



**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

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

June 30, 2024 and 2023

(With Independent Auditors' Report Thereon)

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

**Table of Contents**

	<b>Page(s)</b>
Independent Auditors' Report	1–3
Management's Discussion and Analysis (Unaudited)	4–18
Basic Financial Statements:	
Thomas Edison State University and its Affiliate the New Jersey State Library Statements of Net Position as of June 30, 2024 and 2023	19
Thomas Edison State University Foundation, Inc. Statements of Financial Position as of June 30, 2024 and 2023	20
Thomas Edison State University and its Affiliate the New Jersey State Library Statements of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2024 and 2023	21
Thomas Edison State University Foundation, Inc. Statements of Activities for the years ended June 30, 2024 and 2023	22–23
Thomas Edison State University and its Affiliate the New Jersey State Library Statements of Cash Flows for the years ended June 30, 2024 and 2023	24–25
Notes to Financial Statements	26–62
Required Supplementary Information (Unaudited):	
Schedule 1 – Schedules of Employer Contributions	63
Schedule 2 – Schedules of Proportionate Share of the Net Pension Liability	64
Schedule 3 – Schedule of Proportionate Share of the Total OPEB Liability	65
Supplementary Information:	
Schedule 4 – Schedule of Net Position by Entity as of June 30, 2024	66
Schedule 5 – Schedule of Net Position by Entity as of June 30, 2023	67
Schedule 6 – Schedule of Revenues, Expenses, and Changes in Net Position by Entity for the year ended June 30, 2024	68
Schedule 7 – Schedule of Revenues, Expenses, and Changes in Net Position by Entity for the year ended June 30, 2023	69



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

## Independent Auditors' Report

The Board of Trustees  
Thomas Edison State University and its  
Affiliate the New Jersey State Library:

### *Opinions*

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

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

We did not audit the financial statements of Thomas Edison State University Foundation, Inc. (the Foundation), which represents 100% of the total assets and total revenues of the discretely presented component unit as of and for the years ended June 30, 2024 and 2023. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the Foundation, are based solely on the reports of the other auditors.

### *Basis for Opinions*

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

### *Responsibilities of Management for the Financial Statements*

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

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



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

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

In performing an audit in accordance with GAAS, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### *Required Supplementary Information*

U.S. generally accepted accounting principles require that the management's discussion and analysis, schedules of employer contributions, schedules of proportionate share of the net pension liability, and schedule of proportionate share of the total OPEB liability be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



*Supplementary Information*

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Organization's basic financial statements. The supplementary information included in Schedules 4 through 7, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*KPMG LLP*

Short Hills, New Jersey  
December 16, 2024

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Management's Discussion and Analysis

June 30, 2024 and 2023

(Unaudited)

**The Introduction**

This section of Thomas Edison State University (formerly Thomas Edison State College) and its Affiliate the New Jersey State Library's (the Organization) financial statements presents our discussion and analysis of the Organization's financial performance during the fiscal years that ended on June 30, 2024 and 2023, with certain 2022 amounts presented for comparative purposes. Since this discussion and analysis is designed to focus on current activities, it should be read in conjunction with the Organization's basic financial statements, which follow. The financial statements for the Thomas Edison State University Foundation (Foundation) are presented discretely. The Foundation was formed to aid the University in obtaining private funds to meet the needs of the University.

**Organization**

Thomas Edison State College was founded by the New Jersey Board of Higher Education in 1972 as an institution that provides flexible and accessible, high quality college opportunities primarily for adults. The College received University status during fiscal year 2016 and was renamed Thomas Edison State University (the University). The University is accredited by the Middle States Association of Colleges and Schools. The New Jersey State Library (the Library) was established by the State of New Jersey (the State) to provide lifelong learning and educational services, through the use of a State library, to the citizens of the State of New Jersey. The Library has existed as part of the State since 1796 and maintains approximately 2.1 million volumes of books and historical documents. Included in the Library is the Talking Book & Braille Center (formerly known as the Library for the Blind and Handicapped). Public Law 2001, Chapter 137 was signed into law effective July 2, 2001, making the Library an affiliate of the University. As a result, the financial reporting entity was formed known as the Organization under the control of the University's Board of Trustees.

**Using this Annual Financial Report**

The financial statements presented in this report focus on the financial position of the Organization, the changes in financial position and cash flows of the Organization as a whole. The statements of net position focuses on total assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. The statements of revenues, expenses, and changes in net position focuses on the revenues earned during the year and the costs of Organization activities. The statements of cash flows focuses on cash inflows and outflows summarized by operating, noncapital financing, capital financing and related investing activities.

**Financial Highlights**

The Organization's net position has increased to \$43,932,595 at June 30, 2024 from \$36,615,620 at June 30, 2023, and increased from \$31,659,404 at June 30, 2022. In fiscal year 2024, the Organization's net position increase of \$7,316,975 which was primarily due to recognizing pension benefit in accordance with Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68) of \$4,231,403 and an increase in the State of New Jersey appropriations of \$2,802,428. In fiscal year 2023, the Organization's net position increase of \$4,956,216 which was primarily due to the recognizing pension benefit in accordance with Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68) of \$6,043,757 which was partially offset by decreased student tuition.

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Management's Discussion and Analysis

June 30, 2024 and 2023

(Unaudited)

The Organization recorded on its financial statements the state paid revenue and expenses for other post-employment benefits for fiscal year 2024, 2023 and 2022. The State has communicated that the associated unfunded liability, deferred inflows of resources and deferred outflows of resources are the responsibility of the State and therefore, are not reported on the Organization's financial statements in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). The Organization recorded on its financial statements the net pension liability and related pension amounts as determined by the State of New Jersey, Division of Pensions and Benefits. The State has communicated that the GASB 68 pension liability allocations do not impact State laws or past funding arrangements that have been established annually in the State budget. The State has historically made and has communicated it will continue to make direct payments on behalf of the Organization to the Public Employees Retirement System (PERS) plan.

Operating revenues for the year ended June 30, 2024, increased to \$57,409,616 from \$56,935,882 in 2023, which decreased from \$59,714,465 in 2022. The fiscal year 2024 increase was primarily due to an increase of \$1,058,018 in State of New Jersey grants and contracts, which was partially offset by decreased student tuition and fees. The decrease in fiscal year 2023 was primarily due to a decrease of \$3,167,012 in student tuition and fees.

Net nonoperating revenues for the year ended June 30, 2024 increased to \$46,538,211 from \$40,039,439 in fiscal year 2023, primarily due to an increase of \$2,802,428 in state appropriations, an increase of \$3,345,345 in State paid fringe benefits, an increase in investment income of \$834,416, which were partially offset by a decrease of \$702,597 in State of New Jersey paid other postemployment benefits. The increase in fringe benefits was related to a higher fringe benefit rate. Net nonoperating revenues for the year ended June 30, 2023 increased to \$40,039,439 from \$37,502,207 in fiscal year 2022, primarily due to an increase of \$3,385,099 in state appropriations, an increase of \$3,069,477 in State paid fringe benefits, an increase in investment income of \$1,454,276, which were partially offset by a decrease in federal grants of \$2,380,550 and a decrease of \$2,956,338 in State of New Jersey paid other postemployment benefits. The increase in fringe benefits was related to a higher fringe benefit rate. The decrease in federal grants was due to spending down stimulus funds in fiscal year 2022.

**Statements of Net Position**

The statement of net position presents the financial position of the Organization at the end of the fiscal year and includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Organization, as well as the net position of the Organization by category. The assets and liabilities are divided into current and noncurrent.

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

GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*, establishes standards for external financial reporting for public colleges and universities and requires that resources be classified for accounting and reporting purposes into the following net position categories: Net investment in capital assets, restricted, and unrestricted.

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Management's Discussion and Analysis

June 30, 2024 and 2023

(Unaudited)

Net investment in capital assets consists of capital assets, including leases and subscription-based information technology arrangements (SBITAs), net of accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

Restricted net position consists of nonexpendable and expendable net position. Nonexpendable net position is subject to externally imposed stipulations that must be maintained permanently by the Organization. Expendable net position is subject to externally imposed stipulations that can be fulfilled by actions of the Organization pursuant to the stipulations or that expire by the passage of time.

Unrestricted net position is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management to the board of trustees. Substantially all unrestricted net position is designated for academic programs and initiatives and capital programs.

**Condensed Statements of Net Position as of June 30, 2024, 2023 and 2022**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Current assets	\$ 53,725,526	41,508,802	40,747,631
Capital assets, net	56,432,145	58,175,870	61,197,960
Other assets	<u>14,221,102</u>	<u>13,657,703</u>	<u>14,518,105</u>
Total assets	124,378,773	113,342,375	116,463,696
Deferred outflows of resources	<u>8,213,740</u>	<u>8,343,500</u>	<u>6,901,035</u>
Total assets and deferred outflows of resources	<u>132,592,513</u>	<u>121,685,875</u>	<u>123,364,731</u>
Current liabilities	22,264,671	13,296,193	13,354,965
Noncurrent liabilities	<u>59,021,311</u>	<u>59,076,899</u>	<u>60,960,657</u>
Total liabilities	81,285,982	72,373,092	74,315,622
Deferred inflows of resources	<u>7,373,936</u>	<u>12,697,163</u>	<u>17,389,705</u>
Total liabilities and deferred inflows of resources	<u>88,659,918</u>	<u>85,070,255</u>	<u>91,705,327</u>
Net position:			
Net investment in capital assets	59,297,710	60,343,297	61,324,024
Restricted	4,002,969	3,963,540	4,340,097
Unrestricted	<u>(19,368,084)</u>	<u>(27,691,217)</u>	<u>(34,004,717)</u>
Net position, end of year	<u>\$ 43,932,595</u>	<u>36,615,620</u>	<u>31,659,404</u>



**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Management's Discussion and Analysis

June 30, 2024 and 2023

(Unaudited)

**Net Position, End of Year**

The Organization's net position at June 30, 2024 increased \$7,316,975 or 20% from fiscal year 2023 to \$43,932,595. The Organization's net position at June 30, 2023 increased \$4,956,216 or 16% from fiscal year 2022 to \$36,615,620. The increase in fiscal year 2024 was primarily due to the recognition of a pension benefit of \$4,231,403, and increased State appropriations of \$2,802,428. The increase in fiscal year 2023 was primarily due to the recognition of negative pension expense of \$6,043,757, and increased State appropriations of \$3,385,099, which was partially offset by \$3,167,012 in decreased student tuition.

The Organization's total assets increased to \$124,378,773 at June 30, 2024 from \$113,342,375 at June 30, 2023, which decreased from \$116,463,696 at June 30, 2022. The fiscal year 2024 increase of \$11,036,398 or 10% was primarily due to increased cash of \$11,634,424 and increased federal accounts receivable of \$1,402,640, which was partially offset by decreased net capital assets of \$1,743,725. The fiscal year 2023 decrease of \$3,121,321 or 3% was primarily due to decreased capital assets of \$3,022,090 and decreased cash of \$9,439,545, which was partially offset by increased investments of \$9,282,363.

The Organization's total deferred outflows of resources decreased \$129,760 or 2% from fiscal year 2023 to \$8,213,740 (University share \$3,875,414 and Library share \$4,338,326). The Organization's total deferred inflows of resources decreased \$5,323,227 or 42% from fiscal year 2023 to \$7,373,936 (University share \$5,324,793 and Library share \$2,049,143). The deferred outflows and inflows of resources are related to pensions which include changes in assumptions, changes in proportion, net differences between projected and actual investment earnings on pension plan assets and fiscal year 2023 contributions subsequent to the measurement date made by the State of New Jersey to the pension plan on behalf of the Organization of \$4,540,814 (University share \$2,323,157 and Library share \$2,217,657).

The Organization's total deferred outflows of resources increased \$1,442,465 or 21% from fiscal year 2022 to \$8,343,500 (University share \$3,776,035 and Library share \$4,567,465). The Organization's total deferred inflows of resources decreased \$4,692,542 or 27% from fiscal year 2022 to \$12,697,163 (University share \$8,695,785 and Library share \$4,001,378). The deferred outflows and inflows of resources are related to pensions which include changes in assumptions, changes in proportion, net differences between projected and actual investment earnings on pension plan assets and fiscal year 2022 contributions subsequent to the measurement date made by the State of New Jersey to the pension plan on behalf of the Organization of \$4,451,751 (University share \$2,322,731 and Library share \$2,129,020).

The Organization's total liabilities increased \$8,912,890 or 12% to \$81,285,982 in fiscal year 2024. The fiscal year 2024 increase was primarily due to an increase of \$8,523,367 in unearned grants and contracts, and an increase of \$690,596 in net pension liability, which was partially offset by a decrease of \$742,692 in long-term debt. The Organization's total liabilities decreased \$1,942,530 or 3% to \$72,373,092 in fiscal year 2023. The fiscal year 2023 decrease was primarily due to a decrease of \$2,041,363 in long-term debt, and a decrease of

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

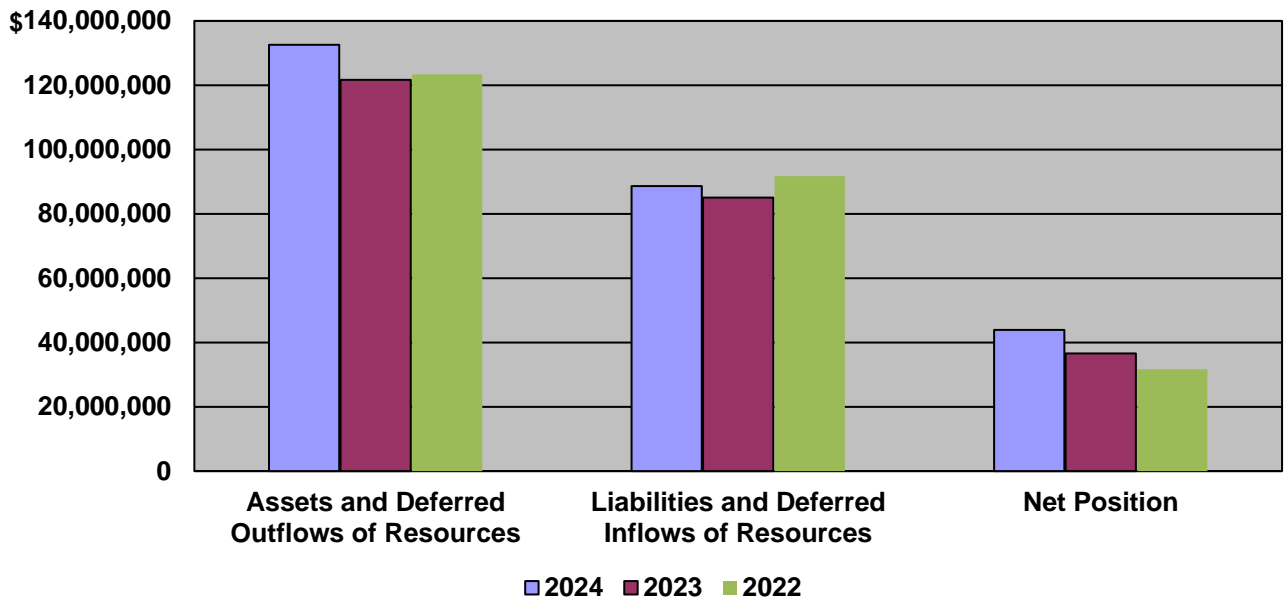
Management's Discussion and Analysis

June 30, 2024 and 2023

(Unaudited)

\$318,749 in accounts payable and accrued expenses, which was partially offset by an increase of \$315,373 in unearned grants and contracts.

**Statements of Net Position**



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

The statement of revenues, expenses, and changes in net position presents the Organization's results of operations and other nonoperating and capital related activities recognized. The purpose of the statement is to present the revenues received by the Organization both operating and nonoperating, expenses paid by the Organization, operating and nonoperating, and any other changes to net position. A condensed summary of the

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Management's Discussion and Analysis

June 30, 2024 and 2023

(Unaudited)

Organization's revenues, expenses, and changes in net position for the years ended June 30, 2024, 2023 and 2022 follows:

**Condensed Statements of Revenues, Expenses and Changes in Net Position for the years ended  
June 30, 2024, 2023 and 2022**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Operating revenues:			
Student tuition and fees, net of scholarships	\$ 34,241,810	34,507,504	37,674,516
Federal grants and contracts	10,700,155	10,848,439	10,868,144
State of New Jersey grants and contracts	11,658,471	10,600,453	10,334,290
Subtotal operating grants	22,358,626	21,448,892	21,202,434
Other	809,180	979,486	837,515
Total operating revenues	57,409,616	56,935,882	59,714,465
Operating expenses	97,530,659	92,019,105	92,369,332
Operating loss	(40,121,043)	(35,083,223)	(32,654,867)
Nonoperating revenues (expenses):			
Federal grants	—	—	2,380,550
State of New Jersey funding, including OPEB	44,052,684	38,607,508	35,109,270
Other nonoperating revenues, net	2,500,704	1,500,315	48,535
Loss on disposal of equipment	(15,177)	(68,384)	(36,148)
Net non-operating revenues	46,538,211	40,039,439	37,502,207
State of New Jersey capital grants	899,807	—	—
Increase in net position	7,316,975	4,956,216	4,847,340
Net position beginning of year	36,615,620	31,659,404	26,812,064
Net position end of year	\$ 43,932,595	36,615,620	31,659,404

**Operating Revenues**

Operating revenues are defined as those revenues received by an institution for providing goods and services directly to the students, New Jersey state libraries, and the constituencies of the Organization.

