

**Financial Statements and Report of
Independent Certified Public
Accountants**

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

June 30, 2025 and 2024

Contents	Page
Report of Independent Certified Public Accountants	3
Management's Discussion and Analysis (Unaudited)	6
Financial Statements	
Statements of net position	19
Statements of revenues, expenses, and changes in net position	21
Statements of cash flows (business-type activities - University only)	22
Notes to financial statements	23
Required Supplementary Information (Unaudited)	
Schedules of proportionate share of net pension liability - unaudited	56
Schedules of employer contributions - unaudited	57
Schedules of proportionate share of other postemployment benefits liability - unaudited	58

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
Stockton University

Opinions

We have audited the financial statements of the business-type activities and the discretely presented component unit of Stockton University (the "University"), a component unit of the State of New Jersey, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the University as of June 30, 2025 and 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinions

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

Responsibilities of management for the financial statements

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

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

Auditor's 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 auditor's 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 US 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 US GAAS, we:

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

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

Required supplementary information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of proportionate share of net pension liability, schedules of employer contributions, and schedules of proportionate share of other postemployment benefits liability, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a required 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 US GAAS. These limited procedures 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.

Grant Thornton LLP

Philadelphia, Pennsylvania
December 16, 2025

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Years ended June 30, 2025 and 2024

INTRODUCTION

Stockton University (the “University” or “Stockton”) is proud to present its comparative financial statements for fiscal years 2025 and 2024, and its changes in financial position for the fiscal years then ended with fiscal year 2023 data presented for comparative purposes. This section of the University’s financial statements presents the discussion and analysis of the University’s financial performance. Since this discussion and analysis is designed to focus on current activities, it should be read in conjunction with the University’s basic financial statements, which follow this section.

UNIVERSITY OVERVIEW

Since its founding in 1969, Stockton University has grown into one of the nation’s top 100 public institutions. Stockton is proud to offer the academic, technological, and cultural advantages of a large university, while staying true to its liberal arts roots and commitment to student success.

Stockton is a community of opportunity, with more than 8,500 undergraduate and graduate students and over 700 dedicated faculty members. Stockton offers more than 160 degree programs across seven academic schools, along with continuing education and lifelong learning opportunities. The University’s in-person, student-centered approach is grounded in exceptional teaching and a shared set of values.

Stockton University is firmly rooted in southern New Jersey, with campuses stretching from the 1,600-acre Galloway site in the Pinelands National Reserve to the Boardwalk in Atlantic City and instructional sites in Hammonton, Manahawkin, and the Coastal Research Center in Port Republic. As an Anchor Institution, Stockton collaborates with community partners, civic leaders, and industry stakeholders to meet workforce needs, expand educational access, and support economic and regional resilience.

New programs in Entrepreneurship and Education and Human Development reflect the University’s responsiveness to change and focus on innovation. And through service-learning, applied research, and real-world experiences, Stockton prepares its students to lead with care, competence, and courage.

FINANCIAL STATEMENTS

The University’s comparative financial statements include three basic financial statements: statements of net position; statements of revenues, expenses, and changes in net position; and statements of cash flows, which have been prepared following Governmental Accounting Standards Board (“GASB”) principles. These statements present the University’s operations as a whole, focusing on its assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, expenses, and cash flows on an entity-wide basis.

SUMMARY OF NET POSITION

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

Stockton University
(A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

Years ended June 30, 2025 and 2024

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

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

Net position is divided into three major categories. The first category, net investment in capital assets, provides the equity in property, plant, and equipment owned by the University, net of accumulated depreciation, reduced by the outstanding balances of debt and deferred inflows and outflows of resources related to the acquisition, construction, or improvement of those assets. The next net position category is restricted. Expendable restricted is available for expenditure by the University but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of those assets. Nonexpendable restricted net position is required to be maintained in perpetuity by donors and/or external entities. The final category is unrestricted. Unrestricted assets are available to the University for any lawful purpose of the University.

The University follows GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* ("GASB 68"), and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement 68* ("GASB 71"). These standards require all state and local governmental employers providing defined benefit pensions to recognize their proportionate share of the actuarially determined amount of the unfunded pension benefit obligation as a liability. As required from the data provided by the State of New Jersey, the University recorded its portion of the pension liabilities and expenses from the New Jersey State-administered retirement system. The unfunded pension liability will change each year, resulting from the changes in plan assumptions about economic and demographic factors, differences between actual and expected experience, and differences between actual and expected investment earnings. The net pension liability is measured each fiscal year end with the latest measurement as of June 30, 2024, a one-year lag from the University's year-end reporting date (note: GASB 68 requires the net pension liability to be measured as of a date no earlier than the end of the employer's prior fiscal year).

The University also follows GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"). The primary objective of this statement is to improve accounting and financial reporting for other postemployment benefits ("OPEB"). It established standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. This statement also identified the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The State is legally required to pay for the OPEB benefit coverage for eligible retirees of the University. Since the University does not contribute directly to the plan, there is no total OPEB liability, deferred outflows of resources, or deferred inflows of resources to record. Under the GASB 75 special funding situation, the University is required to record in its financial statements, as an expense and corresponding revenue, its proportionate share of the OPEB expense allocated to the State of New Jersey and include its proportionate share of the collective total OPEB liability in its respective notes to the financial statements. The total OPEB liability is measured each fiscal year end with the latest measurement as of June 30, 2024, a one-year lag from the University's year-end reporting date.

As a result of the requirements in reporting for GASB 68 and GASB 75, the University has recorded its proportionate share of the net pension liability, pension expense, deferred outflows, and deferred inflows of resources in the June 30, 2025 and 2024 financial statements for GASB 68 and its proportionate share

Stockton University
(A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

Years ended June 30, 2025 and 2024

of expense and corresponding revenue for GASB 75 in the June 30, 2025 and 2024 financial statements. The note disclosures regarding the pension and OPEB benefits include a discussion of applicable net pension liability and pension and OPEB expense. Finally, as part of required supplemental information, the University has included certain schedules of data. These accounting changes did not impact the University's funding requirements for the pension and OPEB plans.

The effect of GASB 68 was the recognition of net pension expense, changes in deferred outflows and inflows of resources, and net pension liability. The effect of GASB 75 was the recognition of an expense and corresponding revenue of the University's proportionate share of the OPEB expense allocated to the State of New Jersey.

The following reflects the impact of GASB 68 and 75 on the University's financials at June 30, 2025.

	Excluding GASB 68 and 75	Recognition of GASB 68	Recognition of GASB 75	Including GASB 68 and 75
Statement of net position at June 30, 2025:				
Deferred outflows of resources - pension related	\$ -	\$ 26,585,316	\$ -	\$ 26,585,316
Net pension liability	- -	192,160,452	- -	192,160,452
Deferred inflows of resources - pension related	- -	3,852,004	- -	3,852,004
Net position - unrestricted	<u>125,422,669</u>	<u>(169,427,140)</u>	<u>- -</u>	<u>(44,004,471)</u>
Total net position	245,968,262	(169,427,140)	- -	76,541,122
Statement of revenues, expenses, and changes in net position for the year ended June 30, 2025:				
Operating expenses				
Instruction	71,289,336	1,225,845	- -	72,515,181
Research	1,721,684	242	- -	1,721,926
Public service	11,233,439	343,139	- -	11,576,578
Academic support	22,608,223	3,145,740	- -	25,753,963
Student services	26,791,895	1,761,299	- -	28,553,194
Institutional support	39,518,728	5,690,487	- -	45,209,215
Operation and maintenance of plant	20,361,635	4,515,697	- -	24,877,332
Student aid	14,896,672	- -	- -	14,896,672
Auxiliary enterprises	26,426,743	1,386,558	- -	27,813,301
Depreciation	19,697,459	- -	- -	19,697,459
Amortization	4,890,905	- -	- -	4,890,905
OPEB benefit	- -	- -	<u>(5,398,791)</u>	<u>(5,398,791)</u>
Total operating expenses	<u>\$ 259,436,719</u>	<u>\$ 18,069,007</u>	<u>\$ (5,398,791)</u>	<u>\$ 272,106,935</u>

Stockton University
(A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

Years ended June 30, 2025 and 2024

The following reflects the impact of GASB 68 and 75 on the University's financials at June 30, 2024 (restated).

	Excluding GASB 68 and 75	Recognition of GASB 68	Recognition of GASB 75	Including GASB 68 and 75
Statement of net position at June 30, 2024:				
Deferred outflows of resources - pension related	\$ -	\$ 33,652,980	\$ -	\$ 33,652,980
Net pension liability	- -	193,778,061	- -	193,778,061
Deferred inflows of resources - pension related	- -	7,298,926	- -	7,298,926
Net position - unrestricted - restated for adoption of GASB 101	<u>113,655,076</u>	<u>(167,424,007)</u>	<u>- -</u>	<u>(53,768,931)</u>
Total net position	235,338,113	(167,424,007)	- -	67,914,106
Statement of revenues, expenses, and changes in net position for the year ended June 30, 2024:				
Operating expenses				
Instruction	69,201,474	932,568	- -	70,134,042
Research	2,274,513	- -	- -	2,274,513
Public service	9,538,712	227,477	- -	9,766,189
Academic support	21,838,878	2,047,292	- -	23,886,170
Student services	26,369,391	1,137,385	- -	27,506,776
Institutional support	41,302,622	5,005,000	- -	46,307,622
Operation and maintenance of plant	22,414,982	2,820,799	- -	25,235,781
Student aid	14,677,935	- -	- -	14,677,935
Auxiliary enterprises	26,182,737	909,907	- -	27,092,644
Depreciation	20,005,539	- -	- -	20,005,539
Amortization	4,568,546	- -	- -	4,568,546
OPEB benefit	- -	- -	<u>(8,368,332)</u>	<u>(8,368,332)</u>
Total operating expenses	\$ 258,375,329	\$ 13,080,428	\$ (8,368,332)	\$ 263,087,425

Stockton University
(A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

Years ended June 30, 2025 and 2024

A summary of the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of June 30, 2025, 2024 (restated) and 2023 are as follows.

