



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

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

June 30, 2025 and 2024

(With Independent Auditors' Report 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:

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, 2025 and 2024, 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, 2025 and 2024, 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). 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.

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 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, 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.

KPMG LLP

Short Hills, New Jersey
December 12, 2025

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, 2025 and 2024 with certain comparative amounts for the year ended June 30, 2023. 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 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 24,500 students an outstanding education at an exceptional value. Rowan marked its Centennial year in 2024.

The University comprises seven academic colleges and seven schools, including the William G. Rohrer College of Business; the Ric Edelman College of Communication, Humanities & Social Sciences; the Henry M. Rowan College of Engineering; Virtua Health College of Medicine & Life Sciences; the Colleges of: Education, 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 Shreiber School of Veterinary Medicine (SVM), and the School of Earth & Environment, along with the interdisciplinary John H. Martinson Honors College and the School of Graduate Studies. 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 125 bachelor's degrees, 69 master's degrees, 18 research/scholarship doctoral degrees (Ed.D. and Ph.D.) and three professional doctoral degrees, a Doctor of Veterinary Medicine (D.V.M.) 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, the University is now 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 2025, U.S. News & World Report ranked Rowan among the top 100 public universities in the nation. The publication also ranked the University as #112 in Best Undergraduate Engineering Programs; #114 in Best Value Schools; #122 in Best Colleges for Veterans; #169 in National Universities overall; #189 in Top Performers on Social Mobility; and #294 in Nursing.

Additionally, Rowan has been designated as an R2 institution (high research activity) by the Carnegie Classifications of Institutions of Higher Education.

In August 2025, the Chronicle of Higher Education named the University the #1 fastest-growing public doctoral university in highly competitive northeast, among the nation's top ten.

Rowan 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) effective for fiscal year 2024. Under this Statement, accounting changes would require restatement of reported periods as well as additional note disclosure. 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 information technology (IT) 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, 2025, 2024, and 2023 follows:

Condensed Statements of Net Position (in thousands)			
	2025	2024*	2023
Current assets	\$ 214,290	220,577	235,218
Capital assets, net	1,205,220	1,072,063	1,046,711
Other noncurrent assets	280,444	427,439	235,444
Total assets	1,699,954	1,720,079	1,517,373
Deferred outflows of resources	123,758	129,106	137,624
Total assets and deferred outflows of resources	1,823,712	1,849,185	1,654,997
Current liabilities	210,943	197,182	182,033
Noncurrent liabilities	1,296,213	1,405,026	1,208,195
Total liabilities	1,507,156	1,602,208	1,390,228
Deferred inflows of resources	103,577	115,068	133,135
Total liabilities and deferred inflows of resources	1,610,733	1,717,276	1,523,363
Net position:			
Net investment in capital assets	296,945	186,691	196,472
Restricted expendable	27,023	42,777	36,816
Unrestricted	(110,989)	(97,559)	(101,654)
Total net position	\$ 212,979	131,909	131,634

* 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 a service concession arrangement.

Fiscal Year 2025 Compared to 2024

The University's total assets decreased \$20.0 million from \$1,720.0 million at June 30, 2024 to \$1,700.0 million at June 30, 2025. Current assets decreased \$6.3 million, capital assets increased \$133.2 million, and other noncurrent assets decreased \$146.9 million.

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

- Within current assets, unrestricted cash and cash equivalents decreased \$7.2 million primarily due to maturities and converting short-term investments into cash for operations and acquisition of capital assets. Restricted cash and cash equivalents decreased \$10.0 million, a result of the SVM fully utilizing state appropriations. Receivables increased by \$32.3 million, primarily as a result of an increase in grant receivable of \$31.3 million, an increase in students receivable of \$1.7 million, and increase in professional services of \$0.6 million and an increase in interest and other of \$0.6 million, offset by a decrease in State of New Jersey receivables of \$1.6 million. Investments decreased by \$17.6 million, primarily due to maturities and converting short-term investments into cash for operations and acquisition of capital assets. Restricted deposits held by trustees decreased by \$4.7 million.
- Net capital assets increased approximately \$133.2 million primarily due to an increase in construction in process of \$73.1 million, building improvements of \$100.8 million, equipment of \$9.6 million, land improvements of \$1.7 million, and right-of-use assets of \$4.3 million, offset by depreciation and amortization of \$56.6 million.
- Other noncurrent assets decreased \$146.9 million for the year ended June 30, 2025. The decrease is primarily due to a \$90.4 million decrease in noncurrent restricted deposits held by trustees and a decrease of \$56.6 million in noncurrent restricted cash and cash equivalents as a result of spend on capital projects.

Deferred outflows of resources decreased \$5.3 million primarily as a result of the amortization of the loss on bond refinancing of \$5.8 million.

Current liabilities increased \$13.8 million. The increase is primarily attributed to a \$18.6 million increase in accrued expenses and a \$18.1 million increase in the current portion of unearned revenue, offset by a \$23.0 million decrease in current portion of long-term debt.

Noncurrent liabilities decreased \$108.8 million. This decrease is due primarily to a decrease in unearned revenue of \$95.8 million and a decrease in long-term debt of \$16.2 million, offset by an increase of \$4.7 million in net pension liability.

Deferred inflows of resources decreased \$11.5 million due primarily to the decrease of \$9.2 million in pension related deferred inflows of resources and a decrease of \$3.7 million in service concession arrangements, offset by an increase in leases of \$1.4 million.

Total net position increased by \$81.1 million at June 30, 2025 which is primarily the result of a \$110.3 million increase in net investment in capital assets, offset by a \$15.8 million decrease of the expendable restricted net position and a \$13.4 million decrease of unrestricted net position.

Fiscal Year 2024 Compared to 2023

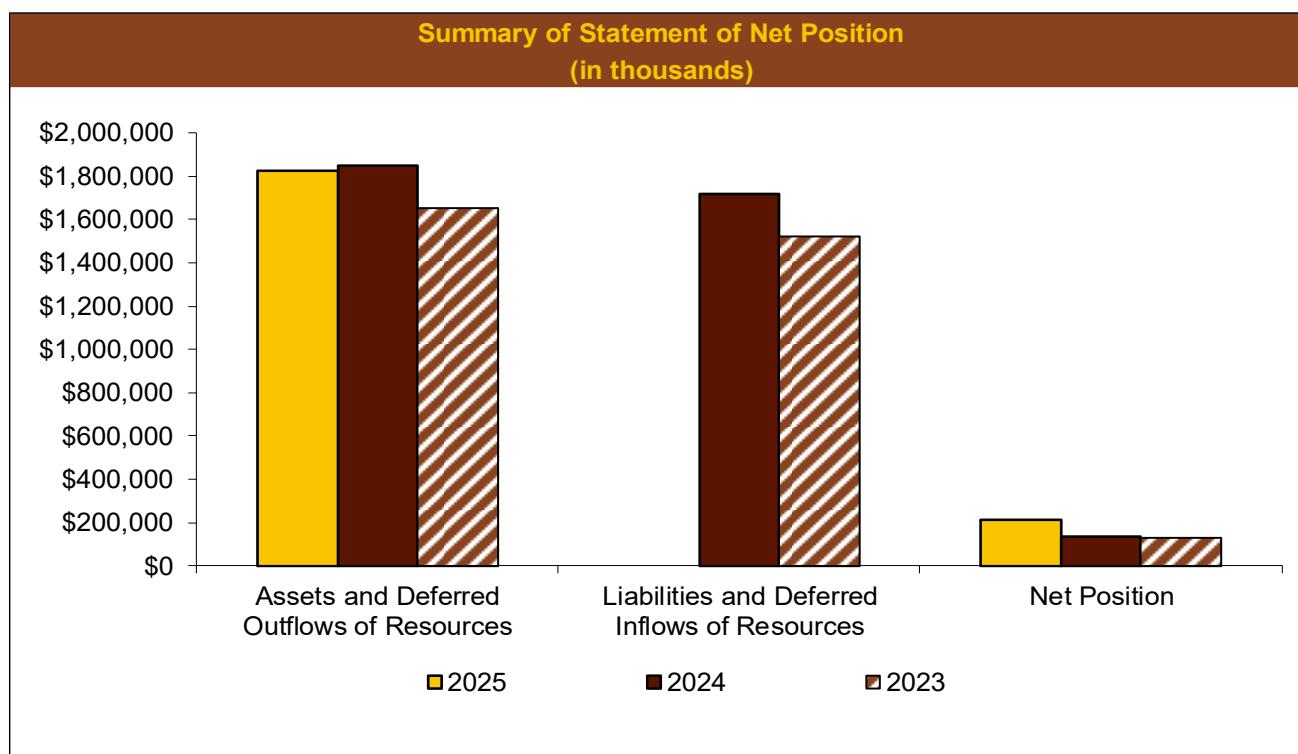
The University's total assets increased \$202.7 million from \$1,517.4 million at June 30, 2023 to \$1,720.1 million at June 30, 2024. Current assets decreased \$14.6 million, capital assets increased \$25.3 million, and other noncurrent assets increased \$192.0 million.