During the year ended June 30, 2024, the Organization generated \$57,409,616 in operating revenues. The sources of these revenues were: tuition and fees, net of scholarships of \$34,241,810; governmental grants and

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Management's Discussion and Analysis

June 30, 2024 and 2023

(Unaudited)

contracts of \$22,358,626; and other operating revenues of \$809,180. The University's share of operating revenues was \$42,812,596 and the Library's share of operating revenues was \$14,597,020.

- Student tuition and fees decreased \$265,694 or 1% in fiscal year 2024 due to an 4% decrease in the number of students served which was partially offset by a tuition increase of 2%. Student tuition and fees decreased \$3,167,012 or 8% in fiscal year 2023 due to an 11% decrease in the number of students served which was partially offset by a tuition increase of 2%.
- The increase in State of New Jersey grants and contracts of \$1,058,018 or 10% in fiscal year 2024 was primarily due to an increase of \$226,516 in Grant Opportunity (GO)-TESU State need-based aid for part-time students, and \$126,771 in Garden State Guarantee grants which was funded by the Higher Education Student Assistance Authority for the first time, a new grant from the New Jersey Attorney General for \$267,346, and an increase in Network Aid of \$309,471. The increase of \$266,163 or 3% in fiscal year 2023 was primarily due to the University receiving \$679,864 in GO -TESU State need-based aid for part-time students for the first time. This was partially offset by spending down grants received during fiscal year 2022.

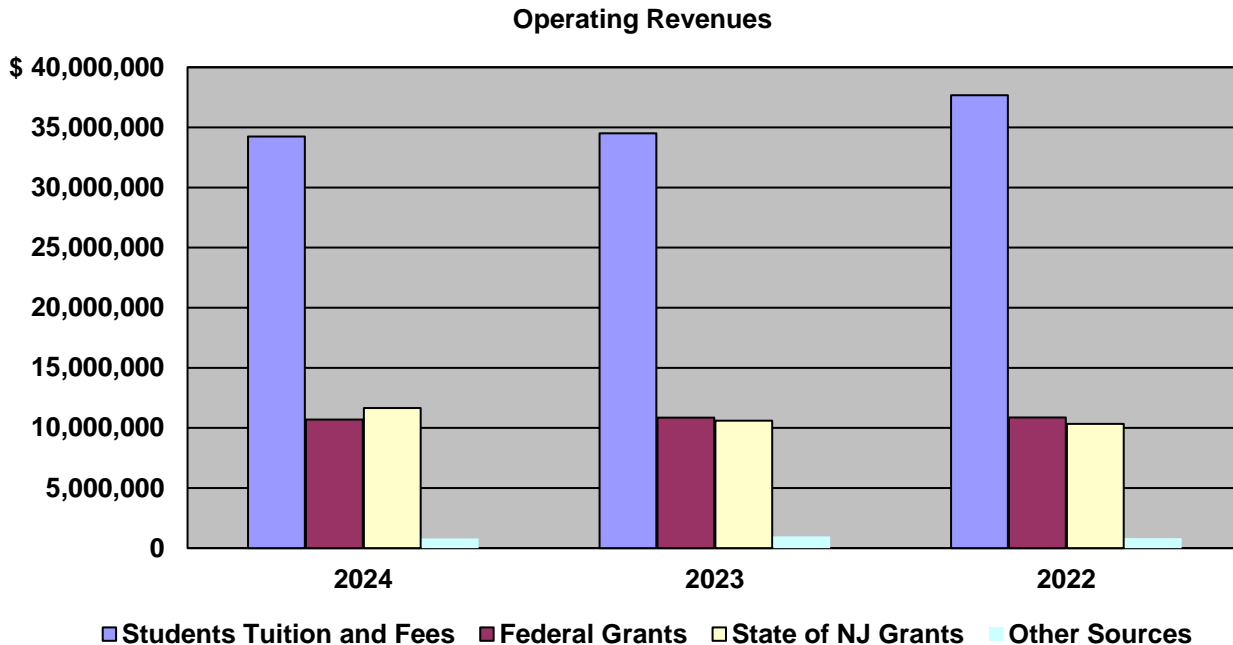
	2024		2023		2022	
	Amount	Percentage of total	Amount	Percentage of total	Amount	Percentage of total
Operating revenues:						
Student tuition and fees (net of scholarship allowances of approximately \$3,947,000, \$3,403,000, and \$2,953,000, respectively)	\$ 34,241,810	60 %	\$ 34,507,504	60 %	\$ 37,674,516	63 %
Federal grants and contracts	10,700,155	19	10,848,439	19	10,868,144	18
State of New Jersey grants and contracts	<u>11,658,471</u>	20	<u>10,600,453</u>	20	<u>10,334,290</u>	18
Subtotal grants	<u>22,358,626</u>		<u>21,448,892</u>		<u>21,202,434</u>	
Other sources:						
Federal indirect cost recovery	235,832	—	356,829	—	150,627	—
Other operating revenue	<u>573,348</u>	1	<u>622,657</u>	1	<u>686,888</u>	1
Subtotal other sources	<u>809,180</u>		<u>979,486</u>		<u>837,515</u>	
Total operating revenues	<u>\$ 57,409,616</u>	<u>100 %</u>	<u>\$ 56,935,882</u>	<u>100 %</u>	<u>\$ 59,714,465</u>	<u>100 %</u>

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Management's Discussion and Analysis

June 30, 2024 and 2023

(Unaudited)



**Operating Expenses**

Operating expenses are defined as those expenses paid by an institution to acquire or produce goods and services in return for the operating revenues, and to carry out the mission of the institution. For the year ended June 30, 2024, the Organization incurred total operating expenses of \$97,530,659, which were \$40,121,043 more than the operating revenues of \$57,409,616. The University's operating expenses share was \$75,265,256 and the Library's operating expenses share was \$22,265,403. The University's net operating loss share was \$32,452,660 and the Library's net operating loss share was \$7,668,383. The Organization's operating expenses increased \$5,511,554 or 6% from fiscal years 2023 to 2024. The increase is primarily due to increased fringe benefit expense and recognizing a decreased pension (benefit), which were partially offset by recognizing an increased other post-employment benefit (OPEB) benefit.

- The increase in academic support expenses of \$661,708 or 3% in fiscal year 2024 is primarily due to an increase in fringe benefit expense of \$821,993 and decreased pension benefit of \$123,459, which was partially offset by an increase of OPEB benefit of \$86,903 and \$171,310 in increased course creation costs shifted to grants. The increase in academic support expenses of \$178,908 or 1% in fiscal year 2023 is primarily due to an increase in state paid fringe benefit expense of \$799,606, which was partially offset by a decrease in pension expense of \$146,954 and OPEB expenses of \$330,203.
- The increase in student services expenses of \$695,468 or 11% in fiscal year 2024 is primarily due to an increase in salary expense of \$140,132, state paid fringe benefit expense of \$472,019 and decreased

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Management's Discussion and Analysis

June 30, 2024 and 2023

(Unaudited)

pension benefit of \$234,607, which was partially offset by an increase of \$128,623 in OPEB benefit. The increase in student services expenses of \$148,909 or 2% in fiscal year 2023 is primarily due to an increase in salary expense of \$320,985 and state paid fringe benefit expense of \$501,000, which was partially offset by a decrease of \$243,803 in pension expense and \$559,990 in OPEB expense.

- Public services expenses increased \$662,746 or 13% in fiscal year 2024, primarily due to an increase in salary expense of \$329,469, state paid fringe benefit expense of \$298,140 and decreased pension benefit of \$79,674, which was partially offset by an increase of \$74,020 in OPEB benefit. Public service decreased \$509,960 or 9% in fiscal year 2023. The decrease was primarily due to the Library spending down stimulus funds received from the Institute for Museum and Library Services in the prior year that was received during fiscal year 2021.
- General institutional expenses increased \$1,048,415 or 9% and decreased \$795,012 or 6% over the previous year in fiscal years 2024 and 2023, respectively. The increase in fiscal year 2024 was primarily due to the increase in fringe benefit expense of \$417,459, \$66,220 in bad debt expense and decreased pension benefit of \$186,027. The decrease in fiscal year 2023 was primarily due to decreases of \$166,818 in salary expense, \$193,833 in pension expense and \$379,750 in OPEB expense.
- General administration expenses increased \$1,476,192 or 7% and \$934,965 or 5% in fiscal year 2024 and 2023, respectively. The increase in fiscal year 2024 was primarily due to increases in salary expense of \$245,861, fringe benefit expense of \$1,055,338, non-capital information technology equipment of \$260,258, and decreased pension benefit of \$246,082, which were partially offset by an increase of \$307,427 in OPEB benefit. The increase in non-capital information technology equipment was due to the University matching share of a grant. The increase in fiscal year 2023 was primarily due to an increase in salary of \$904,490 and fringe benefits of \$1,227,877, which were partially offset by a decrease of \$509,854 in pension expense and \$910,570 in OPEB expense.
- Other sponsored programs expenses increased \$463,522 or 34% and decreased \$443,849 or 25% in fiscal year 2024 and 2023, respectively. The increase in fiscal year 2024 was due to a concerted effort to increase grant funding. The decrease in fiscal year 2023 was primarily due to federal Coronavirus Aid, Relief, and Economic Security (CARES) act funds spending. The University had \$1,068,896 in CARES expenses during fiscal year 2022 and none in fiscal year 2023.
- Scholarships increased \$409,507 or 14% and decreased \$553,240 or 15% in fiscal year 2024 and 2023, respectively. The increase in fiscal year 2024 was due to an increase in Pell grants of \$647,145 and increase in GO-TESU grants of \$226,519, which were partially offset by a decrease of \$147,518 in Foundation scholarships. The decrease in fiscal year 2023 was due to no Higher Education Emergency Relief Fund (HEERF) scholarships awarded compared to \$1,201,775 during fiscal year 2022, which was partially offset by the new need-based aid GO-TESU of \$679,864.
- State of New Jersey Library expenses increased \$1,316,218 or 31% and increased \$363,079 or 9% in fiscal year 2024 and 2023, respectively. The increase in fiscal year 2024 was primarily due to decreased pension benefit of \$801,407, and increased fringe benefit expense of \$383,232. The increase in fiscal year 2023 was primarily due to decreased pension expense of \$205,024 and increased fringe benefit expense of \$416,673, which were partially offset by decreased OPEB expense of \$444,629.

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Management's Discussion and Analysis

June 30, 2024 and 2023

(Unaudited)

- Talking Book & Braille Center increased \$243,786 or 17% and decreased \$67,501 or 4% in fiscal year 2024 and 2023, respectively. The increase in fiscal year 2024 was primarily due to increased fringe benefit expense of \$81,738 and decreased pension benefit of \$147,746. The decrease in fiscal year 2023 was primarily due to decreased OPEB expense of \$119,029, which was partially offset by \$62,770 increase in pension expense.
- Grants to libraries decreased \$1,256,015 or 15% and increased \$34,062 or less than 1% in fiscal year 2024 and 2023, respectively. The increase in fiscal year 2024 was primarily due to fully spending down federal American Rescue Plan Act (ARPA) grant funds in fiscal year 2023. The Library disbursed \$1,606,999 in ARPA grants to local libraries during fiscal year 2023. The expense remained stable in fiscal year 2023 compared to fiscal year 2022.

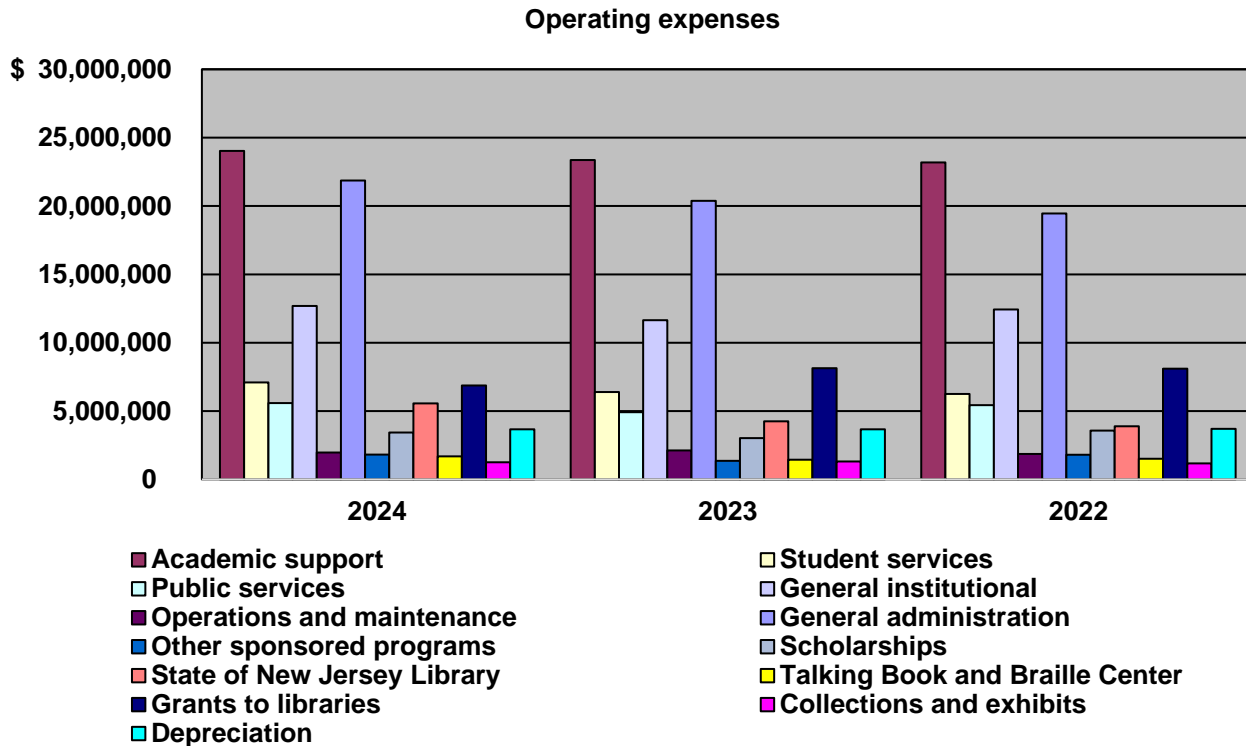
	2024		2023		2022	
	Amount	Percentage of total	Amount	Percentage of total	Amount	Percentage of total
Operating expenses:						
Academic support	\$ 24,027,297	25 %	\$ 23,365,589	25 %	\$ 23,186,681	25 %
Student services	7,092,957	7	6,397,489	7	6,248,581	7
Public services	5,584,931	6	4,922,185	5	5,432,145	6
General institutional	12,690,313	13	11,641,898	13	12,436,910	13
Operations and maintenance	1,969,917	2	2,116,158	2	1,862,433	2
General administration	21,859,771	22	20,383,579	22	19,448,614	21
Other sponsored programs	1,822,242	2	1,358,720	2	1,802,569	2
Scholarships	3,432,872	3	3,023,365	3	3,576,605	4
State of New Jersey Library	5,567,413	6	4,251,195	5	3,888,116	4
Talking Book and Braille Center	1,690,932	2	1,447,146	2	1,514,647	2
Grants to libraries	6,875,045	7	8,131,060	9	8,096,998	9
Collections and exhibits	1,249,208	1	1,310,369	1	1,168,436	1
Depreciation and amortization	3,667,761	4	3,670,352	4	3,706,597	4
Total operating expenses	\$ 97,530,659	100 %	\$ 92,019,105	100 %	\$ 92,369,332	100 %

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Management's Discussion and Analysis

June 30, 2024 and 2023

(Unaudited)



**Nonoperating Revenues**

Nonoperating revenues are defined as those revenues received for which goods and services are not provided in return for the revenues.

During the fiscal year 2024, the Organization generated \$46,538,211 in net nonoperating revenues. The components of the nonoperating revenues were primarily direct and indirect State of New Jersey appropriations of \$44,052,684, contributed U.S. Postal Service of \$163,172, private gifts of \$636,545, and investment income of \$1,797,584. The University's net nonoperating revenue share was \$37,048,706 and the Library's nonoperating revenue share was \$9,489,505.

- There were no nonoperating Federal grants during fiscal year 2024 and fiscal year 2023. Federal grants of \$2,380,550 in fiscal year 2022 includes \$1,296,691 in student aid funded HEERF and \$1,083,859 in CRF.
- The increase of State of New Jersey appropriations of \$2,802,428 or 16% in fiscal year 2024 was due to a legislative appropriation increase of \$3,000,000 and increased outcomes-based funding of \$752,000 for the University and decrease of \$949,572 for the Library. The increase of State of New Jersey appropriations of \$3,385,099 in fiscal year 2023 was primarily due to an increased outcomes-based funding of \$1,753,000 at the University and \$1,201,099 for the Library, respectively.