	<u>2025</u>	<u>2024 (restated)</u>	<u>2023</u>
Assets			
Current assets	\$ 55,123,008	\$ 55,574,994	\$ 38,164,042
Capital assets	456,910,884	468,149,744	480,701,485
Other noncurrent assets	144,096,796	132,495,958	125,269,682
Total assets	<u>656,130,688</u>	<u>656,220,696</u>	<u>644,135,209</u>
Deferred outflows of resources			
Pension related	26,585,316	33,652,980	39,915,823
Loss on refunding debt	7,410,495	7,939,816	8,469,137
Total deferred outflows of resources	<u>33,995,811</u>	<u>41,592,796</u>	<u>48,384,960</u>
Liabilities			
Current liabilities	63,400,784	61,379,973	43,033,312
Noncurrent liabilities	543,267,583	558,233,340	560,299,554
Total liabilities	<u>606,668,367</u>	<u>619,613,313</u>	<u>603,332,866</u>
Deferred inflows of resources			
Pension related	3,852,004	7,298,926	16,708,512
Other long-term debt related	1,671,456	1,744,128	1,816,800
Lease related	1,248,366	1,198,780	1,203,729
Gain on refunding debt	145,184	44,239	55,299
Total deferred inflows of resources	<u>6,917,010</u>	<u>10,286,073</u>	<u>19,784,340</u>
Net position			
Net investment in capital assets	107,921,171	109,224,480	108,092,130
Restricted for:			
Debt service and debt service reserves	12,624,422	12,458,557	11,285,219
Unrestricted	(44,004,471)	(53,768,931)	(49,974,386)
Total net position	<u>\$ 76,541,122</u>	<u>\$ 67,914,106</u>	<u>\$ 69,402,963</u>

Excluding GASB 68 and GASB 75, which require employers to report and disclose State of New Jersey obligations for pension and OPEB, the University's statements of net position reflect a prudent utilization of financial resources, management of investments, and utilization of debt to support the University's capital plan.

Current assets consist primarily of cash and cash equivalents, investments, receivables, and the current portion of deposits held by bond trustees. Noncurrent assets consist primarily of investments, deposits held by bond trustees, and capital assets. Current liabilities consist primarily of accounts payable and accrued expenses, unearned revenue, compensated absences, and the current portion of long-term debt, leases, and subscriptions ("SBITAs") payable. Noncurrent liabilities consist primarily of long-term debt and net pension liability in accordance with GASB 68.

Stockton University
(A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

Years ended June 30, 2025 and 2024

Total assets for the University decreased by \$90,008 in fiscal year 2025. This decrease is related to a decrease in capital assets of \$11,238,860 and deposits held by bond trustees of \$3,870,436 offset by increases of \$11,820,715 in investments, cash and cash equivalents of \$2,172,365, receivables of \$795,873, and other assets of \$230,335. The decrease in deposits held by bond trustees can be attributed to use of the bond proceeds for the planned projects. The increase in investments can be attributed to positive market performance, while the decrease in capital assets can be attributed to the current year's depreciation, net of asset additions and retirements. Total assets for the University increased by \$12,085,487 in fiscal year 2024. This increase is related to increases in deposits held by bond trustees of \$20,861,287 and investments of \$6,038,535 offset by decreases in capital assets of \$12,551,741, receivables of \$1,908,740, other assets of \$264,397, and cash and cash equivalents of \$89,457. The increase in deposits held by bond trustees can be attributed to an allocation of the proceeds of the New Jersey Educational Facilities Authority's (the "Authority") revenue bond issues for the Higher Education Capital Improvement Fund and the Higher Education Equipment Leasing Fund to be used for the Library Learning Commons Project, the Library Learning Commons Equipment, and the Academic Classroom Technology Innovation Project. The increase in investments can be attributed to positive market performance, while the decrease in capital assets can be attributed to the current year's depreciation, net of asset additions and retirements.

The decrease in deferred outflows of \$7,596,985 is primarily attributable to changes related to GASB 68 pensions and includes the fiscal year 2025 contribution made on behalf of the University after the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other components of the pension related deferred outflows include changes in assumptions and the University's proportionate share of the liability from the previous year that will be recognized as a component of pension expense in future years.

Total liabilities decreased by \$12,944,946 in fiscal year 2025. This decrease is due to decreases in bond payable of \$9,424,158, other long term debt of \$4,181,345, unearned revenue of \$1,937,415, net pension liability of \$1,617,609, leases payable of \$439,947, U.S. government grants refundable of \$146,321, and compensated absences of \$330 offset by increases in accounts payable and accrued expenses of \$2,596,985 and subscriptions payable of \$2,205,194. The decline in bonds payable and other long-term debt reflects the annual repayment of current debt obligations.

Total liabilities increased by \$16,280,447 in fiscal year 2024. This increase is due to increases in unearned revenue of \$13,714,151, leases payable of \$3,349,034, other long-term debt of \$3,287,169, compensated absences of \$3,134,903, subscriptions payable of \$723,213, and net pension liability of \$503,707 offset by decreases in bonds payable of \$8,139,157, U.S. government grants refundable of \$194,927, and accounts payable and accrued expenses of \$97,646. The increase in unearned revenue is due to the new Higher Education Capital Improvement Fund and the Higher Education Leasing Fund issuance. The decline in bonds payable reflects the annual repayment of current debt obligations.

The decrease in deferred inflows of \$3,369,063 is mainly attributable to changes related to GASB 68 pensions. These deferred inflows are related to the net difference between projected and actual investment earnings on pension plan investments and changes in the share of the University's net pension liability. These deferred inflows will be recognized as a component of pension expense in future years.

SUMMARY OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Changes in total net position as presented in the statements of net position are based on the activity presented in the statements of revenues, expenses, and changes in net position. The purpose of the statement is to present the revenues received by the University, both operating and nonoperating, and the

Stockton University
(A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

Years ended June 30, 2025 and 2024

expenses paid by the University, operating and nonoperating, and any other revenues, expenses, gains, and losses received or spent by the University.

Operating revenues are received for providing goods and services to the various customers and constituents of the University. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the University. Nonoperating revenues are revenues received for which goods and services are not provided in exchange. For example, State of New Jersey appropriations are nonoperating because they are provided by the Legislature to the University without the Legislature directly receiving commensurate goods and services in exchange for those revenues. In accordance with GASB 75, OPEB expenses are recorded as operating expenses, while the corresponding revenue is recorded as nonoperating revenue.

The statements of revenues, expenses, and changes in net position present the University's results of operations. A summary of the University's revenues, expenses, and changes in net position for the years ended June 30, 2025, 2024 and 2023 is as follows:

	2025	2024 (restated)	2023
Operating revenues			
Net student revenues	\$ 119,462,543	\$ 115,775,710	\$ 117,364,691
Governmental grants	42,082,960	41,685,836	31,762,114
Other	10,484,786	10,511,526	9,558,145
 Total operating revenues	 172,030,289	 167,973,072	 158,684,950
Operating expenses	 <u>272,106,935</u>	 <u>263,087,425</u>	 <u>237,623,203</u>
 Operating loss	 (100,076,646)	 (95,114,353)	 (78,938,253)
 Nonoperating and other revenues (expenses):			
State of New Jersey appropriations	88,768,947	83,952,027	77,292,078
State of New Jersey - OPEB	(5,398,791)	(8,368,332)	(5,901,822)
Pell grants	24,277,100	20,096,300	18,766,713
Federal grants	-	-	7,306,763
Investment return, net	11,925,632	13,356,897	9,064,175
Capital grant revenue	2,708,315	1,168,867	-
Loss on disposal of capital assets	(18,475)	(20,896)	42,853
Interest on capital related debt	(13,295,626)	(13,824,516)	(11,810,288)
Other nonoperating expense	(263,440)	(259,136)	(299,031)
 Net nonoperating and other revenues	 <u>108,703,662</u>	 <u>96,101,211</u>	 <u>94,461,441</u>
 Increase in net position	 <u>8,627,016</u>	 <u>986,858</u>	 <u>15,523,188</u>
 Net position - beginning of year	 67,914,106	 69,402,963	 53,879,775
Restatement for adoption of GASB 101	-	(2,475,715)	-
 Net position - end of year	 <u>\$ 76,541,122</u>	 <u>\$ 67,914,106</u>	 <u>\$ 69,402,963</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

Years ended June 30, 2025 and 2024

REVENUES

To fund its operations, the University receives revenues from a variety of sources including tuition and fees, grants and contracts, auxiliary services, State of New Jersey appropriations, and investment income. The University continues to seek additional funds from all possible sources to adequately fund operating activities.

OPERATING REVENUES

Operating revenues for the years ended June 30, 2025, 2024 and 2023 totaled \$172,030,289, \$167,973,072 and \$158,684,950, respectively. For the year ended June 30, 2025, student revenues net of scholarships were \$119,462,543, governmental grants were \$42,082,960, and other revenue totaled \$10,484,786. For the year ended June 30, 2024, student revenues net of scholarships were \$115,775,710, governmental grants were \$41,685,836, and other revenue totaled \$10,511,526. For the year ended June 30, 2023, student revenues net of scholarships were \$117,364,691, governmental grants were \$31,762,114, and other revenue totaled \$9,558,145.

Student revenues, which include tuition and fees and auxiliary enterprises, are the primary source of operating revenue for the University. Tuition and fee revenues decreased from fiscal year 2023 to fiscal year 2024 by less than 1% and increased from fiscal year 2024 to fiscal year 2025 by approximately 4%. Auxiliary activities increased from fiscal year 2023 to fiscal year 2024 by approximately 5%. The 2024 increase was driven by increased housing rent and meal plan rates. Auxiliary activities increased by less than 1% from fiscal year 2024 to fiscal year 2025.