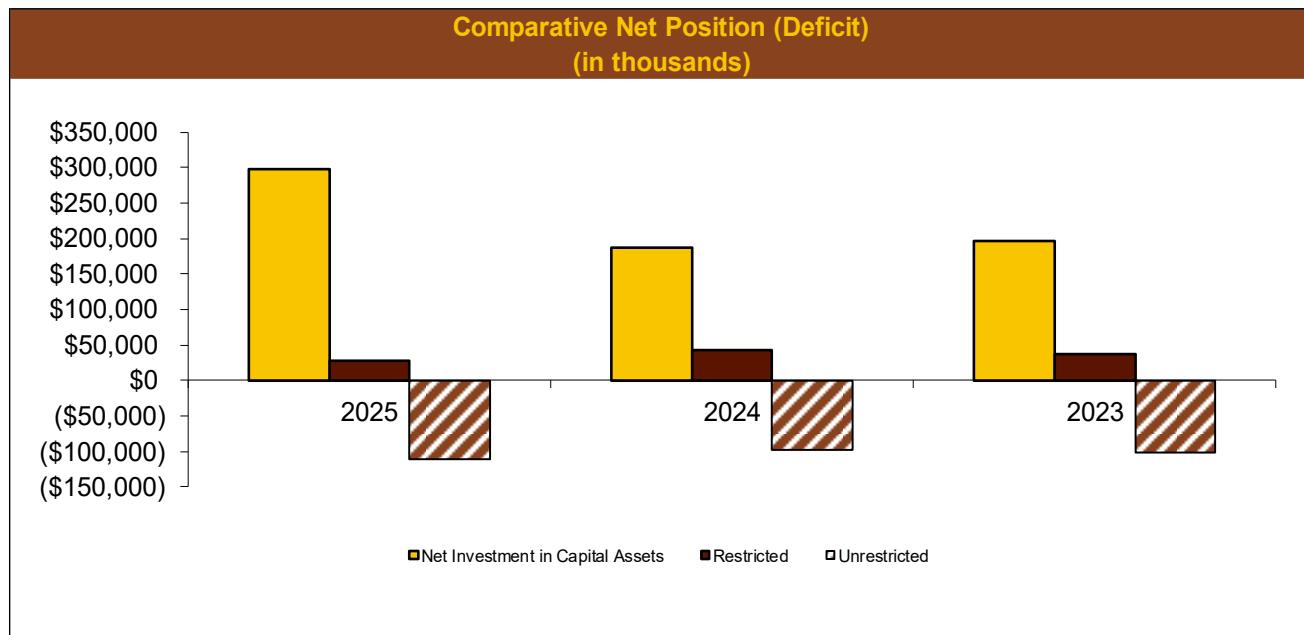
The primary causes for the changes in assets are as follows:

- 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.





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, 2025, 2024, and 2023 as follows:

Condensed Statements of Revenue, Expenses, and Changes in Net Position (in thousands)			
	2025	2024*	2023
Operating revenues:			
Net student revenues	\$ 309,105	307,000	283,352
Grants	161,080	128,931	126,288
Professional services and contracts, net	39,734	41,648	50,481
Other	40,435	21,508	11,975
Total operating revenues	550,354	499,087	472,096
Operating expenses	842,155	803,810	717,239
Operating loss	(291,801)	(304,723)	(245,143)
Nonoperating revenues (expenses):			
State appropriations	269,570	266,885	246,549
Gifts from Rowan University Foundation	17,825	15,315	14,373
Investment income (loss), net	21,831	17,889	11,718
Interest on capital asset related debt	(37,305)	(33,025)	(30,501)
Other nonoperating revenues, net	5,053	2,894	3,398
Net nonoperating revenues	276,974	269,958	245,537
(Loss) income before other revenues	(14,827)	(34,765)	394
Capital grants and gifts	95,897	34,592	1,916
Increase (decrease) in net position	81,070	(173)	2,310
Net position – beginning of year	131,909	132,082	129,324
Net position – end of year	\$ 212,979	131,909	131,634

* 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 2025 Compared to 2024

Net position increased \$81.1 million as a result of fiscal year 2025 activity. This net amount primarily represents the total revenue available to the University of \$960.5 million compared to total expenses of \$879.4 million.

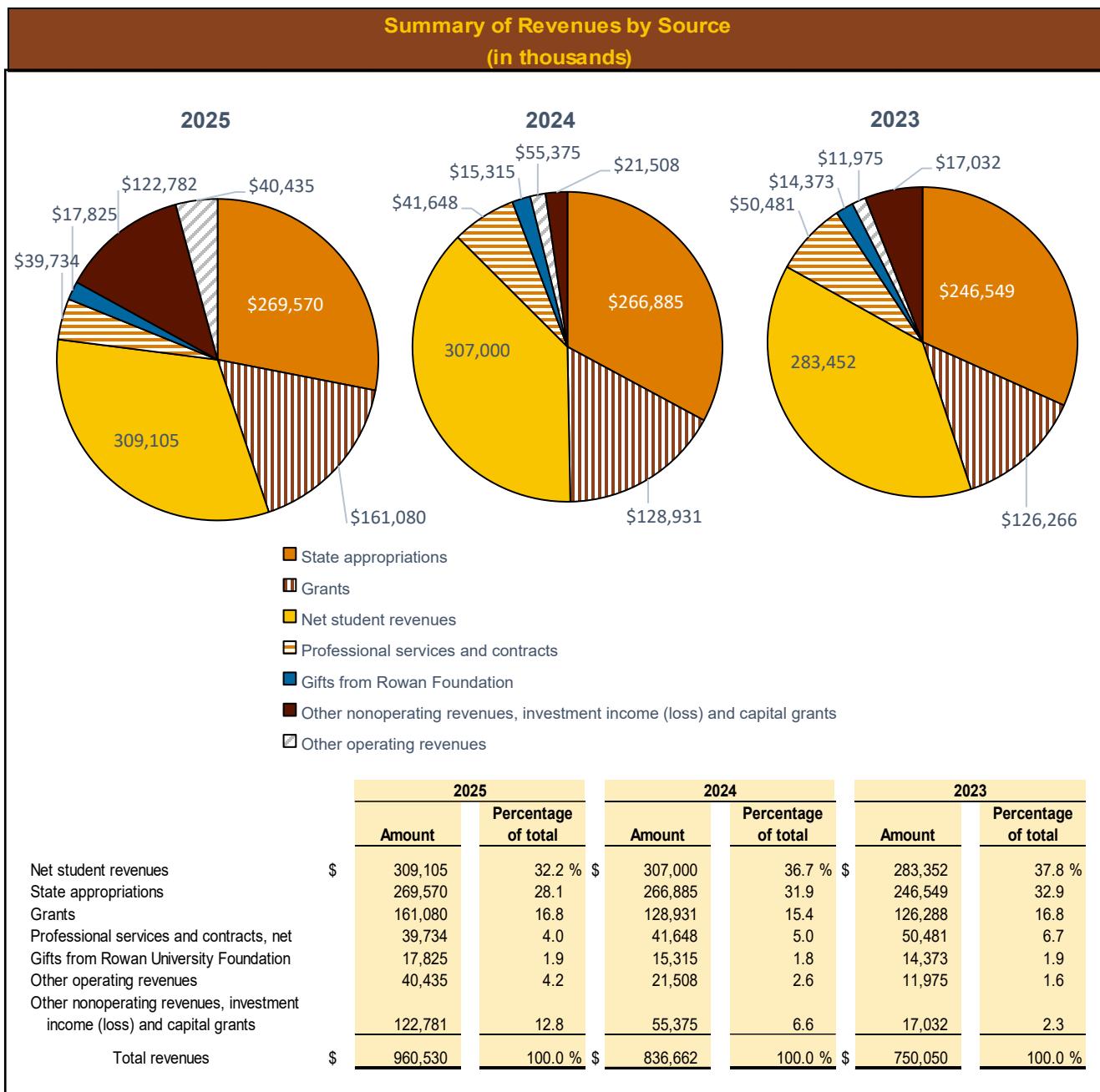
Fiscal Year 2024 Compared to 2023

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.

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, 2025, 2024, and 2023 as follows:



Operating Revenues

Fiscal Year 2025 Compared to 2024

Operating revenues for fiscal year ended June 30, 2025 increased \$51.3 million over fiscal year 2024. The majority of this increase is due to an increase in grants revenue of \$32.1 million, an increase in other operating revenues of \$19.2 million as a result of affiliation support, offset by a decrease in net professional services and contracts of \$1.9 million.

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.

Nonoperating Revenues (Net)

Fiscal Year 2025 Compared to 2024

Nonoperating revenues (net) for the years ended June 30, 2025 and 2024 totaled \$277.0 million and \$270.0 million, respectively, which is a \$7.0 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 \$269.6 million and \$266.9 million in State appropriations for fiscal year 2025 and 2024 respectively. State of New Jersey appropriations increased \$2.7 million of which \$14.2 million was a base appropriation increase, and \$0.7 million increase for fringe benefits, \$4.8 million for OPEB, offset by a decrease in the State of New Jersey appropriations for CMSRU of \$10.7 million and a decrease of \$6.3 million for SOM. Investment income increase of \$3.9 million due to overall improvement in the market.

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.

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, 2025 and 2024, the University incurred operating expenses totaling \$842.2 million and \$803.8 million, respectively. The increase of \$38.4 million in operating expenses for fiscal year 2025 versus 2024 is a 4.8% increase from the prior year.

The increase of \$38.4 million is primarily driven by a \$31.9 million increase in non-grant salary and benefits, a \$16.8 million increase in non-student aid grant expenditures, and a \$7.6 million increase in pension expense offset by an \$11.8 million decrease in student aid expense and a \$3.1 million decrease in operating expenditures.

A summary of operating expenses for the years ended June 30, 2025, 2024 and 2023 follows:

	Summary of Expenses (in thousands)					
	2025		2024		2023	
	Amount	Percentage of total	Amount	Percentage of total	Amount	Percentage of total
Instruction	\$ 247,601	29.6 %	\$ 239,897	29.9 %	\$ 217,266	30.2 %
Research	52,600	6.2	42,675	5.3	34,888	4.9
Public service	29,605	3.5	24,441	3.0	19,741	2.8
Academic support	100,766	12.0	88,086	11.0	66,165	9.2
Student services	55,655	6.6	49,883	6.2	44,291	6.2
Institutional support	148,399	17.6	143,051	17.8	124,187	17.3
Operation and maintenance of plant	47,208	5.6	44,820	5.6	44,999	6.3
Student aid	12,880	1.5	24,713	3.1	23,991	3.3
Professional services and contracts	31,496	3.7	38,969	4.8	43,103	6.0
Auxiliary enterprises	57,535	6.8	52,028	6.5	47,780	6.7
Other Postemployment Benefits (OPEB)	(11,040)	(1.3)	(15,890)	(2.0)%	(12,157)	(1.7)
Depreciation and amortization	69,450	8.2	71,137	8.8	62,985	8.8
Total operating expenses	\$ 842,155	100.0 %	\$ 803,810	100.0 %	\$ 717,239	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, 2025 and 2024, the University had \$296.9 million and \$186.7 million, respectively in net investment in capital assets. Outstanding long-term debt as of June 30, 2025 is \$972.6 million, compared to \$1,011.0 million as of June 30, 2024.