**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Management's Discussion and Analysis

June 30, 2024 and 2023

(Unaudited)

- The increase in State of New Jersey paid fringe benefits of \$3,345,345 or 14% was primarily due to the negotiated fringe benefit rate increased from 68.45% in fiscal year 2023 to 77.15% in fiscal year 2024. The increase in State of New Jersey paid fringe benefits of \$3,069,477 or 15% in fiscal year 2023 was primarily due to the negotiated fringe benefit rate increased from 61.05% in fiscal year 2022 to 68.45% in fiscal year 2023.
- The State of New Jersey paid other postemployment benefits decreased by \$702,597 or 35% and \$2,956,338 or 312% in fiscal years 2024 and 2023, respectively. The amount to record is provided by the State of New Jersey and represents the organization's prorated share of the total (benefit) expense.
- Private gifts increased by \$187,404 or 42% and decreased by \$128,025 or 22% in fiscal years 2024 and 2023, respectively. The increase in fiscal year 2024 was related to \$169,015 increased funding from the Foundation. The decrease in fiscal year 2023 was related to timing of grants from the Foundation.
- Investment income increased by \$834,416 and by \$1,454,276 in fiscal year 2024 and 2023, respectively. The changes are due to market fluctuations and higher interest rates during fiscal year 2024 and fiscal year 2023.

	2024		2023		2022	
	Total	Percentage of total	Total	Percentage of total	Total	Percentage of total
Nonoperating revenues:						
Federal grants	\$ —	— %	\$ —	— %	\$ 2,380,550	6 %
State of New Jersey appropriations	20,010,408	43	17,207,980	43	13,822,881	37
State of New Jersey paid fringe benefits	26,754,729	58	23,409,384	58	20,339,907	54
State of New Jersey paid other post employment benefits	<u>(2,712,453)</u>	(6)	<u>(2,009,856)</u>	(5)	<u>946,482</u>	3
Subtotal State of New Jersey	44,052,684		38,607,508		35,109,270	
Contributed U.S. Postal Service	163,172	—	178,963	—	170,760	—
Private gifts – restricted	636,545	1	449,141	1	577,166	1
Investment income	<u>1,797,584</u>	4	<u>963,168</u>	3	<u>(491,108)</u>	(1)
Nonoperating revenues	<u>\$ 46,649,985</u>	<u>100 %</u>	<u>\$ 40,198,780</u>	<u>100 %</u>	<u>\$ 37,746,638</u>	<u>100 %</u>

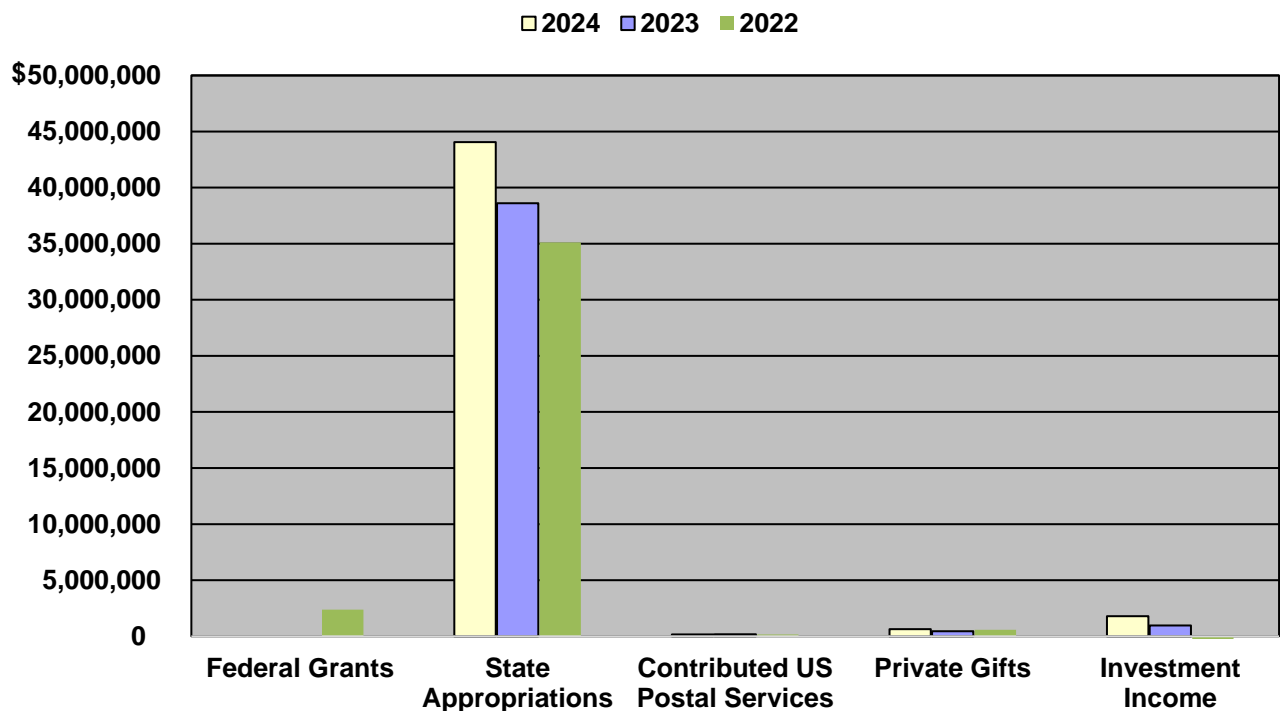
**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Management's Discussion and Analysis

June 30, 2024 and 2023

(Unaudited)

**Nonoperating Revenues**



**Capital Assets and Debt Activities**

At June 30, 2024, the Organization's capital assets, including rare books, artwork, and historical documents, amounted to \$62,562,792, net of accumulated depreciation and amortization of \$45,197,140. The amount invested in capital assets, net of related debt of \$3,265,082, was \$59,297,710. Depreciation and amortization charges totaled \$3,667,761 for the current fiscal year. The \$1,045,587 decrease of net investment in capital assets was due to capital additions of \$1,939,213, principal paid on outstanding debt of \$2,231,638, less new debt, including lease and SBITA related debt of \$1,533,500, and depreciation and amortization of \$3,667,761 and net capital retirements of \$15,177. At June 30, 2023, the Organization's capital assets, including rare books, artwork, and historical documents, amounted to \$64,306,517, net of accumulated depreciation and amortization of \$42,157,329. The amount invested in capital assets, net of related debt of \$3,963,220, was \$60,343,297. Depreciation and amortization charges totaled \$3,670,352 for the current fiscal year. The \$980,727 decrease of net investment in capital assets was due to capital additions of \$716,646, principal paid on outstanding debt of \$2,178,603, less new lease and SBITA related debt of \$137,240 and depreciation of \$3,670,352 and net capital retirements of \$68,384.

Interest on indebtedness was \$96,597 in fiscal year 2024 as compared \$90,957 in fiscal year 2023, a decrease of \$5,640 or 6%. The decrease was due to decreasing amount of outstanding debt. Interest on indebtedness

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Management's Discussion and Analysis

June 30, 2024 and 2023

(Unaudited)

was \$90,957 in fiscal year 2023 as compared to \$208,283 in fiscal year 2022, a decrease of \$117,326 or 56%. The decrease was due to the prepayment of TD Bank debt during fiscal year 2022 and the planned allocation of principal and interest per the amortization schedules.

**Tax-Exempt and Lease Financing**

During fiscal year 2024, the State of New Jersey issued bonds to fund the New Jersey Equipment Leasing Fund grant award made to the University. The University is responsible for one quarter of each debt service payment that will be reimbursed to the State. The payment schedule has a six-year term. The University was awarded \$1,485,060 for networking and other technology equipment. The University share of the debt is \$355,778 with an interest rate of 5.000%. There were no State issued bonds awarded to fund capital improvements at the Organization in fiscal years 2023 and 2022.

During fiscal year 2018, the State issued bonds to fund a New Jersey Capital Improvement Fund grant award made to the University. The University is responsible for one third of each debt service payment that will be reimbursed to the State. The payment schedule has a twenty-year term. The University was awarded \$170,000 for alterations and renovations to the entryway of the Kelsey/Townhouse Complex. The University share of the debt is \$55,399 with interest rates ranging from 3.000% to 2.486%. The project was completed during fiscal year 2018.

In October 2014, the Organization entered into a tax-exempt lease financing agreement with PNC Bank to partially fund the construction of the Glen Cairn Hall. The total debt issued was \$7,000,000. The payment schedule has a ten-year term with an interest rate of 2.486%.

During fiscal year 2014, the State of New Jersey issued bonds to fund the New Jersey Equipment Leasing Fund grant award made to the University. The University is responsible for one quarter of each debt service payment that will be reimbursed to the State. The payment schedule has a ten-year term. The University was awarded \$585,000 for nursing simulation laboratory equipment. The University share of the debt is \$127,318 with an interest rate of 5.000%.

In October 2011, the Organization entered into a tax-exempt lease financing agreement with TD Bank Finance, Inc. to fully renovate the Kuser facility. The total debt issued was \$8,000,000. The payment schedule had a twenty-year term with an interest rate of 3.500%. The University elected to prepay the remaining balance during fiscal year 2022.

In September 2007, the Organization entered in a tax-exempt lease financing arrangement in which Banc of America Leasing and Capital, LLC is the lessor, the New Jersey Educational Facilities Authority is the lessee, and the Organization is the sublessee. The lease financing was for \$2,700,000 used for building improvements, security, equipment, and data processing upgrades. The lease agreement calls for three separate payment schedules to be paid over five, seven, and fifteen-years with interest rates of 4.100%, 4.380% and 4.570%, respectively.

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Management's Discussion and Analysis

June 30, 2024 and 2023

(Unaudited)

The Organization's net investment in capital assets at June 30, 2024, 2023 and 2022 were:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Net investment in capital assets:			
Depreciable assets:			
Buildings and improvements	\$ 48,995,852	50,661,693	52,767,354
Equipment and vehicles, including leases and subscription IT right-to-use assets	3,987,177	3,872,648	4,515,478
Furniture and fixtures	<u>996,436</u>	<u>1,188,849</u>	<u>1,462,448</u>
Subtotal	<u>53,979,465</u>	<u>55,723,190</u>	<u>58,745,280</u>
Nondepreciable assets:			
Land	2,452,680	2,452,680	2,452,680
Rare books, artwork, and historical documents	<u>6,130,647</u>	<u>6,130,647</u>	<u>6,130,647</u>
Subtotal	<u>8,583,327</u>	<u>8,583,327</u>	<u>8,583,327</u>
Total capital assets	62,562,792	64,306,517	67,328,607
Less related long-term debt, including lease and subscription IT liabilities	<u>(3,265,082)</u>	<u>(3,963,220)</u>	<u>(6,004,583)</u>
Net investment in capital assets	<u>\$ 59,297,710</u>	<u>60,343,297</u>	<u>61,324,024</u>

**Economic Outlook**

With net position of \$43,932,595, the Organization's financial position remains positive. A major challenge to the Organization has been the University's enrollment. The University had 10,924 enrollments in fiscal year 2024. This was 4% below the prior year. This resulted in a 1% decrease in student revenue. Student revenue decreased by 11% in fiscal year 2023. Another challenge is maintaining State support. The University has seen increased State support through the formula-based outcomes-based allocations. The University appropriation was lower in fiscal year 2025 by \$1,060,000 due to the elimination of a legislative increase of \$3,000,000, and the \$500,000 reduction of New Jersey National Guard waiver reimbursements, which were partially offset by increased outcomes-based funding.

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Statements of Net Position

Business-Type Activities – Organization Only

June 30, 2024 and 2023

	<b>Assets</b>	<b>2024</b>	<b>2023</b>
Current assets:			
Cash (note 2)		\$ 20,686,493	9,052,069
Investments (notes 2 and 4)		25,039,972	26,144,475
Receivables:			
Students, less allowance for doubtful accounts of approximately 1,198,746 in 2024 and \$732,096 in 2023		3,649,652	3,712,324
State of New Jersey		1,126,709	790,261
Federal		2,163,531	760,891
Other receivables		136,352	150,649
Total receivables		7,076,244	5,414,125
Prepaid expenses and other assets		922,817	898,133
Total current assets		53,725,526	41,508,802
Noncurrent assets:			
Investments (notes 2 and 4)		3,930,193	3,563,516
Restricted investments (notes 2 and 4)		3,036,966	2,913,154
Trustee held investments – restricted (notes 3 and 4)		1,123,296	1,050,386
Rare books, artwork, and historical documents		6,130,647	6,130,647
Capital assets, net (notes 5 and 9)		56,432,145	58,175,870
Total noncurrent assets		70,653,247	71,833,573
Total assets		124,378,773	113,342,375
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources:			
Pensions related (note 9)		8,213,740	8,343,500
Total assets and deferred outflows of resources		132,592,513	121,685,875
<b>Liabilities</b>			
Current liabilities:			
Accounts payable and accrued expenses (notes 6 and 7)		7,320,973	7,140,247
Unearned tuition and fees		3,467,276	3,229,523
Unearned grants and contracts		9,446,724	923,357
Deposits held in custody for others		196,421	214,343
Long-term debt – current portion (note 8 and 9)		1,833,277	1,788,723
Total current liabilities		22,264,671	13,296,193
Noncurrent liabilities:			
Compensated absences – noncurrent portion (note 7)		588,410	591,902
Long-term debt (note 8 and 9)		1,431,805	2,174,497
Net pension liability (notes 7 and 10)		57,001,096	56,310,500
Total noncurrent liabilities		59,021,311	59,076,899
Total liabilities		81,285,982	72,373,092
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources:			
Pensions related (note 10)		7,373,936	12,697,163
Total liabilities and deferred inflows of resources		88,659,918	85,070,255
<b>Net Position</b>			
Net investment in capital assets		59,297,710	60,343,297
Restricted for:			
Nonexpendable:			
Aid to local libraries		416,073	416,073
Library for the Blind and Handicapped		333,642	333,642
Expendable:			
Aid to local libraries		1,702,629	306,773
Library for the Blind and Handicapped		342,156	1,471,545
Public policy		1,208,469	1,435,507
Unrestricted		(19,368,084)	(27,691,217)
Total net position		\$ 43,932,595	36,615,620

See accompanying notes to financial statements.

**THOMAS EDISON STATE UNIVERSITY FOUNDATION, INC.**

(A Component Unit of Thomas Edison State University and its Affiliate The New Jersey State Library)

Statements of Financial Position

June 30, 2024 and 2023

<b>Assets</b>	<b>2024</b>	<b>2023</b>
Cash	\$ 86,181	117,280
Investments	13,654,309	12,138,859
Contributions and grants receivable	249,705	120,021
Other assets	71,317	70,999
Total assets	<u>\$ 14,061,512</u>	<u>12,447,159</u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Contributions and grants payable	\$ 337,013	679,386
Accrued liabilities	65,644	77,375
Total liabilities	<u>402,657</u>	<u>756,761</u>
Net assets:		
Without donor restrictions	6,525,969	5,558,079
With donor restrictions	7,132,886	6,132,319
Total net assets	<u>13,658,855</u>	<u>11,690,398</u>
Total liabilities and net assets	<u>\$ 14,061,512</u>	<u>12,447,159</u>

See accompanying notes to financial statements.

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Statements of Revenues, Expenses, and Changes in Net Position

Business-Type Activities – Organization Only

Years ended June 30, 2024 and 2023

	<b>2024</b>	<b>2023</b>
Operating revenues:		
Student tuition and fees (net of scholarship allowances of approximately \$3,947,000 in 2024 and \$3,403,000 in 2023)	\$ 34,241,810	34,507,504
Federal grants and contracts	10,700,155	10,848,439
Federal indirect cost recovery	235,832	356,829
State of New Jersey grants and contracts	11,658,471	10,600,453
Other operating revenues	573,348	622,657
Total operating revenues	57,409,616	56,935,882
Operating expenses:		
Academic support	24,027,297	23,365,589
Student services	7,092,957	6,397,489
Public services	5,584,931	4,922,185
General institutional	12,690,313	11,641,898
Operations and maintenance	1,969,917	2,116,158
General administration	21,859,771	20,383,579
Other sponsored programs	1,822,242	1,358,720
Scholarships	3,432,872	3,023,365
State of New Jersey Library	5,567,413	4,251,195
Talking Book and Braille Center	1,690,932	1,447,146
Grants to libraries	6,875,045	8,131,060
Collections and exhibits	1,249,208	1,310,369
Depreciation and amortization	3,667,761	3,670,352
Total operating expenses	97,530,659	92,019,105
Operating loss	(40,121,043)	(35,083,223)
Nonoperating revenues (expenses):		
State of New Jersey appropriations	20,010,408	17,207,980
State of New Jersey paid fringe benefits	26,754,729	23,409,384
State of New Jersey paid other postemployment benefits (note 9)	(2,712,453)	(2,009,856)
Contributed U.S. Postal Service	163,172	178,963
Private gifts – restricted	636,545	449,141
Investment income	1,797,584	963,168
Interest on indebtedness	(96,597)	(90,957)
Loss on disposal of equipment	(15,177)	(68,384)
Net nonoperating revenues	46,538,211	40,039,439
Increase in before other revenues	6,417,168	4,956,216
State of New Jersey capital grants	899,807	—
Increase in net position	7,316,975	4,956,216
Net position as of beginning of year	36,615,620	31,659,404
Net position as of end of year	\$ 43,932,595	36,615,620

See accompanying notes to financial statements.

