William Paterson University of New Jersey

(A Component Unit of the State of New Jersey)

Financial Statements and
Supplementary Information

June 30, 2021 and 2020

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Independent Auditors' Report

To the Board of Trustees of
William Paterson University of New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of William Paterson University of New Jersey, a component unit of the State of New Jersey, (the University) and its discretely presented component unit as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of William Paterson University of New Jersey Foundation, Inc. (the Foundation), which is a discretely presented component unit. Those statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditor. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audits and the report of another auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of William Paterson University of New Jersey and its discretely presented component unit as of June 30, 2021 and 2020, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 18, Schedules of University's Proportionate Share of the Net Pension Liability, Schedules of University Contributions and Schedules of University's Proportionate Share of the Total OPEB Liability on pages 56 through 58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Baker Tilly US, LLP

Iselin, New Jersey
April 27, 2022

Introduction

The Management's Discussion and Analysis report (MDA) provides a comprehensive overview of the financial position of The William Paterson University of New Jersey (the University) as of June 30, 2021 and 2020, and changes in its financial position for the fiscal years then ended with selected comparative information for the year ended June 30, 2019. Since this management's discussion and analysis is designed to focus on current activities, it should be read in conjunction with the University's basic financial statements and footnotes, which follow the MDA report. Unless otherwise indicated, years (2021, 2020 and 2019) in this report refer to the fiscal years ending June 30.

The University's audited financial statements consist of the Statements of Net Position, the Statements of Revenues, Expenses and Changes in Net Position, and the Statements of Cash Flows. It includes discreet presentation of the basic audited financial statements for the William Paterson University of New Jersey Foundation (Statements of Financial Position, the Statements of Activities and the Statements of Cash Flows). The footnotes to the financial statements provide additional information that is essential to a full understanding of the financial statements.

Highlights

The 2021 and 2020 financial statements reflect impacts of the COVID-19 pandemic and related business interruptions. The University closed its campus in March 2020 at the start of the pandemic and quickly pivoted to fully online instruction. In the fall of 2020 and throughout fiscal year 2021, certain in-person activity resumed and classes were delivered in multiple formats - in on-campus, online, and hybrid versions. Administrative staff split their time between remote work locations and on-campus. Residence halls opened at partial capacity. By August of 2021, all activities had fully resumed in person on campus.

COVID-19 presented new challenges in which the University found more opportunity to evolve and improve. Navigating the sudden reduction of revenue streams, including State appropriations and campus housing revenue, required agility and adaptation. High priority was given to achieving the technology requirements of delivering classes remotely and accommodating students in need. Furlough programs were developed equitably across all categories of faculty and staff in a way that layoffs could be avoided. Emergency federal and state grants were tapped to mitigate revenue losses and provide aid to students. Spending and hiring caps have been utilized throughout the pandemic to cut operating expenses. Many of the technology solutions developed for remote operations were discovered to be relevant business process improvements with longer term value. The recent revenue losses and technology expenses experienced as a result of both the pandemic and demographic trends have been offset by reduced operating expense and emergency relief grants.

The University has received COVID-19 emergency relief grants under three legislative acts via the federal Higher Education Emergency Relief Funds (HEERF) and three programs of the State which passed through federal funds:

- The Coronavirus Aid, Relief, and Economic Security Act (CARES or HEERF 1)
- The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA or HEERF 2)
- The American Rescue Plan (ARP or HEERF 3)
- Governor's Emergency Education Relief Fund (GEERF)
- Coronavirus Relief Fund (CRF 1)
- Coronavirus Relief Fund (CRF 2)

Emergency Relief Grants				
	FY20	FY21	FY22	Total
HEERF 1 (CARES)	$ 10,468,357			$ 10,468,357
HEERF 2 (CRRSA)		$17,366,141	$ 4,042	17,370,183
HEERF 3 (ARP)		1,786,603	29,113,267	30,899,870
GEERF		3,512,415		3,512,415
CRF 1		8,040,171		8,040,171
CRF 2		2,357,795		2,357,795
	10,468,357	33,063,125	29,117,309	72,648,791
Pass-through to Students	(4,881,678)	(4,877,636)	(14,614,509)	(24,373,823)
Net Total for Institutional Use	$ 5,586,679	$28,185,489	$ 14,502,800	$ 48,274,968

These grants have provided relief for lost revenues caused by COVID-19 and have been used to pay for costs directly associated with managing activities of the University throughout the pandemic.

While the State has provided relatively stable direct state appropriations in recent years, the University continues to operate with a lack of sufficient state support. The amount of State appropriation has remained the same for many years, while at the same time the State-negotiated labor contracts have committed the University to pay for year after year personnel increases. The University continues to meet the goals of its mission statement by reviewing opportunities for revenue growth or cost reductions. In July, 2020, the University implemented WP Online, a fully online degree program offering graduate degrees in business, education and nursing, and a bachelor's degree in nursing. New programs including further undergraduate degree programs were added in the fall of 2021, and enrollment has escalated quickly.

The University has a well-established pattern of adapting and responding to an ever changing business environment. University enrollments nationwide have been declining, and the University has responded over the past seven years with targeted recruitment updates and constructive approaches to right-sizing budgets. New revenue streams have been implemented and academic departments have found ways to improve and modernize programs while consolidating and cutting costs at the same time.

University adopted a strategic plan in 2012. This plan helps identify the academic programs for growth in enrollment and academic reputation, helps identify student support services to improve student academic profile, retention and graduation rates, and helps identify diversified revenue sources. The plan includes an annual department-level proposal process for strategic solution developments emphasizing transparency and accountability, through which $9.4 million has been invested and monitored to date. A new strategic plan is under development and will be rolled out in 2022.

GASB Statements No. 68 and 75

The University complies with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*; and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. Items reported under these rules are unique in that none of the funding and transacting activities of the plans occur at the University level; rather they are conducted entirely by the State.

GASB Statement No. 68 was adopted in 2015 and requires participating employees of multi-employer cost sharing pension plans to report their proportionate share of net pension liability, pension expense, and the related deferred outflows and inflows of resources on their financial statements. The unfavorable impact of GASB 68 can be seen primarily in two sections of the University's financial statements: liabilities and unrestricted net position. The University is reporting $150.6 million of net pension liability as of June 30, 2021, an increase of $1.2 million from fiscal year 2020 and a cumulative decrease of $8.8 million from fiscal year 2019. Although this liability is now reflected on the University's Statement of Net Position, the State of New Jersey asserts that these are reporting entries only and do not reflect the responsibility for future payment by the University of these liabilities, which remains with the State.

These sections of the 2021 financial statements are impacted by the requirements of GASB Statement No 68:

- *Noncurrent liabilities:* Net pension liability as of June 30, 2021 was $150.6 million, an increase of $1.2 million from June 30, 2020. This liability makes up 39 percent of the University's total liabilities.

- *Deferred outflows and inflows of resources:* Deferred outflows was $23.5 million as of June 30, 2021, an increase of $4.6 from June 30, 2020; and deferred inflows was $38.8 million as of June 30, 2021, an increase of $1.1 million from June 30, 2020.

- *Current year operating expense:* Fiscal year 2021 includes $2.5 million pension income associated with the State pension plan. This income is allocated to the functional expense lines in the Statement of Revenues, Expenses and Changes in Net Position. In fiscal year 2020, the expense amount was $45,935.

- *Unrestricted net position:* The cumulative total of GASB 68 impact to unrestricted net position as of June 30, 2021 is a (deficit) of ($169.6) million.

GASB Statement No. 75 was adopted during fiscal year 2018. Similar to GASB No. 68, GASB No. 75 focuses on participating employees reporting their proportionate share of certain items relating to a long term benefit plan, in this case other post-employment benefits (OPEB) provided by the State of New Jersey State Health Benefit State Retired Employees Plan. The plan pays health care benefits for state employees who have met minimum service requirements. Different from GASB No. 68 however, the University is not required to report OPEB liability because of the technical classification whereby a "special funding situation" as defined by GASB No. 75 is deemed relevant. The University must record and report its proportionate share of OPEB expense along with the associated revenue reflecting the State's legal obligation to pay for these benefits. The University's proportionate share of OPEB liability was $281.6 million and $186.1 million as of June 30, 2021 and 2020, respectively, and its share of OPEB expense (with corresponding revenue) was $4.9 million and $1.1 million for fiscal years 2021 and 2020, respectively.

These sections of the 2021 financial statements are impacted by the requirements of GASB Statement No 75:

- *Current year operating expense:* Fiscal year 2021 includes $4.9 million for OPEB benefits expense representing the University's proportionate share of the State's plan expenses. The expense is allocated to the functional expense lines in the Statement of Revenues, Expenses and Changes in Net Position, and is fully offset by an equal amount of State appropriation revenue in the Nonoperating Revenues (Expenses) section of the Statement of Revenues, Expenses and Changes in Net Position.

- *Current year nonoperating revenues (expenses):* This section includes a third line of State support reflecting the State's obligation to pay the OPEB expenses reported under operating expense. The fiscal year 2021 nonoperating revenue for the State's OPEB benefits is $4.9 million.

Statements of Net Position

The Statements of Net Position present the University's financial position as of a point in time, reflecting current and noncurrent assets, deferred outflows of resources, current and noncurrent liabilities, deferred inflows of resources and total net position reported under three separate classifications.

Assets and liabilities are generally measured using current values. However, capital assets are stated at historical cost less an allowance for depreciation. A summary of the University's assets, liabilities and net position (in thousands) at June 30, 2021, 2020, and 2019 follows:

Statements of Net Position Summary

	2021	2020	2019
Assets:			
Current assets	$ 134,722	$ 93,851	$ 98,896
Noncurrent assets:			
Capital assets, net	390,181	398,315	408,890
Other	300	308	302
Total assets	525,203	492,474	508,088
Deferred outflows	23,451	18,890	27,387
Liabilities:			
Current liabilities	47,582	32,363	30,297
Noncurrent liabilities	336,740	324,973	344,495
Total liabilities	384,322	357,336	374,792
Deferred inflows	38,774	37,714	35,873
Net position:			
Net investments in capital assets	214,690	217,236	217,716
Restricted for Debt service	7,920	7,790	8,450
Unrestricted	(97,052)	(108,712)	(101,356)
Total net position	$ 125,558	$ 116,314	$ 124,810

Current and Noncurrent Assets and Liabilities

Current assets consist primarily of cash and cash equivalents, restricted deposits held by bond trustees, investments and accounts receivables. Noncurrent assets consist of capital assets and noncurrent portion of loans receivable. Current liabilities consist primarily of accounts payable and accrued expenses, deferred revenue and current portion of bonds payable and other long-term debt, while noncurrent liabilities consist primarily of bonds payable, net pension liability and other long-term debt.

Assets

At June 30, 2021, the University had total assets of $525.2 million, an increase of $32.7 million from $492.5 million at June 30, 2020. The decrease in capital assets of $8.1 million was caused by depreciation of $15.5 million partially offset by increases for new capital projects.

Current assets, consisting of cash and cash equivalents, restricted deposits held by bond trustees, investments, and accounts receivable, increased $40.9 million during 2021. Investments increased $3.3 million due to strong performance and restricted deposits increased $16.6 million for the bond proceeds received in the 2021C closing in March, 2021. Cash and cash equivalents increased $21.0 million, reflecting the receipt of emergency relief funds received to cover pandemic-induced operating losses, along with restoration of State appropriation that had been reduced at the start of the pandemic. Additionally, the University realized budget savings in 2021 that had been put in place at the start of the pandemic, reducing cash outflows throughout the year.

Student accounts receivable, net of the allowance for doubtful accounts, increased $2.9 million, while other receivables and prepaid expenses decreased $3.0 million.

At June 30, 2020, the University had total assets of $492.5 million, a decrease of $15.6 million from $508.1 million at June 30, 2019. The decrease in capital assets accounts for $10.6 million of the total assets decrease and was caused by depreciation of $15.6 million partially offset by increases for new capital expenditures.

Other notable 2020 changes within assets are tied to impacts of the COVID-19 pandemic. Cash and investments at June 30, 2020 were $6.3 million lower and $4.7 million lower than June 30, 2019, respectively. These decreases resulted from reduced State appropriations of $3.4 million, a drop-off of student payments on accounts, delayed State FICA reimbursements and excess operating expenses over revenues. Campus housing closures and the resulting refunds paid to students impacted cash and investments, however this was largely recovered by the institutional portion of CARES funds received during June 2020. The increase in student accounts receivables of $1.4 million reflects an increase in balances receivable of $1.8 million partially offset by a $0.4 million increase in allowance for doubtful accounts. The increase in grants receivable of $4.6 million reflects the student portion of CARES funds receivable (with the related $4.1 million payable to students included in the balance sheet liabilities). The increase to the State of NJ receivable of $0.7 million reflects the State's delayed payment of FICA reimbursements.

Deferred Outflows and Inflows of Resources

As of June 30, 2021, the deferred outflows of resources and deferred inflows of resources were $23.5 million and $38.8 million, respectively. Deferred outflows are presented in the asset section of the balance sheet, and deferred inflows in the liability section.

The primary component of deferred outflows consists of GASB 68 actuarial pension fund adjustments, however in fiscal years 2021 and 2020 the total deferred outflows of $23.5 million and $18.9 million, respectively, includes $3.7 million and $3.9 million, respectively, relating to advance refunding of the 2008C bond issue.

The source of deferred inflows is entirely related to GASB 68 actuarial pension fund adjustments.

Liabilities

At June 30, 2021, the University had total liabilities of $384.3 million, an increase of $27.0 million from $357.3 million at June 30, 2020. Primary drivers of the increase are debt - the University took new borrowings of $20.5 million and paid down existing debt of $9.7 million for a net increase of $10.8 million and increased unearned revenue of $14.3 million relating to receipt of emergency relief grants that will be applied to FY 2022. Other increases are in accrued compensated absences, $1.0 million and net pension liability, $1.2 million offset by $0.5 million reduction of accounts payable reflective of further cost cutting.

