRS

For 2023, the discount rate remained at 7.00% and the long-term rate of return remained at 7.00%.

For 2022, the discount rate remained at 7.00% and the long-term rate of return remained at 7.00%.

For 2021, the discount rate remained at 7.00% and the long-term rate of return remained at 7.00%.

For 2020, the discount rate changed to 7.00% from 6.85% and the long-term rate of return remained at 7.00%.

For 2019, the mortality rates changed from RP-2000 tables to Pub-2010 tables. The discount rate changed to 6.85% from 6.51% and the long-term rate of return remained at 7.00%.

For 2018, the discount rate changed to 6.51% and the long-term rate of return remained at 7.00%.

For 2017, the discount rate changed to 6.14% and the long-term rate of return changed to 7.00%.

For 2016, the discount rate changed to 5.55% and the long-term rate of return changed to 7.65% from 7.90%.

For 2015, the discount rate changed to 5.79% from 6.32%.

See accompanying independent auditors' report.

ROWAN 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, 2024

	2024	2023	2022	2021	2020	2019	2018
University proportion of the collective total OPEB liability	— %	— %	— %	— %	— %	— %	— %
University proportionate share of the collective total OPEB liability	\$ —	—	—	—	—	—	—
State's proportionate share of the total OPEB liability associated with the University	397,117,012	419,423,528	489,658,735	568,312,787	382,327,565	486,974,034	554,246,968
Total OPEB liability	\$ 397,117,012	419,423,528	489,658,735	568,312,787	382,327,565	486,974,034	554,246,968
University covered-employee payroll	\$ 181,350,994	199,849,137	189,307,672	195,126,018	210,927,281	196,319,174	172,658,885
University proportionate share of the total OPEB liability as a percentage of covered-employee payroll	— %	— %	— %	— %	— %	— %	— %

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

Notes to the Schedule: 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*.

Changes in assumptions – There were no significant changes in assumptions except for the annual change in the discount rate.

For 2024, the discount rate changed to 3.65% from 3.50%. The mortality tables utilized Pub-2010 and Scale MP-2021.
For 2023, the discount rate changed to 3.54% from 2.16%. The mortality tables utilized Pub-2010 and Scale MP-2021.
For 2022, the discount rate changed to 2.16% from 2.21%. 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.
For 2019, the discount rate changed to 3.87% from 3.58%.

See accompanying independent auditors' report.

ROWAN UNIVERSITY
(A Component Unit of the State of New Jersey)
Schedule of Expenditures of Federal Awards
Year ended June 30, 2024