**THOMAS EDISON STATE UNIVERSITY FOUNDATION, INC.**

(A Component Unit of Thomas Edison State University and its Affiliate The New Jersey State Library)

## Statement of Activities

Year ended June 30, 2024

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Support and revenues:			
Contributions and grants	\$ 103,890	679,721	783,611
Special events:			
Revenues	129,465	—	129,465
In-kind contributions	4,385	—	4,385
Less costs of direct benefits to donors	<u>(94,322)</u>	<u>—</u>	<u>(94,322)</u>
Special events, net	39,528	—	39,528
Donated personnel	380,795	—	380,795
Investment return, net	871,486	1,009,688	1,881,174
Net assets released from restrictions	<u>688,842</u>	<u>(688,842)</u>	<u>—</u>
Total support and revenues	<u>2,084,541</u>	<u>1,000,567</u>	<u>3,085,108</u>
Expenses:			
Program expenses	988,431	—	988,431
Management and general	39,727	—	39,727
Fundraising	<u>88,493</u>	<u>—</u>	<u>88,493</u>
Total expenses	<u>1,116,651</u>	<u>—</u>	<u>1,116,651</u>
Change in net assets	967,890	1,000,567	1,968,457
Net assets, beginning of year	<u>5,558,079</u>	<u>6,132,319</u>	<u>11,690,398</u>
Net assets, end of year	<u>\$ 6,525,969</u>	<u>7,132,886</u>	<u>13,658,855</u>

See accompanying notes to financial statements.



**THOMAS EDISON STATE UNIVERSITY FOUNDATION, INC.**

(A Component Unit of Thomas Edison State University and its Affiliate The New Jersey State Library)

## Statement of Activities

Six-Months Ended June 30, 2023

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Support and revenues:			
Contributions and grants	\$ 196,788	480,404	677,192
Special events:			
Revenues	123,772	—	123,772
In-kind contributions	4,825	—	4,825
Less costs of direct benefits to donors	<u>(95,862)</u>	<u>—</u>	<u>(95,862)</u>
Special events, net	32,735	—	32,735
Donated personnel	377,145	—	377,145
Investment return, net	297,581	443,751	741,332
Net assets released from restrictions	<u>743,602</u>	<u>(743,602)</u>	<u>—</u>
Total support and revenues	<u>1,647,851</u>	<u>180,553</u>	<u>1,828,404</u>
Expenses:			
Program expenses	1,183,235	—	1,183,235
Management and general	35,982	—	35,982
Fundraising	<u>79,038</u>	<u>—</u>	<u>79,038</u>
Total expenses	<u>1,298,255</u>	<u>—</u>	<u>1,298,255</u>
Change in net assets	349,596	180,553	530,149
Net assets, beginning of year	<u>5,208,483</u>	<u>5,951,766</u>	<u>11,160,249</u>
Net assets, end of year	<u>\$ 5,558,079</u>	<u>6,132,319</u>	<u>11,690,398</u>

See accompanying notes to financial statements.

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Statements of Cash Flows

Business-Type Activities – Organization Only

Years ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Student tuition and fees	\$ 38,604,199	37,776,410
Grants, contracts, and other revenues	25,587,510	18,054,082
Payments for salaries	(37,201,975)	(36,318,480)
Payments for fringe benefits	(1,652,693)	(1,490,747)
Payments for materials and supplies	(1,631,836)	(1,715,690)
Payments for services	(23,078,414)	(23,075,588)
Payments for maintenance	(2,180,071)	(1,330,435)
Payments to students	(5,075,778)	(4,264,046)
Payments for grants and contracts	(2,264,555)	(3,556,864)
Payments for noncapital improvements	(675,779)	(120,533)
Net cash used by operating activities	<u>(9,569,392)</u>	<u>(16,041,891)</u>
Cash flows from noncapital financing activities:		
State of New Jersey appropriations	20,010,408	17,207,980
Private gifts – restricted	624,769	438,772
Agency receipts	428,911	687,764
Agency disbursements	(446,833)	(437,000)
Net cash provided by noncapital financing activities	<u>20,617,255</u>	<u>17,897,516</u>
Cash flows from capital financing activities:		
Proceeds from issuance of capital debt	278,277	—
State of New Jersey capital grants	899,807	—
Purchases of capital assets	(711,184)	(632,437)
Net deposits with trustee	8,581	16,977
Principal paid on capital debt	(2,231,637)	(2,178,603)
Interest paid on capital debt	(72,783)	(92,813)
Net cash used by capital financing activities	<u>(1,828,939)</u>	<u>(2,886,876)</u>
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	35,062,261	28,395,372
Purchases of investments	(34,287,029)	(37,685,329)
Interest on investments	1,640,268	881,663
Net cash provided by (used by) provided by investing activities	<u>2,415,500</u>	<u>(8,408,294)</u>
Net increase (decrease) in cash	11,634,424	(9,439,545)
Cash as of beginning of the year	<u>9,052,069</u>	<u>18,491,614</u>
Cash as of end of the year	<u>\$ 20,686,493</u>	<u>9,052,069</u>

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Statements of Cash Flows

Business-Type Activities – Organization Only

Years ended June 30, 2024 and 2023

	<b>2024</b>	<b>2023</b>
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$ (40,121,043)	(35,083,223)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation and amortization expense	3,667,761	3,670,352
Noncash transactions	24,210,615	21,588,895
Change in assets and liabilities:		
Receivables	(1,662,119)	209,997
Prepaid expenses and other assets	(24,684)	(267,948)
Accounts payable and accrued expenses	119,751	(473,094)
Deposits held in custody of others	(17,922)	209,445
Unearned tuition and fees	237,753	83,892
Unearned grants and contracts	8,523,367	315,373
Net pension liability and related deferred amounts	(4,502,871)	(6,295,580)
Net cash used by operating activities	\$ (9,569,392)	(16,041,891)
Noncash transactions:		
State of New Jersey paid fringe benefits	\$ 26,754,729	23,409,384
State of New Jersey paid other postemployment benefits	(2,712,453)	(2,009,856)
Contributed U.S. Postal Service	163,172	178,963
Contributed services	5,167	10,404
Student waivers expense	(3,947,284)	(3,403,139)
Student tuition and fees	3,947,284	3,403,139
State of New Jersey paid grants to local libraries expense	(4,629,240)	(4,684,580)
State of New Jersey paid grants to local libraries revenue	4,629,240	4,684,580
	\$ 24,210,615	21,588,895

See accompanying notes to financial statements.

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

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

*Organization*

**(a) Thomas Edison State University (formerly Thomas Edison State College)**

Thomas Edison State College was founded by the New Jersey Board of Higher Education in 1972 as an undergraduate institution which provides flexible and accessible, high-quality college opportunities primarily for adults. In December 2015, the New Jersey Secretary of Education granted university status to the College and the College's Board of Trustees approved a resolution authorizing the institution to change its name to Thomas Edison State University (the University). The University was developed within two guiding assumptions: (1) many adults acquire college-level knowledge through work, leisure, and formal and informal training activities and (2) college credit should be awarded for the demonstration of college-level knowledge, regardless of the source of that knowledge.

The mission statement of Thomas Edison State University charges the University with providing distinctive undergraduate and graduate education for self-directed adults through flexible, high-quality collegiate learning and assessment opportunities. The University was founded for the purpose of providing diverse and alternative methods of achieving a collegiate education of the highest quality for mature adults.

The University is accredited by the Middle States Association of Colleges and Schools. Enrollment for 2024 was 10,924 students and 2023 was 11,431. Since the University was founded, 75,316 associate, baccalaureate, masters, and doctoral degrees in eighteen degree programs have been awarded. The University's offices are in Trenton, New Jersey.

**(b) The New Jersey State Library**

The New Jersey State Library (the Library) was established by the State of New Jersey (the State) to provide lifelong learning and educational services, through the use of a State library, to the citizens of the State. This is accomplished by enabling citizens of the State and other libraries within the State, to have access to a national network of publications as well as the collection of books and historical documents at the Library, including a priceless Jerseyana collection. The Library also ensures that affiliated libraries within the State are provided Federal and State funds needed to administer library operations and update collections of books and records. The Library has existed as part of the State since 1796 and maintains approximately 2.1 million volumes of books, electronic equivalents, and historical documents.

**(c) The Organization**

The University and the State recognize that the mission of the Library complements and enhances the mission of the University. Therefore, to ensure the efficient and effective delivery of library and related services to the citizens of the State, Public Law 2001, Chapter 137 was signed into law effective July 2, 2001, making the Library an affiliate of the University. This statute makes permanent the conditions of Executive Order 002-1996 under which the University and the Library have been operating since July 1996. As a result, the financial reporting entity was formed known as Thomas Edison State University and its Affiliate the New Jersey State Library (the Organization) under control of the University's Board of Trustees.

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

The Organization is recognized as a public institution by the State. Under the law, the Organization is an instrumentality of the State with a high degree of autonomy. However, under Government Accounting Standards Board Statement (GASB) No. 14, *The Financial Reporting Entity*, the Organization is considered a component unit of the State for financial reporting purposes. Accordingly, the Organization's financial statements are included in the State's Annual Comprehensive Financial Report.

*Summary of Significant Accounting Policies*

**(a) Basis of Presentation**

The accounting policies of the Organization conform to U.S. generally accepted accounting principles as applicable to colleges and universities. The Organization's reports are based on all applicable GASB pronouncements.

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

- *Net investment in capital assets*: Capital assets, including leases and subscription-based information technology arrangements (SBITAs), net of accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.
- **Restricted**:
  - Nonexpendable* – Net position subject to externally imposed stipulations that must be maintained permanently by the Organization.
  - Expendable* – Net position whose use by the Organization is subject to externally imposed stipulations that can be fulfilled by actions of the Organization pursuant to the stipulations or that expire by the passage of time.
- *Unrestricted*: Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Trustees. Substantially all unrestricted net position is designated for academic programs and initiatives and capital programs.

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

**(b) 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 Organization reports as a business-type activity, as defined by GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and*

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

*Analysis – for State and Local Governments.* Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

**(c) Investments**

Investments in money market funds and certificates of deposit are measured at amortized cost. All other investments are reflected at fair value. Purchases and sales of investments are accounted for on a trade-date basis. Investment income is recorded on an accrual basis. Realized and unrealized gains and losses are reported in investment income.

**(d) Rare Books, Artwork, and Historical Documents**

The Organization capitalizes rare books, artwork, collections, and historical documents of \$5,000 or greater at fair value at the date of donation. These items are held for public exhibition, education, or research in furtherance of public service, rather than financial gain, protected, kept unencumbered, cared for, and preserved. They are considered inexhaustible and are not depreciated.

**(e) Capital Assets**

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. The capitalization threshold is \$5,000 and above for all furniture, equipment and vehicles, and building improvements. Donated capital assets are recorded at acquisition value at the date of donation. Capital assets of the Organization are depreciated using the straight-line method over the following useful lives.

	<b>Useful lives</b>
Buildings	50 years
Building improvements	10–40 years
Data processing equipment	5 years
Furniture and fixtures	15 years
General equipment	10 years
Land improvements	10–50 years
Software	7 years
Vehicles	5 years

The Organization does not capitalize the existing collections of the Library, including books and microfiche, except for rare books, artwork, and historical documents, as they have a short estimated useful life. Included in the accompanying financial statements as an expense are accessions of approximately \$1,249,000 and \$1,310,000 in 2024 and 2023, respectively.

**(f) Net Pension Liability and Related Pension Amounts**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and additions to/deductions from PERS's fiduciary net position

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about PERS, please refer to the State of New Jersey, Division of Pensions and Benefits' Annual Report, which can be found at <https://www.nj.gov/treasury/pensions/gasb-notice.shtml>. Additional information regarding pensions is discussed in note 10.

**(g) Postemployment Benefits Other than Pensions**

The Organization follows GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75), which replaced previous standards of accounting and financial reporting for retirement plans for postemployment benefits other than pensions (OPEB) that are provided to the employees of state and local governmental employers through OPEB plans that are administered either through trusts or equivalent arrangements or not administered through trusts that meet certain specified criteria. The effect of adoption of GASB 75 resulted in recording the Organization's proportionate share of OPEB revenue and expenses that the State is legally obligated for benefit payments on behalf of the Organization. The Organization recognized non-operating revenue and operating expenses related to the support provided by the State of New Jersey. The State is legally obligated for benefit payments on behalf of the Organization. No net liability is required to be included in the Organization's financial statements.

**(h) Leases and Software Subscriptions**

The University is a lessee for noncancellable leases of real estate and equipment from external parties. The University also has multiple SBITAs with external parties. For leases and SBITAs with a maximum possible term of 12 months or less at commencement, the University recognizes expense based on the provisions of the lease contract. For all other leases and SBITAs (i.e., those that are not short-term), the University recognizes a right of use asset and liability as discussed in note 9.

At lease and SBITA commencement, the University initially measures the liability at the present value of payments expected to be made during the term. Subsequently, the liability is reduced by the principal portion of the payment made. The asset is measured as the initial amount of the liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the asset is amortized on a straight-line basis over the shorter of the lease term or its useful life. The University recognizes interest expense on the liability using the effective interest method based on the discount rate determined at commencement.

A key estimate is how the University determines the discount rate it uses to calculate the present value of the expected lease or SBITA payments to be made. The University uses its estimated incremental borrowing rate as the discount rate for leases. The University does not have any leases or SBITAs that the lessor has provided their implicit interest rate. The University does not have any leases or SBITAs subject to a residual value guarantee.

**(i) Student Tuition and Fees**

Student tuition and fees are presented net of scholarships applied to student accounts, while other payments made directly to students are presented as scholarship expenses and are recognized in the

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

period incurred. Student tuition and fees collected in advance of the fiscal year are recorded as unearned tuition and fees in the accompanying statements of net position.

**(j) State of New Jersey and Federal Grants and Contracts**

State of New Jersey and Federal grants and contracts revenues are recognized as the related expenses are incurred. Amounts received from grants and contracts, which have not yet been earned under the terms of the agreement, are recorded as unearned grants and contracts in the accompanying statements of net position.

**(k) State of New Jersey Paid Fringe Benefits**

The State of New Jersey pays for the fringe benefits for certain employees of the Organization. Fringe benefits paid by the State of \$26,754,729 and \$23,409,384 in 2024 and 2023, respectively, have been included in the accompanying financial statements as revenues and expenses.

**(l) Contributed U.S. Postal Service**

As a service to the blind citizens of the State, the U.S. Postal Service provides certain delivery services for the Talking Book and Braille Center at no cost to the Library. The estimated value of such services, based upon the amount of packages delivered, is approximately \$163,000 and \$179,000 for the years ended June 30, 2024 and 2023, respectively. Such contributed services have been included in the accompanying financial statements as revenues and expenses.

**(m) Classification of Revenue**

The Organization's policy for defining operating activities in the statements of revenues, expenses, and changes in net position are those that serve the Organization's principal purpose and generally result from exchange transactions such as the payment received for services and payment made for the purchase of goods and services. Examples include (1) student tuition and fees, net of scholarship allowances, and (2) most Federal, State, and private grants and contracts. Nonoperating revenues include activities that have the characteristics of non-exchange transactions, such as operating appropriations from the State, contributed U.S. Postal Service, private gifts, and investment income.

**(n) Financial Dependency**

The Organization receives a substantial amount of support from Federal and State sources. A significant reduction in the level of this support, if this were to occur, may have adverse effects on the Organization's programs and activities.

**(o) Income Taxes**

The Organization's income is excluded from Federal income taxes under Internal Revenue Code Section 115.

**(p) Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts



**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

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.

**(2) Cash and Investments**

**(a) Cash**

Cash consisted of the following demand deposits in a financial institution as of June 30, 2024 and 2023:

	<b>Carrying amount</b>	<b>Bank balances</b>
2024:		
University	\$ 4,923,910	5,465,801
Library	15,762,583	15,999,240
Total deposits	\$ 20,686,493	21,465,041
	<b>Carrying amount</b>	<b>Bank balances</b>
2023:		
University	\$ 815,856	1,360,283
Library	8,236,213	8,476,561
Total deposits	\$ 9,052,069	9,836,844

Bank balances in excess of FDIC insured amounts totaling \$21,032,880 in 2024 and \$9,396,630 in 2023 are collateralized in accordance with Chapter 64 of Title 18A of New Jersey Statutes.