At June 30, 2020, the University had total liabilities of $357.3 million, a decrease of $17.5 million from $374.8 million at June 30, 2019. The decrease is comprised of lower net pension liability, $10.1 million, and pay-down of bonds and other debt, $10.1 million, offset by an increase in accounts payable and accrued expenses of $2.7 million. There was a general decrease in accounts payable and accrued expenses of $1.4 million reflective of spending caps and reductions in response to COVID-19, however that reduction was offset by a one-time payable of $4.1 million for student portion CARES grant funding.

Net Position

Net position reflects the residual interest in the University's assets and deferred outflows of resources after the deduction of its liabilities and deferred inflows of resources. Net position consists of three major categories: net investment in capital assets, expendable restricted net assets and unrestricted net position.

Net investment in capital assets - Includes the University's capital assets (property, plant and equipment), net of accumulated depreciation, reduced by the outstanding balances of debt attributable to these assets.

Expendable restricted net assets - Assets available for expenditure by the University, but only in accordance with restrictions placed on their use by external entities.

Unrestricted net position - Includes assets that are not subject to limitations or stipulations imposed by external entities and that have not been set aside for capital or endowment purposes. These assets are available for any lawful purpose of the University and include resources that may be designated for specific purposes as determined by management or the Board.

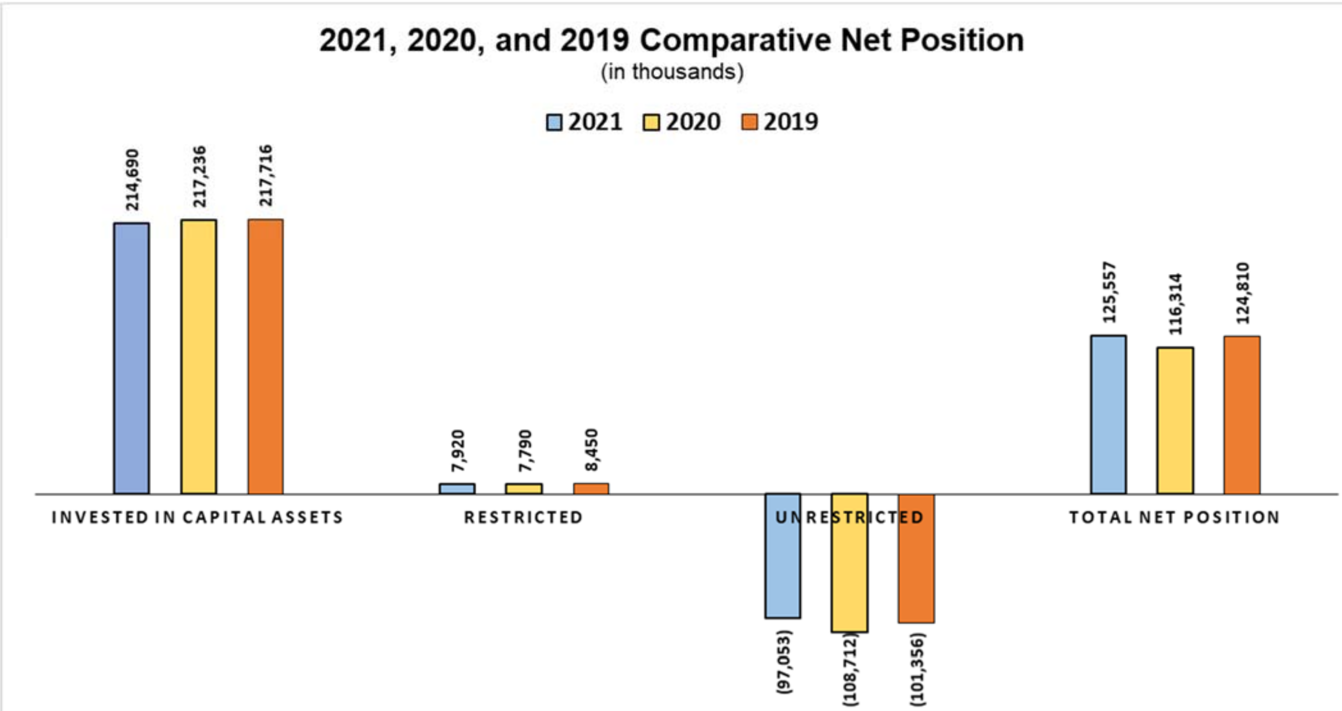
Components of Net Position

	2021	2020	2019
Net investment in capital assets	$ 214,690,253	$ 217,235,677	$ 217,716,398
Expendable restricted for debt service	7,920,000	7,790,000	8,450,000
Unrestricted:			
University unrestricted	72,519,702	63,329,576	70,639,628
Proportionate share of NJ pension liability	(169,572,286)	(172,041,699)	(171,995,764)
	(97,052,584)	(108,712,123)	(101,356,136)
Total net position	$ 125,557,669	$ 116,313,554	$ 124,810,262

Net position at June 30, 2021, 2020 and 2019 was $125.6, $116.3 and $124.8 million, respectively. From fiscal year 2020 to 2021, net position increased $9.2 million and from fiscal year 2019 to 2020, it decreased $8.5 million.

The FY21 overall increase in net position of $9.2 million, as reported in the Statement of Revenues, Expenses and Changes in Net Position, reflects total net revenues over expenses of $6.8 million plus the GASB 68 income of $2.5 million.

The FY20 overall decrease in net position of $8.5 million, as reported in the Statement of Revenues, Expenses and Changes in Net Position, reflects total net expenses over revenues $8.5 million less the GASB 68 expense of $45,935.



Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position presents the revenues earned and the expenses incurred during the fiscal year. Activities are classified as operating, nonoperating or capital grants and gifts. Revenues received and expenses incurred as a result of the University providing goods and services to its students and other constituencies are considered operating. Nonoperating revenues are primarily those received for which goods and services are not directly provided. The University's financial reporting model classifies state appropriations and gifts as nonoperating revenues. The operating deficit demonstrates the University's dependency on state support, capital grants and other nonoperating revenues. Nonoperating activity also includes investment income and expense.

A summary of the University's revenues, expenses and changes in net position (in thousands) for the years ended June 30, 2021, 2020 and 2019 follows:

Summary of Revenues, Expenses and Changes in Net Position

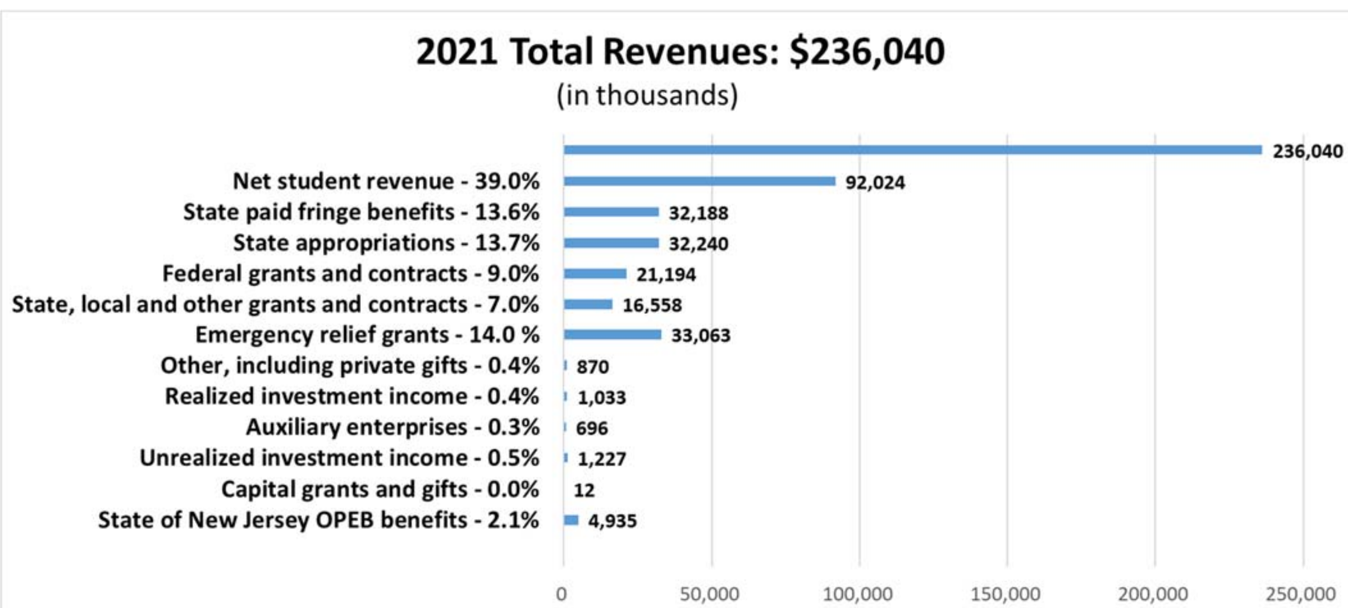
	2021	2020	2019
Operating revenues:			
Net student revenue	$ 92,024	$ 100,072	$ 103,447
Other	38,448	44,071	45,067
Total operating revenues	130,472	144,143	148,514
Operating expenses	220,297	222,446	232,228
Operating loss	(89,825)	(78,303)	(83,714)
Nonoperating revenues (expenses):			
State appropriations	69,363	60,689	74,090
Emergency relief grants	33,063	10,468	-
Other	3,130	5,127	6,043
Interest expense	(6,499)	(6,498)	(5,721)
Net total nonoperating revenues	99,057	69,786	74,412
Capital grants and gifts	12	21	3,927
Increase (decrease) in net position*	9,244	(8,496)	(5,375)
Net position, beginning of year	116,314	124,810	130,185
Net position, end of year	$ 125,558	$ 116,314	$ 124,810
*Categories of decrease in net position:			
Operating and nonoperating net total expenses	$ 6,763	$ (8,471)	$ (6,889)
GASB 68 pension expense	2,469	(46)	(2,413)
GASB 75 OPEB expense	(4,935)	(1,111)	(11,207)
GASB 75 OPEB revenue	4,935	1,111	11,207
Capital grants and gifts	12	21	3,927
Net total increase (decrease) in net position	$ 9,244	$ (8,496)	$ (5,375)

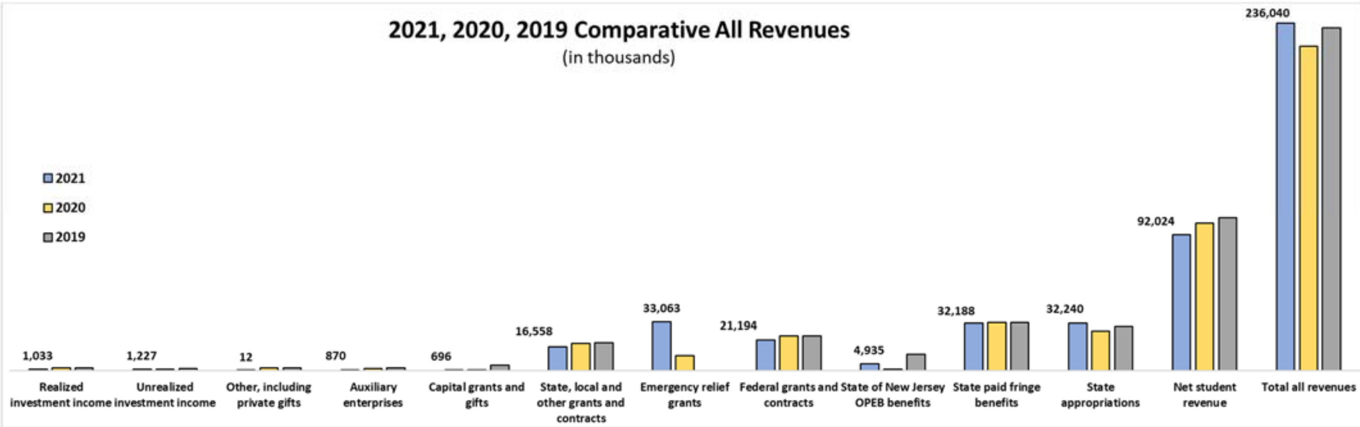
Revenues

Revenues are classified as operating, nonoperating, or capital grants and gifts. A summary of the University's revenues (in thousands) for the years ended June 30, 2021, 2020 and 2019 follows:

Operating, Nonoperating and Capital Revenues:

	2021	2020	2019
Operating revenues:			
Net student revenue	$ 92,024	$ 100,072	$ 103,447
Federal grants and contracts	21,194	23,695	23,918
State local and other grants and contracts	16,558	18,683	18,981
Auxiliary enterprises	696	1,693	2,168
Total operating revenues	130,472	144,143	148,514
Nonoperating revenues:			
State appropriations	32,240	27,017	30,357
State paid fringe benefits	32,188	32,562	32,526
Emergency relief grants	33,063	10,468	-
State paid OPEB benefits	4,935	1,111	11,207
Investment income	1,033	1,849	2,132
Unrealized investment gain	1,227	1,151	1,789
Other, including private gifts	870	2,125	2,123
Total nonoperating revenues	105,556	76,283	80,134
Capital grants and gifts	12	21	3,927
Total operating, nonoperating and capital revenues	$ 236,040	$ 220,447	$ 232,575





Operating Revenues

Operating revenues consist of student revenues, government grants and contracts, and auxiliary enterprises.

Gross student tuition and fees were $122.2 million, $126.8 million and $124.9 million for the years ended June 30, 2021, 2020 and 2019, respectively. This revenue was generated by the following number of students, resident students and meal plan participants:

Student Enrollment:
Total Enrollment (FTE's):

	2021	2020	2019
Annualized Fall and Spring	7,074	7,498	7,663
Summer II (July-August 2020, 2019, 2018)	305	300	300
Summer I (May-June 2021, 2020, 2019)	282	362	315
Winter	95	71	68
Total enrollment	7,756	8,231	8,346
Residential students	1,037	1,858	1,972
Meal plan participants	1,020	1,808	1,922

Net student revenue, comprised of tuition and fees and residence life less scholarship allowances, was $92.0 million for the year ended June 30, 2021, a decrease of $8.1 million from fiscal year 2020. The decline consists of room and board decreases totaling $4.9 million and tuition and fees decreases totaling $4.7 million, offset by a corresponding $1.5 million decrease in the scholarship allowance.

For the year ended June 30, 2020, net student revenue was $100.1 million, a decrease of $3.4 million from fiscal year 2019 due to the pandemic related decrease of $5.4 million in residence life revenue partially offset by an increase in tuition and fees revenue of $2.0 million.