Federal grantor/pass-through grantor/program or cluster title	Assistance listing number (ALN)	Pass through grant number	Current year expenditures	Amount passed-through to subrecipients
Research and Development Cluster:				
U.S. Department of Defense:				
Resilient Arctic Infrastructure: Innovative Solutions to Protect National Security Interest and in Accordance with the Performance Work Statement (PWS) in Section C.	12.RD	—	\$ 1,198,933	—
Passed through Florida International University:				
Basic Solutions for Use of Ultra-High-Performance Concrete (UHPC) in Additive Construction (3D Printing)	12.RD	W9132T22C0018	53,701	—
Real-Time Continuous Monitoring of Ionomer Degradation with Ion-Sensitive Field-Effect Transistor (ISFET) Microsensors	12.RD	—	2,345	—
Passed Through The University of Delaware:				
Coherent Lagrangian Pathways in 3D+1 Submesoscale Transport in CALYPSO	12.300	N00014-18-1-2461	68,540	—
Designing Strong Dielectrics for GHe-Cooled HTS Systems through Nanocomposite Property Tuning	12.300	—	93,052	—
Psychostimulant Effects on Cognitive Flexibility and Risk-Based Decision-Making Behavior				
Following Repetitive Mild Traumatic Brain Injury	12.420	—	35,571	—
Psychostimulant Effects on Cognitive Flexibility and Risk-Based Decision-Making Behavior				
Following Repetitive Mild Traumatic Brain Injury	12.420	—	164,094	27,963
Passed Through PPG Industries:				
FY17-New ARL Prop w/ PPG	12.431	W911NF-17-2-0227	718,355	—
Passed through U.S. Army:				
Advancing Structural Materials for Army Modernization Approaches via Direct Write	12.431	W911NF-19-2-0152	2,602,858	348,048
Innovative Technologies and Materials to Protect National Security Interests in the Arctic Region	12.431	W913E-52-1-C0020	1,141,502	—
Passed Through NEI Corporation:				
Army STTR NEI	12.431	W56KGU-24-C-0007	78,830	—
Turret Gunner Survivability and Simulation Environment	12.431	—	1,031,169	53,202
Passed Through Stevens Institute of Technology:				
Making SCWO Treatment of PFAS-Contaminated Water More Sustainable	12.630	2103633-01	16,521	—
National Security Agency:				
Discover Cairo, Learn Arabic through STARTALK at Rowan University	12.900	—	50,505	—
2022 GenCyber Grants Program	12.903	—	174,625	—
Passed through The Rector and Visitors of the University of Virginia:				
Optimal Multi-Material Design via Tomographic Characterization and Data Driven Models	12.910	GR101237.SUB00001023	50,768	—
Total U.S. Department of Defense			7,481,369	429,213
Federal Aviation Administration:				
Visualization and Analysis of Aviation Safety Data, Simulations, and Flight Operations				
Using Artificial Intelligence and Virtual/Augmented Reality	20.108	—	109,444	—
Total Federal Aviation Administration			109,444	—
U.S. Department of Transportation:				
Visualization of Unmanned Aircraft Systems (UAS) within CAVE Virtual Reality Environment: A Feasibility Project	20.108	—	60,409	—
Highway Research and Development Program:				
National Highway Traffic Safety Administration:				
Passed through New Jersey Division of Highway Traffic Safety:				
A Novel Approach to Identify Distracted Drivers in the State of New Jersey-Phase 2	20.616	69A3752130000405ENJC	121,714	—
Passed through New Jersey Department of Transportation:				
Utilization of EPAs and LCA to Promote Sustainability in NJ's Pavements	20.200	2022RWN	41,187	16,598
Passed through Rutgers University:				
CAIT Regional UTC Consortium	20.701	0616	181,685	—
Safety Needs and Technologies Assessment for NYMTC's Suburban Counties	20.205	3174-2	54,198	—
Passed through Florida International University:				
Machine Learning Applications in Bridge Design and Monitoring	20.701	000667	19,459	—
Total U.S. Department of Transportation			478,652	16,598
National Aeronautics and Space Administration:				
Passed through University of Arizona:				
OSIRIS – Rex Asteroid Sample Mission	43.RD	NNM10AA11C	197,503	—
Passed through University of Delaware:				
20-BIODIV20-0053 - the Size, Trophic and Spatial-temporal Scaling of Environmental Selection in Pelagic Species	43.001	59676	48,319	—
From Green to Green: Utilizing an Environmental Justice Lens and Earth Science Data				
To Enhance Greenspace Equity, Exposure and Experience	43.001	—	72,008	5,755
Total National Aeronautics and Space Administration			317,830	5,755
National Science Foundation:				
RUI: Collaborative Research: Greener Processes for the Sustainable				
Development of Bio-Based Polyesters	47.041	—	1,939	—
The Impact of the SARS-CoV-2 Virus on the Integrity of the Blood-brain Barrier	47.041	—	121,487	—
Metallic Nanocluster Structure Fluctuations as an Early Detector of Cancer Biomarkers	47.041	—	30,629	—
FMRG: Threading Self-morphing Building Blocks Across Scales Toward a Sustainable Future	47.041	—	87,483	—
Collaborative Research: Rising Doctoral Institute	47.041	—	43,788	—
CAREER: A Hierarchical Restructuring Operation Framework for Sustainable and				
Resilient Electricity Distribution Systems	47.041	—	121,538	—
Collaborative Research: Investigations of Density-graded Auxetic Foams at Multiple Scales	47.041	—	78,391	—
Collaborative Research:Engineers Making Process Safety Judgements:				
Mind the Gap! Beliefs vs. Behavior	47.041	—	53,606	—
RUI: Laser-Zone Drawing and Annealing of High Strength Polymer Nanofibers	47.041	—	227,747	7,130
ERI: Exploiting Dynamic Origami for Reconfigurable and Versatile Control of Acoustic Wavez	47.041	—	68,800	—
PFI-TT: Surgical Robotic System for Long Bone Fracture Alignment	47.041	—	108,290	4,732
Passed through The Trustees of Princeton University:				
NSF-Corps Hub: North East	47.041	SUB0000550	79,049	—
NSF Engines: Type-1: The Photonics Innovation Engine (PIE) - Light-based Technologies to				
Ensure a Cleaner, Smarter, more Secure Future	47.084	SUB0000717	43,678	—
Collaborative Research: SWIFT: Wideband Spectrum Coexistence Enabled by Photonic Circuits:				
Cross-Layer Design and Implementation	47.041	—	26,677	—
Conducting Polymer Coated Cathode Nanoparticles for Improved Battery Performance	47.041	—	44,606	—
Astrocyte Mechanobiology Following Central Nervous System Injury Revealed				
By Magnetically Active Hydrogels	47.041	—	146,464	—
New Approaches for Dynamic Graph Anomaly Detection, Prediction, and Explanation	47.041	—	82,027	—
PFI-TT: Next Generation Hybrid Solar Cells Enabling Lower Cost, Safe and				
Environmentally Friendly Floating Photovoltaic Installations	47.041	—	47,796	—

ROWAN UNIVERSITY
(A Component Unit of the State of New Jersey)
Schedule of Expenditures of Federal Awards
Year ended June 30, 2024