**(b) Investments**

The Organization has an investment policy which establishes guidelines for permissible investments. The investment policy for the Organization is based on a disciplined, consistent, and diversified approach. The Organization may be invested in instruments such as, but not limited to, obligations of the United States government; certificates of deposit; domestic investment grade commercial paper; money market funds; domestic fixed income investments; and equities. Fixed income and equity investments may be part of an exchange traded fund.

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

Investments consist of the following as of June 30, 2024 and 2023:

	<b>2024</b>		
	<b>University</b>	<b>Library</b>	<b>Total</b>
State of New Jersey Cash Management Fund	\$ 24,201,305	480,450	24,681,755
Money market accounts	53,706	2,054,329	2,108,035
Equities and equity exchange traded funds (ETFs)	769,439	863,042	1,632,481
Fixed income ETFs	3,012,909	571,951	3,584,860
Total	<u>\$ 28,037,359</u>	<u>3,969,772</u>	<u>32,007,131</u>
	<b>2023</b>		
	<b>University</b>	<b>Library</b>	<b>Total</b>
State of New Jersey Cash Management Fund	\$ 19,261,314	455,700	19,717,014
Money market accounts	48,673	2,036,667	2,085,340
Equities and equity exchange traded funds (ETFs)	687,734	724,614	1,412,348
Fixed income ETFs	2,815,173	518,270	3,333,443
Certificates of deposit	6,073,000	—	6,073,000
Total	<u>\$ 28,885,894</u>	<u>3,735,251</u>	<u>32,621,145</u>

The Bank balance of the certificate of deposits in excess of FDIC insured amounts totaled \$5,823,000 in 2023 are collateralized in accordance with Chapter 64 of Title 18A of New Jersey Statutes. There were no certificates of deposit in 2024.

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

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Individual debt instruments are measured by nationally recognized statistical rating agencies such as Moody's Investors Service, Inc. (Moody's). The Organization's ETF mutual funds are comprised of many securities and therefore are not rated overall as a fund by the major rating agencies.

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

The following table summarizes the Organization's fixed income investments as of June 30, 2024 and 2023:

	<b>2024</b>		<b>2023</b>	
	<b>Rating</b>	<b>Fair value</b>	<b>Rating</b>	<b>Fair value</b>
University:				
Fixed income ETFs	Not Rated	\$ 3,012,909	Not Rated	\$ 2,815,173
Library:				
Fixed income ETFs	Not Rated	\$ 571,951	Not Rated	\$ 518,270

The Organization participates in the State of New Jersey Cash Management Fund wherein amounts, also contributed by other State entities, are combined into a large-scale investment program. The State of New Jersey Cash Management Fund and money market funds are unrated.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of a debt investment. The Organization does not have a written policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations.

The following tables summarize the maturities of the Organization's fixed income investments as of June 30, 2024 and 2023:

	<b>2024</b>				
	<b>Fair value</b>	<b>Maturities in years</b>			
	<b>Less than 1</b>	<b>1-5</b>	<b>6-10</b>	<b>11-15</b>	
University:					
State of New Jersey Cash Management Fund	\$ 24,201,305	24,201,305	—	—	—
Money market accounts	53,706	53,706	—	—	—
Fixed income ETFs	3,012,909	—	—	3,012,909	—
Library:					
State of New Jersey Cash Management Fund	480,450	480,450	—	—	—
Money market accounts	2,054,329	2,054,329	—	—	—
Fixed income ETFs	571,951	—	—	571,951	—
	<b>\$ 30,374,650</b>	<b>26,789,790</b>	<b>—</b>	<b>3,584,860</b>	<b>—</b>

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

	<b>2023</b>				
	<b>Fair value</b>	<b>Maturities in years</b>			
		<b>Less than 1</b>	<b>1–5</b>	<b>6–10</b>	<b>11–15</b>
University:					
State of New Jersey Cash Management Fund	\$ 19,261,314	19,261,314	—	—	—
Money market accounts	48,673	48,673	—	—	—
Fixed income ETFs	2,815,173	—	—	2,815,173	—
Certificates of deposit	6,073,000	6,073,000	—	—	—
Library:					
State of New Jersey Cash Management Fund	455,700	455,700	—	—	—
Money market accounts	2,036,667	2,036,667	—	—	—
Fixed income ETFs	518,270	—	—	518,270	—
	<u>\$ 31,208,797</u>	<u>27,875,354</u>	<u>—</u>	<u>3,333,443</u>	<u>—</u>

State of New Jersey Cash Management Funds, money market accounts, fixed income ETFs are included in the above tables using their average weighted maturity.

**(3) Trustee Held Investments – Restricted**

Trustee held investments include restricted funds held for Library specific purposes by third party trustees. Trustee held investments consist of the following as of June 30, 2024 and 2023:

	<b>2024</b>	<b>2023</b>
State of New Jersey Cash Management Fund	\$ 670,722	635,788
Money market accounts	4,013	12,024
Alternative assets ETFs	67,362	100,318
Fixed income ETFs	86,111	67,930
Equity ETFs	295,088	234,326
Total	<u>\$ 1,123,296</u>	<u>1,050,386</u>

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

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

The Organization participates in the State of New Jersey Cash Management Fund wherein amounts are also contributed by other State entities are combined into a large-scale investment program. The State of New Jersey Cash Management Fund, fixed income ETFs held by trustees and money market funds are unrated.

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Organization does not have a written policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations.

The following table summarizes the maturities of the Organization's trustee held investments – restricted as of June 30, 2024 and 2023:

		<b>2024</b>			
		<b>Maturities in years</b>			
		<b>Fair value</b>	<b>Less than 1</b>	<b>1-5</b>	<b>6-10</b>
Library:					
State of New Jersey Cash					
Management Fund	\$	670,722	670,722	—	—
Money market accounts		4,013	4,013	—	—
Fixed income ETFs		86,111	—	21,905	64,206
	<b>\$</b>	<b>760,846</b>	<b>674,735</b>	<b>21,905</b>	<b>64,206</b>
		<b>2023</b>			
		<b>Maturities in years</b>			
		<b>Fair value</b>	<b>Less than 1</b>	<b>1-5</b>	<b>6-10</b>
Library:					
State of New Jersey Cash					
Management Fund	\$	635,788	635,788	—	—
Money market accounts		12,024	12,024	—	—
Fixed income ETFs		67,930	—	13,181	54,749
	<b>\$</b>	<b>715,742</b>	<b>647,812</b>	<b>13,181</b>	<b>54,749</b>

**(4) Fair Value Measurement**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the financial statement measurement date. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1 – unadjusted quoted or published prices for identical assets or liabilities in active markets that a government can access at the measurement date;
- Level 2 – quoted or published prices other than those included within Level 1 and other inputs that are observable for an asset or liability, either directly or indirectly; and
- Level 3 – unobservable inputs for an asset or liability.

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3. When the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level that is significant to the entire measurement.

While the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

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

- Equity securities – The fair value of equity securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker-dealers.
- Exchange traded funds – The fair value of ETFs are based on the quoted or published market price on an active market as of the measurement date.
- State of New Jersey Cash Management Fund – The fair value of the State of New Jersey cash management fund is based on a compilation of primarily observable market information or broker quotes in a non-active market.
- Money market accounts and certificates of deposit – These investments are measured at amortized cost and have been excluded from fair value leveling.

The Organization’s investments as of June 30, 2024 are summarized in the following table by their fair value hierarchy:

	<b>2024 Investments</b>			
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Investments measured at fair value:				
Equities and equity ETFs	\$ 1,632,481	1,632,481	—	—
Fixed income ETFs	3,584,860	3,584,860	—	—
Subtotal	5,217,341	\$ 5,217,341	—	—
Investments measured at amortized cost:				
Money market accounts	2,108,035			
Subtotal	2,108,035			
Local Government Investment Pool:				
State of New Jersey Cash Management Fund	24,681,755			
Total investments	\$ 32,007,131			

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

	<b>2024 Trustee held investments</b>			
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Investments measured at fair value:				
Alternative asset ETFs	\$ 67,362	67,362	—	—
Fixed income ETFs	86,111	86,111	—	—
Equity ETFs	295,088	295,088	—	—
Subtotal	448,561	\$ 448,561	—	—
Investments measured at amortized cost:				
Money market accounts	4,013			
Subtotal	4,013			
Local Government Investment Pool:				
State of New Jersey Cash Management Fund	670,722			
Total investments	\$ 1,123,296			

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

	<b>2023 Investments</b>			
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Investments measured at fair value:				
Equities and equity ETFs	\$ 1,412,348	1,412,348	—	—
Fixed income ETFs	3,333,443	3,333,443	—	—
Subtotal	4,745,791	\$ 4,745,791	—	—
Investments measured at amortized cost:				
Money market accounts	2,085,340			
Certificates of deposit	6,073,000			
Subtotal	8,158,340			
Local Government Investment Pool:				
State of New Jersey Cash Management Fund	19,717,014			
Total investments	\$ 32,621,145			

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

	<b>2023 Trustee held investments</b>			
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Investments measured at fair value:				
Alternative asset ETFs	\$ 100,318	100,318	—	—
Fixed income ETFs	67,930	67,930	—	—
Equity ETFs	234,326	234,326	—	—
Subtotal	402,574	\$ 402,574	—	—
Investments measured at amortized cost:				
Money market accounts	12,024			
Subtotal	12,024			
Local Government Investment Pool:				
State of New Jersey Cash Management Fund	635,788			
Total investments	\$ 1,050,386			

**(5) Capital Assets, Net**

The Organization's principal locations are in buildings, some of which are owned by the State and are dedicated for use by the Organization. Although legal title for buildings owned by the State rests with the State, the Organization has been given, through legislation, exclusive use of the buildings and has included the cost of capital assets in the accompanying statements of net position. For the years ended June 30, 2024 and 2023, capital assets and accumulated depreciation activity was as follows:

	<b>2024</b>			
	<b>Beginning balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending balance</b>
Depreciable assets:				
Buildings and improvements	\$ 64,806,833	34,402	—	64,841,235
Equipment and vehicles	2,881,383	593,853	396,216	3,079,020
Furniture and fixtures	3,374,199	—	—	3,374,199
University subtotal	71,062,415	628,255	396,216	71,294,454
Buildings and improvements	19,994,821	—	—	19,994,821
Equipment and vehicles	1,951,085	133,236	158,614	1,925,707
Furniture and fixtures	257,621	—	—	257,621
Library subtotal	22,203,527	133,236	158,614	22,178,149
Total depreciable assets	93,265,942	761,491	554,830	93,472,603



**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

	<b>2024</b>			
	<b>Beginning balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending balance</b>
Less accumulated depreciation:				
Buildings and improvements	\$ 18,122,648	1,478,321	—	19,600,969
Equipment and vehicles	2,213,007	259,418	382,453	2,089,972
Furniture and fixtures	2,330,633	177,885	—	2,508,518
University subtotal	22,666,288	1,915,624	382,453	24,199,459
Buildings and improvements	16,017,313	221,922	—	16,239,235
Equipment and vehicles	1,031,106	285,836	157,200	1,159,742
Furniture and fixtures	112,338	14,528	—	126,866
Library subtotal	17,160,757	522,286	157,200	17,525,843
Total accumulated depreciation	39,827,045	2,437,910	539,653	41,725,302
Total depreciable assets, net	53,438,897	(1,676,419)	15,177	51,747,301
Nondepreciable assets:				
University land	1,363,088	—	—	1,363,088
Library land	1,089,592	—	—	1,089,592
Total nondepreciable assets	2,452,680	—	—	2,452,680
Total capital assets, net excluding leases	\$ 55,891,577	(1,676,419)	15,177	54,199,981
University lease and subscription IT right-to-use assets, net				2,150,867
Library lease and subscription IT right-to-use assets, net				81,297
Total capital assets, net			\$	56,432,145

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

	<b>2023</b>			
	<b>Beginning balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending balance</b>
Depreciable assets:				
Buildings and improvements	\$ 64,999,010	34,332	226,509	64,806,833
Equipment and vehicles	3,184,817	—	303,434	2,881,383
Furniture and fixtures	4,007,593	—	633,394	3,374,199
University subtotal	72,191,420	34,332	1,163,337	71,062,415
Buildings and improvements	19,994,821	—	—	19,994,821
Equipment and vehicles	1,438,540	545,074	32,529	1,951,085
Furniture and fixtures	257,621	—	—	257,621
Library subtotal	21,690,982	545,074	32,529	22,203,527
Total depreciable assets	93,882,402	579,406	1,195,866	93,265,942
Less accumulated depreciation:				
Buildings and improvements	16,833,007	1,478,379	188,738	18,122,648
Equipment and vehicles	2,303,176	220,286	310,455	2,213,007
Furniture and fixtures	2,706,617	219,923	595,907	2,330,633
University subtotal	21,842,800	1,918,588	1,095,100	22,666,288
Buildings and improvements	15,794,419	222,894	—	16,017,313
Equipment and vehicles	898,825	164,663	32,382	1,031,106
Furniture and fixtures	96,149	16,189	—	112,338
Library subtotal	16,789,393	403,746	32,382	17,160,757
Total accumulated depreciation	38,632,193	2,322,334	1,127,482	39,827,045
Total depreciable assets, net	55,250,209	(1,742,928)	68,384	53,438,897
Nondepreciable assets:				
University land	1,363,088	—	—	1,363,088
Library land	1,089,592	—	—	1,089,592
Total nondepreciable assets	2,452,680	—	—	2,452,680
Total capital assets, net excluding leases	\$ 57,702,889	(1,742,928)	68,384	55,891,577
Lease and subscription IT right-to-use assets, net				2,284,293
Total capital assets, net			\$	58,175,870

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

**(6) Accounts Payable and Accrued Expenses**

Accounts payable and accrued expenses consist of the following as of June 30, 2024 and 2023:

		<b>2024</b>			<b>2023</b>
		<b>University</b>	<b>Library</b>	<b>Total</b>	<b>Total</b>
Vendors	\$	3,147,902	70,876	3,218,778	3,137,779
Accrued salaries and benefits		1,322,916	295,764	1,618,680	1,613,636
Compensated absences		1,844,805	307,578	2,152,383	2,137,505
Other accrued expenses		82,539	248,593	331,132	251,327
Total	\$	<u>6,398,162</u>	<u>922,811</u>	<u>7,320,973</u>	<u>7,140,247</u>

**(7) Noncurrent Liabilities**

For the years ended June 30, 2024 and 2023, noncurrent liabilities activity, other than long-term debt, was as follows:

		<b>2024</b>				
		<b>Beginning balance</b>	<b>Additions</b>	<b>Reductions</b>		<b>Ending balance</b>
Compensated absences:						
University	\$	2,154,715	112,974	—	2,267,689	1,844,805
Library		574,693	—	101,589	473,104	307,578
Total compensated absences		<u>2,729,408</u>	<u>112,974</u>	<u>101,589</u>	<u>2,740,793</u>	<u>2,152,383</u>
Net pension liability:						
University		29,762,951	429,262	—	30,192,213	—
Library		26,547,549	261,334	—	26,808,883	—
Total net pension liability		<u>56,310,500</u>	<u>690,596</u>	<u>—</u>	<u>57,001,096</u>	<u>—</u>
Total	\$	<u>59,039,908</u>	<u>803,570</u>	<u>101,589</u>	<u>59,741,889</u>	<u>2,152,383</u>

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

	<b>2023</b>				
	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Current portion</u>
Compensated absences:					
University	\$ 2,221,635	—	66,920	2,154,715	1,792,808
Library	622,742	3,869	51,919	574,692	344,697
Total compensated absences	<u>2,844,377</u>	<u>3,869</u>	<u>118,839</u>	<u>2,729,407</u>	<u>2,137,505</u>
Net pension liability:					
University	31,970,878	—	2,207,927	29,762,951	—
Library	24,500,195	2,047,354	—	26,547,549	—
Total net pension liability	<u>56,471,073</u>	<u>2,047,354</u>	<u>2,207,927</u>	<u>56,310,500</u>	<u>—</u>
Total	<u>\$ 59,315,450</u>	<u>2,051,223</u>	<u>2,326,766</u>	<u>59,039,907</u>	<u>2,137,505</u>

**(8) Long-Term Debt**

For the years ended June 30, 2024 and 2023, long-term debt activity was as follows:

	<b>2024</b>				
	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Current portion</u>
Long-term debt:					
University:					
Capital Improvement Fund:					
102-104 West State Street	\$ 296,705	—	21,065	275,640	22,147
Capital Improvement Fund:					
Kelsey/Townhouse Complex	406,314	—	28,847	377,467	30,328
PNC Bank:					
Nursing Center	1,170,000	—	760,000	410,000	410,000
Capital Improvement Fund:					
Kelsey Entryway	44,370	—	2,283	42,087	2,388
Equipment Leasing Fund:					
Computing Equipment	—	355,778	—	355,778	52,137
Total, excluding leases and subscription IT liabilities	<u>\$ 1,917,389</u>	<u>355,778</u>	<u>812,195</u>	1,460,972	517,000
University lease and subscription IT liabilities				1,801,854	1,315,304
Library lease liabilities				2,256	973
Total long-term debt				<u>\$ 3,265,082</u>	<u>1,833,277</u>

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

	<b>2023</b>				
	<b>Beginning balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending balance</b>	<b>Current portion</b>
Long-term debt:					
University:					
Banc of America Leasing & Capital, LLC:					
2007 Tax Exempt Lease	\$ 35,130	—	35,130	—	—
Capital Improvement Fund:					
102-104 West State Street	316,740	—	20,035	296,705	21,065
Capital Improvement Fund:					
Kelsey/Townhouse Complex	433,751	—	27,437	406,314	28,847
Equipment Leasing Fund:					
Nursing Equipment	17,333	—	17,333	—	—
PNC Bank:					
Nursing Center	1,905,000	—	735,000	1,170,000	760,000
Capital Improvement Fund:					
Kelsey Entryway	46,544	—	2,174	44,370	2,283
Total, excluding leases and subscription IT liabilities	\$ <u>2,754,498</u>	<u>—</u>	<u>837,109</u>	1,917,389	812,195
Lease and subscription IT liabilities				<u>2,045,831</u>	<u>976,528</u>
Total long-term debt				<u>\$ 3,963,220</u>	<u>1,788,723</u>

In September 2007, the Organization entered into a tax-exempt lease financing arrangement in which Banc of America Leasing & Capital, LLC is the lessor, the New Jersey Educational Facilities Authority is the lessee, and the Organization is the sublessee. The lease financing of \$2,700,000 by the University was used for renovations to the Kelsey building and security, equipment and data processing upgrades. The lease is made up of three rental payment schedules. The first schedule has an interest rate of 4.100%, which will be repaid over a five-year period. The second schedule has an interest rate of 4.380%, which will be repaid over a seven-year period. The third schedule has an interest rate of 4.570%, which will be repaid over a fifteen-year period. As of June 30, 2023, the lease financing arrangement is fully repaid.