Significant transactions related to capital assets and bonded debt that occurred during fiscal year 2025 and 2024 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 \$13,890,000 and \$15,375,000 as of June 30, 2025 and 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 2044. 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, 2025 and 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 the 2024 Note was \$0 and \$25,605,000 as of June 30, 2025 and 2024, respectively.

The net capital assets related to GASB Statement No. 87, *Leases* (GASB 87) were \$104.5 million and \$109.8 million as of June 30, 2025 and 2024, 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 \$11.6 million and \$12.0 million as of June 30, 2025 and 2024, respectively. The net capital assets associated with GASB 96 are included in the net investment in capital fund balance.

Economic Outlook

Rowan'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, 2025

	Assets	Rowan University	Rowan University Foundation	South Jersey Technology Park at Rowan University, Inc.	Total
Current assets:					
Cash and cash equivalents (notes 2 and 13)	\$ 38,872,705	8,898,970	692,151	48,463,826	
Restricted cash and cash equivalents (notes 2 and 13)	9,952,788	7,743,951	—	17,696,739	
Receivables:					
Students, less allowance of \$3,275,721	13,934,039	—	—	13,934,039	
Contributions, less allowance of \$6,184	—	30,464	—	30,464	
Restricted contributions, less allowance of \$259,949	—	944,307	—	944,307	
Grants	54,198,859	—	—	54,198,859	
State of New Jersey	3,924,592	—	—	3,924,592	
Professional services and contracts receivable, less allowance of \$38,300	3,166,787	—	—	3,166,787	
Due from Rowan component unit	405,976	—	143,660	549,636	
Leases	512,916	—	—	512,916	
Lease with Rowan component unit	—	—	929,959	929,959	
Interest and other, less allowance of \$247,904	7,544,864	—	4,838	7,549,702	
Total receivables	83,688,033	974,771	1,078,457	85,741,261	
Restricted deposits held by trustees (note 3)	30,136,764	—	—	30,136,764	
Investments, at fair value (note 2)	40,885,212	—	—	40,885,212	
Other current assets	10,755,211	385,063	6,470	11,146,744	
Total current assets	214,290,713	18,002,755	1,777,078	234,070,546	
Noncurrent assets:					
Restricted cash and cash equivalents (note 2)	—	—	—	—	
Restricted deposits held by trustees (note 3)	151,532,438	—	—	151,532,438	
Investments, at fair value (notes 2 and 13)	121,826,699	85,541,617	—	207,368,316	
Restricted investments, at fair value (note 13)	—	74,438,966	—	74,438,966	
Restricted nonexpendable investments, at fair value (note 13)	—	280,776,297	—	280,776,297	
Loans receivable	1,665,021	—	—	1,665,021	
Other noncurrent assets	800,000	—	—	800,000	
Contributions receivable, less allowance of \$18,174	—	345,309	—	345,309	
Due from Rowan component unit	—	—	—	—	
Restricted contributions receivable, less allowance of \$149,240	—	2,835,554	—	2,835,554	
Leases receivables	1,725,736	—	—	1,725,736	
Lease receivable with Rowan component unit	2,894,395	—	13,750,865	16,645,260	
Capital assets, net (notes 4 and 11)	1,205,219,754	—	11,192,873	1,216,412,627	
Total noncurrent assets	1,485,664,043	443,937,743	24,943,738	1,954,545,524	
Total assets	1,699,954,756	461,940,498	26,720,816	2,188,616,070	
Deferred outflows of resources:					
Pensions related (note 6)	44,925,908	—	—	44,925,908	
Loss on bond refinancing	78,831,785	—	—	78,831,785	
Total deferred outflows of resources	123,757,693	—	—	123,757,693	
Liabilities					
Current liabilities (note 9):					
Accounts payable and accrued expenses (note 7)	116,760,022	140,239	37,859	116,938,120	
Due to University/component units	143,660	396,410	9,566	549,636	
Unearned revenue	52,277,658	—	—	52,277,658	
Annuities payable – current portion	—	38,940	—	38,940	
Lease with Rowan component unit (note 8)	929,959	—	—	929,959	
Long-term debt – current portion (note 8)	40,831,203	—	266,035	41,097,238	
Total current liabilities	210,942,502	575,589	313,460	211,831,551	
Noncurrent liabilities (note 9):					
Compensated absences – noncurrent portion (note 11)	3,765,219	—	—	3,765,219	
Unearned revenue	31,662,824	—	—	31,662,824	
Other liabilities	20,181,858	—	—	20,181,858	
Repurchase liability	3,220,000	—	—	3,220,000	
Deposits held in custody for others	2,536,505	—	—	2,536,505	
Annuities payable – noncurrent portion	—	241,434	—	241,434	
Net pension liabilities (note 6)	289,292,029	—	—	289,292,029	
Lease with Rowan component unit – noncurrent portion (note 8)	13,750,865	—	2,926,917	16,677,782	
Long-term debt – noncurrent portion (note 8)	931,803,832	—	2,811,979	934,615,811	
Total noncurrent liabilities	1,296,213,132	241,434	5,738,896	1,302,193,462	
Total liabilities	1,507,155,634	817,023	6,052,356	1,514,025,013	
Deferred inflows of resources:					
Pensions related (note 6)	6,587,933	—	—	6,587,933	
Gain on bond refinancing	281,637	—	—	281,637	
Developer contribution	4,618,333	—	—	4,618,333	
Service concession arrangement (note 11)	86,164,714	—	—	86,164,714	
Leases (note 12)	3,464,640	—	—	3,464,640	
Leases with Rowan component unit (note 12)	2,460,291	—	13,423,688	15,883,979	
Split interest agreements	—	144,649	—	144,649	
Total deferred inflows of resources	103,577,548	144,649	13,423,688	117,145,885	
Net Position					
Net investment in capital assets					
Restricted:					
Nonexpendable (note 13)	296,944,607	—	5,214,320	302,158,927	
Expendable:					
Debt service and reserve	—	280,776,297	—	280,776,297	
Other scholarships	18,353,865	—	—	18,353,865	
Other	—	28,693,698	—	28,693,698	
Unrestricted	8,669,869	57,214,969	—	65,884,838	
	(10,989,074)	94,293,862	2,030,452	(14,664,760)	
Total net position	\$ 212,979,267	460,978,826	7,244,772	681,202,865	

See accompanying notes to the financial statements.

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	17,004,495
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 Revenues, Expenses, and Changes in Net Position
 Year ended June 30, 2025

	Rowan University	Rowan University Foundation	South Jersey Technology Park at Rowan University, Inc.	Total
Operating revenues:				
Net student revenues:				
Tuition and fees	\$ 387,690,831	—	—	387,690,831
Auxiliary enterprises	73,727,537	—	—	73,727,537
Less scholarship allowances	(152,313,564)	—	—	(152,313,564)
Net student revenues	309,104,804	—	—	309,104,804
Grants	161,079,731	—	—	161,079,731
Self-funded programs	7,839,875	—	—	7,839,875
Fundraising events	—	47,985	—	47,985
Contributions	—	9,049,893	—	9,049,893
Professional services and contracts, net (note 10)	39,733,696	—	—	39,733,696
Rental income (note 14)	—	—	1,152,516	1,152,516
Other operating revenues	31,624,530	164,606	233,818	32,022,954
Other auxiliary	970,936	—	1,682	972,618
Total operating revenues	550,353,572	9,262,484	1,388,016	561,004,072
Operating expenses:				
Instruction	247,600,695	—	—	247,600,695
Research	52,599,659	—	—	52,599,659
Public service	29,605,471	—	—	29,605,471
Academic support	100,765,928	—	—	100,765,928
Student services	55,655,130	—	—	55,655,130
Institutional support	148,398,640	797,723	908,132	150,104,495
Operation and maintenance of plant	47,208,000	—	—	47,208,000
Student aid	12,879,873	—	—	12,879,873
Professional services and contracts	31,496,860	—	—	31,496,860
Auxiliary enterprises	57,535,610	—	—	57,535,610
Other Postemployment Benefits (OPEB) (note 6)	(11,040,627)	—	—	(11,040,627)
Depreciation and amortization	69,449,827	—	584,368	70,034,195
Total operating expenses	842,155,066	797,723	1,492,500	844,445,289
Operating (loss) income	(291,801,494)	8,464,761	(104,484)	(283,441,217)
Nonoperating revenues (expenses):				
State of New Jersey appropriations	74,116,254	—	—	74,116,254
State of New Jersey appropriations – CMSRU	14,290,126	—	—	14,290,126
State of New Jersey appropriations – Rowan-Virtua SOM	13,156,574	—	—	13,156,574
State of New Jersey appropriations – Veterinary School	12,000,000	—	—	12,000,000
State of New Jersey appropriations – OPEB (note 6)	(11,040,627)	—	—	(11,040,627)
State of New Jersey fringe benefits (note 5)	167,047,297	—	—	167,047,297
Student scholarships	—	(4,366,646)	—	(4,366,646)
Gifts from Rowan University Foundation (note 13)	17,825,503	(17,825,503)	—	—
Other grants	—	(3,139)	—	(3,139)
Investment income, net	21,830,908	34,764,077	26,018	56,621,003
Interest on capital asset related debt	(37,305,277)	—	(167,464)	(37,472,741)
Other nonoperating revenues, net	5,053,926	—	369,041	5,422,967
Net nonoperating revenues	276,974,684	12,568,789	227,595	289,771,068
(Loss) income before other revenues	(14,826,810)	21,033,550	123,111	6,329,851
Capital grants and gifts	95,897,321	—	—	95,897,321
Additions to permanent endowments	—	12,644,268	—	12,644,268
Increase in net position	81,070,511	33,677,818	123,111	114,871,440
Net position as of beginning of year	131,908,756	427,301,008	7,121,661	566,331,425
Net position as of end of year	\$ 212,979,267	460,978,826	7,244,772	681,202,865