Federal grantor/pass-through grantor/program or cluster title	Assistance listing number (ALN)	Pass through grant number	Current year expenditures	Amount passed- through to subrecipients
Research and Development Cluster, continued:				
National Science Foundation, continued:				
CAREER: Learning in Adversarial and Nonstationary Environments	47.041	—	20,160	—
CAREER: Understanding the Effects of Mechanical Dosing on Mesenchymal Stem Cell Identity	47.041	—	144,829	—
ERI: Solubility-Boosting Effect of Lattice Impurities in Anisotropic Crystals	47.041	—	72,110	—
Collaborative Research: Mimicking Stress-Mediated Invasive Solid Tumor Using Bioprinted Microtissue and Acoustofluidics	47.041	—	32,311	—
Modular Multiphase Interleaved High Current Conversion for Distributed Energy Resources	47.041	—	623	—
ERI: Human-Inspired Robotic Assistance to Prevent Slip-Induced Falls	47.041	—	44,660	—
ERI: The Impact of Ionizable Lipid Chemistry and Targeting Ligands on Biological Biological Interactions of Lipid Nanoparticles	47.041	—	26,647	—
CAREER: Metallooxaziridiness for the Synthesis of Nitrogen-Containing Three-Membered Heterocycles	47.049	—	67,634	—
RUI: Combining Experiments and Simulations to Optimize Biomeclocular Ionic Liquids for Protein Stabilization	47.049	—	2,100	—
Collaborative Research: Applying Ion-Exchange Chromatography-Supercritical Fluid Chromatography to Small Molecule Analysis	47.049	—	6,510	—
RAPID: Understanding and Mitigating the Effects of University Closures due to COVID-19 on Black Students and Physics at the Bachelors Level	47.049	—	24,118	14,892
CAREER: Parallel Two-Dimensional Liquid Chromatography Utilizing Capillary Columns	47.049	—	50,367	—
Collaborative Research: Multi-Configurational Methods for Charge Transport in Nanoscale Electronics	47.049	—	35,763	—
CAREER: Magnetic Resonance Characterization and Application of Carbon-Based Quantum Dots as Multimodal Chemical Sensors	47.049	—	67,265	—
LEAPS-MPS: Splitting all-at-once approach to inverse medium scattering problems	47.049	—	28,903	—
LEAPS-MPS: Aryl Tosylates as Building Blocks for the Synthesis of Oxygen-containing Heterocycles	47.049	—	54,318	—
RUI-dragon-phi: Deep-time Redox Analysis of the Geobiology Ontology Network	47.050	—	60,217	—
Protein Hardware Integrates Redox Evolution	47.050	—	63,915	—
ENSO Flavors during the Last Glacial Maximum	47.050	—	80,620	—
GP-UP: Growing Rowans Environmental Education Network in Southern New Jersey (GREEN-SJ)	47.050	—	—	—
EAR-Climate: Collaborative Research: Methane Dynamics Accross Microbe-to-Landscape Scales in Coastal Wetlands	47.050	—	34,354	—
Core Stratigraphy and Paleotemperature Estimates to Characterize Last Interglacial Tropical Pacific Climate Variability and El Nino Southern Oscillation During MIS 5e	47.050	—	19,668	—
Collaborative Research: Assessing the Timing and Characteristics of Deglacial Laurentide Ice Sheet Thinning in the Northeast United States Through Paired Data-model Analyses	47.050	—	68,885	—
Passed through the Trustees of Columbia University in the City of New York: US Science Support Program Office Associated with the International Ocean Discovery Program (USSSP-IODP)	47.050	124(GG009393-04)	26,940	—
CAREER: Synthesizing Structural Uncertainty of Sea-level Rise Projections to Improve Application in Decision Making	47.050	—	60,718	—
Probing Causal Links Among Volcanism, Dust, and Carbon Burial in the Permian-A Harbinger of the Future?	47.050	—	4,483	—
Collaborative Research: GP-IN: Transforming Geoscience Fieldwork into Integrated, Virtual Education Experiences	47.050	—	25,418	12,439
Collaborative Research: GPS: Medium: RUI: Cooperative AI Inference in Vehicular Edge Networks for Advanced Drive-Assistance Systems	47.070	—	103,527	—
Advanced Cyberinfrastructure for Teaching and Research at Rowan University And the Southern New Jersey Region	47.070	—	12,491	—
Passed through the H. Lee Moffitt Cancer Center and Research Institute Inc.: SCSNe - Self-Assessment and Continual Learning on Edge Devices	47.070	15-22235-99-01-G2	15,326	—
CRII: SHF: A Parallel and Distributed Framework for Graph Mining on GPUs	47.070	—	25,019	—
Passed through Tulane University: Collaborative Research: III Medium: New Machine Learning Empowered Nanoinformatics System for Advancing	47.070	TUL-HSC-562056-23/24	104,346	—
CAREER: Experimental Studies of Protein Thermodynamics Facilitated by NMR with Reverse Micelles	47.074	—	164,396	—
CAREER: Microbial Regulation of Individual and Social Behaviors in Honey Bees	47.074	—	97,603	—
Collaborative Research: IIBR Informatics: Keeping up with the Genomes-Continual Learning of Metagenomic Data	47.074	—	60,500	—
The Impact of the Voltage Sensing Phosphatase (VSP) Dimers on Neurons	47.074	—	176,089	—
CAREER: Statistical Models and Parallel-computing Methods for Analyzing Sparse and Large Single-cell Chromatin Interaction Datasets	47.074	—	60,256	—
CAREER: Stable transformation of STEM Identity by Integrating Cell Cycle Regulation with Persistent Infection in Agrobacterium	47.074	—	23,806	—
CAREER: Transport Phenomena and the Uptake of Foreign Species during Crystal Growth	47.049	—	5,998	—
Passed through University of Kentucky	—	—	—	—
Collaborative Research: Examining the Longitudinal Development of Pre-Service Elementary Teachers' Equitable Noticing of Children's Mathematical Thinking	47.049	3200005690-24-153	1,623	—
Passed through University of Maryland: Reconstructing the Evolution of Novel Development Regulators	47.074	—	37,704	—
Rowan Noyce Scholars Program	47.076	—	206,125	—
Functional Organization of Locus Coeruleus Projections to CNS Motor Circuits	47.074	—	212,595	—
Defining Almost Correct: Quantifying Student Understanding Hidden in Wrong Answers	47.076	—	11,682	—
Passed through University of Alabama-Huntsville: Renewal of the Scholarship for Service Program at the University of Alabama in Huntsville	47.076	DGE-1753900	172,973	—
Improving Problem-based Learning through Personalized Online Instruction that Promotes Student Engagement	47.076	—	77,928	17,976
Passed through University of Pittsburgh: Learning Engineering Ethics Through High-Impact Collaborative and Competitive Scenarios	47.076	1934702	6,221	—
Broadening Participation in STEM Through Virtual Reality Career Exploration	47.076	—	41,619	—
Catalyst: STEM Academic Intersectional Gender Equity (SAIGE) at Rowan University	47.076	—	65,029	—
Passed through Drexel University: Louis Stokes STEM Pathways and Research Alliance: Greater Philadelphia Region LSAMP	47.076	HRD-2008197	17,481	—
Graduate Research Fellowship Program (GRFP)	47.076	—	36,961	—
Power Engineering Education for the Next-Generation Smart Grid Workforce	47.076	—	15,518	5,000
Multiphysics Enriched Mixed Reality for Integrated Geotechnical Education	47.076	—	107,330	18,095
Collaborative Research: Measuring and Improving Physics Quantitative Literacy Throughout the Undergraduate Curriculum	47.076	—	1,541	—
Transforming Graduate Education in Transportation Engineering: Applying Cognitive Apprenticeship To Translate Doctoral Student Skills from Research-to-Practice	47.076	—	105,718	—
Collaborative Research: Quantifying Seasonal and Interannual Changes in Shelf-Derived	47.076	—	161,834	—

ROWAN UNIVERSITY
(A Component Unit of the State of New Jersey)
Schedule of Expenditures of Federal Awards
Year ended June 30, 2024