Tuition and fees revenue, a component of net student revenue, was $122.2 million in fiscal year 2021, $4.7 million lower than fiscal year 2020, caused by a pandemic-driven enrollment decline. Tuition and fees revenue was $126.8 million in fiscal year 2020, $2.0 million higher than fiscal year 2019. The increase reflects slight decreases in enrollment offset by tuition and housing rate increases.

Revenues from federal grants and contracts decreased $2.5 million during fiscal year 2021 to $21.2 million due to decreased Pell grants related to pandemic-driven enrollment declines. In 2020, revenues from federal grants and contracts decreased $0.2 million to $23.7 million, also related to enrollment fluctuations.

State, local and other grants and contracts decreased for the year ended June 30, 2021 by $2.1 million, reflecting a decrease in the State TAG financial aid awards of $1.7 million and decreased other grants of $0.5 million. State, local and other grants and contracts decreased for the year ended June 30, 2020 by $0.3 million, reflecting a decrease in the State TAG financial aid awards of $0.2 million and decreased other grants of $0.1 million

Revenue from auxiliary enterprises consists of bookstore and vending machine commissions, revenue from athletic programs, facilities rentals, food service sales and other related revenue. Revenue from auxiliary enterprise activities was $0.7 million for the year ended June 30, 2021, a decrease of $1.0 million from fiscal year 2020 reflecting lower hospitality revenues due to COVID-19 related decreases in food service and bookstore revenues. In 2020, revenue from auxiliary enterprise activities was $1.7 million, a decrease of $0.5 million from fiscal year 2019.

Nonoperating Revenues

The University's primary source of nonoperating revenue is State of New Jersey appropriations for general operations and fringe benefits. The general operations appropriation was $32.2 million in fiscal year 2021, an increase of $5.2 million from fiscal year 2020 due to restoration of cuts made at the beginning of the pandemic. The fringe benefits appropriation was $32.2 million, $32.6 million and $32.5 million for the years ended June 30, 2021, 2020, and 2019, respectively. State paid OPEB benefits was $4.9 million, $1.1 million and $11.2 million in fiscal years 2021, 2020 and 2019, respectively.

The University received $33.1 million in emergency relief grants relating to the COVID-19 pandemic in fiscal year 2021. Sources of funding were the Higher Education Emergency Relief Fund (HEERF), $19.2 million, including special allocations for minority serving institutions, the Governor's Emergency Relief Fund (GEERF), $3.5 million, and the Coronavirus Relief Fund (CRF 1 and 2), $10.4 million. The HEERF funds included $4.9 million of funds designated specifically for students, the payment of which is included in operating expenses under the functional category of student services.

In fiscal year 2020, the University received $10.4 million in emergency relief grants relating to the COVID-19 pandemic. The Higher Education Emergency Relief Fund (HEERF), authorized by Section 18004(a)(1) of the Coronavirus Aid, Relief and Economic Security (CARES) Act, provided $9.7 million, fifty percent of which was paid directly to students and the remainder applied to institutional costs associated with responding to special operating needs created by the pandemic. As a minority-serving institution, the University also received $0.7 million under Section 18004(a)(2) of the CARES Act.

Capital Grants and Gifts

Final capital grant funding from the State of New Jersey's "Building our Future" bond issue was received in fiscal years 2021 and 2020. This $30 million grant was the primary (75 percent) funding source for University Hall and partially funded the Preakness Hall and Hunziker Wing renovations. For the years ending June 30, 2021 and June 30, 2020, $11,607 and $21,253, respectively, was received as capital grants.

Expenses

Operating expenses are reported by functional classification in the Statements of Revenues, Expenses and Changes in Net Position. Total operating expenses for the year ended June 30, 2021 were $215.4 million, a decrease of $7.1 million from fiscal year 2020. Operating expenses include GASB 68 pension income of $2.5 million in fiscal year 2021 and $45,935 in fiscal year 2020. The income in fiscal year 2021 is reflective of general improvements to the GASB 68 balance sheet items of net pension liability, deferred outflows and deferred inflows. Fiscal year 2021 is the first year since the adoption of GASB 68 in 2015 that it has been income.

GASB 75 OPEB expense was $4.9 million in fiscal year 2021 and $1.1 million in fiscal year 2020. This expense reflects the University's proportionate share of current year State-paid post-employment retirement benefits expense.

Salaries decreased during fiscal year 2021 by $3.9 million due to intentional efforts to reduce costs in response to enrollment declines. The cost reduction was achieved through furloughs and position eliminations through a voluntary separation program. The overall benefits decrease in fiscal year 2021 of $2.7 million is explained primarily by the negative GASB 68 pension expense, $2.5 million, which offsets the GASB 75/OPEB expense of $4.9 million.

Other operating expenses in both fiscal years 2021 and 2020 include the $4.9 million pass-through student portion of HEERF funds. The corresponding and offsetting revenue is included in emergency relief grants in the nonoperating revenues section.

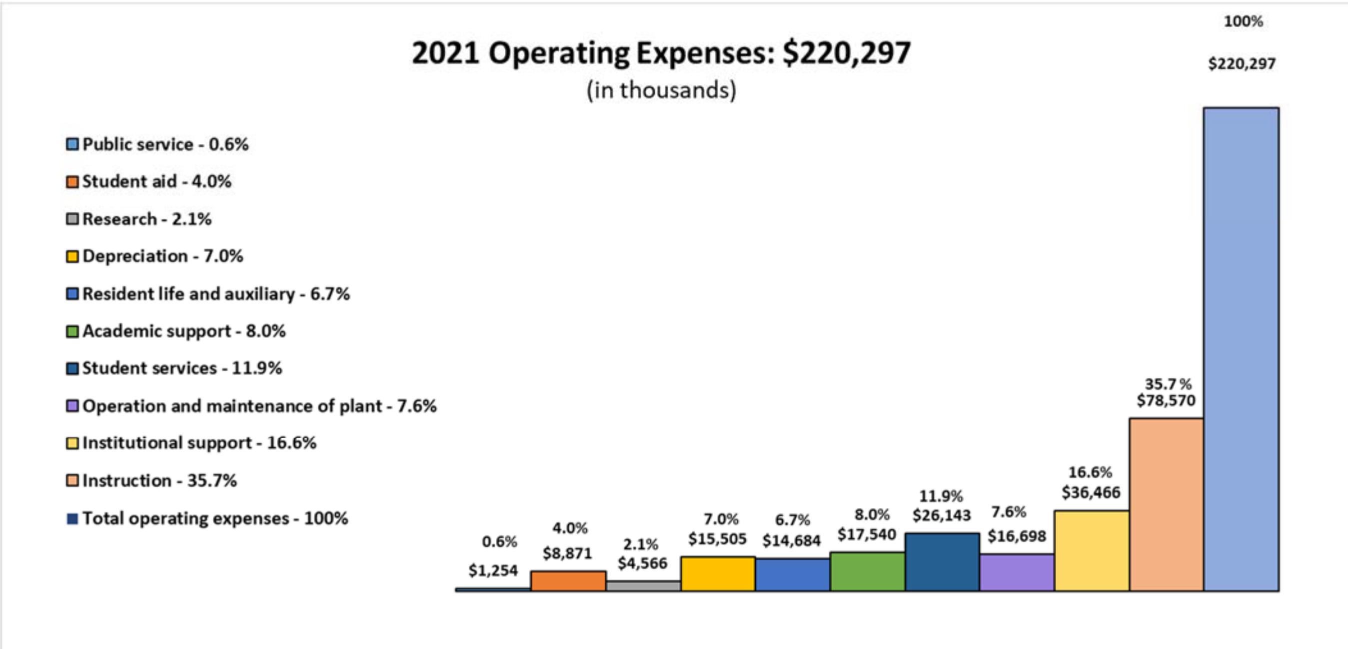
Overall, the net total decrease from 2020 to 2021 in operating expenses was $7.1 million. Other than salaries and benefits with a total decrease of $7.7 million, there were general operating expense decreases of $3.9 million due to budget cuts. These were offset by increases in technology and equipment - an increase of $2.5 million for the purpose of dealing with remote and hybrid education delivery; and bad debt expense - an increase of $2.0 million due to considerable higher student accounts receivable balances and the need to increase the allowance for bad debts.

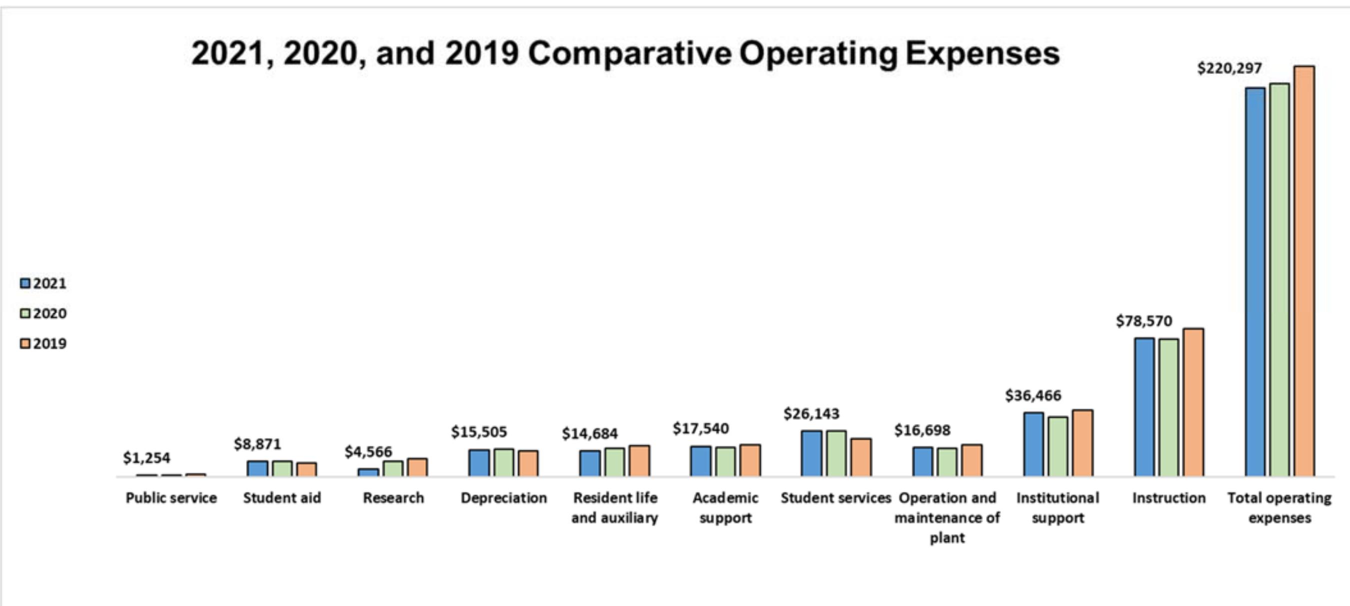
Functionally, the overall $7.1 million decrease was located mainly in research ($4.3 million), instruction ($2.1 million), and auxiliary enterprises ($1.7 million).

For fiscal year 2020, the salaries increase of $0.2 million represents general increases to salaries for annual increases and filling of vacancies. The overall benefits decrease in fiscal year 2020 of $12.7 million is explained primarily by decreases in GASB 68 pension expense, $2.4 million, and GASB 75/OPEB expense of $10.1 million.

Other operating expenses in fiscal year 2020 include a one-time expense of $4.9 million for student CARES awards relating to COVID-19. This was a pass through expense, with the offsetting revenue included in emergency relief grants in nonoperating revenues. Otherwise, operating expenses were down $4.2 million as a result of efforts to cut costs in response to COVID-19. Costs were down in most categories including salaries and benefits, $2.2 million, hospitality, $0.7 million; data processing, $0.5 million; utilities, $0.4 million; and maintenance, $0.3 million. Depreciation increased $0.8 million due to the completion of Skyline Residence Hall.

Functionally, the overall $9.8 million decrease was located mainly in instruction ($6.0 million), institutional support ($3.7 million), operations and maintenance ($1.8 million), residence life-auxiliary enterprises ($1.7 million), research ($1.3 million), and academic support ($1.2 million). Student services increased $4.4 million due to the $4.9 million student CARES awards.





Functional vs. Natural Classification of Expenses (Without GASB 68 or GASB 75)

Exclusive of the impacts of GASB 68 and GASB 75, the allocation of operating expenses to natural classifications has remained proportionately constant over the years ended June 30, 2021, 2020, and 2019, with salaries at 56-57 percent, fringe benefits at 16 percent, supplies and services at 19-21 percent and depreciation at 6-7 percent. In fiscal year 2021, salaries and fringe benefits (non-GASB 68 related) decreased $4.0 million and in fiscal year 2020 didn't change materially.

Operating Expenses: Functional vs. Natural Classifications

	2021		2020		2019	
Functional Classification						
Instruction	$ 76,361	35.1 %	$ 77,426	35.0 %	$ 78,002	35.7 %
Research	4,532	2.1	8,847	4.0	9,984	4.6
Academic support	17,246	7.9	16,770	7.6	16,960	7.8
Public service	1,232	0.6	1,270	0.6	1,457	0.7
Student services	25,830	11.9	25,713	11.6	20,152	9.2
Institutional support	36,715	16.9	34,206	15.5	34,788	15.9
Operation and maintenance of plant	16,894	7.8	16,290	7.4	17,114	7.8
Student aid	8,871	4.1	8,992	4.1	7,991	3.7
Residence life and auxiliary	14,645	6.7	16,100	7.3	17,319	7.9
Depreciation	15,505	7.1	15,677	7.1	14,841	6.7
Total operating expenses	217,831	100.0 %	221,289	100.0 %	218,608	100.0 %
GASB 68 impact	(2,469)		46		2,413	
GASB 75 impact	4,935		1,111		11,207	
	$ 220,297		$ 222,446		$ 232,228	
Natural Classification						
Salaries and wages	$ 119,501	56.1 %	$ 123,365	57.0 %	$ 123,139	56.3 %
Fringe benefits	34,748	16.3	34,930	16.1	35,153	16.1
Supplies and services	43,200	20.3	42,435	19.6	45,475	20.9
Depreciation	15,505	7.3	15,677	7.3	14,841	6.7
Total operating expenses	212,954	100.0 %	216,407	100.0 %	218,608	100.0 %
Student relief expenses	4,877		4,882		-	
GASB 68 impact	(2,469)		46		2,413	
GASB 75 impact	4,935		1,111		11,207	
	$ 220,297		$ 222,446		$ 232,228	

Nonoperating Expense

Nonoperating expense consists of interest on capital asset-related debt of $6.5 million, $6.5 million and $5.7 million for the years ended June 30, 2021, 2020 and 2019, respectively. The $0.8 million increase from 2019 to 2020 reflects an overall decrease in interest expense of $0.4 million offset by a decrease in the amount of capitalized interest of $1.2 million. Interest expense was capitalized for Skyline during 2018 and 2019.