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(b)(xviii))	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)
Statements of Cash Flows
 (Business-Type Activities – Rowan University only)
 Years ended June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Student revenues	\$ 315,237,321	302,829,496
Government and private grants	140,103,073	128,014,127
Professional services and contract	39,094,788	44,426,312
Payments to suppliers	(185,538,090)	(205,892,299)
Payments for employee salaries and benefits	(388,541,988)	(367,671,507)
Self-funded programs and other receipts	7,839,875	7,800,671
Net cash used for operating activities	(71,805,021)	(90,493,200)
Cash flows from noncapital financing activities:		
State of New Jersey appropriations	113,562,954	116,472,815
Gifts	17,825,503	15,314,513
Receipts for other noncapital assets	1,649,520	5,654,589
Receipts for other nonoperating revenues	463,191	126,682
Net cash provided by noncapital financing activities	133,501,168	137,568,599
Cash flows from capital and related financing activities:		
Proceeds from bond issuance	32,429,948	238,786,965
Drawdown (funding) of restricted deposits held by trustees	95,131,359	(210,629,932)
Capital grants	62,891	80,255,239
Costs of issuance	(162,963)	(1,898,568)
Purchases of capital assets	(200,870,704)	(94,373,195)
Principal paid on capital debt	(66,508,052)	(80,230,397)
Interest paid on capital debt	(36,570,485)	(27,511,172)
Net cash used for capital and related financing activities	(176,488,006)	(95,601,060)
Cash flows from investing activities:		
Purchase of investments	(289,564,836)	(511,164,746)
Sale of investments	314,315,779	551,286,099
Interest on investments	16,209,440	11,759,602
Net cash provided by investing activities	40,960,383	51,880,955
Net (decrease) increase in cash and cash equivalents	(73,831,476)	3,355,294
Cash and cash equivalents as of beginning of the year	122,656,969	119,301,675
Cash and cash equivalents as of end of the year	\$ 48,825,493	122,656,969
Reconciliation of operating loss to net cash used for operating activities:		
Operating loss	\$ (291,801,494)	(304,723,841)
Adjustments to reconcile operating loss to net cash used for operating activities:		
State paid fringe benefits	167,047,297	166,302,352
State paid postemployment benefits	(11,040,627)	(15,889,763)
Depreciation and amortization expense	69,449,827	71,136,876
Changes in assets and liabilities:		
Receivables	(34,139,771)	(2,082,758)
Other current assets	(946,226)	(983,217)
Accounts payable and accrued expenses, excluding interest on capital debt	17,892,398	9,277,818
Unearned revenue - current portion, excluding capital related activities	18,112,981	(3,318,546)
Other liabilities	(1,991,946)	531,398
Deposits held in custody for others	10,747	(402,453)
Compensated absences – noncurrent portion	497,387	528,077
Net pension liability, net of deferred amounts	(4,895,594)	(10,869,143)
Net cash used for operating activities	\$ (71,805,021)	(90,493,200)
Noncash transaction:		
Unrealized gain on investments	\$ 5,782,048	6,208,507
Decrease in deferred inflows of resources - service concession arrangement	(2,631,261)	(3,697,384)
State of New Jersey paid fringe benefits	167,047,297	166,302,352
State of New Jersey paid other postemployment benefits	(11,040,627)	(15,889,763)
Right-of-use asset additions	7,688,902	10,425,694

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 Standards Adopted*

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). GASB 101 is immaterial for the University but was adopted effective July 1, 2025.

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). GASB 102 is immaterial for the University but was adopted effective July 1, 2025.

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

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.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets* (GASB 104). This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures. It also establishes requirements for capital assets held for sale, including disclosures. 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 \$0.4 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, 2025 and 2024:

Cash and Cash Equivalents		2025	2024
Cash		\$ 46,457,964	120,783,756
State of New Jersey Cash Management Fund		746,045	712,458
Money market accounts		1,621,484	1,160,755
Total cash and cash equivalents		\$ 48,825,493	122,656,969

Cash and cash equivalents held at a depository and bank balances amounted to \$50,633,105 and \$125,658,547, respectively, as of June 30, 2025 and 2024. Of these amounts, \$500,000 and \$850,826 were FDIC insured, and \$46,063,219 and \$121,262,714 were collateralized pursuant to Chapter 64 of Title 18A of New Jersey Statutes as of June 30, 2025 and 2024, respectively. There was \$3,323,841 and \$2,832,549 in uncollateralized cash as of June 30, 2025 and 2024, 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 \$746,045 and \$712,458 as of June 30, 2025 and 2024, 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, 2025 and 2024. 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, 2025 and 2024:

Investments	2025	2024
U.S. government treasury securities	\$ 38,436,048	37,936,514
U.S. government agency securities	4,450,052	13,959,117
U.S. corporate bonds	32,420,196	36,278,259
Foreign government bonds	355,712	—
Foreign corporate bonds	13,062,178	10,501,092
Commercial paper	—	1,796,103
Asset-backed securities	28,853,098	44,823,173
Commercial mortgage-backed securities	5,962,021	7,426,648
Municipal bonds	1,459,738	2,931,420
Collateralized mortgage obligations	8,312,629	2,353,074
Mutual funds – equity	29,133,992	23,437,830
Common stock – equity	266,247	237,576
 Total investments	<u>\$ 162,711,911</u>	<u>181,680,806</u>

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, 2025 and 2024, 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, 2025 and 2024:

Investment type	AAA	AA	A	BBB	Total
U.S. government treasury securities	\$ —	38,436,048	—	—	38,436,048
U.S. government agency securities	—	4,450,052	—	—	4,450,052
U.S. corporate bonds	—	2,233,163	15,164,410	15,022,623	32,420,196
Foreign government bonds	—	—	355,712	—	355,712
Foreign corporate bonds	1,039,936	210,606	7,898,177	3,913,459	13,062,178
Asset-backed securities	22,762,543	3,216,089	2,874,466	—	28,853,098
Commercial mortgage-backed securities	4,112,099	1,692,471	157,451	—	5,962,021
Municipal bonds	1,144,584	315,154	—	—	1,459,738
Collateralized mortgage obligations	7,486,587	826,042	—	—	8,312,629
Total	\$ 36,545,749	51,379,625	26,450,216	18,936,082	133,311,672

Investment type	AAA	AA	A	BBB	Total
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 government bonds	3,850,182	658,275	3,726,601	2,266,034	10,501,092
Foreign corporate bonds	—	798,673	997,430	—	1,796,103
Asset-backed securities	39,978,094	3,605,930	1,239,149	—	44,823,173
Commercial mortgage-backed securities	5,624,799	1,801,849	—	—	7,426,648
Municipal bonds	266,801	558,683	2,105,936	—	2,931,420
Collateralized mortgage obligations	2,342,618	10,456	—	—	2,353,074
Total	\$ 52,917,934	62,026,666	26,808,515	16,252,285	158,005,400

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, 2025 and 2024:

Investment type	Fair value	2025 Investment maturities (in years)			
		Less than 1	1–5	6–10	More than 10
U.S. government treasury securities	\$ 38,436,048	2,798,078	35,637,970	—	—
U.S. government agency securities	4,450,052	777,685	2,586,432	582,686	503,249
U.S. corporate bonds	32,420,196	3,248,305	29,171,891	—	—
Foreign government bonds	355,712	—	355,712	—	—
Foreign corporate bonds	13,062,178	3,250,116	9,601,456	210,606	—
Asset-backed securities	28,853,098	1,187,146	22,811,059	1,979,251	2,875,642
Commercial mortgage-backed securities	5,962,021	223,643	1,407,948	—	4,330,430
Municipal bonds	1,459,738	—	1,459,738	—	—
Collateralized mortgage obligations	8,312,629	—	—	—	8,312,629
Total	\$ 133,311,672	11,484,973	103,032,206	2,772,543	16,021,950

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

(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, 2025 are summarized in the following table by their fair value hierarchy:

	2025			
	Investments Measured at Fair Value			
	Total	Level 1	Level 2	Level 3
Investment:				
U. S. government treasury securities	\$ 38,436,048	38,436,048	—	—
U. S. government agency securities	4,450,052	—	4,450,052	—
U. S. corporate bonds	32,420,196	—	32,420,196	—
Foreign government bonds	355,712	—	355,712	—
Foreign corporate bonds	13,062,178	—	13,062,178	—
Asset-backed securities	28,853,098	—	28,853,098	—
Commercial mortgage-backed securities	5,962,021	—	5,962,021	—
Municipal bonds	1,459,738	—	1,459,738	—
Collateralized mortgage obligations	8,312,629	—	8,312,629	—
Mutual funds – equity	29,133,992	29,133,992	—	—
Common stock – equity	266,247	266,247	—	—
Total investments	\$ 162,711,911	67,836,287	94,875,624	—

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	—

(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. These deposits were uncollateralized and 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, 2025 and 2024:

Restricted Deposits Held by Trustees		2025	2024
Construction funds		\$ 151,532,438	241,975,095
Debt service and debt service reserve funds		30,136,764	34,825,466
		<hr/>	<hr/>
		181,669,202	276,800,561
Less current portion		30,136,764	34,825,466
		<hr/>	<hr/>
Noncurrent restricted deposits held by trustees		\$ 151,532,438	241,975,095