Federal grantor/pass-through grantor/program or cluster title	Assistance listing number (ALN)	Pass through grant number	Current year expenditures	Amount passed- through to subrecipients
Research and Development Cluster, continued:				
National Science Foundation, continued:				
Using Complex Systems Theory and Methods to Gauge the Gains and Persisting Challenges of Broadening Participation Initiatives	47.076	—	2,109	—
ECCS-EPSRC - ShiRAS: Towards Safe and Reliable Autonomy in Sensor Driven Systems	47.041	—	296	—
Cultivating the Future Soft Robotics Workforce through Integrated Undergraduate Research and Education	47.076	—	54,182	—
Engineering Persistence: Low Income Support for Low Income Student to Catalyze Diversity and Success	—	—	—	—
Material Inputs to the Arctic Ocean: The Arctic Radium Isotope Observing Network (ARION)	47.078	—	89,528	—
I-Corps: Automatic Aortic Aneurysm Screening using Deep-Learning Models	47.084	—	5,902	—
I-Corps: Imaging Software for Long-Bone Fracture Alignment	47.084	—	18,930	—
I-Corps: Hardware Acceleration of Scientific Computing and Intelligent Instrumentation	47.084	—	16,666	—
NSF 21-552 Innovation Corps - National Innovation Network Teams Program (I-Corps TM Teams)	47.084	—	28,911	—
I-Corps: A Conductive Scaffold with a Tunable Mechanical and Biochemical Environment for Spinal Cord Injury Repair	47.084	—	49,653	—
Total National Science Foundation			4,932,947	80,264
U.S. Environmental Protection Agency:				
Optimization of Pipeline Flushing and Lube Oil Blending Operations	66.708	—	18,768	—
Waterworks: Developing the New Generation of Workforce for Water/Waste Utilities	66.445	—	199,439	21,250
Computational Modeling and Machine Learning for Sustainable Process Synthesis, Safer Alternative Chemicals, and other Environmental Impacts Assessment	66.708	—	130,031	—
Roadmap for Efficient Transportation and Packaging Processes in Petroleum Pipelines	66.708	—	154,896	—
E3: Energy, Environment and Education	66.951	—	9,602	5,480
Total U.S. Environmental Protection Agency			512,736	26,730
U.S. Department of Health and Human Services:				
Compassion Disparities in Primary Care: A Mixed Methods Pilot Study	93.226	—	8,484	—
Substance Abuse and Mental Health Services Administration:				
New Jersey Collaborative to Improve Access to Overdose Treatment	93.243	—	95,083	10,610
Health Resources and Services Administration:				
Primary Care Training and Enhancement: Training Primary Care Champions	93.884	—	273,480	—
National Institutes of Health:				
Mechanism Driven Virtual Adverse Outcome Pathway Modeling for Hepatotoxicity	93.113	—	126,884	64,821
Passed through Oregon State University:				
Discovering Chemical Activity Networks-Predicting Bioactivity Based on Structure	93.113	P0533B-A	46,573	—
Defining Gene Expression and Regulation in Lingual Taste and Non-taste Papilla Epithelium	93.173	—	46,390	—
Passed through New Jersey Institute of Technology:				
Handheld 3D Bioprinting of Self-Healing Hydrogels for Vocal Fold Reconstruction	93.173	997837	44,936	—
Evaluation of Micro-epidermal Actuators on Flexible Substrates for Pediatric-friendly Conductive Hearing Aids	93.173	—	62,270	—
Passed through Duke University:				
Optimizing a Self-directed Mobile Mindfulness Intervention for Improving Cardiorespiratory Failure	93.213	A032362	7,179	—
Repetitive Thinking and Emotional Health in Adults with ASD	93.242	—	304,820	—
Exercise and TLR1: Mechanisms of resilience to chronic stress	93.242	—	60,765	—
Predicting Maladaptive Aversive Learning via Computational Modeling of Insular Single Cell Ensemble Activity Patterns	93.242	—	241,901	—
Role of brain Avpr1a-expressing Neurons in Modulation of Social Behavior	93.242	—	265,305	—
The Development and Validation of a Novel Paradigm for Assessing Sexual Assault Risk Perception in MSM	93.273	—	116,197	35,906
Neural Circuitry Mediating Behavioral Flexibility	93.279	—	89,373	—
Re-Connect: Personalized, Non-Monetary Smartphone-based Rewards for Smoking Cessation	93.279	—	123,636	48,087
Stress-induced Locus Coeruleus Dysfunction as a Mediator of Opioid Abuse	93.279	—	16,564	—
Neurochemical Mechanisms Governing Footshock-induced Suppression of Methamphetamine Intake	93.279	—	44,378	—
Passed through Axceed, LLC:				
Compact Liquid Chromatography for Routine Screening in Drug Treatment Centers	93.279	NIH03P1	30,040	—
Combination Drug Therapy to Treat Pain with Minimal or no Abuse Potential and Side-effects	93.279	—	103,908	33,090
Development of High-affinity and Selective Ligands as Pharmacological Tools to Explore Dopamine D4 Receptor (D4R) Subtype Variants	93.279	—	89,151	—
Negative allosteric modulators of the D3 dopamine receptor as therapeutic leads for substance use disorders	93.279	—	28,264	—
Image-Guided Surgical Robot for Femur Fracture Alignment	93.286	—	18,427	—
A Paradigm Shift in Health Behavior Change: Understanding When and How Social Comparison Supports Healthy Behavior	93.310	—	149,403	—
Passed through Innovations Unlimited, LLC:				
TrachAlarm: A novel, low-cost accessory to automatically detect and alert caregivers to Tracheostomy Tube Decannulation	93.361	R44NR018418	29,371	—
The Impact of Cannabis and Tobacco/Nicotine Product Co-use in Young Adults:				
Prospective Cessation Evaluation and Substitution	93.393	—	10,463	—
Cadherins, Contact Normalization and Targeting Podoplanin to Treat Oral Cancer	93.395	—	176,216	—
Passed through Sentimed, Inc.:				
Targeting OSCC Cells with a Lozenge to Treat Oral Cancer	93.395	Sen202208a	62,939	—
Targeting Podoplanin to Prevent and Combat Oral Cancer	93.396	—	218	—
Identifying and Targeting Unique Physical Activity Determinants for Midlife Women	93.837	—	115,350	—
Predictors of Reactivity to Physical Activity Measurement Among Women in Midlife With Elevated CVD Risk: Examination Across 7 Studies	93.837	—	91,177	—
Airway Inflammatory Pathways Regulating Glucocorticoid Receptor Phosphorylation	93.838	—	257,879	—
Emerin regulation of molecular pathways: Implications for muscle disease	93.846	—	72,137	—
Cellular and Molecular Mechanisms Regulating Synovial Joint Development	93.846	—	64,406	—
Passed through Pennsylvania State University:				
Randomized Controlled Trial of a Six-Month Mindfulness-based Intervention for Type 2 Diabetes	93.847	1R01DK119379-01	(7,179)	—
Passed through Drexel University:				
Sharing Digital Self-Monitoring Data with Others to Enhance Long-Term Weight Loss: A Randomized Trial using a Factorial Design	93.847	900144	77,548	—
Passed through Yale University:				
George M. O'Brien Kidney Center at Yale	93.847	CON-80004506 (GR119654)	8,781	—