Operating revenues for 2025, 2024 and 2023 were as follows (in thousands):

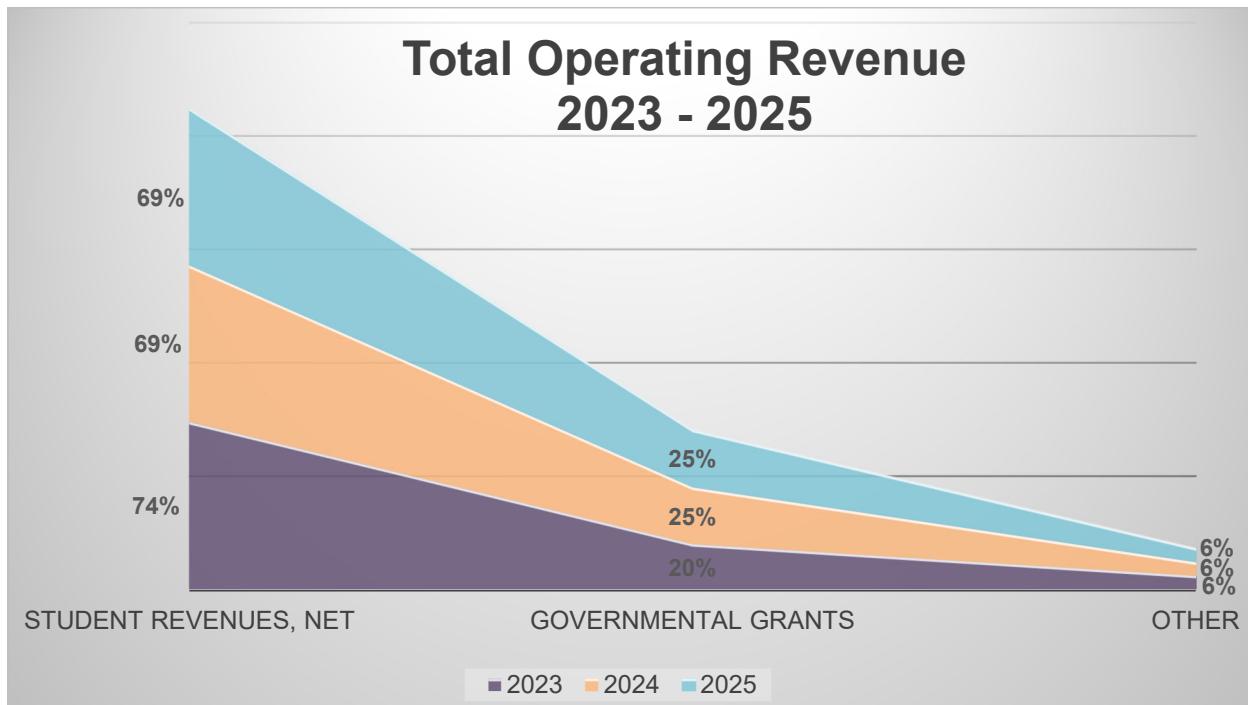
	<u>2025</u>	<u>% Total</u>	<u>2024</u>	<u>% Total</u>	<u>2023</u>	<u>% Total</u>
Student revenues, net	\$ 119,462	69%	\$ 115,776	69%	\$ 117,365	74%
Governmental grants	42,083	25	41,686	25	31,762	20
Other	10,485	6	10,511	6	9,558	6
 Total operating revenues	 <u>\$ 172,030</u>	 <u>100%</u>	 <u>\$ 167,973</u>	 <u>100%</u>	 <u>\$ 158,685</u>	 <u>100%</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

Years ended June 30, 2025 and 2024

Total operating revenue represented graphically for the three years is as follows:



NONOPERATING AND OTHER REVENUES (EXPENSES)

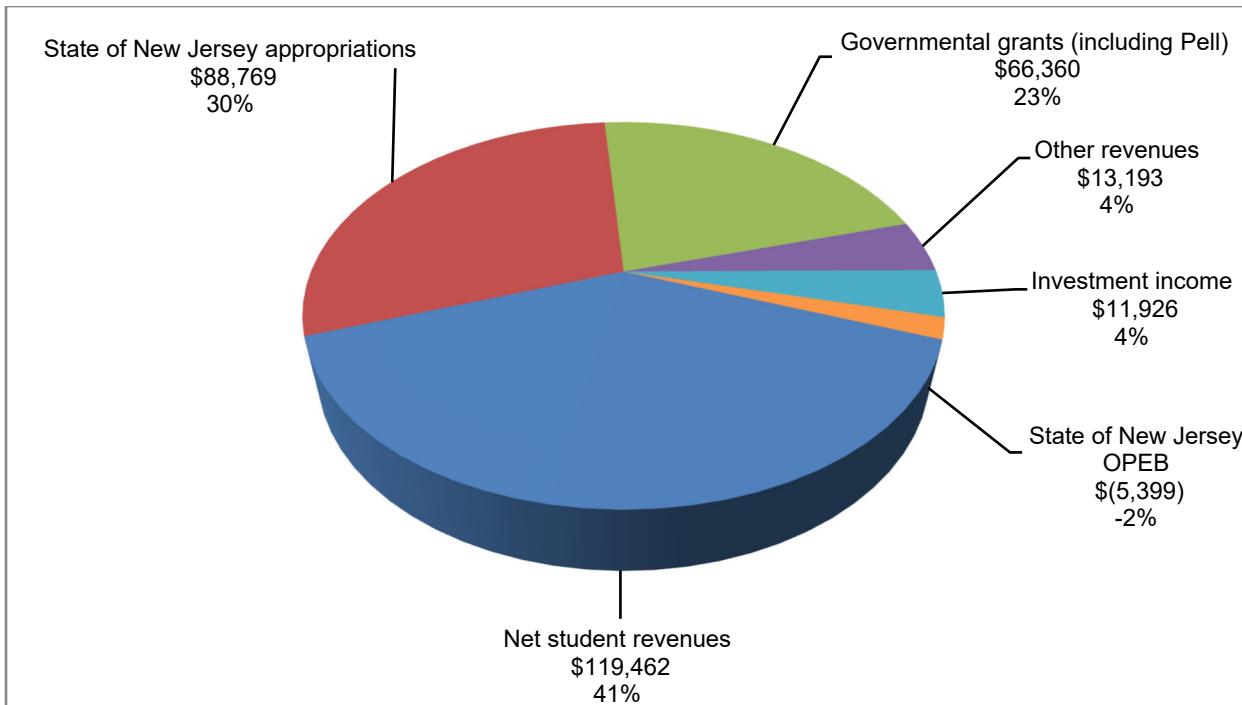
Net nonoperating and other revenues for the years ended June 30, 2025, 2024 and 2023 totaled \$108,703,662, \$96,101,211 and \$94,461,441, respectively. The primary source of nonoperating revenue was the State of New Jersey appropriations, including fringe benefits, of \$88,768,947, \$83,952,027 and \$77,292,078, respectively, for the years ended June 30, 2025, 2024 and 2023. The other components of net nonoperating revenues were Pell grant revenues of \$24,277,100, \$20,096,300 and \$18,766,713, investment return, net of \$11,925,632, \$13,356,897 and \$9,064,175, and interest expense on capital related debt of (\$13,295,626), (\$13,824,516) and (\$11,810,288) for the years ended June 30, 2025, 2024 and 2023, respectively. Included in other revenues for the years ended June 30, 2025, 2024 and 2023 was capital grant revenue of \$2,708,315, \$1,168,867 and \$0, respectively. In compliance with GASB 75, the University recorded nonoperating OPEB (expense) from the State of New Jersey of (\$5,398,791), (\$8,368,332) and (\$5,901,822) for the years ended June 30, 2025, 2024 and 2023, respectively. Also, for the years ended June 30, 2025, 2024 and 2023, the University recorded Federal Higher Education Emergency Relief funding of \$0, \$0 and \$7,306,763, respectively.

Stockton University
(A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

Years ended June 30, 2025 and 2024

Categories of both operating, nonoperating, and other revenues that support the University's core activities in 2025 are as follows (in thousands of dollars):



OPERATING EXPENSES

Operating expenses are defined as expenses paid by the University to acquire or produce goods and services used to carry out its mission, in return for operating revenues. For the years ended June 30, 2025, 2024 and 2023, the University incurred operating expenses totaling \$272,106,935 (\$259,436,719 excluding the effects of GASB 68 and GASB 75), \$263,087,425 (\$258,375,329 excluding the effects of GASB 68 and GASB 75), and \$237,623,203 (\$236,032,384 excluding the effects of GASB 68 and GASB 75), respectively. Operating revenues for these periods totaled \$172,030,289, \$167,973,072 and \$158,684,950, respectively, causing a 2025 loss from operations of \$(100,076,646) (loss of \$105,475,437 excluding the effects of GASB 68 and GASB 75), a 2024 loss from operations of \$(95,114,353) (loss of \$90,402,257 excluding the effects of GASB 68 and GASB 75), and a 2023 loss from operations of \$(78,938,253) (loss of \$77,347,434 excluding the effects of GASB 68 and GASB 75 and GASB 75), respectively, prior to State appropriations, State OPEB revenue, and other nonoperating revenue.