(4) Capital Assets

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

	2025	Capital Assets		
		Beginning balance	Additions/ transfers	Deletions/ transfers
Nondepreciable assets:				
Land	\$ 51,337,750	162,193	—	51,499,943
Artwork	2,775,761	—	—	2,775,761
Construction in progress	128,914,701	176,268,109	(103,127,391)	202,055,419
Total nondepreciable assets	183,028,212	176,430,302	(103,127,391)	256,331,123
Depreciable assets:				
Land improvements	68,915,564	1,715,765	—	70,631,329
Buildings	1,324,328,546	100,788,595	—	1,425,117,141
Equipment	123,598,424	23,766,783	(14,127,855)	133,237,352
Total depreciable assets	1,516,842,534	126,271,143	(14,127,855)	1,628,985,822
Less accumulated depreciation:				
Land improvements	45,588,209	3,233,161	—	48,821,370
Buildings	628,142,111	42,989,101	—	671,131,212
Equipment	76,620,580	13,789,872	(14,127,855)	76,282,597
Total accumulated depreciation	750,350,900	60,012,134	(14,127,855)	796,235,179
Total capital assets, net excluding leases	\$ 949,519,846	242,689,311	(103,127,391)	1,089,081,766
Nonamortizable right-of-use assets:				
Prepayments on right-of-use assets	\$ 666,811	481,072	(1,147,883)	—
Amortizable right-of-use assets:				
Right-of-use assets	152,357,771	7,207,830	(2,195,822)	157,369,779
Less accumulated amortization:				
Right-of-use assets	30,481,416	12,946,197	(2,195,822)	41,231,791
Right-of-use assets, net (Note 12)	\$ 122,543,166	(5,257,295)	(1,147,883)	116,137,988
Total capital assets, net as reported in the statement of net position				1,205,219,754

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
Nonamortizable right-of-use assets:					
Prepayments on right-of-use assets	\$ 622,532		44,279	—	666,811
Amortizable right-of-use assets:					
Right-of-use assets	148,821,755		10,381,415	(6,845,399)	152,357,771
Less accumulated amortization:					
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					1,072,063,012

Depreciation expense for the year ending June 30, 2025 and 2024 is \$72,958,331 and \$70,276,133, respectively. The estimated cost to complete capital projects included in construction in progress as of June 30, 2025 approximates \$126,731,269. Anticipated financing for these projects is approximately \$30,338,166 in grant funds, \$62,490,893 in bond funding and \$33,902,210 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, \$167,047,297 and \$166,302,352, respectively, for fiscal years 2025 and 2024, 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



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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, 2025 and 2024 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, 2025 and 2024 was \$21,599,395 and \$21,342,842, 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, 2025 and 2024 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, 2025 and 2024 were \$3,176,226 and \$2,802,125, 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, 2025 and 2024 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, 2025, the University reported a liability of \$269,977,256 and \$19,314,773 for PERS and PFRS, respectively, for its proportionate share of the respective PERS and PFRS net pension liabilities. 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. 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, 2025 and 2024 of \$763,307 and \$818,959, 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, 2025, were determined by actuarial valuations as of July 1, 2023 and rolled forward to the measurement date of June 30, 2024. 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. For PERS and PFRS, the University's proportionate share of the respective net pension liabilities for the fiscal years 2025 and 2024 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 2024 and 2023, 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 2024 and 2023. The University's allocation percentages and pension expense for each plan are as follows:

2024 Summary of Pension Amounts			
	PERS	PFRS	TPAF
2024 Allocation percentage – State			
Group/Nonemployer Group ¹	1.218 %	0.439 %	0.002 %
2024 Allocation percentage – Total Plan ²	0.753 %	0.115 %	0.002 %
Pension expense (benefit) for the measurement date June 30, 2024	\$ 19,197,558	1,695,189	(2,784)

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

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, 2025 and 2024 of (\$2,784) and \$20,119, 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, 2025 and 2024:

2025			
Deferred Outflows and Inflows of Resources from Pensions			
	PERS	PFRS	Total
Deferred outflows of resources:			
Changes of assumptions	\$ 147,064	9,985	157,049
Changes in proportionate share	11,143,943	1,810,690	12,954,633
Differences between expected and actual experience	5,340,756	602,365	5,943,121
Net differences between projected and actual investment earnings on pension plan investments	889,197	206,287	1,095,484
Contributions subsequent to the measurement date	21,599,395	3,176,226	24,775,621
Total	<u>\$ 39,120,355</u>	<u>5,805,553</u>	<u>44,925,908</u>
Deferred inflows of resources:			
Changes in proportionate share	\$ 3,120,492	1,127,158	4,247,650
Differences between expected and actual experience	542,252	182,422	724,674
Changes of assumptions	1,433,042	182,567	1,615,609
Total	<u>\$ 5,095,786</u>	<u>1,492,147</u>	<u>6,587,933</u>

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	<u>\$ 38,118,675</u>	<u>6,339,636</u>	<u>44,458,311</u>
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	<u>\$ 14,732,542</u>	<u>1,018,929</u>	<u>15,751,471</u>

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, 2025, \$24,775,621 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, 2026. 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:			
2026	\$ 3,854,756	381,906	4,236,662
2027	4,605,400	630,116	5,235,516
2028	1,898,332	167,308	2,065,640
2029	1,875,216	111,187	1,986,403
2030	191,470	(136,425)	55,045
Thereafter	—	(16,912)	(16,912)
	\$ 12,425,174	1,137,180	13,562,354

Actuarial Assumptions

The total pension liabilities related to PERS, PFRS, and TPAF measured as of June 30, 2024 and 2023 were based on actuarial valuations as of July 1, 2023 and 2022 using the following actuarial assumptions:

2025 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% based on years of service	3.25 – 16.25% based on years of service	2.75 – 5.65% based on years of service
Investment rate of return	7.00%	7.00%	7.00%

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% based on years of service	3.25 – 16.25% based on years of service	2.75 – 4.25% based on years of service
Investment rate of return	7.00%	7.00%	7.00%

2024

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, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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.

2024

For PFRS, employee mortality rates were based on the Pub-2010 Safety Employee amount-weighted mortality table (sex-specific) projected generationally from 2010 with Scale MP-2021 mortality projection. For healthy annuitants, mortality rates were based on the Pub-2010 Safety Retiree Below Median amount-weighted mortality table (sex-specific), projected generationally from 2010 with Scale MP-2021 mortality projection. Disability rates were 144% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for males and 100% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for females, projected generationally from 2010 with Scale MP-2021 mortality projection. The actuarial assumptions used in the July 1, 2023 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.

2024

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, 2023 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.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% June 30, 2024 and 2023) 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, 2024 and 2023 are summarized in the following tables:

2024		
Target Asset Allocation and Long-Term Expected Rate of Return		
	PERS	TPAF
	Target allocation	Long-term expected real rate of return
Risk Mitigation Strategies	3.00 %	7.10 %
Cash Equivalents	2.00	3.57
U.S. Treasuries	4.00	3.57
Investment Grade Credit	7.00	5.37
High Yield	4.50	6.74
Private Credit	8.00	8.90
Real Assets	3.00	8.20
Real Estate	8.00	10.95
US Equity	28.00	8.63
Non-U.S. Developed Markets Equity	12.75	8.85
Emerging Markets Equity	5.50	10.66
Private Equity	13.00	12.40
International Small Cap Equity	1.25	8.85

2024		
Target Asset Allocation and Long-Term Expected Rate of Return		
	PFRS	
	Target allocation	Long-term expected real rate of return
U.S. Large-Cap Equity	24.00 %	6.90 %
U.S. Small/Mid Cap Equity	4.00	7.40
Non-U.S. Developed Large-Cap Equity	9.50	6.70
Non-U.S. Developed Small-Cap Equity	2.00	7.50
Emerging Markets Large-Cap Equity	6.00	9.60
Emerging Markets Small-Cap Equity	1.50	9.60
U.S. Treasury Bond	7.00	4.10
U.S. Corporate Bond	5.00	5.90
U.S. Mortgage-Backed Securities	5.00	4.40
Global Multisector Fixed Income	6.00	6.50
Cash	2.00	3.40
Real Estate Core	3.00	5.10
Real Estate Non-Core	4.00	6.50
Infrastructure	3.00	7.00
Private Debt/Credit	8.00	9.10
Private Equity	10.00	10.10

	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	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% for PERS, PFRS, and TPAF as of June 30, 2024 and 2023.

In fiscal year 2025, 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, 2024 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 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.

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, 2024 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:

2024 Sensitivity of Net Pension Liability			
Plan (rates)	At 1% decrease	At current discount rate	At 1% increase
PERS(6.00%, 7.00%, 8.00%)	\$ 309,738,416	269,977,256	236,214,287
PFRS(6.00%, 7.00%, 8.00%)	22,630,164	19,314,773	16,551,151

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

(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, 2025 and 2024, ABP investment carriers received employer and employee contributions as follows:

ABP Employer and Employee Contributions		2025	2024
Employer contributions	\$ 17,526,613	16,002,820	
Employee contributions	32,073,282	30,372,559	
Basis for contributions:			
Participating employee salaries	\$ 219,082,661	200,035,250	

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, Empower (formerly 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, 2025 and 2024, Prudential received employer and employee contributions as follows:

DCRP Employer and Employee Contributions		2025	2024
Employer contributions	\$ 73,906	65,680	
Employee contributions	135,494	120,412	
Basis for contributions:			
Participating employee salaries	\$ 2,463,500	2,189,294	

(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, 2025 and 2024, the State recorded a liability of \$464,269,044 and \$397,117,012, 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, 2025, the University's share was 7.37% and 1.93% of the special funding situation and of the Plan, respectively. At June 30, 2024, the University's share was 7.18% and 1.89% of the special funding situation and of the Plan, respectively.

For the year ended June 30, 2025 and 2024, the University recognized OPEB expense of (\$11,040,627) and (\$15,889,763), 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 (\$11,040,627) and (\$15,889,763) in 2025 and 2024, respectively.

Actuarial assumptions and other inputs – The State's liability associated with the University at June 30, 2025 was determined by an actuarial valuation as of June 30, 2023, which was rolled forward to the measurement date of June 30, 2024. The State's liability associated with the University 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. These valuations used the following assumptions:

OPEB Valuation Assumption		2025
Inflation		N/A
Discount rate		3.93%
Salary increases		2.75 – 16.25% based on years of service
Through all future years		
OPEB Valuation Assumption		2024
Inflation		N/A
Discount rate		3.65%
Salary increases		2.75 – 16.25% based on years of service
Through all future years		

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 2025 and 2024, respectively.