ROWAN UNIVERSITY
(A Component Unit of the State of New Jersey)
Schedule of Expenditures of Federal Awards
Year ended June 30, 2024

Federal grantor/pass-through grantor/program or cluster title	Assistance listing number (ALN)	Pass through grant number	Current year expenditures	Amount passed-through to subrecipients
Research and Development Cluster, continued:				
U.S. Department of Health and Human Services, continued:				
National Institutes of Health, continued:				
The Role of the Glial Engulfment Receptor Jedi 1 in Regulating Sensory Neuron Function	93.853	—	34,341	—
Modulation of the TLR4-Lyn interaction in SAH	93.853	—	388,294	—
Serotonergic Control of the Sympathoadrenal Stress Response	93.853	—	29,768	—
Passed through Tufts University:				
Signaling Mechanisms in VIBRIO Cholerae Parallel Quorum Sensing Pathways	93.855	R01AI121337	15,257	—
Passed through University of California at Los Angeles:				
Untangling the Mechanisms of Initiation and Discontinuous RNA Synthesis by COVID-19 RdRp	93.855	0980 G LC709	25,086	—
Antimicrobial mechanisms of Specialized Proresolving Mediators	93.855	—	(67,268)	—
Bridges to Baccalaureate: Cumberland County College Bridge to Rowan	93.859	—	42,984	—
Passed through the Regents of the University of California:				
Structural Dynamics of RNAP promoter Complex in Late Transcription Initiation	93.859	0518 G WB837	27,794	—
Traditional Rescue Mechanisms in Eukaryotes	93.859	—	4,464	—
Regulation of Calcium Signaling by Protein Lipidation	93.859	—	81,088	44,619
The Role of CTCF in Establishing and Maintaining Chromatin Architecture during M. Musculus Spermatogenesis	93.859	—	64,611	—
Passed through John Hopkins University:				
The Role of Superoxide Dismutase SOD-1 in Microbe-gut-Brain Interaction	93.859	R01GM131156	222,363	—
Investigation of the Physiological Significance of Protein Acetylation in Bacillus Subtilis	93.859	—	392,075	3,787
Biomedical Research and Research Training	93.859	—	408,066	—
RPA-Directed DNA Repair Mechanisms	93.859	—	383,878	—
Portable Liquid Chromatography Platform for Diverse Pharmaceutical Applications	93.859	—	8,537	—
Activation and Regulation Mechanisms of the RAF Kinase Family	93.859	—	353,476	—
Characterizing the Function and Regulation of a Conserved Virulence-Associated Genetic Pathway of Pathogenic Alphaproteobacteria	93.859	—	33,871	3,272
Virtual Nanomaterial Simulation (VNAS) Portal	93.859	—	133,514	71,815
Deconstructing Diazepines: Novel Approaches to their Systematic Synthesis	93.859	—	86,467	—
Circadian Control of Blood Pressure in the Nucleus of the Solitary Tract	93.859	—	18,018	—
Novel Targeted Therapy for Refractory Multiple Myeloma	93.859	—	4,429	—
Dating Violence and Sexual Risk Prevention for Young Mothers	93.865	—	75,697	(2,507)
Passed through Northeast Ohio Medical University:				
The Effect of Sensory Intervention on Swallowing and Respiration through Neurological Maturation in Preterm Infants	93.865	G0266-A	37,238	—
Imaging the alpha7 nicotinic acetylcholine receptor in mild cognitive impairment	93.866	—	48,482	—
Prefrontal Neural Modulation to Restore Cognitive Deficits in an Alzheimer's Disease Rat Model	93.866	—	178,200	—
Passed through Tulane University:				
ISC DECADE: Disparities and Equity in Childhood Cardiovascular Exposures and and Alzheimer's Dementia	93.866	TUL-HSC-560471-22/23	20,053	—
Reproductive History and Later-life Brain Health: The Bogalusa Heart Study	93.866	TUL-HSC-561685-23/24	27,060	—
A Novel Research Infrastructure Enabling Life-course Studies of Healthy Aging	93.866	TUL-HSC-560884-22/23	45,961	—
Differential Clearance of Pyroglutamate Aβeta through Arachnoid and Meningeal Lymphatics in Alzheimer Disease	93.866	—	351,733	147,901
The Role of Cyclin C in Mediating Neurodegenerative Proteinopathies	93.866	—	40,130	—
RNA oxidation is RAS-driven cancer	93.396	—	179	—
Total National Institutes of Health			6,764,996	450,791
Total U.S. Department of Health and Human Services			6,868,563	461,401
U.S. Department of Justice:				
Crisis Outreach during Police Encounters Response System in Atlantic City, NJ (Project COPE)	16.745	—	104,434	61,279
2021 OVC FY 2021 Advancing Hospital-Based Victim Services	16.432	—	157,093	148,160
Total U.S. Department of Justice			261,527	209,439
U.S. Department of Agriculture:				
TeraHerz (THz) Raman and X-Ray Diffraction (XRD) Characterization of Dietary Fiber	10.001	—	9,353	—
National Institute of Food and Agriculture:				
CAREER: Stable Transformation of STEM Identity by Integrating Cell Cycle Regulation with Persistent Infection in Agrobacterium	10.310	—	84,852	—
Passed through Penn State University:				
Alternative Economic Platforms For Cellular Agriculture: Socioeconomic, Cultural, Environmental, Legal, Welfare and Ethical Implications	10.310	S004156-USDA	15,514	—
Passed through New Jersey Department of Agriculture:				
Early Detection of Mapping of Carolina Redroot in Cranberry Bogs	10.170	23SCBPNJ1201-00	2,999	—
Nonthermal Decontamination of Leafy Vegetable Food Products	10.310	—	97,231	—
Using Nanosecond Pulsed Electric Field Exposures	10.310	—	175,078	—
AI-Based VR Modeling for Identifying Threats to Water Resources in Landfills	10.310	—	—	—
Total U.S. Department of Agriculture			385,027	—
National Oceanic and Atmospheric Administration:				
Passed through University of Delaware:				
Dentrification in Response to P Australia Invasion and Simulated Prescribed Burns in a Del Tidal Marsh	11.419	UDB0005549	3,600	—
Passed through New Jersey Sea Grant Consortium:				
Predicting the Response of Salt Marsh Methane Emissions to Sea-Level Rise Through Field and Numerical Experiments	11.417	6228-006	75,189	29,588
Passed through New Jersey Sea Grant Consortium:				
Removal of Nutrients and Pollutants from Stormwater Runoff through Green Infrastructure and Low Impact Development Optimization	11.417	UDB0005549	6,337	—
Total National Oceanic and Atmospheric Administration			85,126	29,588
U.S. Fish and Wildlife Service:				
Passed through Texas Parks and Wildlife Department:				
Comprehensive Conservation Assessment of Texas Tiger Beetles (Coleoptera: Cicindelidae)	15.634	CA-0004689	7,357	—
Passed through New Jersey Department of Environmental Protection				
Habitat Change Analysis	15.611	FG24-010	44,000	31,500
Total U.S. Fish and Wildlife Service:			51,357	31,500
Total Research and Development Cluster			21,484,578	1,290,484