Unrealized investment gains during 2021 and 2020 reflect market valuation changes driven by interest rate fluctuations, however these gains are not expected to be realized as long as bonds are held to maturity. The University's portfolio is structured so that all bonds are held to maturity.

Capital Assets and Debt Activities

At June 30, 2021, the University's investment in capital assets was $390.2 million, net of accumulated depreciation of $259.3 million. Debt related to these capitalized assets was $189.5 million. During fiscal year 2021, the University had total capital additions of $7.4 million for improvement and restoration projects. These additions were partially funded with proceeds from the 2021C bond issue which occurred March, 2021.

At June 30, 2020, the University's investment in capital assets was $398.3 million, net of accumulated depreciation of $243.8 million. Debt related to these capitalized assets was $178.1 million. During fiscal year 2020, the University had total capital additions of $5.1 million for improvement and restoration projects.

The University issued five new bond series over the fiscal years 2016 – 2021. On August 18, 2015, the University issued Series 2015C New Jersey Educational Facilities Authority Revenue Bonds for par value of $45,695,000. The issue refunded all of the University's 2005E principal balance and provided $20 million of new money for use towards Preakness Hall and Hunziker Wing renovations. On July 27, 2016, Series 2016E was issued for a par value of $60,755,000, partially refunding remaining principal on the 2008C bonds. On August 9, 2017, Series 2017B was issued for par value of $27,065,000 for the construction of Skyline Hall. On May 13, 2019, the 2019A series was issued for par value of $5,070,000 to refinance the remaining portion of 2008C bonds. Finally, on March 17, 2021, the 2021C series was issued for par value of $17,900,000 to finance multiple campus renovation projects, including 1800 Valley Road, Power Arts and Wayne Dining Hall.

Planning for capital projects in response to new priorities or unanticipated needs is evaluated against the current Facilities Master Plan, which was approved by the Board of Trustees in 2003. As mandated by State statute, the University submits its updated Annual Capital Improvement Program Request. As part of the submission, the Facilities Master Plan is updated to reflect cost escalation, add new deferred maintenance projects and report completed deferred maintenance projects. To keep the Master Plan current, several mini-master plans have been completed. In 2005, an athletic zone plan was developed with a number of major improvements executed over several years. In 2012, the University commissioned a core academic zone master plan concentrated on the six academic buildings in the heart of the campus. The plan, accepted by the University's Board of Trustees in spring 2012, provides the road map to upgrade and/or replace the six original classroom buildings on the campus. The plan provided a foundation for submission of capital project funding applications to the State, resulting in the $30.0 million grant awarded to the University for University Hall and $7.1 million grant awarded for the Hunziker building renovations. In 2014, a residential zone plan was completed and as a result the University was able to construct a new residence hall (Skyline Hall) which opened in the fall of 2019. The University is also moving forward with renovation projects to upgrade its existing residence halls. The University will continue to supplement funding for its capital and deferred maintenance projects with its own funds.

A summary of the University's capital assets (in thousands) at June 30, 2021, 2020 and 2019 follows:

Capital Assets

	2021	2020	2019
Land	$ 7,256	$ 7,256	$ 7,256
Construction in progress	11,637	7,670	41,230
Infrastructure	18,864	18,837	18,837
Buildings and improvements	565,717	563,851	525,885
Equipment	45,316	43,806	43,119
Artwork	691	690	681
Total	649,481	642,110	637,008
Less accumulated depreciation	259,300	243,795	228,118
Total capital assets, net	$ 390,181	$ 398,315	$ 408,890

Conclusion

The University continues to demonstrate sound, conservative fiscal management as evidenced by its careful stewardship of resources and its constant monitoring of revenues and expenditures. Changing demographics and dependency on State funding are challenges that the University has so far overcome through strategic planning and prudent fiscal management. The University's reserves provide financial security and flexibility to respond to the business requirements associated with business development, new strategic goals and transition.

The State's colleges and universities play a pivotal role in establishing New Jersey as a leader in human, economic and technological development. The financial condition of The William Paterson University of New Jersey is tied to that of the State of New Jersey. A crucial element to the University's future will be the level of appropriations, as there is a direct relationship between the level of State support and the University's ability to control tuition costs. State appropriations received in the years ended June 30, 2021 and 2020 were $32.2 million and $27.0 million, respectively. Over the last thirty years, the dollar amount of State appropriation support has not been increased even though operating costs increase annually. For example, the fiscal year 2021 appropriation was approximately the same amount as received in the year ended June 30, 1993 (and fiscal years since then) aside from contractually obligated and state paid fringe benefits which are tied directly to negotiated arrangements. With an expectation of less reliance on state support while understanding its public role in serving the state, the University's goal is to increase student recruitment, enrollment and retention, and diversify its revenues. Annual tuition and fee charges were increased approximately 2 percent for each of the past nine years.

The University has increased revenue from noncredit courses and from its off-campus program at Mercer County College. Revenue streams continue with the rental of rooftops for telecommunications equipment, increased summer classroom and camp rental activities and billing insurance companies for the Health and Wellness Center services provided to our students. The investment advisors hired by the University to manage and increase the yield on our liquid operating cash has resulted in significant investment income increases. The William Paterson University of New Jersey Foundation continues to expand its fund raising efforts as a means to supplement revenue from tuition and state support, and has doubled its endowment in the past five years. The University completed a new residence hall in fiscal year 2020 and renovated two major academic classroom buildings to meet growing needs and maintain current standards, while continuing to monitor the increasing operating costs and the increasing demand for institutional scholarships.

The University continues to monitor its financial health with the Board of Trustees' adoption of Key Performance Indicators, including ratios developed for rating agency analysis of colleges and universities. Other assessment tools such as national surveys are utilized to ensure its delivery of student academic and support services at high level of quality.

William Paterson University of New Jersey
Statements of Net Position
June 30, 2021 and 2020

	2021	2020
Assets and Deferred Outflow of Resources		
Current assets:		
Cash and cash equivalents	$ 33,255,083	$ 12,265,634
Restricted deposits held by bond trustees	27,771,472	11,164,315
Investments	55,579,053	52,229,585
Receivables:		
Students, less allowance for doubtful accounts of $4,133,352 in 2021 and $1,386,159 in 2020	10,480,852	7,547,051
Loans, net	26,064	26,789
State of New Jersey	1,762,840	2,313,272
Gifts, grants and contracts	5,049,391	7,080,267
Other receivables	571,587	1,121,162
Total receivables	17,890,734	18,088,541
Prepaid expenses	225,633	103,359
Total current assets	134,721,975	93,851,434
Noncurrent assets:		
Loans, net	299,735	308,071
Capital assets, net	390,181,472	398,314,554
Total noncurrent assets	390,481,207	398,622,625
Total assets	525,203,182	492,474,059
Deferred outflows of resources	23,450,712	18,889,846
Total assets and deferred outflows of resources	548,653,894	511,363,905
Liabilities and Deferred Inflow of Resources		
Current liabilities:		
Accounts payable and accrued expenses	15,577,651	16,095,005
Compensated absences	5,447,412	4,212,372
Bonds payable	7,920,000	7,790,000
Other long-term debt	659,559	625,406
Unearned revenue	17,977,007	3,640,040
Total current liabilities	47,581,629	32,362,823
Noncurrent liabilities:		
Bonds payable	181,627,840	170,263,971
Other long-term debt	1,758,982	2,399,500
Compensated absences	2,186,774	2,389,759
U.S. government grants refundable	595,166	595,166
Net pension liability	150,571,753	149,325,002
Total noncurrent liabilities	336,740,515	324,973,398
Total liabilities	384,322,144	357,336,221
Deferred inflows of resources, pension	38,774,081	37,714,130
Net Position		
Net investment in capital assets	214,690,253	217,235,677
Restricted for debt service	7,920,000	7,790,000
Unrestricted	(97,052,584)	(108,712,123)
Total net position	$ 125,557,669	$ 116,313,554

See notes to financial statements

William Paterson University of New Jersey
Statements of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2021 and 2020

	2021	2020
Operating Revenues		
Student revenues:		
Student tuition and fees	$ 122,183,670	$ 126,843,434
Residence life	11,924,478	16,803,444
Less scholarship allowances	(42,084,575)	(43,574,914)
Net student revenues	92,023,573	100,071,964
Federal grants and contracts	21,194,512	23,694,948
State, local, and other grants and contracts	16,558,068	18,683,063
Auxiliary enterprises	695,918	1,693,078
Total operating revenues	130,472,071	144,143,053
Operating Expenses		
Instruction	78,570,744	78,099,584
Research	4,565,617	8,862,324
Academic support	17,540,782	16,915,175
Public service	1,254,379	1,277,906
Student services	26,142,822	25,894,515
Institutional support	36,465,935	34,057,750
Operating and maintenance of plant	16,698,072	16,488,046
Student aid	8,870,994	8,992,185
Residence life and auxiliary enterprises	14,683,669	16,181,958
Depreciation	15,504,550	15,676,643
Total operating expenses	220,297,564	222,446,086
Net operating loss	(89,825,493)	(78,303,033)
Nonoperating Revenues (Expenses)		
State of New Jersey appropriations	32,240,000	27,016,900
State of New Jersey paid fringe benefits	32,187,883	32,561,859
State of New Jersey paid OPEB benefits	4,935,447	1,110,696
Emergency relief grants	33,063,125	10,468,357
Private gifts	1,031,480	1,052,083
Investment income	1,033,115	1,848,852
Net unrealized investment gain	1,227,562	1,151,083
Interest on capital asset-related debt	(6,498,846)	(6,497,977)
Other nonoperating (expenses) revenues, net	(161,765)	1,073,219
Net nonoperating revenues	99,058,001	69,785,072
Income (loss) before other revenues	9,232,508	(8,517,961)
Other Revenues		
Capital grants and gifts	11,607	21,253
Increase (decrease) in net position	9,244,115	(8,496,708)
Net Position, Beginning	116,313,554	124,810,262
Net Position, Ending	$ 125,557,669	$ 116,313,554

See notes to financial statements

William Paterson University of New Jersey
Statements of Cash Flows
Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows From Operating Activities		
Student tuition and fees	$ 94,249,454	$ 81,359,626
Federal, state, and local grants and contracts	39,783,453	37,744,791
Payments to suppliers	(45,245,805)	(35,038,112)
Payments to employees	(118,382,593)	(122,178,585)
Payments for employee benefits	(16,416,120)	(16,929,549)
Payments for student aid	(8,356,123)	(8,980,390)
Residence life	11,924,478	16,803,444
Auxiliary enterprises	695,918	1,693,078
Net cash used in operating activities	(41,747,338)	(45,525,697)
Cash Flows From Noncapital Financing Activities		
Private gifts	1,015,764	937,851
State of New Jersey appropriations	46,819,520	40,464,243
Emergency relief grants	33,063,125	10,468,357
Other receipts	(161,765)	1,073,219
Net cash provided by noncapital financing activities	80,736,644	52,943,670
Cash Flows From Capital and Related Financing Activities		
Purchase of capital assets	(5,942,723)	(6,900,146)
Capital appropriations, grants and gifts received	11,607	21,253
Proceeds from issuance of capital asset related debt	20,408,124	-
Principal payments on asset related capital debt	(9,520,620)	(10,094,452)
Interest payments on capital asset-related debt	(6,472,659)	(6,594,095)
Increase in restricted deposits held by bond trustees	(34,962,984)	(14,906,114)
Decrease in restricted deposits held by bond trustees	18,355,827	15,754,207
Net cash used in capital and related financing activities	(18,123,428)	(22,719,347)
Cash Flows Provided by Investing Activities		
Proceeds from sales of investments	20,515,092	36,707,642
Purchases of investments	(21,424,636)	(29,563,576)
Interest, dividends and realized gains	1,033,115	1,848,852
Net cash provided by investing activities	123,571	8,992,918
Net increase (decrease) in cash and cash equivalents	20,989,449	(6,308,456)
Cash and Cash Equivalents, Beginning	12,265,634	18,574,090
Cash and Cash Equivalents, Ending	$ 33,255,083	$ 12,265,634
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Net operating loss	$ (89,825,493)	$ (78,303,033)
Adjustments to reconcile net operating loss to net cash used in operating activities:		
Provision for doubtful accounts	(2,747,192)	(414,777)
State appropriations paid fringe benefits	18,116,386	17,784,974
State of New Jersey paid OPEB benefits	4,935,447	1,110,696
Depreciation expense	15,504,550	15,676,643
Net unrealized investment gain	(1,227,562)	(1,151,083)
Changes in assets, deferred outflow of resources, liabilities and deferred inflow of resources:		
Receivables	2,311,545	(5,767,774)
Deferred outflow of resources	(4,560,866)	8,496,744
Accounts payable and accrued expenses	(1,929,877)	5,297,952
Compensated absences	1,032,055	859,291
Unearned revenue	14,336,967	(879,770)
Net pension liability	1,246,751	(10,076,373)
Deferred inflow of resources, pension	1,059,951	1,840,813
Net cash used in operating activities	$ (41,747,338)	$ (45,525,697)
Supplemental Disclosure of Noncash Financing Activities		
Purchases of property and equipment in accounts payable	$ 1,522,995	$ 94,250