The June 30, 2023 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, 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.

Health Care Trend Assumptions – The June 30, 2023 valuations initially used a trend rate of 7.5% and decreases to a 4.5% long-term trend rate after nine years for pre-Medicare medical benefits. For PPO the trend is initially 3.06% in fiscal year 2025, increasing to 21.39% in fiscal year 2027 and decreases to 4.5% in fiscal year 2034. For HMO the trend is initially 2.65% in fiscal year 2025, increasing to 24.11% in fiscal year 2027 and decreases to 4.5% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.5% long-term trend rate after nine years.

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.

(7) Accounts Payable and Accrued Expenses

The components of accounts payable and accrued expenses as of June 30, 2025 and 2024 are as follows:

Accounts Payable and Accrued Expenses		2025	2024
Vendors and other	\$ 63,040,607	45,111,554	
Salaries, benefits, and withholdings	24,015,452	20,858,151	
Due to State of New Jersey	8,254,689	7,974,155	
Compensated absences – current portion	8,220,378	12,154,704	
Accrued interest payable	13,228,896	12,034,268	
 Total accounts payable and accrued expenses	 \$ 116,760,022	 98,132,832	

(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, 2025 and 2024:

	Outstanding Bonds Payable		
	Interest rate	2025	2024
NJEFA Series 2011 C Revenue Refunding Bonds, due serially to 2025	3.000%–5.000%	\$ 405,000	2,245,000
CCIA Series 2013 B SOM Revenue Refunding Bonds due serially to 2032	0.890%–5.160%	12,890,000	14,085,000
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%	29,465,000	33,900,000
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%	23,490,000	28,485,000
GCIA Series 2017 A Revenue Bonds, due serially to 2033	3.000%–5.000%	46,720,000	52,550,000
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%	58,600,000	62,570,000
CCIA Series 2020 B Revenue Refunding Bonds, due serially to 2023	1.125%–1.330%	—	—
GCIA Series 2021 Loan Revenue Bonds, due serially to 2052	4.000%–5.000%	64,780,000	64,780,000
GCIA Series 2024 Loan Revenue Bond, due serially to 2054	5.000%	167,325,000	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 2033	5.000%	13,890,000	15,375,000
		560,460,000	609,815,000
Plus:			
Bond premium		61,298,372	66,435,389
Total bonds payable		\$ 621,758,372	676,250,389

Future annual debt service requirements approximate the following:

Bonds Payable Principal and Interest Repayments			
	Principal amount	Interest amount	Total amount
Year ending June 30:			
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	21,950,000	20,723,192	42,673,192
2031-2035	104,165,000	88,957,915	193,122,915
2036-2040	93,900,000	65,771,800	159,671,800
2041-2045	96,980,000	44,621,150	141,601,150
2046-2050	74,605,000	24,535,975	99,140,975
2051-2055	65,310,000	7,730,975	73,040,975
	<u>\$ 560,460,000</u>	<u>346,484,525</u>	<u>906,944,525</u>

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 \$13,890,000 and \$15,375,000 as of June 30, 2025 and 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 2044. 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, 2025 and 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 the 2024 Note was \$0 and \$25,605,000 as of June 30, 2025 and 2024, respectively.

(b) Financed Purchase Obligation

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, 2025 and 2024 in the amount of \$13,808,322 and \$14,137,938, 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:			
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	409,211	519,433	928,644
2031-2035	2,326,791	2,313,599	4,640,390
2036-2040	2,864,753	1,761,599	4,626,352
2041-2045	3,515,684	1,082,616	4,598,300
2046-2049	3,220,522	275,900	3,496,422
	<hr/> <u>\$ 13,808,322</u>	<hr/> <u>8,195,159</u>	<hr/> <u>22,003,481</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. On December 4, 2024, NJEFA refinanced the Capital Improvement Fund bond pool. The outstanding balance as of June 30, 2025 and 2024 is \$4,524,200 and \$5,246,120, 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, 2025 and 2024 is \$3,736,549 and \$3,961,328, 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, 2025 and 2024 is \$1,696,102 and \$1,893,483, respectively, 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, 2025 and 2024 is \$1,253,563 and \$1,428,303, respectively, 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:			
2026	\$ 1,054,315	537,539	1,591,854
2027	1,105,715	485,925	1,591,640
2028	1,160,026	431,609	1,591,635
2029	1,218,958	372,579	1,591,537
2030	1,229,402	310,002	1,539,404
2031-2035	4,645,810	692,866	5,338,676
2036-2037	796,188	40,306	836,494
	<hr/> <u>\$ 11,210,414</u>	<hr/> <u>2,870,826</u>	<hr/> <u>14,081,240</u>

(d) Direct Placements

Capital assets are financed through direct placement debt of the IDA. The following obligations were outstanding as of June 30, 2025 and 2024:

Outstanding Direct Placement Debt			
	Interest rate	2025	2024
IDA Series 2022A Lease Revenue Refunding Bonds, due serially to 2042	2.800%	179,165,000	183,705,000
IDA Series 2022B Lease Revenue Bonds, due serially to 2042	3.970%	12,630,000	13,145,000
GCIA Series 2025A, B, C Lease Revenue Bonds, due serially to 2065	2.125%	26,370,000	—
Total direct placement bonds payable		<hr/> <u>\$ 218,165,000</u>	<hr/> <u>196,850,000</u>

Direct Placement Debt Principle and Interest Repayments		Principal amount	Interest amount	Total amount
Year ending June 30:				
2026	\$	5,983,898	6,076,153	12,060,051
2027		6,522,953	5,905,158	12,428,111
2028		7,087,202	5,718,896	12,806,098
2029		7,681,649	5,516,603	13,198,252
2030		8,306,298	5,297,494	13,603,792
2031-2035		53,008,586	22,516,078	75,524,664
2036-2040		76,132,662	13,724,550	89,857,212
2041-2045		37,512,290	3,335,465	40,847,755
2046-2050		3,375,877	1,534,223	4,910,100
2051-2055		3,752,208	1,157,892	4,910,100
2056-2060		4,170,492	739,608	4,910,100
2061-2065		4,630,885	274,695	4,905,580
		\$ 218,165,000	71,796,815	289,961,815

In February 2025, the GCIA issued Lease Revenue Bonds (Rowan USDA Student Center Project), Series 2025A in the principal amount of \$9,100,000, Series 2025B in the principal amount of \$8,700,000 and Series 2025C in the principal amount of \$8,570,000. The United States Department of Agriculture, Office of Rural Development (USDA) paid the aggregate purchase price of \$26,370,000 to the Authority and executed loan documents with Rowan University and GCIA with an interest rate of 2.125% and a maturity date of February 25, 2065.

(e) Long-Term Obligations

Changes in long-term obligations for the year ended June 30, 2025 and 2024 are as follows:

2025					
Long-term Obligations Rollforward					
	Beginning balance	Additions	Reductions	Ending balance	Due within One Year
Bonds payable	\$ 676,250,389	—	54,492,017	621,758,372	23,945,000
Other long-term debt	12,529,234	—	1,318,820	11,210,414	1,054,315
Financed purchase obligation	14,137,938	—	329,616	13,808,322	344,374
Direct placement debt	196,850,000	26,370,000	5,055,000	218,165,000	5,983,898
Leases and subscriptions, including component unit	126,753,488	6,059,948	10,439,685	122,373,751	10,433,575
Total long-term obligations	\$ 1,026,521,049	32,429,948	71,635,138	987,315,859	41,761,162

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

The University does not have any open lines of credit.

The GCIA 2015A, GCIA 2015B, GCIA 2015C, NJEFA 2016C, GCIA 2017A, GCIA 2019, GCIA 2021 Bonds, IDA 2022A, IDA 2022B, GCIA 2024, GCIA 2025A, B, C Bond 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 NEFA 2011C, CCIA 2013B, CCIA 2020A, CCIA 2020B, 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, 2025 and 2024 was as follows:

2025 Noncurrent Liabilities Activity						
	Beginning balance	Additions	Reductions	Ending balance	Current portion	Non-current portion
Compensated absences	\$ 15,422,536	14,332,050	12,154,704	17,599,882	13,834,663	3,765,219
Unearned revenue	161,661,932	13,001,228	90,722,837	83,940,323	52,277,499	31,662,824
Other liabilities	24,165,750	—	1,991,945	22,173,805	1,991,947	20,181,858
Repurchase liability	3,220,000	—	—	3,220,000	—	3,220,000
Deposits held in custody for others	2,525,758	2,768,117	2,757,370	2,536,505	—	2,536,505
Net pension liability	284,556,488	32,274,119	27,538,578	289,292,029	—	289,292,029
Bonds payable	676,250,389	—	54,492,017	621,758,372	23,945,000	597,813,372
Other long-term debt	12,529,234	—	1,318,820	11,210,414	1,054,315	10,156,099
Financed purchase obligation	14,137,938	—	329,616	13,808,322	344,374	13,463,948
Direct placement debt	196,850,000	26,370,000	5,055,000	218,165,000	5,983,898	212,181,102
Leases and subscriptions, including component unit	<u>126,753,488</u>	<u>6,059,948</u>	<u>10,439,685</u>	<u>122,373,751</u>	<u>10,433,575</u>	<u>111,940,176</u>
Total noncurrent liabilities	<u>\$ 1,518,073,513</u>	<u>94,805,462</u>	<u>206,800,572</u>	<u>1,406,078,403</u>	<u>109,865,271</u>	<u>1,296,213,132</u>

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	<u>126,885,969</u>	<u>10,381,415</u>	<u>10,513,896</u>	<u>122,373,488</u>	<u>8,977,688</u>	<u>117,775,800</u>
Total noncurrent liabilities	<u>\$ 1,319,728,328</u>	<u>367,223,948</u>	<u>168,878,763</u>	<u>1,518,073,513</u>	<u>113,047,040</u>	<u>1,405,026,473</u>