Stockton University
(A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

Years ended June 30, 2025 and 2024

A summary of operating expenses for the years ended June 30, 2025, 2024 and 2023 is as follows (in thousands):

	2025	% of Total	2024	% of Total	2023	% of Total
Instruction	\$ 72,515	28%	\$ 70,134	27%	\$ 64,870	27%
Research	1,722	1	2,274	1	2,184	1
Public service	11,577	4	9,766	4	8,586	4
Academic support	25,754	9	23,886	9	21,055	9
Student services	28,553	10	27,507	10	23,677	10
Institutional support	45,209	17	46,307	18	35,840	15
Operation and maintenance of plant	24,877	9	25,236	10	26,657	11
Student aid	14,897	5	14,678	5	13,718	6
Auxiliary enterprises	27,813	10	27,093	10	23,879	10
Depreciation	19,698	7	20,006	7	17,949	8
Amortization	4,891	2	4,568	2	5,110	2
OPEB benefit	(5,399)	-2	(8,368)	-3	(5,902)	-3
 Total operating expenses	 \$272,107	 100%	 \$263,087	 100%	 \$237,623	 100%

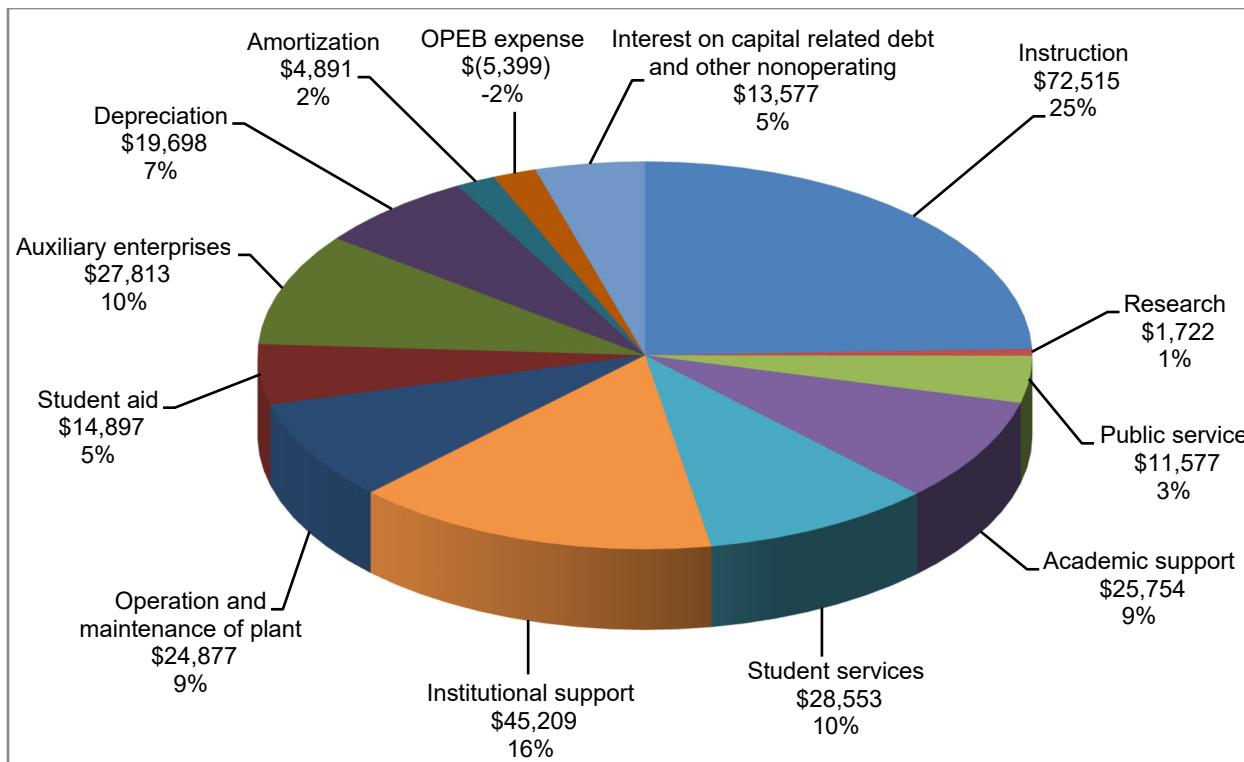
Based on the amounts reported above, expenses have remained fairly consistent for each of the categories over the past three years. In complying with GASB 75, the University recorded OPEB benefit of (\$5,398,791), (\$8,368,332) and (\$5,901,822) for the years ended June 30, 2025, 2024 and 2023, respectively.

Stockton University
(A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

Years ended June 30, 2025 and 2024

Categories of both operating and nonoperating expenses related to Stockton's core activities in 2025 are as follows (in thousands of dollars):



CHANGE IN NET POSITION

The University had an increase in net position of \$8,627,016 in fiscal year 2025, a decrease in net position of \$1,488,857 in fiscal year 2024, and an increase in net position of \$15,523,188 in fiscal year 2023. The changes in net position are the result of the operating revenue, operating expense, nonoperating revenue and expense, and other revenue activity that took place during the respective fiscal year.

CAPITAL ASSETS AND DEBT ACTIVITIES

The University continues to manage its financial resources to ensure adequate financial flexibility to access the capital markets as needed. The University has a debt rating from Moody's Investor Services and Fitch Rating Ltd. of A3 and A, respectively.

The University has been advancing a master plan consistent with its strategic and Middle States reaccreditation plans, where the University intends to keep the existing campus in good repair and to ensure that it is prepared to meet the needs of future students. Included in those plans are numerous renovation and site improvement projects.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

Years ended June 30, 2025 and 2024

ECONOMIC OUTLOOK

The populations of Atlantic and Ocean counties provide the majority of the University's student body, but the University's reputation for providing quality, value, and distinction attracts applicants from throughout New Jersey and beyond.

Stockton is among the Top 100 Public National Universities, according to the 2026 U.S. News & World Report College Rankings. Stockton ranked No. 84 out of 225 public colleges and universities in the nation and No. 158 out of 434 on the Best National Universities list. This is Stockton's fourth year in a row in the national rankings.

Stockton was recognized as one of the top 40 national universities for Social Mobility. This category highlights schools that actively and effectively enroll and graduate large proportions of economically disadvantaged students awarded with Pell grants. Similarly, The Chronicle of Higher Education ranked Stockton among the Top 50 public universities nationally for its graduation rates of Pell Grant-eligible students.

Stockton was also named as a 2026 "Best Regional College" by The Princeton Review. Stockton is included in the Wall Street Journal Best College Rankings for 2025, Washington Monthly's 2025 Best Colleges for Your Tuition (and Tax) Dollars, the Military Times' "Best for Vets: Colleges," Money Magazine's "Best Colleges for Your Money" 2025 edition, and Forbes' 2023 list of "Top Colleges."

Stockton's tuition and fees are competitive with New Jersey's seven other public master's and doctoral colleges and universities - and a great value compared to private institutions. Stockton's flat-rate tuition program enables full-time students to take between 12 and 20 credits and pay the same rate. Students who take 20 credits can graduate sooner and potentially save thousands of dollars on the cost of classes and housing or commuting.

Stockton received an average of 12,500 applications annually over the past three years. 1,487 new freshmen were enrolled for fall 2025. In addition, Stockton enrolled an average of 716 transfer students annually, over the past three years, most entering as juniors from area community colleges. Stockton also enrolled an average of 418 graduate students during the same time.

REQUESTS FOR INFORMATION

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Division of Administration & Finance, Stockton University, 101 Vera King Farris Drive, Galloway, New Jersey 08205.

Stockton University
(A Component Unit of the State of New Jersey)

STATEMENTS OF NET POSITION

June 30,

	2025		2024 (restated)	
	Stockton University	Discretely Presented Component Unit	Stockton University	Discretely Presented Component Unit
	ASSETS			
Current assets				
Cash and cash equivalents	\$ 14,090,066	\$ 889,191	\$ 11,917,701	\$ 978,781
Receivables				
Students, less allowance of \$3,234,735 in 2025 and \$2,565,675 in 2024	1,839,739	-	1,277,743	-
Perkins Loans, less allowance of \$45,916 in 2025 and \$46,185 in 2024	133,982	-	204,948	-
Federal government	3,863,610	-	2,846,536	-
State of New Jersey	1,672,851	-	2,901,066	-
Due from component unit	202,735	-	44,864	-
Lease receivables	247,127	-	216,620	-
Other receivables	<u>6,283,723</u>	<u>1,256,752</u>	<u>5,941,450</u>	<u>989,018</u>
Total receivables	14,243,767	1,256,752	13,433,227	989,018
Investments	9,295,110	2,708,634	8,959,848	2,717,096
Deposits held by bond trustees	15,671,976	-	19,672,464	-
Other current assets	<u>1,822,089</u>	<u>33,347</u>	<u>1,591,754</u>	<u>71,250</u>
Total current assets	55,123,008	4,887,924	55,574,994	4,756,145
Noncurrent assets				
Investments	130,303,021	66,397,382	118,817,568	57,247,071
Deposits held by bond trustees	12,479,775	-	12,349,723	-
Perkins Loans, less allowance of \$66,917 in 2025 and \$56,148 in 2024	195,261	-	249,158	-
Lease receivables	1,118,739	-	1,079,509	-
Other receivables	-	4,638,669	-	5,618,708
Capital assets, net	<u>456,910,884</u>	<u>-</u>	<u>468,149,744</u>	<u>-</u>
Total noncurrent assets	601,007,680	71,036,051	600,645,702	62,865,779
Total assets	<u>\$ 656,130,688</u>	<u>\$ 75,923,975</u>	<u>\$ 656,220,696</u>	<u>\$ 67,621,924</u>
Deferred outflows of resources				
Pension related	\$ 26,585,316	\$ -	\$ 33,652,980	\$ -
Loss on refunding debt	<u>7,410,495</u>	<u>-</u>	<u>7,939,816</u>	<u>-</u>
Total deferred outflows of resources	<u>\$ 33,995,811</u>	<u>\$ -</u>	<u>\$ 41,592,796</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

Stockton University
(A Component Unit of the State of New Jersey)