See notes to financial statements

William Paterson University of New Jersey Foundation, Inc.
Statements of Financial Position
June 30, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	$ 14,944,222	$ 5,592,379
Investments	28,364,950	24,177,945
Promises to give, net	2,467,479	3,441,634
Interest receivable	4,425	25,661
Prepaid expenses and other assets	2,161	2,659
Total assets	$ 45,783,237	$ 33,240,278
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 150,254	$ 195,758
Grants payable	15,868	86,597
Annuities payable	289,948	200,050
Deferred revenue	1,300	18,500
Total liabilities	457,370	500,905
Net Assets		
Without donor restrictions	8,275,101	6,092,847
With donor restrictions	37,050,766	26,646,526
Total net assets	45,325,867	32,739,373
Total liabilities and net assets	$ 45,783,237	$ 33,240,278

William Paterson University of New Jersey Foundation, Inc.
Statements of Activities
Years Ended June 30, 2021 and 2020

	2021	2020
Changes in Net Assets Without Donor Restrictions		
Support:		
Scholarships	$ 118,908	$ 101,604
Fundraising	1,061,607	1,094,349
Campus activities	74,717	77,719
Development	174,089	366,047
Community activities	22	495
Capital campaigns	286	824
Investment activities	2,384,779	219,440
Total support	3,814,408	1,860,478
Net assets released from restrictions	1,723,503	2,331,836
	5,537,911	4,192,314
Grants and expenses:		
Scholarships and grants	1,214,762	1,288,312
Campus activities	840,513	964,948
Capital campaigns	336	2,885
Community activities	272	-
Management and development	287,531	286,135
Fundraising	1,012,243	1,046,311
Total expenses and other deductions	3,355,657	3,588,591
Change in net assets without donor restrictions	2,182,254	603,723
Changes in Net Assets With Donor Restrictions		
Scholarships	6,787,678	3,773,599
Fundraising	63,688	96,949
Campus activities	847,969	680,267
Development	14,887	5,804
Community activities	5,000	1,215
Capital campaigns	1,410	1,860
Investment activities	4,407,111	1,236,942
Total support	12,127,743	5,796,636
Net assets released from restrictions	(1,723,503)	(2,331,836)
Change in net assets with donor restrictions	10,404,240	3,464,800
Increase in net assets	12,586,494	4,068,523
Net Assets, Beginning	32,739,373	28,670,850
Net Assets, Ending	$ 45,325,867	$ 32,739,373

See notes to financial statements

William Paterson University of New Jersey Foundation, Inc.
Statements of Cash Flows
Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows From Operating Activities		
Increase in net assets	$ 12,586,494	$ 4,068,523
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized gain on sale of investments	(3,089,180)	(547,034)
Unrealized gain on investments	(3,429,872)	(468,651)
Bad debt expense	39,568	11,296
Change in operating assets and liabilities:		
Promises to give	934,587	(1,894,733)
Interest receivable	21,236	14,812
Prepaid expenses and other assets	498	(2,659)
Accounts payable and accrued expenses	(45,504)	193,270
Grants payable	(70,729)	(18,859)
Annuities payable	89,898	(185,279)
Deferred revenue	(17,200)	17,000
Net cash provided by operating activities	7,019,796	1,187,686
Cash Flows From Investing Activities		
Purchase of investments	(9,790,438)	(8,560,881)
Proceeds from disposition of investments	12,122,485	8,030,144
Net cash provided by (used in) investing activities	2,332,047	(530,737)
Net increase in cash and cash equivalents	9,351,843	656,949
Cash and Cash Equivalents, Beginning	5,592,379	4,935,430
Cash and Cash Equivalents, Ending	$ 14,944,222	$ 5,592,379

See notes to financial statements

1. Nature of Operations

Organization

William Paterson University of New Jersey (the University) is a comprehensive public, coeducational institution of higher education located in the Township of Wayne and Boroughs of Haledon and North Haledon, Passaic County, New Jersey. The University was founded in 1855 as the Paterson Normal School and was granted University status in June 1997. The University offers 56 undergraduate, 28 masters, 2 doctoral, 1 post baccalaureate undergraduate certificate and 21 graduate certificates in five colleges: Arts and Communication; Business; Education; Humanities and Social Sciences; and Science and Health. For the fall semester of the 2020 - 2021 and 2019 - 2020 academic years, approximately 8,000 and 8,600, respectively, part time and full time undergraduate students attended the University and approximately 1,700 and 1,500, respectively, part time and full time graduate students attended the University. The University's mission includes maintaining a tradition of leadership in general education and multiculturalism, and a commitment to promoting student success, academic excellence, diversity and community outreach with opportunities for lifelong learning.

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. State of New Jersey appropriations are the University's largest sources of nonoperating revenue. The University is economically dependent on these appropriations to carry on its operations. The University is considered a component unit of the State for financial reporting purposes. Accordingly, the University's financial statements are included in the State's Comprehensive Annual Financial Report.

Reporting Entity

The operations of William Paterson University of New Jersey Foundation, Inc. (the Foundation) are included in the accompanying basic financial statements as a discretely presented component unit.

The University has determined the Foundation should be included in the University's financial statements as a discretely presented component unit. A component unit is a legally separate organization for which the University is financially accountable or closely related.

The Foundation is a legally separate corporation with an independent board of trustees and acts primarily as a fund raising entity to provide additional funding to support the educational goals of the University. The Foundation has received a determination letter from the Internal Revenue Service that it is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC).

Since the economic resources received or held by the Foundation are entirely or almost entirely for the direct benefit of the University or its constituents, and the University is entitled to, or has the ability to otherwise access a majority of the economic resources received or held by the Foundation and the economic resources are significant to the University, the Foundation is therefore discretely presented in the University's basic financial statements.

As of June 30, 2021 and 2020, the University has a receivable of $899,409 and $203,844, respectively, from the Foundation. For the years ended June 30, 2021 and 2020, the University recognized revenue of $2,162,512 and $1,973,259, respectively, as Foundation gifts and grants. A copy of the financial statements of the Foundation can be obtained from the Office of Institutional Advancement, 300 Pompton Road, Wayne, New Jersey 07474.

The Foundation is a private not-for-profit organization that reports under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). As such, certain revenue recognition criteria and presentation features are different from Governmental Accounting Standards Board (GASB). No modifications have been made to the Foundation's financial information in the University's financial reporting entity for these differences.

2. Summary of Significant Accounting Policies

Basis of Presentation

The University classifies for accounting and reporting purposes into the following net position categories:

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

- **Restricted for Debt Service:** Net position whose use by the University is subject to externally imposed stipulations that can be fulfilled by actions of the University pursuant to the stipulations or that expire by the passage of time.

- **Unrestricted:** Net position not subject to externally imposed stipulations that may be designated for specific purposes by action of management or the Board of Trustees. Substantially all unrestricted net position is reserved for academic and other programs and capital programs.

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

Measurement Focus and Basis of Accounting

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

Use of Estimates

The 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit and highly liquid short term investments deposited in the State of New Jersey Cash Management Fund (the Fund) which has an average maturity of less than 90 days.

Restricted Deposits Held by Bond Trustees

Restricted deposits held by bond trustees restricted for capital and debt service are recorded in the financial statements at fair value, which is based on quoted market price and consist of money market accounts, U.S. Treasury obligations and government issues.

Investments

All investments are measured at fair value at the statements of net position date. Investment income or loss (including interest, dividends, realized gains and losses and change in unrealized gains and losses) is reported as a nonoperating activity.

Receivables

Student receivables consist of tuition and fees charged to current and former students. State of New Jersey receivables and gifts, grants and contracts receivables are amounts due from federal and state governments in connection with reimbursements of allowable expenditures made pursuant to grants and contracts and other miscellaneous sources. Loans receivable consist of funds loaned to students under federal loan programs.

Receivables are reported at net realizable value. Receivables are written off when they are determined to be uncollectible based upon management's assessment of individual accounts. The allowance for doubtful accounts is estimated based upon the University's historical losses and periodic review of individual accounts.

Capital Assets

Capital assets are recorded at historical cost. Donated capital assets are recorded at fair value at the date of donation. Capital assets, with the exception of land, artwork and construction in progress, are depreciated on the straight-line method over their estimated useful lives as follows:

	Useful Lives
Infrastructure	25-50 years
Building and improvements	15-45 years
Equipment	5-10 years

In accordance with the University's capitalization policy, only those items with a cost of more than $5,000 are capitalized.

Revenue Recognition

Revenues from student tuition and fees and residence life are presented net of scholarship allowances applied to student accounts and are recognized in the period earned. Other payments made directly to students are presented as student aid and are included in operating expenses in the period incurred. Student tuition and fees and deposits collected in advance of the fiscal year are recorded as unearned revenue in the accompanying financial statements, and totaled $4,345,138 at June 30, 2021 and $2,225,018 at June 30, 2020.

Grants and contracts revenue is comprised mainly of funds received from grants from the Federal government, State of New Jersey and local sources and is recognized upon meeting the eligibility requirements for recognition which is generally as the related expenses are incurred. Amounts received from grants which have not yet been earned under the terms of the agreements are included in unearned revenue in the accompanying financial statements and totaled $13,631,869 at June 30, 2021 and $1,415,022 at June 30, 2020.

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

Scholarship Allowances

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

Classification of Revenue and Expense

The University's policy for defining operating activities in the statements of revenues, expenses and changes in net position are those that serve the University's principal purpose and generally result from exchange transactions such as the payment received for services and payment made for the purchase of goods and services. Examples include (a) student tuition and fees and residence life, net of scholarship allowances, (b) auxiliary enterprises and (c) most Federal, State, local and other grants and contracts. Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as State of New Jersey appropriations, emergency relief grants, net investment income and gifts. Interest expense is reported as a nonoperating activity.

Compensated Absences

The liability is calculated based upon employees' accrued vacation leave as of the statements of net position date, an estimated vested amount for accrued sick leave and the estimated cost of Alternative Benefit Plan (ABP) salary and sick leave. Payments for accumulated sick leave balances are made to retiring employees upon regular retirement. The payment is based on 50 percent 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. Prior to 1991, the State of New Jersey reimbursed the University for payments made to retiring employees for accrued sick leave; however, from 1991 through the current fiscal year, the State of New Jersey did not make such reimbursements. The University paid $338,393 and $214,789 in sick leave payments for employees who retired during the years ended June 30, 2021 and 2020, respectively.

New Accounting Pronouncements

The University adopted GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The primary objective of this Statement is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that all interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred.

The GASB has approved the following:

Statement No. 87, *Leases*, effective for the University's year ending June 30, 2023

Statement No. 91, *Conduit Debt Obligations*, effective for the University's year ending June 30, 2023

Statement No. 92, *Omnibus 2020*, effective for the University's year ending June 30, 2022

Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for the University's year ending June 30, 2024

When they become effective, application of these standards may restate portions of these financial statements. University management is in the process of analyzing these pending changes in accounting principles and the impact they will have on the financial reporting process.

Income Taxes

The University is exempt from federal income taxes under IRC Section 115.

3. Cash and Cash Equivalents

Cash and cash equivalents are comprised of the following as of June 30, 2021 and 2020:

	2021	2020
Bank balances and cash on hand	$ 28,284,578	$ 4,542,626
Money market accounts	3,649,699	6,403,004
State of New Jersey Cash Management Fund	1,320,806	1,320,004
Total	$ 33,255,083	$ 12,265,634

Custodial credit risk associated with the University's cash and cash equivalents include uncollateralized deposits, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the University's name. The University's bank deposits as of June 30, 2021 and 2020 were partially insured by the Federal Depository Insurance Corporation (FDIC) in the amount of $250,000. Bank deposits in excess of insured amounts of approximately $28.0 million in 2021 and $4.3 million in 2020 were collateralized in accordance with Chapter 64 of Title 18A of New Jersey Statutes. Chapter 64 of Title 18A allows banking institutions to cover total public funds on deposit in excess of federal insurance. The noninsured, noncollateralized portion of cash and equivalents was approximately $5.0 million and $7.7 million in 2021 and 2020, respectively.

The University participates in the Fund wherein amounts also contributed by other State entities are combined into a large scale investment program. The carrying amount of cash and cash equivalents in the Fund was approximately $1.3 million, as of June 30, 2021 and 2020, which represented the amount on deposit with the Fund. These amounts are collateralized in accordance with Chapter 64 of Title 18A of New Jersey Statutes, but not in the University's name.

The Fund is unrated and has a maturity of less than 90 days. Statutes of the State of New Jersey and Regulations of the State Investment Council authorize the University to invest in obligations of the U.S. Treasury, foreign governments, agencies and municipal or political subdivisions of the State, commercial paper, bankers acceptances, revenue obligations of public authorities, debt instruments of banks, collateralized notes and mortgages, certificates of deposit, repurchase agreements, equity and convertible equity securities and other common types of investment securities. Investee institutions and organizations are prescribed by the statutes and regulations based on such criteria as minimum capital, dividend paying history, credit history and other evaluation factors.

4. Restricted Deposits Held by Bond Trustees

Restricted deposits held by bond trustees include restricted accounts held by financial institutions, under the terms of various obligations. The restricted deposits held by bond trustees under bond indenture agreements are maintained for the following:

	2021	2020
Project and construction fund	$ 16,476,368	$ 1,207
Debt service fund for principal and interest	11,275,572	11,124,386
Cost of issuance fund	17,888	878
Excess rental pledge	1,644	37,844
	$ 27,771,472	$ 11,164,315

Assets held under bond indenture agreements are not governed by the University's investment policies, but rather by the investment policies of New Jersey Educational Facilities Authority (the Authority). As of June 30, 2021 and 2020, restricted deposits held by bond trustees were invested in the following, all of which have maturity dates of less than one year:

	2021	2020
	Level 1	**Level 1**
Money market accounts	$ 1,207	$ 1,207
U.S. treasury bills and government obligations	27,770,265	11,163,108
Total	$ 27,771,472	$ 11,164,315

The University's restricted deposits held by bond trustees are subject to various risks. Among these risks are interest rate risk and credit risk. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Within restricted deposits are investments subject to interest rate risk with a maturity of less than one year.

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

The University categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Fair value measurement is further defined in Note 5.

The valuation methods for recurring fair value measurements are as follows:

- Money market accounts are recorded at the quoted cost which approximates fair value as a Level 1 input.