(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, 2025 and 2024 are as follows:

Net Professional Services and Contracts Revenue		2025	2024
Faculty practice revenues:			
Gross charges	\$ 6,880,422	5,878,764	
Contractual and other allowances	—	1,509,931	
Provision for bad debts	—	(36,191)	
Bad debt recovery	—	96,785	
Affiliation revenue	<u>30,697,431</u>	<u>30,511,928</u>	
Total faculty practice	<u>37,577,853</u>	<u>37,961,217</u>	
House staff and affiliation revenues:			
House staff billings	972,145	2,242,169	
Affiliation billings	<u>1,183,698</u>	<u>1,445,017</u>	
Total house staff and affiliation	<u>2,155,843</u>	<u>3,687,186</u>	
Total net professional services and contract revenues	<u>\$ 39,733,696</u>	<u>41,648,403</u>	

Gross charges pertain to the following payers:

Faculty Practice Plan Gross Charges		2025	2024
Medicare	7 %	— %	
Contracts	93	100	
	<u>100 %</u>	<u>100 %</u>	

Faculty practice gross accounts receivable pertain to the following payers:

Faculty Practice Plan Accounts Receivable		2025	2024
Medicare	7 %	— %	
Contracts	93	100	
	<u>100 %</u>	<u>100 %</u>	

(11) Commitments and Contingencies

(a) Compensated Absences

The University recorded a liability for accumulated vacation time in the amount of approximately \$13,835,000 and \$12,155,000 as of June 30, 2025 and 2024, 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 \$3,392,000 and \$2,940,000 as of June 30, 2025 and 2024, 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 \$373,000 and \$328,000 as of June 30, 2025 and 2024, 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 \$35,000; 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, the 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 was terminated on February 1, 2025 and an Extended Reporting Period Endorsement (Tail Policy) providing the same policy limits was purchased effective February 1, 2025.

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 \$5,255,374 and \$449,773 in fiscal year 2025 and 2024, respectively, for SOM. The University contributed \$1,468,300 to the fund for fiscal year 2025. Of this amount for fiscal year 2025, \$1,101,225 was paid while the remaining \$367,075 is included in accounts payable and accrued expenses as of June 30, 2025. 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.

(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 personality 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, 2025 and 2024 is \$4,250,559 and \$4,113,495, respectively. The building for the year ending June 30, 2025 and 2024 is \$115,155,436. The building improvements for the year ending June 30, 2025 and 2024 is \$893,088 and \$893,088, respectively. The deferred inflow of resources related to service concession arrangement for the year ending June 30, 2025 and 2024 is \$86,164,714 and \$89,857,193, 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, 2025 and 2024 is \$569,220 and \$562,232, 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 is being amortized beginning July 1, 2021 through June 30, 2034. The unamortized balance in the Capex Fund as of June 30, 2025 and 2024 was \$7,198,451 and \$7,196,983, respectively. The remaining balance in the Investment fund as of June 30, 2025 and 2024 was \$21,012,921 and \$22,859,757.

(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 \$243,663 and \$264,077 shortfall payments during fiscal year 2025 and 2024, 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 \$1,288,879 and \$681,089 for fiscal year 2025 and 2024, 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, 2025 and 2024, 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, 2025 and 2024 are as follows:

2025	Right-of-use Assets			
	Beginning balance	Additions/Transfers	Deletions/transfers	Ending balance
Nondepreciable right-of-use assets:				
Prepayment of subscription	\$ 666,811	481,072	(1,147,883)	—
Total right-of-use assets	666,811	481,072	(1,147,883)	—
Right-of-use assets:				
Real Estate	133,309,845	184,149	—	133,493,994
Equipment	46,523	742,123	(46,523)	742,123
Subscription	19,001,403	6,281,558	(2,149,299)	23,133,662
Total right-of-use assets	152,357,771	7,207,830	(2,195,822)	157,369,779
Less accumulated depreciation:				
Right-of-use assets:				
Real Estate	23,557,669	6,035,658	—	29,593,327
Equipment	36,568	110,988	(46,523)	101,033
Subscription	6,887,179	6,799,551	(2,149,299)	11,537,431
Total accumulated depreciation	30,481,416	12,946,197	(2,195,822)	41,231,791
Total right-of-use assets, net	\$ 122,543,166	(5,257,295)	(1,147,883)	116,137,988

2024	Right-of-use Assets				Ending balance
	Beginning balance	Additions/Transfers	Deletions/transfers		
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	

Lease and Subscription Liabilities

A summary of changes in the related lease and subscription liabilities during the years ended June 30, 2025 and 2024 are as follows:

	2025					
	Lease and Subscription Liabilities					
	Beginning balance	Additions	Remeasurements	Reductions	Ending balance	Due within One Year
Leases	\$ 116,432,020	926,272	—	4,651,806	112,706,486	5,349,072
Subscriptions	10,321,468	5,133,676	—	5,787,879	9,667,265	5,084,503
Total leases and subscriptions	\$ 126,753,488	6,059,948	—	10,439,685	122,373,751	10,433,575

	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

Future annual payments are as follows:

Lease Payments			
	Principal amount	Interest amount	Total amount
Year ending June 30:			
2026	\$ 5,349,072	3,095,294	8,444,366
2027	6,332,855	2,945,491	9,278,346
2028	6,516,795	2,784,352	9,301,147
2029	6,756,348	2,617,513	9,373,861
2030	6,473,034	2,450,017	8,923,051
2031-2035	29,849,476	9,760,324	39,609,800
2036-2040	23,302,093	6,041,430	29,343,523
2041-2045	18,296,435	2,724,430	21,020,865
2046-2050	8,846,938	750,709	9,597,647
2051-2054	983,440	8,941	992,381
	<u>\$ 112,706,486</u>	<u>33,178,501</u>	<u>145,884,987</u>

Subscription Payments			
	Principal amount	Interest amount	Total amount
Year ending June 30:			
2026	\$ 5,084,503	188,856	5,273,359
2027	2,649,760	76,567	2,726,327
2028	1,267,453	27,744	1,295,197
2029	546,226	9,503	555,729
2030	119,323	945	120,268
	<u>\$ 9,667,265</u>	<u>303,615</u>	<u>9,970,880</u>

The University incurred variable expenses associated with SBITAs in the amount of \$1,410,831 and \$1,145,886, as of June 30, 2025 and 2024, 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 \$0 and \$357,635 as of June 30, 2025 and 2024, respectively.

Future annual lease revenues are as follows:

	Lease Revenue					
	Future inflows	Component unit		Non-component unit		Total
		Interest amount	Future inflows	Interest amount		
Year ending June 30:						
2026	\$ 46,421	88,797	386,735	112,192	634,145	
2027	46,421	89,773	116,515	105,918	358,627	
2028	46,421	90,725	79,769	106,910	323,825	
2029	46,421	91,650	79,769	108,027	325,867	
2030	46,421	92,546	79,769	109,054	327,790	
2031-2035	232,103	474,958	398,847	555,147	1,661,055	
2036-2040	232,103	491,285	398,847	563,171	1,685,406	
2041-2045	232,103	500,212	398,847	552,380	1,683,542	
2046-2050	232,103	498,874	398,847	514,022	1,643,846	
2051-2055	232,103	483,665	398,847	436,186	1,550,801	
2056-2060	232,103	450,074	398,847	302,737	1,383,761	
2061-2065	232,103	392,483	329,001	95,087	1,048,674	
2066-2070	232,103	303,924	—	—	536,027	
2071-2075	232,103	175,790	—	—	407,893	
2076-2079	139,259	23,609	—	—	162,868	
	\$ 2,460,291	4,248,365	3,464,640	3,560,831	13,734,127	

(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



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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, 2025 and 2024 the University received \$17,825,503 and \$15,314,513, 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, 2025 and 2024, the Foundation's cash, cash equivalents and investments are reported on the statements of net position as follows:

Cash, Cash Equivalents, and Investments		2025	2024
Cash and cash equivalents		\$ 8,898,970	9,141,455
Restricted cash and cash equivalents		<u>7,743,951</u>	<u>7,351,173</u>
		<u><u>\$ 16,642,921</u></u>	<u><u>16,492,628</u></u>
Investments		\$ 85,541,617	77,872,049
Restricted investments		<u>74,438,966</u>	<u>62,621,424</u>
Restricted nonexpendable investments		<u><u>280,776,297</u></u>	<u><u>266,958,096</u></u>
		<u><u><u>\$ 440,756,880</u></u></u>	<u><u><u>407,451,569</u></u></u>

Cash, cash equivalents, restricted nonexpendable investments and investments consist of the following as of June 30, 2025 and 2024:

Cash, Cash Equivalents, and Investments		2025	2024
Cash and cash equivalents:			
Cash		\$ 9,147,699	8,488,591
Money market funds		<u>7,495,222</u>	<u>8,004,037</u>
		<u><u>\$ 16,642,921</u></u>	<u><u>16,492,628</u></u>
Investments:			
Bond mutual funds (domestic)		\$ 33,137,389	35,843,070
Common stock mutual funds (domestic)		97,183,867	90,903,971
Common stock mutual funds (international)		67,704,638	62,588,876
Privately held common stock		185,989	185,989
Venture capital investments		5,464,438	5,806,713
Alternative investments		<u>237,080,559</u>	<u>212,122,950</u>
		<u><u>\$ 440,756,880</u></u>	<u><u>407,451,569</u></u>

For the years ended June 30, 2025 and 2024, the increase in fair value on investments was \$26,225,989 and \$27,164,547, respectively and the net realized gain on investments for June 30, 2025 and 2024 was \$4,720,659 and \$5,341,208, 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 \$16,535,094 and \$16,506,820 as of June 30, 2025 and 2024, respectively. Of this amount, \$416,694 and \$304,898 was FDIC insured, leaving an uninsured and uncollateralized balance of \$16,118,400 and \$16,201,922.