STATEMENTS OF NET POSITION - CONTINUED

June 30,

	2025		2024 (restated)	
			Stockton University	Discretely Presented Component Unit
	Stockton University	Discretely Presented Component Unit	Stockton University	Discretely Presented Component Unit
LIABILITIES				
Current liabilities				
Accounts payable and accrued expenses	\$ 22,623,282	\$ 65,813	\$ 20,026,297	\$ 66,086
Due to University	-	202,735	-	44,864
Unearned revenue	17,055,498	-	18,992,913	-
Compensated absences	5,821,179	-	5,754,959	-
Leases payable	1,313,674	-	1,203,008	-
SBITAs payable	2,590,670	-	2,023,357	-
Bonds payable	9,829,157	-	9,424,157	-
Other long-term debt	4,167,324	-	3,955,282	-
 Total current liabilities	 63,400,784	 268,548	 61,379,973	 110,950
 Noncurrent liabilities	 	 	 	
Compensated absences	2,044,986	-	2,111,536	-
U.S. government grants refundable	778,084	-	924,405	-
Net pension liability	192,160,452	-	193,778,061	-
Leases payable	2,225,201	-	2,775,814	-
SBITAs payable	3,854,634	-	2,216,753	-
Bonds payable	181,712,353	-	191,541,511	-
Other long-term debt	160,491,873	-	164,885,260	-
 Total noncurrent liabilities	 543,267,583	 -	 558,233,340	 -
 Total liabilities	 <u>\$ 606,668,367</u>	 <u>\$ 268,548</u>	 <u>\$ 619,613,313</u>	 <u>\$ 110,950</u>
 Deferred inflows of resources	 	 	 	
Pension related	\$ 3,852,004	\$ -	\$ 7,298,926	\$ -
Other long-term debt related	1,671,456	-	1,744,128	-
Lease related	1,248,366	-	1,198,780	-
Gain on refunding debt	145,184	-	44,239	-
 Total deferred inflows of resources	 <u>\$ 6,917,010</u>	 <u>\$ -</u>	 <u>\$ 10,286,073</u>	 <u>\$ -</u>
 Net position	 	 	 	
Net investment in capital assets	\$ 107,921,171	\$ -	\$ 109,224,480	\$ -
Restricted				
Nonexpendable	-	36,710,504	-	35,408,371
Expendable				
Scholarships	-	34,808,384	-	28,350,973
Debt service and debt service reserves	12,624,422	-	12,458,557	-
Unrestricted	(44,004,471)	4,136,539	(53,768,931)	3,751,630
 Total net position	 <u>\$ 76,541,122</u>	 <u>\$ 75,655,427</u>	 <u>\$ 67,914,106</u>	 <u>\$ 67,510,974</u>

The accompanying notes are an integral part of these financial statements.

Stockton University
(A Component Unit of the State of New Jersey)

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Years ended June 30,

	2025		2024 (restated)	
	Stockton University	Discretely Presented Component Unit	Stockton University	Discretely Presented Component Unit
Operating revenues				
Student revenues				
Tuition and fees	\$ 148,499,402	\$ -	\$ 142,621,837	\$ -
Auxiliary enterprises	38,958,435	- -	38,682,646	- -
Less: scholarship allowances	(67,995,294)	- -	(65,528,773)	- -
Net student revenues	119,462,543	- -	115,775,710	- -
Federal grants and contracts	8,828,778	- -	7,740,752	- -
State and local grants and contracts	33,254,182	- -	33,945,084	- -
Nongovernmental grants and contracts	1,845,892	- -	2,176,987	- -
Lease revenues	18,903	- -	22,289	- -
Other auxiliary enterprises revenues	3,995,787	- -	4,127,897	- -
Other operating revenues	4,624,204	260,783	4,184,353	334,611
In-kind contributions	- -	1,448,668	- -	1,323,749
Total operating revenues	172,030,289	1,709,451	167,973,072	1,658,360
Operating expenses				
Instruction	72,515,181	- -	70,134,042	- -
Research	1,721,926	- -	2,274,513	- -
Public service	11,576,578	- -	9,766,189	- -
Academic support	25,753,963	- -	23,886,170	- -
Student services	28,553,194	- -	27,506,776	- -
Institutional support	45,209,215	1,524,218	46,307,622	1,499,425
Operation and maintenance of plant	24,877,332	- -	25,235,781	- -
Student aid	14,896,672	1,517,426	14,677,935	1,379,265
Auxiliary enterprises	27,813,301	- -	27,092,644	- -
Depreciation	19,697,459	- -	20,005,539	- -
Amortization	4,890,905	- -	4,568,546	- -
OPEB benefit	(5,398,791)	- -	(8,368,332)	- -
In-kind expense	- -	1,448,668	- -	1,323,749
Total operating expenses	272,106,935	4,490,312	263,087,425	4,202,439
Operating loss	(100,076,646)	(2,780,861)	(95,114,353)	(2,544,079)
Nonoperating revenues (expenses)				
State of New Jersey appropriations	45,109,000	- -	42,179,000	- -
State of New Jersey appropriations - fringe benefits	43,659,947	- -	41,773,027	- -
State of New Jersey - OPEB	(5,398,791)	- -	(8,368,332)	- -
Pell grants	24,277,100	- -	20,096,300	- -
Gifts and contributions	- -	2,343,651	- -	1,738,593
Investment return, net	11,925,632	7,279,530	13,356,897	6,628,817
Loss on disposal of capital assets	(18,475)	- -	(20,896)	- -
Interest on capital related debt	(13,295,626)	- -	(13,824,516)	- -
Other nonoperating expense	(263,440)	- -	(259,136)	- -
Total nonoperating revenues, net	105,995,347	9,623,181	94,932,344	8,367,410
Other revenues				
Capital grant revenue	2,708,315	- -	1,168,867	- -
Additions to permanent endowments	- -	1,302,133	- -	1,062,177
Total other revenues	2,708,315	1,302,133	1,168,867	1,062,177
INCREASE IN NET POSITION				
Net position - beginning of year	67,914,106	67,510,974	69,402,963	60,625,466
Restatement for adoption of GASB 101	- -	- -	(2,475,715)	- -
Net position - end of year	\$ 76,541,122	\$ 75,655,427	\$ 67,914,106	\$ 67,510,974

The accompanying notes are an integral part of these financial statements.

Stockton University
(A Component Unit of the State of New Jersey)

STATEMENTS OF CASH FLOWS
(BUSINESS-TYPE ACTIVITIES - UNIVERSITY ONLY)

Years ended June 30,

	2025	2024 (restated)
Cash flows from operating activities:		
Student revenue	\$ 123,645,776	\$ 120,184,751
Grants and contracts	46,848,308	43,562,313
Payments to suppliers	(68,410,165)	(77,935,876)
Payments for employee salaries and benefits	(180,896,401)	(168,119,138)
Other receipts	<u>11,957,686</u>	<u>13,494,406</u>
Net cash flows used in operating activities	<u>(66,854,796)</u>	<u>(68,813,544)</u>
Cash flows from noncapital financing activities:		
Receipts from State of New Jersey appropriations	81,384,631	76,095,783
Pell grants	24,277,100	20,096,300
Payments made for other nonoperating expenses	<u>(263,440)</u>	<u>(259,136)</u>
Net cash flows provided by noncapital financing activities	<u>105,398,291</u>	<u>95,932,947</u>
Cash flows from capital and related financing activities:		
Capital grant (uses) proceeds	(2,708,315)	13,355,608
Principal paid on capital debt	(13,910,186)	(10,252,881)
Purchases of capital assets	(12,994,904)	(12,839,571)
Loss on sale of capital assets	(18,475)	(20,896)
Other long-term debt	(72,672)	(72,672)
Interest paid on capital debt	(12,521,828)	(7,804,365)
Leases	1,814,833	4,067,298
Change in deposits held by bond trustees	<u>3,870,436</u>	<u>(20,861,287)</u>
Net cash flows used in capital and related financing activities	<u>(36,541,111)</u>	<u>(34,428,766)</u>
Cash flows from investing activities:		
Proceeds from sales of investments	38,345,984	30,131,583
Purchases of investments	<u>(42,330,382)</u>	<u>(26,331,003)</u>
Earnings from investments	<u>4,154,379</u>	<u>3,419,326</u>
Net cash flows provided by investing activities	<u>169,981</u>	<u>7,219,906</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,172,365	(89,457)
Cash and cash equivalents as of beginning of year	<u>11,917,701</u>	<u>12,007,158</u>
Cash and cash equivalents as of end of year	<u>\$ 14,090,066</u>	<u>\$ 11,917,701</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (100,076,646)	\$ (95,114,353)
Adjustments to reconcile operating loss to net cash used in operating activities:		
State-paid fringe benefit expense	7,384,315	7,856,244
OPEB benefit	(5,398,791)	(8,368,332)
Depreciation	19,697,459	20,005,539
Amortization	4,890,905	4,568,546
Capital grant revenue	2,708,315	1,168,867
Change in assets and liabilities:		
Receivables	(860,936)	2,007,195
Other assets	(230,335)	264,397
Accounts payable and accrued expenses	2,403,536	618,585
Unearned revenue	770,900	358,543
Compensated absences	(330)	659,188
Deferred outflows/inflows of resources related to pensions	3,620,742	(3,146,743)
Net pension liability	(1,617,609)	503,707
U.S. government grants refundable	<u>(146,321)</u>	<u>(194,927)</u>
Net cash used in operating activities	<u>\$ (66,854,796)</u>	<u>\$ (68,813,544)</u>
Supplemental disclosure of noncash capital financing activity:		
Change in capital asset additions in accounts payable	<u>\$ 354,600</u>	<u>\$ (817,227)</u>

The accompanying notes are an integral part of these financial statements.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Stockton University (the “University”) is primarily an undergraduate university of arts, sciences, and professional studies that provides undergraduate programs, including traditional and alternative approaches to education. The operations of management are vested in the University’s Board of Trustees. In 1986, State College Autonomy legislation was enacted, which granted certain fiscal and financial responsibility to the University Board of Trustees. In 1994, the Higher Education Restructuring Act further expanded the role of the Board of Trustees. Under the law, the University is an instrumentality of the State of New Jersey with a high degree of autonomy. However, for financial reporting purposes, the University is considered a discretely presented component unit of the State of New Jersey. Accordingly, the University’s financial statements are included in the State of New Jersey’s Annual Comprehensive Financial Report. The University is exempt from federal income taxes under Internal Revenue Code Section 115.