ROWAN UNIVERSITY
(A Component Unit of the State of New Jersey)
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Year ended June 30, 2024

Federal grantor/pass-through grantor/program or cluster title	Assistance listing number (ALN)	Pass through grant number	Current year expenditures	Amount passed- through to subrecipients
Student Financial Assistance Cluster:				
U.S. Department of Education:				
Federal Supplemental Educational Opportunity Grant	84.007	—	746,356	—
Federal Work Study	84.033	—	1,451,887	—
Federal Perkins Loan	84.038	—	535,836	—
Federal Pell Grant Program	84.063	—	27,912,570	—
Federal Direct Student Loans				
Parent Loans	84.268	—	22,225,876	—
Graduate Loans	84.268	—	19,139,856	—
Subsidized Loans	84.268	—	22,171,034	—
Unsubsidized Loans	84.268	—	71,180,047	—
Total Federal Direct Student Loans			134,716,813	—
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379	—	10,845	—
Total U.S. Department of Education			165,374,307	—
U.S. Department of Health and Human Services:				
Loans for Disadvantaged Students	93.342	—	792,249	—
Total U.S. Department of Health and Human Services			792,249	—
Total Student Financial Assistance Cluster			166,166,556	—
U.S. Department of Education:				
Undergraduate International Studies and Foreign Language Program (UISFL)	84.016A	—	64,054	14,558
Passed through New Jersey Department of Education:				
Special Education Cluster (IDEA):				
Special Education - Grants to States	84.027	530-2022003A2	928,511	—
Special Education - Grants to States	84.027	500-20200022	182,963	182,963
Total Special Education - Grants to States (ALN 84.027)			1,111,474	182,963
TRIO - Rowan University Upward Bound Program FY23	84.047	—	270,833	—
Passed through Middlesex College:				
Open Textbook Collaborative Project	84.116T	P116T200028	61,434	—
Rowan University Wind Energy Workforce Training Program	84.116Z	—	339,840	—
Training, Equity, and Access to Mental Health- Rowan University and Millville Public Schools Partnership	84.184X	—	397,322	51,533
Rowan's Graduate Fellowship Prepares for the Modern Age of Artificial Intelligence	84.200	—	403,586	—
GOSTARS: Graduate Opportunities in Safe Transportation and Resilient Systems	84.200	—	274,581	—
Graduate Assistance in Areas of National Need: Clinical Psychology	84.200	—	145,682	—
Total ALN 84.200			823,849	—
Gear Up Program - FY23	84.334	—	349,000	—
Gear Up Program - FY24	84.334	—	134,730	—
Total Gear Up Program - FY24 (ALN 84.334)			483,730	—
Language, Literacy, and Culture in Oaxaca, Mexico: A Rowan Summer Experience for K-12 Educators & Administrators	84.021A	—	36,950	—
The Rowan CCAMPIS Program	84.335	—	181,040	—
Passed through the State of New Jersey:				
COVID-19 CARES Act Governor's Emergency Education Relief Fund (GEERFII) - Opportunity Meets Innovation Challenge	84.425C	—	454,253	—
COVID-19 CARES Act Governor's Emergency Education Relief Fund (GEERFII) - Hunger Free Campus	84.425C	—	54,483	—
Total CARES Act Governor's Emergency Education Relief Fund (GEERFII) (ALN 84.425C)			508,736	—
Total U.S. Department of Education			4,279,262	249,054
U.S. Department of Health and Human Services:				
Office of the Secretary:				
Endometriosis Education, Screening, Brief Intervention and Referral to Treatment (ENDO-SBIRT) to Increase Diagnosis and Treatment of Endometriosis in Women with OUDs at Risk for Fatal Overdose	93.088	—	249,617	—
Total Office of the Secretary			249,617	—
Substance Abuse and Mental Health Services Administration:				
Passed through New Jersey Department of Human Services:				
State Opioid Response Medication Services	93.788	TI026802	997,577	—
Rowan Southern Center of Excellence Medication-Assisted Treatment in County Correctional Facilities	93.788	2020 - MOA174	610,554	—
Total ALN 93.788			1,608,131	—
Passed through Allegheny-Singer Research Institute:				
AGH Center for Traumatic Stress in Children and Adolescents (CORE)	93.243	49249409	4,753	—
AGH Center for Traumatic Stress in Children and Adolescents (CORE)	93.243	49250509	21,998	—
Passed through Atlantic County Sheriff's Office:				
Enhancing First Responder Access to Overdose Treatment in Atlantic County New Jersey	93.243	H79TI082527	95,116	—
Increasing Access to Treatment and Housing for Homeless Overdose Survivors	93.243	—	68,489	—
Substance Abuse and HIV Prevention Navigation for High Risk African American And Hispanic Youth of New Jersey	93.243	—	205,273	14,176
Neuroplasticity-Based Suicide Prevention Program for Allopathic and Osteopathic Medical Students at Rowan University	93.243	—	58,830	—
Minority AIDS Initiatives for High Risk Men of New Jersey	93.243	—	544,283	275,915
Integrated Mental Health Awareness and Suicide Prevention from Opiates Training for Individuals at the Frontline of the Opioid Epidemic in New Jersey	93.243	—	172,733	—
Passed through University of Puerto Rico, Rio Piedras:				
Trauma Focused Cognitive Behavioral Therapy for Children and Adolescents of Puerto Rico	93.243	1H79SM084875-01	16,441	—
Project CARES: Increasing Access to Effective Trauma-Focused Treatment Through Training and Self-Care	93.243	—	393,596	—
Northeast Collaborative to Improve Access to Overdose Treatment	93.243	—	95,304	1,630
Total ALN 93.243			1,676,816	291,721
Total Substance Abuse and Mental Health Services Administration			3,284,947	291,721
Centers for Disease Control and Prevention:				
Immunization Cooperative Agreements:				
Passed through State of New Jersey Department of Health:				
COVID-19 Vaccination Program Activity B 2022	93.268	DCHS22VXB006	168,091	57,472
Passed through Atlantic County Department of Human Services:				
Community Health Workers to Build Capacity for COVID-19 Response and Create Resilient Communities in Atlantic County, New Jersey	93.495	NU58DP007000	265,868	—
Total Centers for Disease Control and Prevention			433,959	57,472
Health Resources and Services Administration:				
Model State Support Area Hlth Edu Center	93.107	—	412,376	336,361