In March 2014, the Organization received grant funding as part of the Higher Education Capital Improvement Fund Act in which BNY Mellon Bank is Custodian, the New Jersey Educational Facilities Authority is the grantor, and the Organization is the grantee. The grant funding of \$1,397,000 to the University was used for the renovations to 102 – 104 West State Street to house its new Center for Learning Technology. The Organization's share of the bond debt service is \$662,932. The bond debt service payment schedule has a twenty-year term. There are twenty interest-only payments totaling \$118,131 and nineteen principal plus interest payments totaling \$544,801 with interest rates ranging from 3.500% to 5.000%. As of June 30, 2024 and 2023, the Organization owes \$275,640 and \$296,705, respectively.

In March 2014, the Organization received grant funding as part of the Higher Education Capital Improvement Fund Act in which BNY Mellon Bank is Custodian, the New Jersey Educational Facilities

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

Authority is the grantor, and the Organization is the grantee. The grant funding of \$1,913,000 to the University was used for capital improvements and renovations to the Kelsey/Townhouse Complex. The Organization's share of the bond debt service is \$907,836. The bond debt service payment schedule has a twenty-year term. There are twenty interest-only payments totaling \$161,772 and nineteen principal plus interest payments totaling \$593,360 with interest rates ranging from 3.500% to 5.00%. As of June 30, 2024, and 2023, the Organization owes \$377,467 and \$406,314, respectively.

In January 2014, the Organization received grant funds as part of the Higher Education Equipment Leasing Fund Act in which BNY Mellon Bank is Custodian, the New Jersey Educational Facilities Authority is the grantor, and the Organization is the grantee. The funding of \$585,000 to the University is being used for computing and instructional equipment for the School of Nursing. The Organization's share of the bond debt service is \$163,791. The bond debt service payment schedule has a nine-year term. There are nine interest-only payments totaling \$19,306 and nine principal plus interest payments totaling \$144,485 with an interest rate of 5.000%. As of June 30, 2023, the leasing funds were fully repaid.

In October 2014, the Organization entered a tax exempt lease financing arrangement in which PNC Bank is the lessor, the New Jersey Educational Facilities Authority is the lessee, and the Organization is the sublessee. The lease financing of \$7,000,000 was to assist the University in covering costs associated with the construction of the Nursing Education Center in Trenton, NJ. The bond debt service payment schedule has a ten-year term. There are 121 monthly loan payments of principal plus interest at 2.486%. As of June 30, 2024 and 2023, the Organization owes \$410,000 and \$1,170,000, respectively.

In December 2016, the Organization received grant funding as part of the Higher Education Capital Improvement Fund Act in which BNY Mellon Bank is Custodian, the New Jersey Educational Facilities Authority is the grantor, and the Organization is the grantee. The grant funding of \$170,000 to the University was used for alterations and renovations to the entryway of the Kelsey/Townhouse Complex. The Organization's share of the bond debt service is \$55,399. The bond debt service payment schedule has a twenty-year term. There are nineteen interest-only payments totaling \$15,786 and twenty principal plus interest payments totaling \$73,100 with interest rates ranging from 3.000% to 5.500%. As of June 30, 2024 and 2023, the Organization owes \$42,087 and \$44,370, respectively.

In October 2023, the Organization received grant funding as part of the Higher Education Equipment Leasing Fund Act in which BNY Mellon Bank is Custodian, the New Jersey Educational Facilities Authority is the grantor, and the Organization is the grantee. The funding of \$1,485,060 to the University is being used for purchasing computing equipment. The Organization's share of the bond debt service is \$355,778. The bond debt service payment schedule has a six-year term. There are six interest-only payments totaling \$30,746 and six principal plus interest payments totaling \$388,204 with an interest rate of 5.000%. As of June 30, 2024, the Organization owes \$355,778.

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

The following is a schedule, by year, of future minimum payments under long-term debt, excluding leases and subscription IT liabilities, as of June 30, 2024:

	<b>Principal</b>	<b>Interest</b>
Year ending June 30:		
2025	\$ 517,000	49,499
2026	112,459	40,846
2027	118,184	35,105
2028	123,747	29,535
2029–2033	491,468	72,955
2034–2038	98,114	3,721
Total	\$ 1,460,972	231,661

**(9) Leases (Lessee) and Similar Subscription-Based Information Technology Arrangements**

The Organization is a lessee for various noncancellable leases of buildings and equipment. The Organization also has noncancellable subscription arrangements for the right-to-use various information technology software (subscription IT arrangements).

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

A summary of lease and subscription IT asset activity during the year ended June 30, 2024 is as follows:

	<b>2024</b>			
	<b>Beginning balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending balance</b>
Equipment lease assets:	\$ 211,124	19,075	—	230,199
Less accumulated amortization	44,182	45,976	—	90,158
University subtotal	166,942	(26,901)	—	140,041
Equipment lease assets:	—	2,956	—	2,956
Less accumulated amortization	—	739	—	739
Library subtotal	—	2,217	—	2,217
Total lease assets, net	166,942	(24,684)	—	142,258
Subscription IT assets:	4,403,453	1,061,111	88,297	5,376,267
Less accumulated amortization	2,286,102	1,167,636	88,297	3,365,441
University subtotal	2,117,351	(106,525)	—	2,010,826
Subscription IT assets:	—	94,580	—	94,580
Less accumulated amortization	—	15,500	—	15,500
Library subtotal	—	79,080	—	79,080
Total subscription IT assets, net	2,117,351	(27,445)	—	2,089,906
Total lease and subscription IT right-to-use assets, net	\$ 2,284,293	(52,129)	—	2,232,164



**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

A summary of lease and subscription IT right-to-use asset activity during the year ended June 30, 2023 is as follows:

	<b>2023</b>			
	<u>Beginning balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending balance</u>
University lease assets:				
Buildings	\$ 1,202,846	—	1,202,846	—
Equipment	271,213	8,264	68,353	211,124
Total lease assets	<u>1,474,059</u>	<u>8,264</u>	<u>1,271,199</u>	<u>211,124</u>
Less accumulated amortization:				
Buildings	801,897	400,949	1,202,846	—
Equipment	71,734	40,801	68,353	44,182
Total accumulated amortization	<u>873,631</u>	<u>441,750</u>	<u>1,271,199</u>	<u>44,182</u>
Total lease assets, net	<u>600,428</u>	<u>(433,486)</u>	<u>—</u>	<u>166,942</u>
Subscription IT assets:	4,389,915	128,976	115,438	4,403,453
Less accumulated amortization	<u>1,495,272</u>	<u>906,268</u>	<u>115,438</u>	<u>2,286,102</u>
Subscription IT assets, net	<u>2,894,643</u>	<u>(777,292)</u>	<u>—</u>	<u>2,117,351</u>
Total lease and subscription IT right-to-use assets, net	<u>\$ 3,495,071</u>	<u>(1,210,778)</u>	<u>—</u>	<u>2,284,293</u>

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

*Lease and Subscription IT Liabilities*

A summary of changes in the related lease and subscription IT liabilities during the year ended June 30, 2024 is as follows:

		<b>2024</b>			
		<b>Beginning balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending balance</b>
Lease liabilities	\$	169,655	19,075	44,519	144,211
Subscription IT liabilities		1,876,176	1,061,111	1,279,644	1,657,643
University subtotal		2,045,831	1,080,186	1,324,163	1,801,854
Lease liabilities		—	2,956	700	2,256
Subscription IT liabilities		—	94,580	94,580	—
Library subtotal		—	97,536	95,280	2,256
Total	\$	2,045,831	1,177,722	1,419,443	1,804,110

A summary of changes in the related lease and subscription IT liabilities during the year ended June 30, 2023 is as follows:

		<b>2023</b>			
		<b>Beginning balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending balance</b>
Lease liabilities	\$	601,367	8,264	439,976	169,655
Subscription IT liabilities		2,648,718	128,976	901,518	1,876,176
Total	\$	3,250,085	137,240	1,341,494	2,045,831

Future annual lease payments are as follows:

		<b>Principal</b>	<b>Interest</b>
Year ending June 30:			
2025	\$	1,316,277	25,958
2026		381,585	8,321
2027		106,248	1,951
Total	\$	1,804,110	36,230

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

**(10) Retirement Plans**

The Organization participates in two major retirement plans, administered by the State of New Jersey, Division of Pensions and Benefits (the Division), for its employees – Public Employees' Retirement System (PERS) and the Alternate Benefit Program (ABP), which presently makes contributions to Teachers Insurance and Annuity Association (TIAA-CREF), AXA Equitable, Corbridge Financial (formerly VALIC), Empower (formerly MassMutual), Voya, and MetLife. PERS is a cost sharing, multiple-employer defined benefit pension plan. The ABP alternatives are defined contribution plans that are administered by a separate Board of Trustees. The Organization is charged pension costs through a fringe benefit charge assessed by the State, which is included within the state paid fringe benefits in the accompanying financial statements.

A publicly available annual report of the State of New Jersey, Division of Pensions and Benefits, which includes financial statements, required supplementary information, and detailed information about the PERS's and ABP's fiduciary net position, can be obtained at <https://www.nj.gov/treasury/pensions/gasb-notices.shtml> or by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

Effective July 1, 2010, the Organization established two supplemental retirement plans – Supplemental Alternate Benefit Plan and Supplemental Retirement Plan for the benefit of its eligible employees. The objective of the plans is to help provide for additional security on retirement, by means of employer contributions supplemental to those under the Alternate Benefit Program for the Supplemental Alternate Benefit Plan and supplemental to those under the Alternate Benefit Program and the Supplemental Alternate Benefit Plan for the Supplemental Retirement Plan.

**(a) Defined Benefit Pension Plan**

*(i) Plan Description*

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 Pension and Benefits (the Division). For additional information about PERS, please refer to the Division's annual audited financial statements which can be found at <https://www.nj.gov/treasury/pensions/gasb-notices.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.

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

PERS members were required to contribute 7.5% of their annual covered salary for the years ended June 30, 2024 and 2023. The State makes employer contributions on behalf of the Organization. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. The State's contribution for the Organization was \$4,540,816 and \$4,451,751 for 2024 and 2023, respectively.

(ii) *Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources*

The Organization's respective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense for PERS are calculated by the Division. At June 30, 2024 and 2023, the Organization reported a liability of \$57,001,096 and \$56,310,500, respectively, for its proportionate share of the net pension liability.

The total pension liability used to calculate the net pension liability at June 30, 2024 was determined by an actuarial valuation as of July 1, 2022 and rolled forward to the measurement date of June 30, 2023.

The total pension liability used to calculate the net pension liability at June 30, 2023 was determined by an actuarial valuation as of July 1, 2021 and rolled forward to the measurement date of June 30, 2022.

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

The June 30, 2023 and 2022 PERS net pension liability was recorded in the statement of net position as of June 30, 2024 and June 30, 2023, respectively. The Organization's proportionate share of the respective net pension liability for the fiscal year was based on the actual contributions made by the State on behalf of the University relative to the total contributions of participating employers of the State Group for the respective fiscal years. Below is a summary of PERS information for June 30, 2023 and 2022:

	<b>2023</b>		
	<b>University</b>	<b>Library</b>	<b>Total</b>
Proportionate share of net pension liability	\$ 30,192,213	26,808,883	57,001,096
Allocation percentage – State Group	0.1344382812 %	0.1193731706 %	0.2538114518 %
Allocation percentage – Total Plan*	0.0814584931 %	0.0723302797 %	0.1537887728 %
Pension expense (benefit) for the year ended	\$ (538,898)	848,310	309,412

\* Allocation percentage calculated as the Organization's respective net pension liability as a percentage of the total plan's net pension liability.

	<b>2022</b>		
	<b>University</b>	<b>Library</b>	<b>Total</b>
Proportionate share of net pension liability	\$ 29,762,951	26,547,549	56,310,500
Allocation percentage – State Group	0.1329484770 %	0.1185855580 %	0.2515340350 %
Allocation percentage – Total Plan*	0.0791441216 %	0.0705938886 %	0.1497380102 %
Pension benefit for the year ended	\$ (1,494,505)	(97,502)	(1,592,007)

\* Allocation percentage calculated as the Organization's respective net pension liability as a percentage of the total plan's net pension liability.

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

The Organization reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at June 30:

	<b>2024</b>		
	<u>University</u>	<u>Library</u>	<u>Total</u>
Deferred outflows of resources:			
Differences between actual and expected experience	\$ 669,423	594,408	1,263,831
Changes of assumptions	30,604	27,174	57,778
Net differences between projected and actual investment earnings on pension plan investments	461,803	410,054	871,857
Changes in proportionate share Contributions subsequent to the measurement date	390,427	1,089,033	1,479,460
	<u>2,323,157</u>	<u>2,217,657</u>	<u>4,540,814</u>
	<u>\$ 3,875,414</u>	<u>4,338,326</u>	<u>8,213,740</u>
Deferred inflows of resources:			
Differences between actual and expected experience	\$ 89,862	79,792	169,654
Changes in assumptions	866,604	769,492	1,636,096
Changes in proportionate share	4,368,327	1,199,859	5,568,186
	<u>\$ 5,324,793</u>	<u>2,049,143</u>	<u>7,373,936</u>

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

	<b>2023</b>		
	<u>University</u>	<u>Library</u>	<u>Total</u>
Deferred outflows of resources:			
Differences between actual and expected experience	\$ 479,913	428,069	907,982
Changes of assumptions	44,473	39,669	84,142
Net differences between projected and actual investment earnings on pension plan investments	719,004	641,327	1,360,331
Changes in proportionate share	209,914	1,329,380	1,539,294
Contributions subsequent to the measurement date	<u>2,322,731</u>	<u>2,129,020</u>	<u>4,451,751</u>
	<u>\$ 3,776,035</u>	<u>4,567,465</u>	<u>8,343,500</u>
Deferred inflows of resources:			
Differences between actual and expected experience	\$ 156,734	139,801	296,535
Changes in assumptions	2,178,842	1,943,454	4,122,296
Changes in proportionate share	<u>6,360,209</u>	<u>1,918,123</u>	<u>8,278,332</u>
	<u>\$ 8,695,785</u>	<u>4,001,378</u>	<u>12,697,163</u>

\$4,540,814 reported as deferred outflows of resources at June 30, 2024 related to pensions resulting from contributions made on behalf of the Organization by the State subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2024 will be recognized in pension expense as follows:

	<u>University</u>	<u>Library</u>	<u>Total</u>
Years ending:			
2025	\$ (1,887,628)	(412,901)	(2,300,529)
2026	(1,591,828)	(196,599)	(1,788,427)
2027	(415,660)	562,035	146,375
2028	109,502	109,330	218,832
2029	<u>13,078</u>	<u>9,661</u>	<u>22,739</u>
	<u>\$ (3,772,536)</u>	<u>71,526</u>	<u>(3,701,010)</u>

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

(iii) *Actuarial Assumptions*

The total pension liability as of June 30, 2024 is measured as of June 30, 2023 (based on the July 1, 2022 actuarial valuation rolled forward to June 30, 2023) and the total pension liability as of June 30, 2023 is measured as of June 30, 2022 (based on the July 1, 2021 actuarial valuation rolled forward to June 30, 2022). The total pension liability as of June 30, 2024 and June 30, 2023 was determined using the following actuarial assumptions:

	2023	2022
Inflation rate:		
Price	2.75 %	2.75 %
Wage	3.25 %	3.25 %
Salary increases:	2.75%-6.55% based on years service	2.75%-6.55% based on years service
Investment rate of return	7.00 %	7.00 %
Discount rate	7.00 %	7.00 %

**2023**

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

**2022**

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future



**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

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

The long-term expected rate of return on pension plan investments 7.00% at June 30, 2023 and 2022 is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term rate of return was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PER's target asset allocation as of June 30, 2023 and 2022 are summarized in the following table:

<u>Asset class</u>	<u>PERS 2023</u>		<u>PERS 2022</u>	
	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>
U.S. equity	28.00 %	8.98 %	27.00 %	8.12 %
Non-US developed markets equity	12.75	9.22	13.50	8.38
International small cap equity	1.25	9.22	—	—
Emerging markets equity	5.50	11.13	5.50	10.33
Private equity	13.00	12.50	13.00	11.80
Real estate/equity related real estate	8.00	8.58	8.00	11.19
Real assets/private real asset	3.00	8.40	3.00	7.60
High yield	4.50	6.97	4.00	4.95
Private credit/debt related private credit	8.00	9.20	8.00	8.10
Investment grade credit	7.00	5.19	7.00	3.38
Cash equivalents	2.00	3.31	4.00	1.75
U.S. Treasuries	4.00	3.31	4.00	1.75
Risk mitigation strategies	3.00	6.21	3.00	4.91
	<u>100.00</u>		<u>100.00</u>	

(v) *Discount Rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that conditions from plan members will be made at the current member contribution rates and that contributions from

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer, and 100% of actuarially determined contributors for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefits of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine total pension liability.