- U.S. treasury bills and government obligations are valued at closing price reported on the active market on which the individual securities are traded or for identical assets as a Level 1 input.

5. Investments

The University holds excess operating cash in an investment portfolio structured to secure adequate ongoing operating funds while optimizing earnings and minimizing risk on funds earmarked for longer term purposes. All investment activities are conducted in accordance with the University's Cash and Investments policy. The Finance, Audit and Institutional Development (FAID) Committee, The Vice President for Administration and Finance and Associate Vice President for Finance and Controller are accountable for the execution and implementation of the Cash and Investments policy. External investment managers are accountable for managing the funds in compliance with the Cash and Investments policy and in accordance with applicable laws.

The overall investment objective is to preserve principal cash balance, maintain appropriate liquidity for current use and conservatively optimize earnings on excess cash. Diversification as to liquidity, maturity, market and risk is achieved by structuring the portfolio in three tiers: liquidity, contingency and core. Allocations and restrictions of the tiers are defined in the Cash and Investments policy.

The University's investments consist of the following as of June 30, 2021 and 2020:

Investment Type	Fair Value 2021	Fair Value 2020
U.S. Equity (ETF)	$ 4,296,203	$ 3,031,867
Non-U.S. Equity (ETF)	2,690,397	2,013,241
Corporate Bonds	23,623,990	20,991,933
U.S. Government Bonds	14,207,106	14,205,939
U.S. Agency Bonds	5,489,118	7,409,502
Asset-Backed Securities	3,311,899	3,158,616
Certificates of Deposit	1,960,340	1,418,487
Grand total	$ 55,579,053	$ 52,229,585

University investments are exposed to various risks such as interest risk, market and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the market value will occur in the near term which could affect the amounts reported in the statements of financial position.

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 prioritizes the inputs valuation methods into three Levels (Levels 1, 2 and 3).

Level 1 - Observable, quoted prices for identical assets or liabilities in active markets.

Level 2 - Quoted prices in inactive markets, or whose values are based on models, but the inputs to those modes are observable either directly or indirectly for the whole term of the asset or liability.

Level 3 - Valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

The hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs (Level 3). If the fair value of an asset or liability (Level 1) measured are categorized from different levels of the fair value hierarchy, the measurement is categorized in the lowest level input that is significant to the entire measurement.

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

ETF (Exchange Traded Funds) (U.S. and non-U.S.) equities were classified in Level 1 of the hierarchy as they are valued using prices quoted in active markets.

All of the following categories were classified in Level 2 of the hierarchy as they are valued using quoted prices in inactive markets: Corporate Bonds, U.S. Government Bonds, U.S. Agency Bonds, Asset-Backed Securities and Certificates of Deposit.

The following table summarizes the University's investments measured by the hierarchy levels as of June 30, 2021 and 2020:

	Investments Measured at Fair Value at June 30, 2021			
Investment Type	**Level 1**	**Level 2**	**Level 3**	**Fair Value**
U.S. Equity (ETF)	$ 4,296,203	$ -	$ -	$ 4,296,203
Non-U.S. Equity (ETF)	2,690,397	-	-	2,690,397
Corporate Bonds	-	23,623,990	-	23,623,990
U.S. Government Bonds	-	14,207,106	-	14,207,106
U.S. Agency Bonds	-	5,489,118	-	5,489,118
Asset-Backed Securities	-	3,311,899	-	3,311,899
Certificates of Deposit	-	1,960,340	-	1,960,340
Total	$ 6,986,600	$ 48,592,453	$ -	$ 55,579,053

	Investments Measured at Fair Value at June 30, 2020			
Investment Type	**Level 1**	**Level 2**	**Level 3**	**Fair Value**
U.S. Equity (ETF)	$ 3,031,867	$ -	$ -	$ 3,031,867
Non-U.S. Equity (ETF)	2,013,241	-	-	2,013,241
Corporate Bonds	-	20,991,933	-	20,991,933
U.S. Government Bonds	-	14,205,939	-	14,205,939
U.S. Agency Bonds	-	7,409,502	-	7,409,502
Asset-Backed Securities	-	3,158,616	-	3,158,616
Certificates of Deposit	-	1,418,487	-	1,418,487
Total	$ 5,045,108	$ 47,184,477	$ -	$ 52,229,585

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The University projects its cash requirements and arranges for investments accordingly. The average maturity is up to three years.

The following table summarizes the maturities of investments in year that are subject to interest rate risk as of June 30, 2021 and 2020:

	2021				
Investment Type	**Fair Value**	**Less Than 1**	**1 - 5**	**6 - 10**	**10+**
U.S. Equity (ETF)	$ 4,296,203	$ -	$ -	$ -	$ 4,296,203
Non-U.S. Equity (ETF)	2,690,397	-	-	-	2,690,397
Corporate Bonds	23,623,990	8,746,722	10,508,644	4,233,613	135,011
U.S. Government Bonds	14,207,106	4,628,067	5,264,911	4,314,128	-
U.S. Agency Bonds	5,489,118	104,264	2,973,365	1,919,762	491,727
Asset-Backed Securities	3,311,899	-	3,311,899	-	-
Certificates of Deposit	1,960,340	1,960,340	-	-	-
Total	$ 55,579,053	$ 15,439,393	$ 22,058,819	$ 10,467,503	$ 7,613,338

	2020				
Investment Type	**Fair Value**	**Less Than 1**	**1 - 5**	**6 - 10**	**10+**
U.S. Equity (ETF)	$ 3,031,867	$ -	$ -	$ -	$ 3,031,867
Non-U.S. Equity (ETF)	2,013,241	-	-	-	2,013,241
Corporate Bonds	20,991,933	9,232,190	8,275,771	3,381,831	102,141
U.S. Government Bonds	14,205,939	678,483	7,968,864	5,558,592	-
U.S. Agency Bonds	7,409,502	241,151	4,228,371	2,220,316	719,664
Asset-Backed Securities	3,158,616	10,978	3,069,425	78,213	-
Certificates of Deposit	1,418,487	1,117,836	300,651	-	-
Total	$ 52,229,585	$ 11,280,638	$ 23,843,082	$ 11,238,952	$ 5,866,913

Credit and Concentration Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Concentration of credit risk is the risk of loss attributed to magnitude of the University's investment in a single issuer. The University's investment policy seeks diversification to reduce overall portfolio risk while attaining market rates of return to enable the University to meet all anticipated cash requirements.

The University's Cash and Investments policy states that the credit quality for positions in all tiers of the portfolio must be investment grade or higher. Investment grade is defined as equal to or better than a rating of BBB- (S&P) or BA3 (Moody's). The University's investment manager assigns average ratings as published by S&P, Moody's and Fitch when all three are available. If only two of these ratings are available, the more conservative rating of the two is used, and if only one rating is available that is the rating used.

The following table summarizes investment credit quality ratings as of June 30, 2021 and 2020:

Investment Type	Quality Rating	2021	2020
U.S. Equity (ETF)	NR	$ 4,296,203	$ 3,031,867
Non-U.S. Equity (ETF)	NR	2,690,397	2,013,241
Corporate Bond	AAA - BB+	23,392,639	20,652,600
Corporate Bond	NR	231,351	339,333
U.S. Government Bonds	AAA	14,207,106	14,205,939
US Agency Bonds	AAA	5,489,118	7,409,502
Asset-Backed Security	AAA - BBB-	3,311,899	3,158,616
Certificates of Deposit	A	1,960,340	1,418,487
Total		$ 55,579,053	$ 52,229,585

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the University will not be able to recover the value of the investments that are in the possession of an outside party. Custodial credit risk should not be confused with market risk, which is the risk that the market value of a security may decline. The University securities are exposed to custodial credit risk if the securities are uninsured and unregistered or held by the counterparty, or by a trust department or agent but not in the University's name. As of June 30, 2021 and 2020, the University's investments were not subject to custodial credit risk.

Foreign Currency Risk

The University's foreign investments (Non-U.S. Equity (ETF) contain currency risk (the risk that currency exchange rate fluctuations may reduce gains or increase losses on foreign investments). Exchange rate volatility also may affect the ability of an issuer to repay its foreign currency denominated debt, thereby increasing credit risk.

6. Capital Assets

Capital asset activity for the years ended June 30 is comprised of the following:

	Beginning Balance, July 1, 2020	Acquisition and Other Increases	Dispositions and Other Decreases	Ending Balance, June 30, 2021
Depreciable assets:				
Infrastructure	$ 18,836,640	$ 27,595	$ -	$ 18,864,235
Buildings and improvements	563,850,763	1,866,715	-	565,717,478
Equipment	43,805,658	1,509,982	-	45,315,640
Total depreciable assets	626,493,061	3,404,292	-	629,897,353
Less accumulated depreciation on:				
Infrastructure	11,073,687	472,732	-	11,546,419
Buildings and improvements	194,815,272	13,747,941	-	208,563,213
Equipment	37,906,086	1,283,877	-	39,189,963
Total accumulated depreciation	243,795,045	15,504,550	-	259,299,595
Depreciable assets, net	382,698,016	(12,100,258)	-	370,597,758
Nondepreciable assets:				
Land	7,255,914	-	-	7,255,914
Artwork	689,680	1,200	-	690,880
Construction in progress	7,670,944	5,825,091	(1,859,115)	11,636,920
Total nondepreciable assets	15,616,538	5,826,291	(1,859,115)	19,583,714
Total capital assets, net	$ 398,314,554	$ (6,273,967)	$ (1,859,115)	$ 390,181,472

	Beginning Balance, July 1, 2019	Acquisition and Other Increases	Dispositions and Other Decreases	Ending Balance, June 30, 2020
Depreciable assets:				
Infrastructure	$ 18,836,640	$ -	$ -	$ 18,836,640
Buildings and improvements	525,885,110	37,965,653	-	563,850,763
Equipment	43,119,103	686,555	-	43,805,658
Total depreciable assets	587,840,853	38,652,208	-	626,493,061
Less accumulated depreciation on:				
Infrastructure	10,585,327	488,360	-	11,073,687
Buildings and improvements	181,099,635	13,715,637	-	194,815,272
Equipment	36,433,440	1,472,646	-	37,906,086
Total accumulated depreciation	228,118,402	15,676,643	-	243,795,045
Depreciable assets, net	359,722,451	22,975,565	-	382,698,016
Nondepreciable assets:				
Land	7,255,914	-	-	7,255,914
Artwork	681,580	8,100	-	689,680
Construction in progress	41,229,783	4,286,738	(37,845,577)	7,670,944
Total nondepreciable assets	49,167,277	4,294,838	(37,845,577)	15,616,538
Total capital assets, net	$ 408,889,728	$ 27,270,403	$ (37,845,577)	$ 398,314,554

As of June 30, 2021, estimated costs to complete the projects classified as construction in progress are approximately $7.3 million. Additional costs of all projects will be funded by University revenues, capital grants and available construction funds from bond proceeds. For the years ended June 30, 2021 and 2020, the University did not capitalize any interest expense. As of June 30, 2021 and 2020, the University has received capital grants of approximately $0.01 million and $0.02 million, respectively, which is recorded in capital grants and gifts on the statements of revenues, expenses and changes in net position.

7. Accounts Payable and Accrued Expenses

As of June 30, 2021 and 2020, accounts payable and accrued expenses consist of the following:

	2021	2020
Vendors	$ 5,798,611	$ 3,639,103
Students relief expenses	-	4,175,505
Capital projects	1,522,995	94,250
Accrued salaries and benefits	4,795,472	4,751,761
Accrued interest	3,460,573	3,434,386
Total	$ 15,577,651	$ 16,095,005

8. Long-Term Debt

Bonds Payable

The University has financed capital assets through various revenue bonds issued through the New Jersey Educational Facility Authority (the Authority) for the acquisition, construction and renovation of residence halls, the University Commons and academic facilities. As of June 30, 2021 and 2020, the following obligations to the Authority are outstanding:

	Interest Rates	2021	2020	Current Portion June 30, 2021
New Jersey Educational Facility Authority:				
Series 2012 C Revenue Bonds, due serially to 2043	2.00 - 5.00	$ 29,690,000	$ 30,230,000	$ 2,070,000
Series 2012 D Revenue Bonds, due serially to 2029	2.00 - 5.00	10,640,000	11,840,000	1,260,000
Series 2015 C Revenue Bonds, due serially to 2033	2.00 - 5.00	27,810,000	30,785,000	1,360,000
Series 2016 E Revenue Bonds, due serially to 2033	2.25 - 5.00	56,100,000	58,485,000	2,505,000
Series 2017 B Revenue Bonds, due serially to 2047	3.25 - 5.00	25,775,000	26,255,000	500,000
Series 2019 A Revenue Bonds, due serially to 2038	3.45	4,745,000	5,070,000	225,000
Series 2021 C Revenue Bonds, due serially to 2040	3.25 - 5.00	17,900,000	-	-
		172,660,000	162,665,000	7,920,000
Add amounts representing net premiums		16,887,840	15,388,971	-
Total		$ 189,547,840	$ 178,053,971	$ 7,920,000

All of the University's outstanding bonds are special and limited obligations of the Authority payable solely from the University. Pursuant to the Agreement, the University agrees to pay to the Authority the Basic Lease Payments and certain Additional Lease Payments for the use and occupancy of the Leased Facilities. To secure the payment of the Basic Lease Payments and the Additional Lease Payments, the University will establish a "Rental Pledge Account" under the Agreement, into which the University is required to deposit or cause to be deposited amounts sufficient to pay the Basic Lease Payments and Additional Lease Payments The University has agreed that its obligation to make the payments required under the Agreement, including the Basic Lease Payments and the Additional Lease Payments, shall constitute a general obligation of the University, payable from any legally available funds of the University. No specific pledge of University revenues is made in the Agreement with respect to the Series Bonds. Upon the payment or defeasance of the Series Bonds, the Leased Facilities shall no longer be subject to the Agreement.

All of the University's outstanding notes from direct borrowings and direct placement related to capital construction projects contain an event of default that changes the timing of repayment of outstanding amounts to become immediately due if the University is unable to make payment.