ROWAN UNIVERSITY
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Schedule of Expenditures of Federal Awards
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Federal grantor/pass-through grantor/program or cluster title	Assistance listing number (ALN)	Pass through grant number	Current year expenditures	Amount passed- through to subrecipients
U.S. Department of Health and Human Services, continued				
Advanced Nursing Education Workforce: The Diverse Recruitment, Equity, and Mastery (DREAM) project	93.247	—	195,970	—
Community Health Worker Training Program	93.516	—	878,775	358,885
National HCOP Academy to Support Careers in Osteopathic Medicine	93.822	—	136,728	—
Health Careers Opportunity Program	93.822	—	468,669	—
Total ALN 93.822			605,397	—
Primary Care Training and Enhancement - Language and Disability Access	93.884	—	284,515	—
Geriatric Workforce Enhancement Program	93.969	—	845,413	251,999
Total Health Resources and Services Administration			3,222,446	947,245
Total U.S. Department of Health and Human Services			6,941,352	1,296,438
National Aeronautics and Space Administration:				
Behind the Telescope: Building Girl's Confidence in STEM Through Hands-on Astronomy Outreach	43.006	—	14,160	—
Passed through Rutgers University:				
New Jersey Space Consortium FY2020-2024	43.006	80NSSC20M0066	22,108	—
Total National Aeronautics and Space Administration (ALN 43.006)			36,268	—
U.S. Department of Agriculture:				
Community Facilities Loans and Grants	10.766	—	18,758,576	—
Total U.S. Department of Agriculture:			18,758,576	—
U.S. Department of Interior:				
Pre and Post storm (PFAS) (per and polyfluoroalkyl substances) distribution in Atlantic Reservoir and connected streams	15.805	—	6,092	—
Total U.S. Department of Interior			6,092	—
U.S. Agency for International Development (USAid):				
Passed through Inclusive Development Partners:				
Next Generation Early Grade Reading Activity (NextGen)	98.001	AID-47QRAD20DU117/72061222N00001	14,932	—
Total U.S. Agency for International Development (USAid)			14,932	—
U.S. Department of State:				
Process and Outcome Evaluation of the Police Athletic League (PAL) Program in El Salvador	19.705	—	115,238	18,000
Total U.S. Department of State			115,238	18,000
U.S. Department of Treasury:				
Passed through Florida State University:				
Assessing Restoration Success and Ecosystem Services across the Panhandle Region to assist in restoration target setting	21.015	R000003340	324	—
Total U.S. Department of Treasury			324	—
U.S. Department of Veteran's Affairs:				
Staff Sergeant Parker Gordon Fox Suicide Prevention Program	64.055	—	544,638	224,180
Total U.S. Department of Veteran's Affairs			544,638	224,180
U.S. Department of Commerce:				
Passed through Virginia Polytechnic Institute and State University				
Preventing, Detecting, and Correcting flaws in laser powder bed fusion by combining thermal simulations with in-situ meltpool sensor data	11.609	—	3,534	—
Total U.S. Department of Commerce			3,534	—
National Endowment for the Humanities:				
Passed through New Jersey Council for the Humanities:				
Juneteenth Archive: Creating a NJ Prototype	45.129	SO-289873-23	2,683	—
American Tapestry: Weaving Together Past, Present, and Future	45.162	—	65,443	—
Strengthening Humanistic Literacy in the Study of Sport: Developing a Minor and Certificate in Sports & Society	45.162	—	32,886	—
Total ALN 45.162			98,329	—
Total National Endowment for the Humanities			101,012	—
National Endowment for the Arts:				
Passed through Mid Atlantic Arts Council				
An Engagement with Arturo O'Farrill and the Afro Latin Jazz Orchestra	45.025	1914173-61-23	9,600	—
Total National Endowment for the Arts			9,600	—
Total Expenditures of Federal Awards			\$ 218,711,579	3,078,157

See accompanying notes to schedules of expenditures of federal awards.