In accordance with GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an Amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units - an Amendment of GASB Statement No. 14*, GASB Statement No. 80, *Blending Requirements for Certain Component Units - an Amendment of GASB Statement No. 14*, and GASB Statement No. 14, *The Financial Reporting Entity*, the University has determined that the Stockton University Foundation (the “Foundation”) should be included in the University’s financial statements as a discretely presented component unit. A component unit is a legally separate organization for which the primary institution is financially accountable or to which the primary institution is closely related.

The Foundation is a legally separate, tax-exempt component unit of the University. The Foundation has received a determination letter from the Internal Revenue Service concluding that it is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation acts primarily as a fundraising entity to supplement the resources that are available to the University in support of its programs. The Board of Directors of the Foundation, which consists of at least five and no more than 40 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 investments that 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, the Foundation is considered a component unit of the University and is discretely presented in the University’s financial statements.

Separately issued financial statements are available for the Foundation by contacting the University Controller’s Office.

Basis of Presentation

The University’s financial statements have been prepared on the accrual basis of accounting using the economic resources measurement focus, in accordance with accounting principles generally accepted in the United States of America as promulgated by GASB.

Use of Estimates

The financial statements include estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the statements of net position dates, as well as the reported amounts of revenues and expenses for the fiscal years then ended. Significant estimates include but are not limited to depreciation, other post-retirement benefits, allowance for doubtful accounts, pension liabilities, and investments. Actual results could differ from those estimates.

Stockton University
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

Cash and Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and mature in three months or less from the date of purchase.

The University invests a certain portion of its cash in the State of New Jersey Cash Management Fund. This is an interest-bearing account from which funds are available upon demand.

Investments and Deposits Held with Trustees

The University follows the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Investments traded in active markets are recorded at fair value, based on quoted market prices. Hedge and other investment funds are carried at estimated fair value based on the net asset values reported by the fund managers, which are reviewed by management for reasonableness. Those estimated fair values may differ from the values that would have been used had a ready market for these securities existed.

Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, changes in the values of investment securities could occur. In the near term, such changes could materially affect the amounts reported in the financial statements.

Capital Assets

Capital assets are recorded at historical cost if purchased or constructed. Although legal title to certain academic buildings and equipment remains with the State of New Jersey, the University has been given exclusive use of the buildings and equipment through enabling legislation and has included their cost in the accompanying financial statements. The University currently does not pay any rental fees to the State of New Jersey in connection with the aforementioned buildings and equipment and has not included any amount as revenue or expense in the accompanying financial statements of the University.

Depreciation is calculated on the straight-line basis. The University's capital assets policy establishes the following capitalization thresholds and estimated useful lives:

Asset Category	Useful Life	Capital Threshold
Buildings	40 to 60 Years	\$ 100,000
Infrastructure	20 to 40 Years	10,000
Land improvements	10 to 25 Years	10,000
Equipment	3 to 15 Years	5,000

Library book purchases are expensed annually.

Lease Receivables

Lease receivables are recorded by the University as the present value of lease payments expected to be received under all leases other than those that are short term. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. Short-term leases, those with a maximum period of 12 months, are recognized as collected.

Stockton University
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

Right-to-Use Assets

Right-to-use assets are recognized at the lease or subscription agreement commencement date and represent the University's right to use an underlying asset for the lease or subscription term. Right-to-use assets are measured at the initial value of the lease or subscription liability plus any payments made by the University before commencement and initial direct costs and are included within capital assets, net in the statement of net position.

Compensated Absences

The University records a liability for compensated absences in accordance with GASB Statement No. 101, *Compensated Absences*. A liability is recognized for leave that is attributable to services already rendered, accumulates from year to year, and is more likely than not to be used or paid. The liability is measured at current value as of June 30 based on employee accumulated leave balances, pay rates, and directly related fringe benefits (when applicable). Applicable leave time for the University includes vacation, sick, compensatory, and paid leave bank. During fiscal year 2010, bargaining unit employees were required to take unpaid furlough days. Three of these days were banked for either future use or pay out upon separation; any balance is reflected as paid leave bank time in an employee's leave record.

In accordance with University policy, a retiring employee may receive a payout equal to one-half of their unused sick leave balance upon retirement up to a maximum of \$15,000. To calculate the portion of the compensated absences liability attributed to sick leave, the University used probability-based models that incorporate historical usage patterns, employee retention assumptions, and this maximum payout limitation. The use of probability-based modeling ensures that reported liability attributed to sick leave represents a realistic measure of the University's future financial obligations.

As of June 30, 2025, the total liability for compensated absences was \$7,866,165, consisting of \$5,821,179 classified as current and \$2,044,986 classified as noncurrent. As a result of the implementation of GASB Statement No. 101, *Compensated Absences*, for the year ending June 30, 2024, and the related restatement, an adjustment of \$2,475,715 was made to increase both current and noncurrent liabilities. After the restatement, as of June 30, 2024, the total liability for compensated absences was \$7,866,495, consisting of \$5,754,959 classified as current and \$2,111,536 classified as noncurrent.

Leases Payable, Net

Lease liabilities represent the University's obligation to make lease payments arising from leases other than short term leases. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments over the remaining lease term. Present value of lease payments are discounted based on a borrowing rate determined by the University. Short-term leases, those with a maximum period of 12 months, are expensed as incurred.

SBITAs Payable, Net

Subscription-based information technology ("SBITA") liabilities represent the University's obligation to make subscription payments arising from information technology subscriptions other than short-term subscriptions. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments over the remaining subscription term. Present value of subscription payments are discounted based on a borrowing rate determined by the University. Short-term subscriptions, those with a maximum period of 12 months, are expensed as incurred.

Stockton University
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

Deferred Outflows and Inflows of Resources

Deferred outflows of resources are defined as a consumption of net assets that are applicable to a future reporting period. Deferred inflows of resources are defined as an acquisition of net assets that are applicable to a future reporting period. Deferred inflows and deferred outflows of resources include differences between expected or projected results related to the University's proportionate share of net pension liability and contributions made to the pension systems subsequent to the measurement date. Deferred outflows and inflows of resources also include gains and losses resulting from refinancing of debt, which represents the difference between the reacquisition price and the net carrying amount of the old debt and are amortized over the life of the related debt. Deferred inflows also include an amount recorded as a result of the University utilizing a portion of the Atlantic County Improvement Authority's Series 2016A Bonds towards the Atlantic City Academic project and amounts related to leases.

Net Pension and Other Postretirement Liabilities

The University is required to report its proportionate share of the pension and other postretirement plans' activities for the plans in which it participates. For the purposes of measuring the net pension and other postretirement liabilities, deferred outflows of resources and deferred inflows of resources related to pension and other postretirement liabilities, and pension and other postretirement expense, information about the fiduciary net position of the pension and other postretirement plans, and additions and deductions from the pension and other postretirement plans' fiduciary net position have been determined on the same basis as they are reported to the University by those plans.

Classification of Net Position

The University classifies its resources into the following net position categories:

- Net investment in capital assets contains the land and land improvements, buildings and building improvements, equipment and other assets, and construction in progress of the University, net of depreciation, and the indebtedness incurred to finance their acquisition and construction, as well as capital assets acquired through research grants and contracts whose title remains with the University at the conclusion of the grant or contract period with the permission of the grantor;
- Restricted nonexpendable net position is comprised of donor-restricted endowment funds. Endowments are subject to restrictions of gift instruments requiring that the principal be invested in perpetuity;
- Restricted expendable net position includes gifts that are restricted to use for specific purposes by the donor, capital grants and gifts, endowment income and appreciation, and other restricted resources. Funds that are restricted are utilized only for the specified purposes; and
- Unrestricted net position is derived principally from student tuition and fees, gifts and bequests, and investment income, and is spent to meet the objectives of the University. The University's policy is to first utilize available restricted expendable, and then unrestricted resources in the conduct of its operations.

Classification of Revenues and Expenses

The University's policy for defining operating activities in the statements of revenues, expenses, and changes in net position are those that serve the University's principal purpose and generally result from exchange transactions such as payments received for services and payments made for the purchase of goods and services. Examples include (1) student tuition and fees, net of scholarship allowances, (2) sales

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

and services of auxiliary enterprises, and (3) federal, state, and local grants and contracts. Nonoperating revenues and expenses include activities that have the characteristics of non-exchange transactions, such as appropriations from the State of New Jersey, Pell grants, investment income and other activity that does not meet the definition of an operating activity. Other revenues arise from non-exchange transactions which provide funding for acquisitions of capital assets and additions to permanent endowments.

Interest expense is reported as a nonoperating activity.

Revenue Recognition

Student revenues are presented in the statements of revenues, expenses, and changes in net position, net of scholarships applied to student accounts, while other payments made directly to students are presented as student aid expenses and are recognized in the period earned. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University and the amount that is paid by students and/or third parties making payments on students' behalf to the extent revenues from such programs are used to satisfy tuition and fees and other student services. Student revenues collected in advance of the fiscal year are recorded as deferred revenue in the statements of net position.

Federal, state, and local grant and contract revenue is comprised mainly of grant revenues received from the federal government and the State of New Jersey and is recognized as the related expenses are incurred. Amounts received from grants, which have not yet been earned under the terms of the agreement, are recorded as deferred revenue in the statements of net position.

Investment income, which includes interest, dividends, and realized and unrealized gains and losses, is recognized on an accrual basis. Gains and losses on investments are determined using specific identification, except for mutual funds, which are based on average cost.

Gifts and bequests are recorded upon receipt by the University. Pledges, other than endowment, are recognized as gift income and recorded at their present value. Additions to permanent endowments are recognized upon their receipt.

Risk Management

The University carries commercial insurance covering its risks of loss related to real and personal property, personal injuries, torts, errors and omissions, environmental damage, and natural and other unforeseen disasters.