Other Long-Term Debt

As of June 30, 2021 and 2020, the following other obligations from direct borrowings were outstanding:

	Interest Rates	2021	2020	Current Portion June 30, 2021
Higher Education Capital Improvement Fund (CIF) Series 2002 A, due serially to 2023	4.522-5.250	$ 27,711	$ 27,711	$ -
Higher Education CIF Series 2016 A, due serially to 2023	1.48-3.44	1,207,543	1,783,539	607,624
Higher Education CIF Series 2016 B, due serially to 2036	3.00-5.50	1,221,369	1,270,779	51,935
		2,456,623	3,082,029	659,559
Less amounts representing discount		38,082	57,123	-
Total		$ 2,418,541	$ 3,024,906	$ 659,559

Proceeds of the outstanding notes from the State of New Jersey's CIF were used for technology infrastructure. The notes contain an event of default whereby the State may retain State aid or appropriation payable to the University if the University fails or is unable to make payment.

In August 2020, the University established a $20.0 million line of credit with Chase Bank for a one-year period. The University did not make any drawdown before the line of credit was expired in August 2021 and did not renew it.

Future Principal and Interest Payments

The following is a schedule of future minimum principal maturities and interest payments on the University's bonds payable and other long-term debt as of June 30, 2021:

	Principal	Interest	Total
Years ending June 30:			
2022	$ 8,579,559	$ 6,944,092	$ 15,523,651
2023	8,487,214	6,535,752	15,022,966
2024	8,267,357	6,189,301	14,456,658
2025	9,335,006	5,801,891	15,136,897
2026	9,727,470	5,397,356	15,124,826
2022-2026 subtotal	44,396,606	30,868,392	75,264,998
2027 - 2031	44,918,063	21,225,139	66,143,202
2032 - 2036	37,958,032	12,954,698	50,912,730
2037 - 2041	35,763,922	5,193,652	40,957,574
2042 - 2046	8,905,000	1,536,275	10,441,275
2047 - 2048	3,175,000	81,250	3,256,250
Total	$ 175,116,623	$ 71,859,406	$ 246,976,029

9. Summary of Changes in Noncurrent Liabilities

Activity in noncurrent liabilities for the year ended June 30, 2021 is comprised of the following:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds payable	$ 178,053,971	$ 20,508,124	$ 9,014,255	$ 189,547,840	$ 7,920,000
Other long-term debt	3,024,906	-	606,365	2,418,541	659,559
Compensated absences	6,602,131	5,337,412	4,305,357	7,634,186	5,447,412
U.S. government grants refundable	595,166	-	-	595,166	-
Total	$ 188,276,174	$ 25,845,536	$ 13,925,977	$ 200,195,733	$ 14,026,971

Activity in noncurrent liabilities for the year ended June 30, 2020 is comprised of the following:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds payable	$ 187,482,820	$ -	$ 9,428,849	$ 178,053,971	$ 7,790,000
Other long-term debt	3,690,509	-	665,603	3,024,906	625,406
Compensated absences	5,742,840	6,399,072	5,539,781	6,602,131	4,212,372
U.S. government grants refundable	595,166	-	-	595,166	-
Total	$ 197,511,335	$ 6,399,072	$ 15,634,233	$ 188,276,174	$ 12,627,778

10. Retirement Plans

Plan Description - PERS

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at http://www.nj.gov/treasury/pensions/financial-reports.shtml

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

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 years or more 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. Information about Enrollment Requirements by Membership Tier can be found at https://www.state.nj.us/treasury/pensions/documents/forms/sc0853-pers-tpaf-tier-chart.pdf

Contributions

During the years ended June 30, 2021 and 2020, PERS members were required to contribute 7.5 percent of their annual covered salary. The State of New Jersey, in accordance with State statutes, makes employer contributions on behalf of the University. The State of New Jersey contribution is based upon annual actuarially determined percentages of total compensation of all active members. The State of New Jersey's annual contribution approximates the actuarially determined pension cost for the year. The current percentage is 21.7 percent of annual covered payroll. The contribution requirements of the plan members and the University are established and may be amended by the State of New Jersey.

Employer Contributions

The University is charged for employer contributions through a fringe benefit charge assessed by the State which is included in operating expenses by function and in nonoperating revenues as State of New Jersey paid fringe benefits in the accompanying statements of revenues, expenses and changes in net position. The amount was $6,973,314.

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

At June 30, 2021, the University reported a liability of $138,985,063 for its proportionate share of the PERS net pension liability. The PERS net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by rolling forward the PERS total pension liability as of June 30, 2020 to June 30, 2021. The University's proportion of the PERS net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2021, the University's proportion was 0.6254 percent, which was a decrease from its proportion measured as of June 30, 2020 of 0.6061 percent.

For the year ended June 30, 2021, the University recognized pension credit of $(1,903,970).
At June 30, 2021, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 2,318,757	$ 31,292,714
Differences between expected and actual experience	3,653,887	748,900
Changes in proportion	4,556,778	2,782,118
Net difference between projected and actual earnings on pension plan investments	1,577,242	-
University contributions subsequent to the measurement date (prior year)	(5,582,296)	-
University contributions subsequent to the measurement date (current year)	6,973,314	-
Total	$ 13,497,682	$ 34,823,732

The amount of $6,973,314 reported as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending June 30:	
2022	$ (3,600,623)
2023	(7,475,653)
2024	(7,219,248)
2025	(3,530,240)
2026	(569,654)
Thereafter	(321,650)
Total	$ (22,717,068)

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

Inflation:	
Price	2.75 %
Wage	3.25 %
Salary increases through 2026 (based on years of service)	2.00 - 6.00 %
Thereafter (based on years of service)	3.00 - 7.00 %
Investment rate of return	7.00 %

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2 percent adjustment for males and 101.4 percent adjustment for females, and with future improvement from the base year of 2010 on a generational basis.

Postretirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4 percent adjustment for males and 99.7 percent 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 percent adjustment for males and 117.2 percent adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00 percent at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equity	27.00 %	7.71 %
Non-U.S. developed market equity	13.50	8.57
Emerging market equity	5.50	10.23
Private equity	13.00	11.42
Real assets	3.00	9.73
Real estate	8.00	9.56
High yield	2.00	5.95
Private credit	8.00	7.59
Investment grade credit	8.00	2.67
Cash equivalents	4.00	0.50
U.S. treasuries	5.00	1.94
Risk mitigation strategies	3.00	3.40

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent and 6.28 percent as of June 30, 2020 and 2019, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 78 percent of the actuarially determined contributions for the State employer and 100 percent of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the University's proportionate share of the net pension liability, calculated using the discount rate as disclosed above, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
University's proportionate share of the net pension liability	$ 158,558,264	$ 138,985,063	$ 122,427,051

Plan Description - PFRS

The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey (the State) Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at http://www.nj.gov/treasury/pensions/financial-reports.shtml.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. 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 percent of final compensation for each year of creditable service up to 30 years plus 1 percent 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 percent (tiers 1 and 2 members) and 60 percent (tier 3 members) of final compensation plus 1 percent 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 percent of final compensation for each year of service.

Contributions

During the years ended June 30, 2021 and 2020, PFRS members were required to contribute 10.0 percent of their annual covered salary. The State of New Jersey, in accordance with State statutes, makes employer contributions on behalf of the University. The State of New Jersey contribution is based upon annual actuarially determined percentages of total compensation of all active members. The State of New Jersey's annual contribution approximates the actuarially determined pension cost for the year. The current percentage is 59.3 percent of annual covered payroll. The contribution requirements of the plan members and the University are established and may be amended by the State of New Jersey.

Employer Contributions

The University is charged for employer contributions through a fringe benefit charge assessed by the State which is included in operating expenses by function and in nonoperating revenues as State of New Jersey paid fringe benefits in the accompanying statements of revenues, expenses and changes in net position. The amount was $1,726,801.

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

At June 30, 2021, the University reported a liability of $11,586,691 for its proportionate share of the PFRS net pension liability. The PFRS net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by rolling forward the PFRS total pension liability as of June 30, 2020 to June 30, 2021. The University's proportion of the PFRS net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2021, the University's proportion was 0.2695 percent, which was a decrease from its proportion measured as of June 30, 2020 of 0.2344 percent.

For the year ended June 30, 2021, the University recognized pension credit of $(565,442). At June 30, 2021, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 8,474	$ 1,375,608
Changes in proportion	2,145,539	2,372,765
Differences between expected and actual experiences	-	201,976
Net difference between projected and actual earnings on pension plan investments	280,772	-
University contributions subsequent to the measurement date (prior year)	(1,024,000)	-
University contributions subsequent to the measurement date (current year)	1,726,801	-
Total	$ 3,137,586	$ 3,950,349

The amount of $1,726,801 reported as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending June 30:		
2022	$	(226,120)
2023		(372,573)
2024		(530,994)
2025		(521,058)
2026		203,044
Thereafter		(67,863)
Total	$	(1,515,564)

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

Inflation:	
Price	2.75 %
Wage	3.25 %
Salary increases through all future years (based on years of service)	3.25-15.25 %
Investment rate of return	7.00 %

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6 percent adjustment for males and 102.5 percent 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 Safety Retiree Below-Median Income Weighted mortality table with a 96.7 percent adjustment for males and 96.0 percent adjustment for females, and with future improvement from the base year of 2010 on a generational basis.

For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis.

Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0 percent adjustment for males and 109.3 percent adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00 percent at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equity	27.00 %	7.71 %
Non-U.S. developed market equity	13.50	8.57
Emerging market equity	5.50	10.23
Private equity	13.00	11.42
Real assets	3.00	9.73
Real estate	8.00	9.56
High yield	2.00	5.95
Private credit	8.00	7.59
Investment grade credit	8.00	2.67
Cash equivalents	4.00	0.50
U.S. treasuries	5.00	1.94
Risk mitigation strategies	3.00	3.40

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent and 6.85 percent as of June 30, 2020 and 2019, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on 78 percent of the actuarially determined contributions for the State employer and 100 percent of actuarially determined contributions for local employers.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2076, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the University's proportionate share of the net pension liability, calculated using the discount rate as disclosed above, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher that the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
University's proportionate share of the net pension liability	$ 13,472,940	$ 11,586,691	$ 10,020,353

Plan Description - TPAF

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100 percent of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at http://www.nj.gov/treasury/pensions/financial-reports.shtml.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2 percent 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 years or more of service credit before age 62 and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier. Information about Enrollment Requirements by Membership Tier can be found at https://www.state.nj.us/treasury/pensions/documents/forms/sc0853-pers-tpaf-tier-chart.pdf

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

Inflation:	
Price	2.75 %
Wage	3.25 %
Salary increases through 2026 (based on years of service)	1.55-4.45 %
Thereafter (based on years of service)	2.75-5.65 %
Investment rate of return	7.00 %

Preretirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9 percent adjustment for males and 85.3 percent 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 percent adjustment for males and 99.6 percent for females, and with future improvement form the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality with a 106.3 percent adjustment for males and 100.3 percent adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00 percent at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equity	27.00 %	7.71 %
Non-U.S. developed market equity	13.50	8.57
Emerging market equity	5.50	10.23
Private equity	13.00	11.42
Real assets	3.00	9.73
Real estate	8.00	9.56
High yield	2.00	5.95
Private credit	8.00	7.59
Investment grade credit	8.00	2.67
Cash equivalents	4.00	0.50
U.S. treasuries	5.00	1.94
Risk mitigation strategies	3.00	3.40

Discount Rate

The discount rate used to measure the total pension liability was 5.40 percent and 5.60 percent as of June 30, 2020 and 2019, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.0 percent, and a municipal bond rate of 2.21 percent and 3.50 percent as of June 30, 2020 and 2019, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 78 percent of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefits payments through 2062, and the municipal bond rate was applied to projected benefit payments after that date 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 State as of June 30, 2020 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it was calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

As of June 30, (rates used)	At 1% Decrease	At Current Discount Rate	At 1% Increase
2020 (4.40%, 5.40%, 6.40%)	$ 77,517,093,055	$ 65,993,498,688	$ 56,425,087,777
2019 (4.60%, 5.60%, 6.60%)	72,544,649,801	61,519,112,443	52,371,397,951

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the University. The University's portion of the nonemployer contributing entities' total proportionate share of the net pension liability was $3,871,670 as of June 30, 2021 and $3,538,269 as of June 30, 2020. The University records their proportionate share of the pension expense as a revenue and expense in the accompanying statements of revenues, expenses and changes in net position. The amount was $240,757 in 2021.

Alternate Benefit Program Information

ABP provides the choice of seven investment carriers, all of which are privately operated defined contribution retirement plans and is administered by the NJ Division of Pensions and Benefits. The University assumes no liability for ABP members other than payment of contributions. ABP provides retirement and death benefits for or on behalf of these full time professional employees and faculty members electing to participate in this retirement program. Participation eligibility as well as contributory and noncontributory requirements are established by the State of New Jersey Retirement and Social Security Law. Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits vest after the completion of one year of service. Individually owned annuity contracts that provide for full ownership of retirement and survivor benefits are purchased at the time of vesting. Participating University employees are required to contribute five percent and may contribute a voluntary additional contribution of salary up to the maximum Federal statutory limit, on a pretax basis. Employer contributions are eight percent. During the year ended June 30, 2021, ABP received employer and employee contributions of $6,228,976 and $3,923,825, respectively, which were based on participating employee salaries of approximately $79,646,225. During the year ended June 30, 2020, ABP received employer and employee contributions of $6,134,242 and $3,853,666, respectively, which were based on participating employee salaries of approximately $78,308,948. Employer contributions to ABP are paid by the State of New Jersey and the University and are reflected within operating expenses by function and within nonoperating revenues as State of New Jersey paid fringe benefits in the accompanying statements of revenues, expenses and changes in net position.

Supplemental Alternative Benefit Program

The Supplemental Alternative Benefit Program is a defined contribution, supplemental 403(b) plan, established for employees who are members of the Alternate Benefit Program and whose base salary exceeds the current plan limit of $175,000 for employer contributions. Vesting occurs immediately. Employees may not contribute to the plan and employer contributions are at the discretion of the University. Contributions of $52,396 and $40,973 were made in fiscal years 2021 and 2020, respectively.

11. Postemployment 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 Statement No. 75). Accordingly, the University did not recognize any portion of this liability on the accompanying statements of net position.

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 Statement No. 75.