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that conditions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer, and 100% of actuarially determined contributors for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefits of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine total pension liability.

(vi) *Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following presents the collective net pension liability for participating PERS employers as of June 30, 2023 and 2022 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

		<b>2023</b>		
		<b>At 1% decrease (6.00%)</b>	<b>At current discount rate (7.00%)</b>	<b>At 1% increase (8.00%)</b>
University	\$	34,523,443	30,192,213	26,515,235
Library		30,654,757	26,808,883	23,543,947
Total	\$	<u>65,178,200</u>	<u>57,001,096</u>	<u>50,059,182</u>

		<b>2022</b>		
		<b>At 1% decrease (6.00%)</b>	<b>At current discount rate (7.00%)</b>	<b>At 1% increase (8.00%)</b>
University	\$	33,961,863	29,762,951	26,198,931
Library		30,292,836	26,547,549	23,368,562
Total	\$	<u>64,254,699</u>	<u>56,310,500</u>	<u>49,567,493</u>

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

**(b) Defined Contribution Benefit Plans**

*(i) Alternate Benefit Program*

ABP provides the choice of six investment carriers all of which are privately operated defined contribution retirement plans. The Organization 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 optional 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 Organization employees are required to contribute 5% of salary and may contribute a voluntary additional contribution up to the maximum Federal statutory limit, on a pretax basis. Employer contributions are 8%. During the years ended June 30, 2024 and 2023, ABP received employer and employee contributions as follows:

	<b>2024</b>			<b>2023</b>
	<b>University</b>	<b>Library</b>	<b>Total</b>	<b>Total</b>
Employer contributions	\$ 1,868,410	56,267	1,924,677	1,873,448
Employee contributions	1,167,756	35,167	1,202,923	1,170,905
Basis for contributions:				
Participating employee salaries	23,355,120	703,340	24,058,460	23,418,104

Employer contributions to ABP are paid by the State and are reflected in the accompanying financial statements as the State paid fringe benefits revenue and as expenses. The maximum compensation to be considered for employer retirement contributions is \$175,000 per New Jersey state law Chapter 31,P.L. 2018, Chapter 14 effective July 1, 2018. The Organization created the Supplemental Alternate Benefit Program to fund the 8% employer match above the compensation limit. These contributions are funded by the Organization.

*(ii) Supplemental Alternate Benefit Program*

The Plan is administered by the Organization. TIAA CREF is the privately operated investment carrier for this defined contribution retirement plan. All contributions are made by the Organization with Non-State funds. The plan is intended to qualify as a governmental plan that is a tax sheltered annuity plan under Section 403(b) of the Internal Revenue Code of 1986, as amended. It is also intended that the Plan be exempt from the Employee Retiree Income Security Act of 1974, as amended, pursuant to Department of Labor regulations Section 2510.3 2(f). Each employee whose compensation exceeds the State limit on contributions for the ABP in a given year shall be eligible to participate in the plan and have employer contributions made on their behalf. The Organization will contribute 8% of the employee's compensation in excess of the State limit on compensation.

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

The accumulated base salary limit during fiscal year 2024 was \$175,000. There were no employee contributions during fiscal year 2024 or 2023. The employer contributions made during fiscal year 2024 and 2023 were \$54,320 and \$47,254, respectively.

*(iii) Supplemental Retirement Program*

The Plan is administered by the Organization. TIAA-CREF is the privately operated investment carrier for this defined contribution retirement plan. All contributions are made by the Organization with Non-State funds. The plan is intended to qualify as a governmental plan that is a tax-sheltered annuity plan under Section 403(b) of the Internal Revenue Code of 1986, as amended. It is also intended that the Plan be exempt from the Employee Retiree Income Security Act of 1974, as amended, pursuant to Department of Labor regulations Section 2510.3-2(f). The Organization may contribute to the plan, on behalf of participants who are employees of the employer during the plan year and are eligible to share in the employer contributions for such plan year, as determined by the Compensation Committee and approved by the Board of Trustees. There were no employee contributions during fiscal year 2024 or 2023. The employer contributions made during fiscal year 2024 and 2023 were \$22,175 and \$11,507, respectively.

**(c) Postemployment Benefits Other than Pensions**

The Organization'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) or, the Alternate Benefit Program (ABP). In addition, Chapter 302, P.L. 1966 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).

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.

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

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 criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75).

(i) *Total OPEB Liability and OPEB (Benefit) Expense*

As of June 30, 2024 and 2023, the State recorded a liability of \$67,789,635 and \$69,340,772 respectively, which represents the portion of the State's total proportionate share of the collective total OPEB liability that is associated with the Organization (the Organization's share). The Organization's share was based on the ratio of its members to the total members of the Plan. At June 30, 2024 and 2023, the Organization's share was 1.224992% and 1.246633%, and 0.322938% and 0.331971% of the special funding situation and of the Plan, respectively.

For the years ended June 30, 2024 and 2023, the Organization recognized an OPEB benefit of \$2,712,453 and \$2,009,856 respectively. As the State is legally obligated for benefit payments on behalf of the Organization, the Organization recognized nonoperating revenue equal to the support provided by the State.

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

	<u>2023</u>	<u>2022</u>
Inflation	N/A	N/A
Discount rate	3.65	3.54
Salary increases:		
PERS through	All Future Years 2.75-6.55%	All Future Years 2.75-6.55%
PERS thereafter	Not Applicable	Not Applicable
ABP through	All Future Years 2.75-4.25%	All Future Years 2.75-4.25%
ABP thereafter	Not Applicable	Not Applicable

For the June 30, 2022 and June 30, 2021 actuarial valuations, preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (ABP) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational improvement projections from the central year using Scale MP-2021. Future disability mortality was based on the Pub-2010 “Teachers” (ABP), and “General” (PERS) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Current disabled retiree mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using scale MP-2021.

Certain actuarial assumptions used in the June 30, 2022 valuations are based on the results of actuarial experience studies of the State of New Jersey’s defined benefit plans, including PERS (July 1, 2018 through June 30, 2021) and ABP (using the experience of the Teacher’s Pension and Annuity Fund – July 1, 2018 through June 30, 2021).

Certain actuarial assumptions used in the June 30, 2021 valuations are based on the results of actuarial experience studies of the State of New Jersey’s defined benefit plans, including PERS (July 1, 2018 through June 30, 2021) and ABP (using the experience of the Teacher’s Pension and Annuity Fund – July 1, 2018 through June 30, 2021).

*Health Care Trend Assumptions* – The June 30, 2022 valuations use a trend rate of 6.50% and decreases to a 4.5% long-term trend rate after nine years for pre-Medicare medical benefits. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2024 through 2025 are reflected. For PPO, the trend is initially 7.50% in fiscal year 2025, increasing to 15.93% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is initially 7.89% in fiscal year 2025, increasing to 17.83% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend is 9.50% and decreases to a 4.50% long-term trend rate after seven years.

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

*Discount Rate* – The discount rate for June 30, 2023 and 2022 was 3.65% and 3.54%, respectively. This represents the municipal bond return rate as chosen by the State. The source is 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.

**(11) Commitments**

Payments for accumulated sick leave balances are made to retiring employees upon regular retirement. The payment is based on 50% of the employee’s sick leave accumulation, at the pay rate in effect at the time of retirement up to a maximum of \$15,000. Employees separating from University service prior to

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

retirement are not entitled to payments for accumulated sick leave balances. Since Federal and State funds comprise approximately 99% of the total revenues of the Library, and through developing a memorandum of understanding between the University and the State with respect to the Library, accrued sick time will be funded by the State for Library employees.

The University and Library paid \$103,050 and \$53,663, respectively, in 2024 for accumulated sick leave balances. In 2023, the University and Library paid \$143,070 and \$28,663, respectively. The University and Library have accrued amounts of \$422,883 and \$361,907; and \$165,527 and \$396,331, respectively, as of June 30, 2024 and 2023, for anticipated future payments to employees who are planning to retire in the foreseeable future and are eligible for payment of a portion of their accumulated sick time. A receivable from the State for \$165,527 and \$229,995, respectively, has been recorded as of June 30, 2024 and 2023 in the accompanying statements of net position for Library sick accrual reimbursable from the State. At the current time, it is uncertain whether the policy followed by the State regarding unused sick time reimbursement during fiscal year 2024 will continue into fiscal year 2025 and beyond. If the State did not provide reimbursement to the University for these amounts in the future, the University would still be liable for the payments to these employees.

**(12) Discretely Presented Component Unit**

Thomas Edison State University Foundation, Inc. (the Foundation) is a legally separate, tax-exempt component unit of the Organization. The Foundation has received a determination letter from the Internal Revenue Service concluding that it is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation acts primarily as a fundraising entity to supplement the resources that are available to the University and Library in support of its programs. The Board of Directors of the Foundation, which consists of at least five and no more than thirty persons, is self-perpetuating and consists of qualified persons elected by majority vote of the Board of Directors of the Foundation. Although the University does not control the timing or amount of receipts from the Foundation, the resources, or income thereon, the Foundation holds and invests are used exclusively for the benefit, support, and promotion of the University for its educational activities. Because these resources held by the Foundation can only be used by, or for the benefit of the University and Library, the Foundation is considered a component unit of the Organization and is discretely presented in the Organization's financial statements.

The Foundation expensed \$604,664 and \$804,091 for the years ended June 30, 2024 and 2023, respectively, to the Organization for restricted purposes. Complete financial statements for the Foundation can be obtained from the Controller's Office at 111 West State Street, Trenton, NJ 08608.

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

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2024 and 2023

**(13) Risk Management**

The Organization is exposed to various risks of loss. The Organization purchased and funds property and casualty insurances through a joint insurance program with nine of the State of New Jersey Public Colleges and Universities. The Organization's risk management program involves insurance for all property risk and certain liability risk in the joint insurance program and all remaining liability risk and employee benefit exposures are self-funded programs maintained and administered by the State of New Jersey (including tort liability, auto liability, trustees and officers liability, workers' compensation, unemployment, temporary and long term disability, unemployment liability, life insurance and employee retirement programs).

All-Risk Property Insurance provides coverage for buildings, plant, equipment, and business interruption to the extent that losses exceed \$100,000 per occurrence with a maximum limit of liability in an occurrence of \$2,000,000,000. Commercial Crime Insurance coverage provides limits of liability of: \$5,000,000 for Employee Theft, Computer Fraud, and Funds Transfer Fraud Coverages, subject to \$150,000 retention; \$500,000 limits of liability for Premises, In Transit, Forgery, Money Orders and Counterfeit Currency Fraud, and Credit Card, subject to \$50,000 retention; and; \$50,000 limit of liability for Social Engineering Fraud Coverage, subject to \$150,000 retention. Student Blanket Professional and General Liability Insurance provides coverage for students in curriculum-based practicums/internships with a limit of liability of \$2,000,000 each occurrence, \$4,000,000 in the aggregate. Executive Auto Liability Insurance provides coverage for two executive vehicles, with a limit of liability of \$1,000,000 and a \$1,000 deductible applying to collision & comprehensive coverage. A fine arts insurance policy was added in fiscal year 21 for artwork with a limit of \$4,000,000. Cyber liability insurance provides coverage for certain types of exposures related to cyber threats, with primary limits of liability of \$5,000,000, subject to a \$75,000 retention.

As an instrumentality of the State of New Jersey the liability of Thomas Edison State University is subject to all of the provisions of the New Jersey Tort Claims Act (NJSA 59:1 1 et seq.), the New Jersey Contractual Liability Act (NJSA 59:13 1 et seq.) and the availability of appropriations. The Tort Claims Act also creates a fund and provides for payment of claims under the Act against the State of New Jersey or against its employees for which the State of New Jersey is obligated to indemnify against tort claims, which arise out of the performance of their duties.

All insurance policies are renewed on an annual basis. All the State of New Jersey self-funded programs are statutory with an annual appropriation provided by the legislature. There have been no settlements in excess of insurance coverage in the past five years. There have been no changes to fiscal year 2024 property insurance over fiscal year 2023 coverage levels.



**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Required Supplementary Information (Unaudited)

Schedules of Employer Contributions

<b>State of New Jersey Public Employees' Retirement System Thomas Edison State University</b>										
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 2,323,157	2,322,731	2,294,325	1,764,687	1,527,293	1,322,073	1,078,012	807,305	527,950	328,993
Contributions in relation to the contractually required contribution	<u>2,323,157</u>	<u>2,322,731</u>	<u>2,294,325</u>	<u>1,764,687</u>	<u>1,527,293</u>	<u>1,322,073</u>	<u>1,078,012</u>	<u>807,305</u>	<u>527,950</u>	<u>328,993</u>
Contribution deficiency (excess)	\$ —	—	—	—	—	—	—	—	—	—
Organization employee covered—payroll	\$ 5,895,874	5,911,435	6,043,755	6,709,265	6,492,369	6,971,915	7,109,582	7,481,975	7,349,168	7,555,305
Contributions as a percentage of employee covered payroll	39.40 %	39.29 %	37.96 %	26.30 %	23.52 %	18.96 %	15.16 %	10.79 %	7.18 %	4.35 %
<b>New Jersey State Library</b>										
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 2,217,657	2,129,020	2,115,672	1,408,513	1,199,297	1,027,121	831,781	626,220	444,325	276,882
Contributions in relation to the contractually required contribution	<u>2,217,657</u>	<u>2,129,020</u>	<u>2,115,672</u>	<u>1,408,513</u>	<u>1,199,297</u>	<u>1,027,121</u>	<u>831,781</u>	<u>626,220</u>	<u>444,325</u>	<u>276,882</u>
Contribution deficiency (excess)	\$ —	—	—	—	—	—	—	—	—	—
Organization employee covered—payroll	\$ 5,469,005	5,422,091	5,487,027	5,141,500	5,290,815	5,403,489	5,229,833	5,454,972	5,313,407	5,592,606
Contributions as a percentage of employee covered payroll	40.55 %	39.27 %	38.56 %	27.39 %	22.67 %	19.01 %	15.90 %	11.48 %	8.36 %	4.95 %
<b>Total</b>										
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 4,540,814	4,451,751	4,409,997	3,173,200	2,726,590	2,349,194	1,909,793	1,433,525	972,275	605,875
Contributions in relation to the contractually required contribution	<u>4,540,814</u>	<u>4,451,751</u>	<u>4,409,997</u>	<u>3,173,200</u>	<u>2,726,590</u>	<u>2,349,194</u>	<u>1,909,793</u>	<u>1,433,525</u>	<u>972,275</u>	<u>605,875</u>
Contribution deficiency (excess)	\$ —	—	—	—	—	—	—	—	—	—
Organization employee covered—payroll	\$ 11,364,879	11,333,526	11,530,782	11,850,765	11,783,184	12,375,404	12,339,415	12,936,947	12,662,575	13,147,911
Contributions as a percentage of employee covered payroll	39.95 %	39.28 %	38.25 %	26.78 %	23.14 %	18.98 %	15.48 %	11.08 %	7.68 %	4.61 %

See accompanying independent auditors' report.