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, 2025 and 2024, 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, 2025 and 2024 are as follows:

2025 Foundation Investments' Average Duration		
Investment type	Fair value	Average effective duration
Bond mutual funds (domestic)	\$ 15,961,473	6.21 years
Bond mutual funds (domestic)	10,519,220	6.38 years
Bond mutual funds (domestic)	6,509,010	6.01 years
Bond mutual funds (domestic)	147,686	6.05 years
Total	\$ 33,137,389	

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	

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, 2025 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)	\$ 33,137,389	33,137,389	—	—
Common stock mutual funds (domestic)	97,183,867	97,183,867	—	—
Common stock mutual funds (international)	67,704,638	67,704,638	—	—
Privately held common stock	185,989	—	—	185,989
Venture capital investments	5,464,438	—	—	5,464,438
Subtotal	<u>203,676,321</u>	<u>\$ 198,025,894</u>	<u>—</u>	<u>5,650,427</u>
Investments measured at net asset value:				
Absolute return	52,857,921			
Private equity	162,267,749			
Realty investments	21,954,889			
Subtotal	<u>237,080,559</u>			
Total cash equivalents and investments	\$ <u>440,756,880</u>			

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	<u>195,328,619</u>	<u>\$ 189,335,917</u>	<u>—</u>	<u>5,992,702</u>
Investments measured at net asset value:				
Absolute return	47,735,279			
Private equity	146,231,959			
Realty investments	18,155,712			
Subtotal	<u>212,122,950</u>			
Total cash equivalents and investments	\$ <u>407,451,569</u>			

Investments Measured at NAV

The following table represents the unfunded commitments and redemption terms by investment type as of June 30, 2025:

Investments Measured at NAV				
	Fair value	Unfunded commitments	Redemption frequency (if currently eligible)	Redemption notice period
Absolute return ^(a)	\$ 52,857,921	—	Quarterly	65–100 days
Private equity ^(b)	162,267,749	40,956,890	Illiquid	Not applicable
Realty investments ^(c)	21,958,889	8,663,135	Illiquid	Not applicable
	\$ 237,084,559			

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			

- (a) Absolute return includes 5 and 5 hedge funds as of June 30, 2025 and 2024, 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 36 and 33 funds as of June 30, 2025 and 2024, 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 11 funds as of June 30, 2025 and 2024, 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, 2025 and 2024 consists of the following:

	2025	2024
Henry and Betty Rowan for general operations	\$ 97,000,118	97,000,118
Virtua Health College of Medicine & Health Sciences Endowment	58,750,000	54,375,000
Henry M. Rowan College of Engineering Endowment	22,000,000	21,000,000
Jean & Ric Edelman Fossil Park Endowment	19,541,120	19,354,204
The Ric Edelman College of Communication & Creative Arts Endowment	9,500,000	9,500,000
Rita and Larry Salva Virtua Health College of Medicine & Life Sciences of Rowan University Fund	7,050,089	5,850,000
Rohrer College of Business	6,597,280	6,097,280
Menon and Grand Endowed Scholarship Fund for the College of Science and Mathematics	5,921,947	5,921,947
The John H. Martinson Honors College	4,000,250	3,000,080
The Shreiber Family Pet Therapy Program	3,001,345	3,001,345
Rudolph M. Salati Endowed Scholarship Program at Rowan University	2,290,061	28,260
Shreiber School of Veterinary Medicine of Rowan University	2,000,423	2,000,500
Rohrer College of Business Honors	1,760,000	1,400,000
Keith and Shirley Campbell Endowment to support library operations	1,641,896	1,641,896
Rona Stern Staut Research Professorship	1,448,774	1,346,517
Thomas N. Bantivoglio Honors Program for scholarships	1,403,897	1,403,897
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	1,019,742
Gourmet Dining Endowed Veterans Medical School Scholarship Fund	1,000,000	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
Gourmet Dining Endowed Student Support Fund	1,000,000	—
Inspira Health Network Endowed Fund	1,000,000	1,000,000
Endowed Chair for Geriatrics	1,000,000	1,000,000
Name #1 TBD Endowed Chair of the Henry M. Rowan College of Engineering	1,000,000	—
Other endowment funds	<u>25,592,141</u>	<u>24,760,096</u>
	<u>\$ 280,776,297</u>	<u>266,958,096</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, 2025 and 2024 was \$54,636 and \$53,045, 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 2025 and 2024. 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, 2025 and 2024, SJTP recognized \$1,152,516 and \$1,130,785, respectively, in rental income related to this lease agreement. The University also reimbursed SJTP \$208,770 and \$200,452 for utility charges associated with this lease for fiscal year 2025 and 2024, 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 \$522,511 and \$522,064 for fiscal year 2025 and 2024, 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 \$233,818 and \$28,639 in fiscal years 2025 and 2024, respectively.

(15) Subsequent Events

The University evaluated events subsequent to June 30, 2025 and through December 12, 2025, the date of which the financial statements were issued.

In August 2025, the University entered into 20-year, \$12.0 million lease purchase agreement with Siemens Public, Inc., for the acquisition of energy system improvements across its main campus.

In August 2025, The Gloucester County Improvement Authority (GCIA) issued Rowan University Series 2025 Bonds. The 2025 tax exempt revenue refunding bonds totaled \$59,805,000 with a coupon rate of 5.000% and maturity through 2044. The proceeds from these bond issuances were used to refund and redeem portions of the Refunded 2015A and 2015C Bonds, refund and redeem the Refunded 2015B Bonds, and pay the costs and expenses incurred in the issuance of the 2025 Bonds.

ROWAN UNIVERSITY
 (A Component Unit of the State of New Jersey)
 Required Supplementary Information (Unaudited)
 Schedules of Employer Contributions
 June 30, 2025

Public Employees' Retirement System	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 21,599,395	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
Contributions in relation to the contractually required contribution	21,599,395	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
Contribution deficiency (excess)	\$ —	—	—	—	—	—	—	—	—	—
University employee covered-payroll	\$ 63,273,800	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
Contributions as a percentage of employee covered payroll	34.14 %	36.14 %	34.96 %	36.69 %	26.09 %	19.08 %	17.54 %	14.43 %	10.23 %	7.34 %
Police and Firemen's Retirement System	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 3,176,226	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
Contributions in relation to the contractually required contribution	3,176,226	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
Contribution deficiency (excess)	\$ —	—	—	—	—	—	—	—	—	—
University employee covered-payroll	\$ 2,732,755	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
Contributions as a percentage of employee covered payroll	116.23 %	103.03 %	122.83 %	126.27 %	85.25 %	67.37 %	63.25 %	56.24 %	41.08 %	28.42 %

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, 2025											
Public Employees' Retirement System		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
University proportion of the net pension liability – state group		1.218 %	1.174 %	1.187 %	1.197 %	1.138 %	1.181 %	1.157 %	1.152 %	1.147 %	1.058 %
University proportion of the net pension liability – total plan		0.753	0.712	0.707	0.770	0.654	0.661	0.632	0.604	0.571	0.544
University proportionate share of the net pension liability	\$	269,977,256	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
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
University proportionate share of the net pension liability as a percentage of the employee covered-payroll		457.1 %	464.9 %	488.1 %	481.7 %	469.4 %	511.7 %	540.2 %	566.8 %	670.4 %	487.6 %
Plan fiduciary net position as a percentage of the total pension liability		51.27 %	48.45 %	46.41 %	51.52 %	42.90 %	42.04 %	40.45 %	36.78 %	31.20 %	38.21 %
Police and Firemen's Retirement System		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
University proportion of the net pension liability – state group		0.439 %	0.470 %	0.437 %	0.433 %	0.393 %	0.388 %	0.412 %	0.412 %	0.395 %	0.379 %
University proportion of the net pension liability – total plan		0.115	0.119	0.106	0.131	0.088	0.089	0.091	0.084	0.073	0.073
University proportionate share of the net pension liability	\$	19,314,773	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
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
University proportionate share of the net pension liability as a percentage of the employee covered-payroll		710.1 %	871.0 %	851.9 %	779.2 %	762.2 %	825.0 %	938.5 %	924.3 %	969.0 %	786.8 %
Plan fiduciary net position as a percentage of the total pension liability		63.82 %	65.04 %	63.29 %	71.41 %	58.78 %	60.20 %	57.91 %	54.52 %	48.55 %	52.84 %
Teachers' Pension and Annuity Fund		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
University proportion of the net pension liability		0.002 %	0.002 %	0.002 %	0.002 %	0.002 %	0.002 %	0.002 %	0.002 %	0.002 %	0.010 %
University proportionate share of the net pension liability	\$	763,307	818,959	888,839	840,599	1,313,388	1,205,870	1,310,288	1,479,732	1,744,239	6,423,696
Total net pension liability	\$	763,307	818,959	888,839	840,599	1,313,388	1,205,870	1,310,288	1,479,732	1,744,239	6,423,696
University employee covered-payroll		— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
University proportionate share of the net pension liability as a percentage of the employee covered-payroll		— %	34.68 %	32.29 %	35.52 %	24.60 %	26.95 %	26.49 %	25.41 %	22.33 %	28.71 %
Plan fiduciary net position as a percentage of the total pension liability		34.68 %	34.68 %	32.29 %	35.52 %	24.60 %	26.95 %	26.49 %	25.41 %	22.33 %	28.71 %

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 as follows:

PERS

For 2024, the discount rate remained at 7.00% and the long-term rate of return remained at 7.00%.

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% and 6.28% 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 6.28% 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%.

PFRS

For 2024, the discount rate remained at 7.00% and the long-term rate of return remained at 7.00%.

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%.

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, 2025								
	2025	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	\$ 464,269,044	\$ 397,117,012	\$ 419,423,528	\$ 489,658,735	\$ 568,312,787	\$ 382,327,565	\$ 486,974,034	\$ 554,246,968
Total OPEB liability	\$ 464,269,044	\$ 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	\$ 200,900,440	\$ 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 2025, the discount rate changed to 3.83% from 3.85%. The mortality tables utilized Pub-2010 and Scale MP-2021.

For 2024, the discount rate changed to 3.65% from 3.54%. 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.

See accompanying independent auditors' report.