Recently Adopted Accounting Standards

The University's statements and notes for fiscal year 2025 and 2024 as presented herein reflect the adoption of GASB Statement No. 101, *Compensated Absences*, as of July 1, 2024. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. A liability is recognized for leave time that is attributable to services already rendered, accumulates, and is more likely than not to be used or paid. The liability is measured using the employee's pay rate as of the financial statement date. As a result of this adoption, the financial statements for the year ended June 30, 2024 were restated which reduced unrestricted net position and total net position both by \$2,475,715 with an offsetting increase to short-term and long-term liabilities.

In December 2023, GASB issued Statement 102, *Certain Risk Disclosures* ("GASB 102"). GASB 102 improves financial reporting by requiring disclosures of certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

impact. The requirements of GASB 102 are effective for periods beginning after June 15, 2024, and all reporting periods thereafter. The implementation of GASB 102 did not have an immediate impact on the University's financial statements as there were no events that met the GASB 102 criteria for required reporting.

Pending Accounting Standard

In April 2024, GASB issued Statement 103, *Financial Reporting Model Improvements* ("GASB 103"). The requirements of this Statement are effective for periods beginning after June 15, 2025, and all reporting periods thereafter. The University is in the process of determining what, if any, impact implementation of this standard may have on the financial statements.

NOTE 2 - CASH AND CASH EQUIVALENTS, INVESTMENTS AND DEPOSITS HELD BY BOND TRUSTEES

Cash and Cash Equivalents

Cash and cash equivalents consisted of the following as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents:		
Cash (bank accounts)	\$ 13,996,813	\$ 11,828,646
New Jersey Cash Management Fund	<u>93,253</u>	<u>89,055</u>
 Total	 <u>\$ 14,090,066</u>	 <u>\$ 11,917,701</u>

Cash balances maintained by banks amounted to \$16,641,323 and \$13,807,643 as of June 30, 2025 and 2024, respectively, of which \$250,000 are Federal Deposit Insurance Corporation insured. Bank balances in excess of insured amounts of \$16,391,323 and \$13,557,643 as of June 30, 2025 and 2024, respectively, were collateralized in accordance with Chapter 64 of Title 18A of New Jersey Statutes.

The University participates in the State of New Jersey Cash Management Fund wherein amounts also contributed by other State entities are combined into a large-scale investment program. The cash management fund is unrated. Statutes of the State of New Jersey ("Statutes") and Regulations of the State Investment Council ("Regulations") authorize the New Jersey Division of Investment to invest in obligations of the U.S. Treasury, agencies and municipal or political subdivisions of the State, commercial paper, bankers' acceptances, revenue obligations of public authorities, debt instruments of banks, collateralized notes and mortgages, certificates of deposit, repurchase agreements, equity, convertible equity securities, and other common types of investment securities. Investee institutions and organizations are prescribed by the Statutes and Regulations based on such criteria as minimum capital, dividend paying history, credit history, and other evaluation factors.

Stockton University
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

Investments

Investments, at fair value, consisted of the following as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Money market accounts	\$ 8,696,553	\$ 10,899,942
U.S. Treasury and agency obligations	2,361,056	1,607,544
Corporate bonds	1,449,888	1,634,335
U.S. government bonds	-	328,667
Stocks	4,839,579	4,273,176
Mutual funds	102,006,308	90,849,334
Alternative investments	<u>20,244,747</u>	<u>18,184,418</u>
 Total	 <u>\$ 139,598,131</u>	<u>\$ 127,777,416</u>

The University's investments are subject to custodial credit risk, credit risk, concentration of credit risk and interest rate risk. Each one of these risks is described in more detail below.

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

Credit risk is the risk that an investment issuer or other counterparty to an investment will not fulfill its obligations. GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires that disclosure be made as to the credit rating of all fixed income securities except obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. The credit risk of a debt instrument is measured by nationally recognized statistical rating agencies such as Moody's, Fitch or Standard and Poor's ("S&P").

Concentration of credit risk is the risk associated with the amount of investments the University has with any one issuer or agreement with a counterparty that exceeds 5% or more of its total investments. The University's investment policy provides guidance pertaining to the diversification of the investment portfolio. The University's investment policy requires each investment manager to develop and propose a diversification strategy to the University's Investment Committee. The Investment Committee's agreement to the proposed strategy will not alter the investment manager's responsibility for the results of pursuing that diversification strategy.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The University's investment policy provides limitations in the maturities and composition of the various types of investments as a means of managing its exposure to fair value losses arising from interest rate fluctuations.

Stockton University
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

The following tables present the University's credit and interest rate risk on its fixed-income investments as of June 30, 2025 and 2024:

Investment Type	S&P Ratings	June 30, 2025 Investment Maturities (in Years)			Greater than 2
		Fair Value	Less than 1	1 to 2	
U.S. Treasury and agency obligations	A-1+, AA+	\$ 2,361,056	\$ 1,125,052	\$ 204,791	\$ 1,031,213
Corporate bonds	AA- to BB-	1,449,888	114,771	113,316	1,221,801
Total		\$ 3,810,944	\$ 1,239,823	\$ 318,107	\$ 2,253,014
June 30, 2024 Investment Maturities (in Years)					
Investment Type	S&P Ratings	Fair Value	Less than 1	1 to 2	Greater than 2
U.S. Treasury and agency obligations	A-1+, AA+	\$ 1,607,544	\$ 1,120,392	\$ 125,673	\$ 361,479
Corporate bonds	AA+ to B-	1,634,335	153,384	228,409	1,252,542
U.S. government bonds	AA+	328,667	52,385	-	276,282
Total		\$ 3,570,546	\$ 1,326,161	\$ 354,082	\$ 1,890,303

Fair value measurements and disclosures provide the framework for measuring fair value. Fair value is defined as the price that would be received to sell an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework established for measuring fair value includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Valuation techniques require maximization of observable inputs and minimization of unobservable inputs.

The levels of the fair value hierarchy are as follows:

- Level 1 - Quoted prices are available in active markets for identical assets or liabilities. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.
- Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable. The nature of these securities includes investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed.
- Level 3 - Securities that have little to no pricing observability. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation. Also included in Level 3 are investments measured using a net asset value ("NAV") per share, or its equivalent, that cannot be redeemed at the NAV or for which redemption at NAV is uncertain due to lockup periods or other investment restrictions.

Stockton University
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

The financial instruments' level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement and does not necessarily correspond to the University's perceived risk of such investment.

The following table sets forth, by level, the University's investments at fair value within the fair value hierarchy as of June 30, 2025:

	Fair Value	Level 1	NAV
Investments by fair value level			
U.S. Treasury and agency obligations	\$ 2,361,056	\$ 2,361,056	\$ -
Debt mutual funds	54,501,323	54,501,323	-
Money market accounts	8,696,553	8,696,553	-
Domestic corporate bonds	1,335,629	1,335,629	-
Foreign corporate bonds	<u>114,259</u>	<u>114,259</u>	-
 Total debt securities	 67,008,820	 67,008,820	 -
 Other securities			
Equity mutual funds	47,504,985	47,504,985	-
Domestic stocks	1,591,866	1,591,866	-
Foreign stocks	<u>3,247,713</u>	<u>3,247,713</u>	-
 Total investments, by fair value level	 <u>119,353,384</u>	 <u>119,353,384</u>	 -
 Investments measured at NAV			
Hedge funds - diversifying	1,010,841	-	1,010,841
Limited partnerships	<u>19,233,906</u>	-	<u>19,233,906</u>
 Total investments, measured at NAV	 <u>20,244,747</u>	 -	 20,244,747
 Total investments, measured at fair value	 <u>\$ 139,598,131</u>	 <u>\$ 119,353,384</u>	 <u>\$ 20,244,747</u>

The following table lists investments measured at NAV by major investment category as of June 30, 2025:

	2025 Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Hedge funds - diversifying	\$ 1,010,841	\$ -	Quarterly	60 to 65 days
Limited partnerships	<u>19,233,906</u>	<u>-</u>	N/A	N/A
 Total investments, measured at NAV	 <u>\$ 20,244,747</u>	 <u>\$ -</u>		

Stockton University
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

The following table sets forth, by level, the University's investments at fair value within the fair value hierarchy as of June 30, 2024:

	Fair Value	Level 1	NAV
Investments by fair value level			
U.S. Treasury and agency obligations	\$ 1,607,544	\$ 1,607,544	\$ -
U.S. government bonds	328,667	328,667	-
Debt mutual funds	45,717,509	45,717,509	-
Money market accounts	10,899,942	10,899,942	-
Domestic corporate bonds	1,550,776	1,550,776	-
Foreign corporate bonds	<u>83,559</u>	<u>83,559</u>	-
 Total debt securities	 60,187,997	 60,187,997	 -
 Other securities			
Equity mutual funds	45,131,825	45,131,825	-
Domestic stocks	1,529,486	1,529,486	-
Foreign stocks	<u>2,743,690</u>	<u>2,743,690</u>	-
 Total investments, by fair value level	 <u>109,592,998</u>	 <u>109,592,998</u>	 -
 Investments measured at NAV			
Hedge funds - diversifying	930,024	-	930,024
Limited partnerships	<u>17,254,394</u>	-	<u>17,254,394</u>
 Total investments, measured at NAV	 <u>18,184,418</u>	 -	 <u>18,184,418</u>
 Total investments, measured at fair value	 <u>\$ 127,777,416</u>	 <u>\$ 109,592,998</u>	 <u>\$ 18,184,418</u>

The following table lists investments measured at NAV by major investment category as of June 30, 2024 as follows:

	2024 Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Hedge funds - diversifying	\$ 930,024	\$ -	Quarterly	60 to 65 days
Limited partnerships	<u>17,254,394</u>	-	N/A	N/A
 Total investments, measured at NAV	 <u>\$ 18,184,418</u>	 -		

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

Deposits Held by Bond Trustees

Deposits held by bond trustees include restricted funds held by board-approved trustees. Deposits held by bond trustees are carried in the accompanying financial statements at fair value, as determined by quoted market prices, and consist primarily of cash and cash equivalents. As of June 30, 2025 and 2024, deposits held by bond trustees included the following:

	<u>2025</u>	<u>2024</u>
Deposits held by bond trustees	<u>\$ 28,151,751</u>	<u>\$ 32,022,187</u>

The deposits held by trustees are held primarily in U.S. Treasury bills for debt service requirements and are considered Level 1 inputs.