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Required Supplementary Information (Unaudited)

Schedules of Proportionate Share of the Net Pension Liability

**State of New Jersey Public Employees' Retirement System  
Thomas Edison State University**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Organization proportion of the net pension liability – State Group	0.134 %	0.133 %	0.148 %	0.167 %	0.165 %	0.168 %	0.173 %	0.162 %	0.146 %	0.136 %
Organization proportion of the net pension liability – Total Plan	0.082	0.079	0.095	0.096	0.092	0.092	0.090	0.081	0.075	0.071
Organization proportionate share of the net pension liability	\$ 30,192,213	29,762,951	31,970,878	37,161,992	38,040,875	39,906,414	44,250,453	47,406,184	34,608,556	27,459,799
Organization employee covered–payroll	5,911,435	6,043,755	6,709,265	6,492,369	6,971,915	7,109,582	7,481,975	7,349,168	7,555,305	6,978,413
Organization proportionate share of the net pension liability as a percentage of the employee covered–payroll	510.74 %	492.46 %	476.52 %	572.39 %	545.63 %	561.30 %	591.43 %	634.94 %	458.07 %	393.50 %
Plan fiduciary net position as a percentage of the total pension liability	47.82	46.41	51.52	42.90	42.04	40.45	36.78	31.20	38.21	42.74

**New Jersey State Library**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Organization proportion of the net pension liability – State Group	0.119 %	0.119 %	0.113 %	0.124 %	0.122 %	0.123 %	0.126 %	0.123 %	0.123 %	0.127 %
Organization proportion of the net pension liability – Total Plan	0.072	0.071	0.073	0.071	0.068	0.067	0.066	0.061	0.063	0.066
Organization proportionate share of the net pension liability	\$ 26,808,883	26,547,549	24,500,195	27,601,249	28,015,774	29,181,858	32,425,786	36,129,572	29,126,717	25,544,272
Organization employee covered–payroll	5,422,091	5,487,027	5,141,500	5,290,815	5,403,489	5,229,833	5,454,972	5,313,407	5,592,606	5,527,456
Organization proportionate share of the net pension liability as a percentage of the employee covered–payroll	494.44 %	483.82 %	476.52 %	521.68 %	518.48 %	557.99 %	594.43 %	662.32 %	520.81 %	462.13 %
Plan fiduciary net position as a percentage of the total pension liability	47.82	46.41	51.52	42.90	42.04	40.45	36.78	31.20	38.21	42.74

**Total**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Organization proportion of the net pension liability – State Group	0.253 %	0.252 %	0.261 %	0.291 %	0.287 %	0.291 %	0.299 %	0.285 %	0.269 %	0.263 %
Organization proportion of the net pension liability – Total Plan	0.154	0.150	0.168	0.168	0.160	0.159	0.156	0.142	0.138	0.136
Organization proportionate share of the net pension liability	\$ 57,001,096	56,310,500	56,471,073	64,763,241	66,056,649	69,088,272	76,676,239	83,535,756	63,735,273	53,004,071
Organization employee covered–payroll	11,333,526	11,530,782	11,850,765	11,783,184	12,375,404	12,339,415	12,936,947	12,662,575	13,147,911	12,505,869
Organization proportionate share of the net pension liability as a percentage of the employee covered–payroll	502.94 %	488.35 %	476.52 %	549.62 %	533.77 %	559.90 %	592.70 %	646.49 %	484.76 %	423.83 %
Plan fiduciary net position as a percentage of the total pension liability	47.82	46.41	51.52	42.90	42.04	40.45	36.78	31.20	38.21	42.74

**Notes to Required Supplementary Information**

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

*Changes in assumptions* – There were no significant changes in assumptions except for the annual change in the discount rate and the change in the long-term rate of return as follows:

**PERS**

For 2023, the discount rate remained at 7.00% and the long-term rate of return remained at 7.00%. The mortality tables were based on Pub-2010 with improvement scale MP-2021.

For 2022, the discount rate remained at 7.00% and the long-term rate of return remained at 7.00%. The mortality tables were based on Pub-2010 with improvement scale MP-2021.

For 2021, the discount rate remained at 7.00% and the long-term rate of return remained at 7.00%. The mortality tables were based on Pub-2010 with improvement scale MP-2021.

For 2020, the discount rate changed to 7.00% and the long-term rate of return remained at 7.00%. The mortality tables were based on Pub-2010 with improvement scale MP-2020.

For 2019, the discount rate changed to 6.28% and the long-term rate of return remained at 7.00%. The mortality tables utilized changed from RP 2006 in 2018 to Pub-2010 with improvement scale MP-2019.

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

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

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

See accompanying independent auditors' report.

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Required Supplementary Information (Unaudited)

Schedule of Proportionate Share of the Total OPEB Liability

	<b>Total</b>						
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Organization proportion of the collective total OPEB liability	— %	— %	— %	— %	— %	— %	— %
Organization proportionate share of the collective total OPEB liability	—	—	—	—	—	—	—
State's proportionate share of the total OPEB liability associated with the Organization	\$ 67,789,635	69,340,772	82,446,961	90,409,045	58,339,465	77,203,200	92,565,771
Total OPEB Liability	<u>\$ 67,789,635</u>	<u>69,340,772</u>	<u>82,446,961</u>	<u>90,409,045</u>	<u>58,339,465</u>	<u>77,203,200</u>	<u>92,565,771</u>
Organization employee covered—payroll	\$ 32,131,076	32,695,595	31,510,962	30,699,447	31,918,154	32,984,372	29,528,781
Organization proportionate share of the collective total OPEB liability as a percentage of the employee covered-payroll	— %	— %	— %	— %	— %	— %	— %

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

**Notes to Required Supplementary Information**

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

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

For 2024, the discount rate changed to 3.65% from 3.54% The mortality tables utilized Pub-2010 and Scale MP-2021.

For 2023, the discount rate changed to 3.54% from 2.16% The mortality tables utilized Pub-2010 and Scale MP-2021.

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

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

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

For 2019, the discount rate changed to 3.87% from 3.58%

See accompanying independent auditors' report.

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

## Schedule of Net Position by Entity

June 30, 2024

<b>Assets</b>	<b>University</b>	<b>Library</b>	<b>Total</b>
Current assets:			
Cash	\$ 4,923,910	15,762,583	20,686,493
Investments	22,650,912	2,389,060	25,039,972
Receivables:			
Students, net	3,649,652	—	3,649,652
State of New Jersey	659,820	466,889	1,126,709
Federal	—	2,163,531	2,163,531
Other receivables	125,516	10,836	136,352
Total receivables	4,434,988	2,641,256	7,076,244
Prepaid expenses and other assets	454,155	468,662	922,817
Due to University from Library	686,749	(686,749)	—
Total current assets	33,150,714	20,574,812	53,725,526
Noncurrent assets:			
Investments	3,270,970	659,223	3,930,193
Restricted investments	2,115,477	921,489	3,036,966
Trustee held investments – restricted	—	1,123,296	1,123,296
Rare books, artwork, and historical documents	4,566,597	1,564,050	6,130,647
Capital assets	50,608,950	5,823,195	56,432,145
Total noncurrent assets	60,561,994	10,091,253	70,653,247
Total assets	93,712,708	30,666,065	124,378,773
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources:			
Pensions related	3,875,414	4,338,326	8,213,740
Total assets and deferred outflows of resources	97,588,122	35,004,391	132,592,513
<b>Liabilities</b>			
Current liabilities:			
Accounts payable and accrued expenses	6,398,162	922,811	7,320,973
Unearned tuition and fees	3,467,276	—	3,467,276
Unearned grants and contracts	26,291	9,420,433	9,446,724
Deposits held in custody for others	196,421	—	196,421
Long-term debt – current portion	1,832,304	973	1,833,277
Total current liabilities	11,920,454	10,344,217	22,264,671
Noncurrent liabilities:			
Compensated absences – noncurrent portion	422,883	165,527	588,410
Long-term debt	1,430,522	1,283	1,431,805
Net pension liability	30,192,213	26,808,883	57,001,096
Total noncurrent liabilities	32,045,618	26,975,693	59,021,311
Total liabilities	43,966,072	37,319,910	81,285,982
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources:			
Pensions related	5,324,793	2,049,143	7,373,936
Total liabilities and deferred inflows of resources	49,290,865	39,369,053	88,659,918
<b>Net Position</b>			
Net investment in capital assets	51,912,721	7,384,989	59,297,710
Restricted for:			
Nonexpendable:			
Aid to local libraries	—	416,073	416,073
Library for the Blind and Handicapped	—	333,642	333,642
Expendable:			
Aid to local libraries	—	1,702,629	1,702,629
Library for the Blind and Handicapped	—	342,156	342,156
Public policy	1,208,469	—	1,208,469
Unrestricted	(4,823,933)	(14,544,151)	(19,368,084)
Total net position	\$ 48,297,257	(4,364,662)	43,932,595

See accompanying independent auditors' report.

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Schedule of Net Position by Entity

June 30, 2023

<b>Assets</b>	<b>University</b>	<b>Library</b>	<b>Total</b>
Current assets:			
Cash	\$ 815,856	8,236,213	9,052,069
Investments	24,491,232	1,653,243	26,144,475
Receivables:			
Students, net	3,712,324	—	3,712,324
State of New Jersey	288,143	502,118	790,261
Federal	1,699	759,192	760,891
Other receivables	146,422	4,227	150,649
Total receivables	4,148,588	1,265,537	5,414,125
Prepaid expenses and other assets	374,699	523,434	898,133
Due to University from Library	638,247	(638,247)	—
Total current assets	30,468,622	11,040,180	41,508,802
Noncurrent assets:			
Investments	2,959,155	604,361	3,563,516
Restricted investments	1,435,507	1,477,647	2,913,154
Trustee held investments – restricted	—	1,050,386	1,050,386
Rare books, artwork, and historical documents	4,566,597	1,564,050	6,130,647
Capital assets	52,043,508	6,132,362	58,175,870
Total noncurrent assets	61,004,767	10,828,806	71,833,573
Total assets	91,473,389	21,868,986	113,342,375
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources:			
Pensions related	3,776,035	4,567,465	8,343,500
Total assets and deferred outflows of resources	95,249,424	26,436,451	121,685,875
<b>Liabilities</b>			
Current liabilities:			
Accounts payable and accrued expenses	6,220,291	919,956	7,140,247
Unearned tuition and fees	3,229,523	—	3,229,523
Unearned grants and contracts	—	923,357	923,357
Deposits held in custody for others	214,343	—	214,343
Long-term debt – current portion	1,788,723	—	1,788,723
Total current liabilities	11,452,880	1,843,313	13,296,193
Noncurrent liabilities:			
Compensated absences – noncurrent portion	361,907	229,995	591,902
Long-term debt	2,174,497	—	2,174,497
Net pension liability	29,762,951	26,547,549	56,310,500
Total noncurrent liabilities	32,299,355	26,777,544	59,076,899
Total liabilities	43,752,235	28,620,857	72,373,092
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources:			
Pensions related	8,695,785	4,001,378	12,697,163
Total liabilities and deferred inflows of resources	52,448,020	32,622,235	85,070,255
<b>Net Position</b>			
Net investment in capital assets	52,646,885	7,696,412	60,343,297
Restricted for:			
Nonexpendable:			
Aid to local libraries	—	416,073	416,073
Library for the Blind and Handicapped	—	333,642	333,642
Expendable:			
Aid to local libraries	—	306,773	306,773
Library for the Blind and Handicapped	—	1,471,545	1,471,545
Public policy	1,435,507	—	1,435,507
Unrestricted	(11,280,988)	(16,410,229)	(27,691,217)
Total net position	\$ 42,801,404	(6,185,784)	36,615,620

See accompanying independent auditors' report.

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Schedule of Revenues, Expenses, and Changes in Net Position by Entity

Year ended June 30, 2024

	<u>University</u>	<u>Library</u>	<u>Total</u>
Operating revenues:			
Student tuition and fees, net	\$ 34,241,810	—	34,241,810
Federal grants and contracts	6,027,447	4,672,708	10,700,155
Federal indirect cost recovery	235,832	—	235,832
State of New Jersey grants and contracts	1,735,329	9,923,142	11,658,471
Other operating revenues	572,178	1,170	573,348
	<u>42,812,596</u>	<u>14,597,020</u>	<u>57,409,616</u>
Total operating revenues			
Operating expenses:			
Academic support	24,027,297	—	24,027,297
Student services	7,092,957	—	7,092,957
Public services	1,359,337	4,225,594	5,584,931
General institutional	12,690,313	—	12,690,313
Operations and maintenance	1,943,085	26,832	1,969,917
General administration	19,767,917	2,091,854	21,859,771
Other sponsored programs	1,822,242	—	1,822,242
Scholarships	3,432,872	—	3,432,872
State of New Jersey Library	—	5,567,413	5,567,413
Talking Book and Braille Center	—	1,690,932	1,690,932
Grants to libraries	—	6,875,045	6,875,045
Collections and exhibits	—	1,249,208	1,249,208
Depreciation and amortization	3,129,236	538,525	3,667,761
	<u>75,265,256</u>	<u>22,265,403</u>	<u>97,530,659</u>
Total operating expenses			
Operating loss	<u>(32,452,660)</u>	<u>(7,668,383)</u>	<u>(40,121,043)</u>
Nonoperating revenues (expenses):			
State of New Jersey appropriations	14,280,000	5,730,408	20,010,408
State of New Jersey paid fringe benefits	22,880,449	3,874,280	26,754,729
State of New Jersey paid other post employment benefits	(2,049,146)	(663,307)	(2,712,453)
Contributed U.S. Postal Service	—	163,172	163,172
Private gifts – restricted	577,098	59,447	636,545
Investment income	1,470,569	327,015	1,797,584
Interest on indebtedness	(96,501)	(96)	(96,597)
Loss on disposal of equipment	(13,763)	(1,414)	(15,177)
	<u>37,048,706</u>	<u>9,489,505</u>	<u>46,538,211</u>
Net nonoperating revenues			
Increase in before other revenues	4,596,046	1,821,122	6,417,168
State of New Jersey capital grants	899,807	—	899,807
Increase in net position	5,495,853	1,821,122	7,316,975
Net position as of beginning of year	42,801,404	(6,185,784)	36,615,620
Net position as of end of year	<u>\$ 48,297,257</u>	<u>(4,364,662)</u>	<u>43,932,595</u>

See accompanying independent auditors' report.

**THOMAS EDISON STATE UNIVERSITY AND ITS  
AFFILIATE THE NEW JERSEY STATE LIBRARY**  
(A Component Unit of the State of New Jersey)

Schedule of Revenues, Expenses, and Changes in Net Position by Entity

Year ended June 30, 2023

	<u>University</u>	<u>Library</u>	<u>Total</u>
Operating revenues:			
Student tuition and fees, net	\$ 34,507,504	—	34,507,504
Federal grants and contracts	4,773,573	6,074,866	10,848,439
Federal indirect cost recovery	356,829	—	356,829
State of New Jersey grants and contracts	1,321,379	9,279,074	10,600,453
Other operating revenues	621,416	1,241	622,657
	<u>41,580,701</u>	<u>15,355,181</u>	<u>56,935,882</u>
Total operating revenues			
Operating expenses:			
Academic support	23,365,589	—	23,365,589
Student services	6,397,489	—	6,397,489
Public services	1,065,350	3,856,835	4,922,185
General institutional	11,641,898	—	11,641,898
Operations and maintenance	2,091,214	24,944	2,116,158
General administration	18,045,536	2,338,043	20,383,579
Other sponsored programs	1,358,720	—	1,358,720
Scholarships	3,023,365	—	3,023,365
State of New Jersey Library	—	4,251,195	4,251,195
Talking Book and Braille Center	—	1,447,146	1,447,146
Grants to libraries	—	8,131,060	8,131,060
Collections and exhibits	—	1,310,369	1,310,369
Depreciation and amortization	3,266,606	403,746	3,670,352
	<u>70,255,767</u>	<u>21,763,338</u>	<u>92,019,105</u>
Total operating expenses			
Operating loss	<u>(28,675,066)</u>	<u>(6,408,157)</u>	<u>(35,083,223)</u>
Nonoperating revenues (expenses):			
State of New Jersey appropriations	10,528,000	6,679,980	17,207,980
State of New Jersey paid fringe benefits	19,985,435	3,423,949	23,409,384
State of New Jersey paid other post employment benefits	(1,524,425)	(485,431)	(2,009,856)
Contributed U.S. Postal Service	—	178,963	178,963
Private gifts – restricted	386,608	62,533	449,141
Investment income	782,977	180,191	963,168
Interest on indebtedness	(90,957)	—	(90,957)
Loss on disposal of equipment	(68,237)	(147)	(68,384)
	<u>29,999,401</u>	<u>10,040,038</u>	<u>40,039,439</u>
Net nonoperating revenues			
Increase in net position	1,324,335	3,631,881	4,956,216
Net position as of beginning of year	<u>41,477,069</u>	<u>(9,817,665)</u>	<u>31,659,404</u>
Net position as of end of year	<u>\$ 42,801,404</u>	<u>(6,185,784)</u>	<u>36,615,620</u>

See accompanying independent auditors' report.