ROWAN UNIVERSITY
(A Component Unit of the State of New Jersey)
Notes to Schedule of Expenditures of Federal Awards
Year ended June 30, 2024

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) include the federal grant activity of Rowan University (the University) and is presented on the accrual basis of accounting. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the 2024 basic financial statements. The University has included expenditures on prior year grant awards where extensions have been granted from funding agencies or amounts were approved for outstanding purchase orders. Credit expenditures or expenditures occurring after the grant period end typically result from grant or contract closing adjustments and transfers to recognize awards for which the University overspent their authorized award amount and will cover the excess with institutional funds.

(2) Indirect Cost Rate

The University has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

(3) Federal Perkins Loan Program and Loans for Disadvantaged Students

The University administers and accounts for certain aspects of the Federal Perkins Loan Program (ALN 84.038) and the Health Professions Student Loans, Including Primary Care Loans and Loans for Disadvantaged Students program (ALN 93.342). The University's basic financial statements include the programs' net position and transactions. The balance of loans outstanding under these programs as of June 30, 2024 were as follows:

	Federal Perkins Loan Program	Health Professions Student Loans, Including Primary Care Loans and Loans for Disadvantaged Students
Beginning balance	\$ 535,836	722,250
New loans issued	—	70,000
Payments	(159,783)	(86,747)
Assigned/accepted	—	—
Cancellations	—	—
Ending balance	<u>\$ 376,053</u>	<u>705,503</u>

ROWAN UNIVERSITY
(A Component Unit of the State of New Jersey)
Notes to Schedule of Expenditures of Federal Awards
Year ended June 30, 2024

(4) Federal Direct Student Loans

The University is responsible only for the performance of certain administrative duties with respect to Federal Direct Student Loans and, accordingly, these loans are not included in the University's basic financial statements. It is not practical to determine the balance of Federal Direct Student Loans outstanding to students of the University as of June 30, 2024.

(5) Community Facilities Loans and Grants

The University was approved for United States Department of Agriculture (USDA) loan funding through the Community Facilities Loans and Grants Cluster (ALN 10.766). The University was required to obtain interim financing through the Gloucester County Improvement Authority (GCIA) and fund the construction of a new student center through the GCIA interim financing. Once the construction on the student center is substantially complete, USDA will pay off the GCIA interim financing directly, then the University will be required to pay USDA back over the term of the loan. Reimbursements to the University from the GCIA interim financing for the years ended June 30, 2024 and 2023 totaled \$13,120,510 and \$5,638,066, respectively. For the year ended June 30, 2024, \$18,758,576 was the outstanding loan balance that will convert to the USDA loan.



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

The Board of Trustees
Rowan University:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of Rowan University (the University), a component unit of the State of New Jersey, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated December 19, 2024.

The financial statements of Rowan University Foundation and South Jersey Technology Park at Rowan University, Inc. were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial report or instances of reportable noncompliance associated with Rowan University Foundation and South Jersey Technology Park at Rowan University, Inc.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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



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

Purpose of This Report

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

KPMG LLP

Short Hills, New Jersey
December 19, 2024



KPMG LLP
Suite 4000
150 John F. Kennedy Parkway
Short Hills, NJ 07078-2702

Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

The Board of Trustees
Rowan University:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Rowan University's (the University) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2024. The University's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the University's federal programs.



Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.



Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the University as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated December 19, 2024, which contained unmodified opinions on those basic financial statements. Our audit was conducted for the purpose of forming opinions on the 2024 basic financial statements as a whole. The accompanying schedule of expenditures of federal awards for the year ended June 30, 2024 is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 2024 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2024 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2024 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2024 basic financial statements or to the 2024 basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the 2024 basic financial statements as a whole.

KPMG LLP

Short Hills, New Jersey
March 26, 2025

ROWAN UNIVERSITY
(A Component Unit of the State of New Jersey)
Schedule of Findings and Questioned Costs
Year ended June 30, 2024

(1) Summary of Auditors' Results

- (a) Type of report issued on whether the basic financial statements were prepared in accordance with generally accepted accounting principles: **Unmodified opinions were issued on the basic financial statements of the business-type activities and the aggregate discretely presented component units of Rowan University, a component unit of the State of New Jersey, as of and for the year ended June 30, 2024.**
- (b) Internal control deficiencies over financial reporting disclosed by the audit of the basic financial statements:
 - Material weaknesses: **No**
 - Significant deficiencies: **None reported**
- (c) Noncompliance material to the basic financial statements: **No**
- (d) Internal control deficiencies over major federal programs disclosed by the audit:
 - Material weaknesses: **No**
 - Significant deficiencies: **None reported**
- (e) Type of report issued on compliance for major federal programs: **Unmodified**
- (f) Audit findings that are required to be reported in accordance with 2 CFR 200.516(a): **None**
- (g) Major programs:
 - Student Financial Assistance Cluster (various ALNs)
 - Opioid STR (ALN 93.788)
- (h) Dollar threshold used to distinguish between Type A and Type B programs for federal awards: **\$1,576,351.**
- (i) Auditee qualified as a low-risk auditee for: **Yes**

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

None

(3) Findings and Questioned Costs Relating to Federal Awards

None