Total OPEB Liability and OPEB Expense

Since the University does not contribute directly to the plan, there is no total OPEB liability, deferred outflows of resources, or deferred inflows of resources to record in the financial statements. For disclosure purposes, as of June 30, 2021 and 2020, the University's State proportionate share of total OPEB liability attributable to the University was $281,570,542 and $186,062,080, respectively. The University's share was based on the ratio of its members to the total members of the Plan. At June 30, 2020 and 2019, the University's share was 3.520958 percent and 3.387608 percent, respectively, and 0.995065 percent and1.021989 percent, respectively, of the special funding situation and of the Plan.

For the years ended June 30, 2021 and 2020, the University recognized OPEB expense of $4,935,477 and $1,110,696, 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 $4,935,447 and $1,110,696 for the years ended June 30, 2021 and 2020, respectively.

Actuarial assumptions and other inputs: The State's liability associated with (reporting entity) at June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to the measurement date of June 30, 2020.

Inflation	2.50 %
Discount rate	2.21 %
Salary increases through 2026	1.55-15.25 %
Thereafter	2.75-7.00 %

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

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS/JRS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. 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-2020. Disability mortality was based on the Pub-2010 "Safety" (PFRS/SPRS), "Teachers (TPAF/ABP), and "General" (PERS/JRS) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

Certain actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies of the State of New Jersey's defined benefit plans, including PERS (July 1, 2014 - June 30, 2018), ABP (using the experience of the Teacher's Pension and Annuity Fund - July 1, 2015 - June 30, 2018), and PFRS (July 1, 2013 - June 30, 2018). Health Care Trend Assumptions: For pre-Medicare medical benefits, the trend rate is initially 5.6 percent and decreases to a 4.5 percent long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5 percent for all future years. For prescription drug benefits, the initial trend rate is 7.0 percent and decreases to a 4.5 percent long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0 percent.

12. Commitments and Contingencies

The University has entered into several noncancelable leases for certain computer equipment, which have been classified as operating leases. In addition, the University entered into a contract to permit a third party to install, operate and maintain solar photovoltaic facilities on certain University properties. In exchange, the University will purchase all electricity generated by the facilities at a set price. Total rent expense was $1,537,920 and $1,646,261 in 2021 and 2020, respectively.

The future estimated minimum annual commitments are as follows:

	Amount
Years ending June 30:	
2022	$ 620,071
2023	685,063
2024	685,063
2025	687,473
2026	49,159
2022 - 2026 subtotal	2,726,829
2027 - 2029	73,739
Total	$ 2,800,568

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

Under the terms of federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. The University's management believes disallowances, if any, will be immaterial.

Union contracts are effective until June 30, 2023, with the exception of one contract that were effective through June 30, 2020 and are currently being renegotiated. Management believes that any adjustment from the negotiation will not have a material effect on the accompanying financial statements.

13. State of New Jersey Paid Fringe Benefits

The State of New Jersey, through separate appropriations, pays certain fringe benefits (principally pension and postretirement medical benefits and FICA taxes) on behalf of the University's employees. Such benefits were $32,187,883 and $32,561,859, for the years ended June 30, 2021 and 2020, respectively, and are included in nonoperating revenues as State of New Jersey paid fringe benefits and in operating expenses by function in the accompanying statements of revenues, expenses and changes in net position.

14. COVID-19 and Emergency Relief Grants

COVID-19 was declared a public health emergency on March 11, 2020 by the World Health Organization. Initially, all students, faculty and staff were transitioned to remote operations. By the fall of 2020, academic operations had evolved to a hybrid of online and on-campus instruction, and administrative units were splitting time between remote and on-site work locations. With vaccines now widely available and new practices in place such as required vaccinations, masking and social distancing, the University anticipates a full return to normal operations in the fall of 2021.

Some uncertainty remains regarding potential future financial and operational impacts of COVID-19 due to the Delta variant and other potential variants of the virus. These risks are largely mitigated by the University's policies and practices in place designed to proactively prevent and/or contain outbreaks. Additionally, the University gained the ability to pivot quickly to and from remote work and online course delivery as needed with new technology, curriculums, and processes established during the pre-vaccine stage of the pandemic.

For the fiscal years ended June 30, 2021 and 2020, the COVID-19 outbreak had an adverse financial impact on the University's operations. Assistance was received from multiple COVID-specific federal and state grants.

There have been three rounds of funding from the federal Higher Education Emergency Relief Funds: the Coronavirus Aid, Relief, and Economic Security Act (CARES or HEERF 1), the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA or HEERF 2), and the American Rescue Plan (ARP or HEERF 3). Each of these included a component specified to go directly to students, and an additional award amount specific to the University as a minority-serving institution (MSI) due to the University's status as a Hispanic serving institution.

		Student Portion	Institutional	MSI
HEERF 1 (CARES)	FY20	$ 4,881,678	$ 4,881,678	$ 705,001
HEERF 2 (CARES)	FY21	4,877,636	11,445,097	1,043,408
HEERF 2 (CARES)	FY22	4,042	-	-
HEERF 3 (ARP)	FY21	-	-	1,786,603
HEERF 3 (ARP)	FY22	14,610,467	14,502,800	-

All of HEERF 1 funding was received in fiscal year 2020 and all of HEERF 2 funding was received in fiscal year 2021. HEERF 3 funding was received over the two fiscal years 2021 and 2022.

In fiscal year 2021, additional federal funds were received at the State level for higher education and passed through to the University. The Governor's Emergency Education Relief Fund (GEERF) and Coronavirus Relief Fund (CRF 1 and 2) were received for institutional support.

		Institutional
GEERF	FY21	$ 3,512,415
CRF 1	FY21	8,040,171
CRF 2	FY21	2,357,795

Total emergency relief grants of $33,063,125 and $10,468,357 were received during the years ended June 30, 2021 and 2020, respectively, and is reported in the nonoperating section of the statements of revenues, expenses and changes in net position. Pass-through payments to students from these funds of $4,877,636 and $4,881,678 were made during each of the years ended June 30 2021 and 2020, respectively, and are included in the functional expense line of student services in the operating expenses section of the statements of revenues, expenses and changes in net position.

15. Unrestricted Net Position

As of June 30, 2021 and 2020, unrestricted net position consist of funds that have been designated as follows:

	2021	2020
Academic and other programs	$ 13,199,946	$ 10,145,633
Quasi-endowment	10,597,252	10,597,252
Capital programs:		
Renewal and replacement, nonauxiliary	15,758,039	1,293,758
Renewal and replacement, auxiliary	32,964,465	41,292,933
Net pension liability	(169,572,286)	(172,041,699)
Total	$ (97,052,584)	$ (108,712,123)

16. Risk Management

The University is exposed to various risks of loss. The University participates in a consortium with nine other New Jersey colleges and universities to purchase property insurance. Buildings and equipment are fully insured on an all risk replacement basis to the extent that losses exceed $100,000 per occurrence, with a per occurrence limit of $2,000,000,000. Coverage for theft of money and securities provides for the actual loss in excess of $100,000 with a per loss limit of $5,000,000.

All liability risk and employee benefit exposure, including tort, auto and trustees and officers' liability workers' compensation, unemployment, disability, life insurance and employee retirement plans, are self-funded programs maintained and administered by the State of New Jersey (the State). As an agency of the State, the University's liability is subject to all provisions of the New Jersey Tort Claims Act, the New Jersey Contractual Liability Act and the availability of appropriations. The Tort Claims Act provides for payment of claims under the Act against the State or its employees for which the State is obligated to indemnify against tort claims, which arise out of the performance of their duties.

All insurance policies are renewed annually. All State self-funded programs are statutory with an annual appropriation provided by the legislature. There has been no decrease in coverage during the current year. There have been no settlements in excess of insurance coverage in the past three years.

The University may be the subject of employment related lawsuits not covered by the Tort Claims Act. The University retains the risk for such settlements, and during fiscal year 2020 settled one employment-related claim and one other claim.

17. Subsequent Event

Subsequent events were evaluated through April 27, 2022, the date the financial statements were issued.

William Paterson University of New Jersey

Required Supplementary Information
Schedules of University's Proportionate Share of the Net Pension Liability
Years Ended June 30
(Unaudited)

	2021		
	PERS	**PFRS**	**TPAF**
University's proportion of the net pension liability	0.6253836670 %	0.2695199971 %	
University's proportionate share of the net pension liability	$ 138,985,063	$ 11,586,691	$ 3,871,670
University's covered-employee payroll	$ 23,360,266	$ 1,839,403	$ 148,593
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	594.96 %	629.92 %	2,605.55 %
	2020		
University's proportion of the net pension liability	0.6060986121 %	0.2343592322 %	
University's proportionate share of the net pension liability	$ 139,477,960	$ 9,847,042	$ 3,538,629
University's covered-employee payroll	$ 26,775,790	$ 2,119,244	$ 154,306
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	520.91 %	464.65 %	2293.25 %
	2019		
University's proportion of the net pension liability	0.6158169473 %	0.3101258113 %	
University's proportionate share of the net pension liability	$ 145,975,085	$ 13,426,290	$ 3,769,533
University's covered-employee payroll	$ 27,626,141	$ 1,812,243	$ 276,521
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	528.39 %	740.87 %	1363.20 %
	2018		
University's proportion of the net pension liability	0.6263001971 %	0.3113464137 %	
University's proportionate share of the net pension liability	$ 160,618,586	$ 13,685,989	$ 4,129,519
University's covered-employee payroll	$ 28,126,936	$ 1,578,257	$ 382,411
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	571.05 %	867.16 %	1079.86 %
	2017		
University's proportion of the net pension liability	0.6206249503 %	0.2604667065 %	
University's proportionate share of the net pension liability	$ 182,405,929	$ 12,269,920	$ 4,855,545
University's covered-employee payroll	$ 26,842,842	$ 1,396,099	$ 390,095
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	679.53 %	878.87 %	1244.71 %
	2016		
University's proportion of the net pension liability	0.6157306825 %	0.2265683030 %	
University's proportionate share of the net pension liability	$ 146,064,467	$ 9,728,101	$ 9,575,278
University's covered-employee payroll	$ 27,512,246	$ 1,806,376	$ 389,620
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	530.91 %	538.54 %	2457.59 %

The University adopted GASB 68 in 2015. No information is available prior to 2015.

William Paterson University of New Jersey

Required Supplementary Information
Schedules of University Contributions
Years Ended June 30
(Unaudited)

	2021	
	PERS	PFRS
Contractually required contribution	$ 6,973,314	$ 1,726,801
Contributions in relation to the contractually required contribution	(6,973,314)	(1,726,801)
Contribution deficiency (excess)	$ -	$ -
University's covered-employee payroll	$ 23,360,266	$ 1,839,403
Contributions as a percentage of covered-employee payroll	29.85%	93.88%

	2020	
Contractually required contribution	$ 5,582,296	$ 1,024,020
Contributions in relation to the contractually required contribution	(5,582,296)	(1,024,020)
Contribution deficiency (excess)	$ -	$ -
University's covered-employee payroll	$ 26,775,790	$ 2,119,244
Contributions as a percentage of covered-employee payroll	20.85%	48.32%

	2019	
Contractually required contribution	$ 4,740,793	$ 754,977
Contributions in relation to the contractually required contribution	(4,740,793)	(754,977)
Contribution deficiency (excess)	$ -	$ -
University's covered-employee payroll	$ 27,626,141	$ 1,812,243
Contributions as a percentage of covered-employee payroll	17.16%	41.66%

	2018	
Contractually required contribution	$ 2,500,000	$ 750,000
Contributions in relation to the contractually required contribution	(2,500,000)	(750,000)
Contribution deficiency (excess)	$ -	$ -
University's covered-employee payroll	$ 28,126,936	$ 1,578,257
Contributions as a percentage of covered-employee payroll	8.89%	47.52%

	2017	
Contractually required contribution	$ 2,859,750	$ 608,268
Contributions in relation to the contractually required contribution	(2,859,750)	(608,268)
Contribution deficiency (excess)	$ -	$ -
University's covered-employee payroll	$ 28,126,936	$ 1,578,257
Contributions as a percentage of covered-employee payroll	10.17%	38.54%

	2016	
Contractually required contribution	$ 1,972,328	$ 359,837
Contributions in relation to the contractually required contribution	(1,972,328)	(359,837)
Contribution deficiency (excess)	$ -	$ -
University's covered-employee payroll	$ 27,512,246	$ 1,806,376
Contributions as a percentage of covered-employee payroll	7.17%	19.92%

The University adopted GASB 68 in 2015. No information is available prior to 2015.

Required Supplementary Information
Schedules of University's Proportionate Share of the Total OPEB Liability
Years Ended June 30
(Unaudited)

		2021
University's proportion of the total OPEB liability		0.00%
University's proportionate share of the total OPEB liability	$	-
State of New Jersey's proportionate share of the total OPEB liability		7,996,986,472
Total OPEB liability	$	7,996,986,472
University's covered-employee payroll	$	92,872,507
University's proportionate share of the Collective Total OPEB liability as a percentage of covered-employee payroll		0.00%

		2020
University's proportion of the total OPEB liability		0.00%
University's proportionate share of the total OPEB liability	$	-
State of New Jersey's proportionate share of the total OPEB liability		5,492,432,567
Total OPEB liability	$	5,492,432,567
University's covered-employee payroll	$	96,279,402
University's proportionate share of the Collective Total OPEB liability as a percentage of covered-employee payroll		0.00%

		2019
University's proportion of the total OPEB liability		0.00%
University's proportionate share of the total OPEB liability	$	-
State of New Jersey's proportionate share of the total OPEB liability		7,146,922,189
Total OPEB liability	$	7,146,922,189
University's covered-employee payroll	$	96,433,431
University's proportionate share of the Collective Total OPEB liability as a percentage of covered-employee payroll		0.00%

		2018
University's proportion of the total OPEB liability		0.00%
University's proportionate share of the total OPEB liability	$	-
State of New Jersey's proportionate share of the total OPEB liability		8,178,871,728
Total OPEB liability	$	8,178,871,728
University's covered-employee payroll	$	96,556,548
University's proportionate share of the Collective Total OPEB liability as a percentage of covered-employee payroll		0.00%

* 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.*