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

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The above investments are current in nature, and interest rate risk is minimal, if any.

As of June 30, 2025 and 2024, deposits held by bond trustees were composed of funds held for the following purposes:

	<u>2025</u>	<u>2024</u>
Debt service and debt service reserves	\$ 12,479,775	\$ 12,349,723
State capital grant programs	<u>15,671,976</u>	<u>19,672,464</u>
Total	<u>\$ 28,151,751</u>	<u>\$ 32,022,187</u>

Stockton University
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 consisted of the following:

	July 1, 2024	Additions	Retirements and Adjustments	June 30, 2025
Nondepreciable assets:				
Land	\$ 12,801,114	\$ -	\$ -	\$ 12,801,114
Construction in progress	2,840,352	5,847,680	-	8,688,032
Works of art	1,807,158	-	-	1,807,158
Total nondepreciable assets	17,448,624	5,847,680	-	23,296,304
Depreciable assets:				
Land improvements	24,100,298	-	-	24,100,298
Buildings and improvements	459,354,187	-	-	459,354,187
Leasehold improvements	147,135,833	-	-	147,135,833
Infrastructure	37,743,743	-	-	37,743,743
Equipment	49,040,598	971,952	(11,076,138)	38,936,412
Right-to-use asset - building	1,267,801	744,524	-	2,012,325
Right-to-use asset - equipment	4,665,554	101,514	(66,879)	4,700,189
Right-to-use asset - subscriptions	10,919,202	5,713,342	(4,399,247)	12,233,297
Total depreciable assets	734,227,216	7,531,332	(15,542,264)	726,216,284
Less accumulated depreciation/amortization:				
Land improvements	12,183,396	675,901	-	12,859,297
Buildings and improvements	187,036,957	10,875,067	-	197,912,024
Leasehold improvements	18,329,819	4,906,353	-	23,236,172
Infrastructure	18,884,725	740,831	-	19,625,556
Equipment	39,154,355	2,499,308	(11,053,412)	30,600,251
Right-to-use asset - building	883,171	317,497	-	1,200,668
Right-to-use asset - equipment	1,107,550	1,042,804	(66,802)	2,083,552
Right-to-use asset - subscriptions	5,946,123	3,530,603	(4,392,542)	5,084,184
Total accumulated depreciation/amortization	283,526,096	24,588,364	(15,512,756)	292,601,704
Depreciable assets, net	450,701,120	(17,057,032)	(29,508)	433,614,580
Capital assets, net	\$ 468,149,744	\$ (11,209,352)	\$ (29,508)	\$ 456,910,884

Stockton University
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

Capital asset activity for the year ended June 30, 2024 consisted of the following:

	July 1, 2023	Additions	Retirements and Adjustments	June 30, 2024
Nondepreciable assets:				
Land	\$ 12,802,693	\$ -	\$ (1,579)	\$ 12,801,114
Construction in progress	80,369,927	3,647,846	(81,177,421)	2,840,352
Works of art	1,807,158	-	-	1,807,158
Total nondepreciable assets	94,979,778	3,647,846	(81,179,000)	17,448,624
Depreciable assets:				
Land improvements	20,901,278	3,199,020	-	24,100,298
Buildings and improvements	454,418,022	4,936,165	-	459,354,187
Leasehold improvements	82,310,333	64,825,500	-	147,135,833
Infrastructure	33,338,377	4,405,366	-	37,743,743
Equipment	46,521,001	3,280,204	(760,607)	49,040,598
Right-to-use asset - building	1,167,814	99,987	-	1,267,801
Right-to-use asset - equipment	3,611,940	4,481,467	(3,427,853)	4,665,554
Right-to-use asset - subscriptions	7,872,087	4,756,492	(1,709,377)	10,919,202
Total depreciable assets	650,140,852	89,984,201	(5,897,837)	734,227,216
Less accumulated depreciation/amortization:				
Land improvements	11,447,029	736,367	-	12,183,396
Buildings and improvements	176,178,636	10,858,321	-	187,036,957
Leasehold improvements	13,423,467	4,906,352	-	18,329,819
Infrastructure	18,191,380	693,345	-	18,884,725
Equipment	37,074,986	2,811,154	(731,785)	39,154,355
Right-to-use asset - building	641,500	241,671	-	883,171
Right-to-use asset - equipment	3,348,835	1,109,996	(3,351,281)	1,107,550
Right-to-use asset - subscriptions	4,113,312	3,216,879	(1,384,068)	5,946,123
Total accumulated depreciation/amortization	264,419,145	24,574,085	(5,467,134)	283,526,096
Depreciable assets, net	385,721,707	65,410,116	(430,703)	450,701,120
Capital assets, net	\$ 480,701,485	\$ 69,057,962	\$ (81,609,703)	\$ 468,149,744

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

NOTE 4 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

As of June 30, 2025 and 2024, accounts payable and accrued expenses consisted of the following:

	<u>2025</u>	<u>2024</u>
Accounts payable, construction	\$ 763,334	\$ 408,734
Accounts payable, other	7,081,018	5,693,152
Accrued salaries, fringe benefits and withholdings	10,052,304	9,036,634
Accrued interest on bonds payable, other long-term debt, leases, and SBITAs	<u>4,726,626</u>	<u>4,887,777</u>
 Total	 <u>\$ 22,623,282</u>	 <u>\$ 20,026,297</u>

NOTE 5 - STATE PAID FRINGE BENEFITS

The State of New Jersey, through separate appropriations, pays certain fringe benefits (principally health insurance and Federal Insurance Contributions Act taxes) on behalf of University employees. Such benefits amounted to \$43,659,947 and \$41,773,027 for the years ended June 30, 2025 and 2024, respectively, and are included in both the State of New Jersey appropriations revenue and operating expenses in the accompanying financial statements.

NOTE 6 - RETIREMENT PROGRAMS

General Information about Pension Plans

The University participates in several retirement plans covering its employees - the Public Employees' Retirement System ("PERS"), the Police and Firemen's Retirement System ("PFRS"), and the Alternate Benefit Program ("ABP"), which are administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). PERS and PFRS are defined benefit pension plans, and ABP is a defined contribution pension plan. Generally, all employees, except certain part-time employees, participate in one of these plans.

The State issues a publicly available Annual Comprehensive Financial Report of the State of New Jersey, Division of Pensions and Benefits, which includes financial statements and required supplementary information for PERS and PFRS. These reports can be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295, or obtained at www.nj.gov/treasury/pensions.

Defined Benefit Plans

Public Employees' Retirement System

PERS is a cost-sharing, multiple-employer defined benefit pension plan which provides coverage to substantially all full-time employees and certain part-time employees of the State or public agencies who are not members of another State-administered retirement system.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

Membership is mandatory for eligible employees. The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits, including post-retirement health care benefits. All benefits vest after 10 years of service, except for health care benefits, which vest after 25 years of service or under the disability provisions of PERS. Benefits are determined by member's tier (based on date of enrollment), as defined in the PERS plan documents, member's age, years of service, and final compensation.

The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. The current employee contribution rate is 7.5% of base salary. Employer contributions are based on an actuarially determined rate, which was 30.1% and 32.9% of annual covered payroll for the years ended June 30, 2025 and 2024, respectively. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The State's contribution on behalf of the University ("State Contribution") to PERS for the years ended June 30, 2025 and 2024 was \$11,992,916 and \$12,229,230, respectively, which is recognized as a deferred outflow of resources in the statements of net position.

Police and Firemen's Retirement System

PFRS is a cost-sharing multiple-employer defined benefit pension plan which provides coverage for substantially all permanent, full-time police officers and firemen in the State.

Membership is mandatory for eligible employees. The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death, and disability benefits, including post-retirement health care benefits. All benefits vest after 10 years of service, except for health care benefits, which vest after 25 years of service and disability benefits which vest after four years of service. Benefits are determined by member's tier (based on date of enrollment), as defined in the PFRS plan documents, member's age, years of service, and final compensation.

The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. The current employee contribution rate is 10.0% of base salary. Employer contributions are based on an actuarially determined rate, which was 89.9% and 96.0% of annual covered payroll for the years ended June 30, 2025 and 2024, respectively. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The State contribution to PFRS for the years ended June 30, 2025 and 2024 was \$1,031,843 and \$746,338, respectively, which is recognized as a deferred outflow of resources in the statements of net position.

Stockton University
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

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

Net pension liability, pension expense, deferred outflows of resources, and deferred inflows of resources amounts recorded to reflect the provisions of GASB 68 are reflective of the respective plan's published financial statements and actuarial valuations as of June 30, 2024 ("Measurement Date"). The University's respective net pension liability, deferred outflows of resources, deferred inflows of resources, and net pension expense related to PERS and PFRS, at and for the fiscal year ended June 30, 2025, are as follows:

	PERS	PFRS	Total
Proportionate share of the net pension liability (\$)			
2024	\$ 182,948,365	\$ 9,212,087	\$ 192,160,452
2023	182,554,780	11,223,281	193,778,061
2022	181,610,259	11,664,095	193,274,354
2021	172,451,219	11,086,359	183,537,578
2020	171,147,251	9,374,648	180,521,899
2019	164,700,547	10,173,510	174,874,057
2018	164,511,244	17,849,912	182,361,156
2017	186,353,409	9,167,389	195,520,798
2016	199,651,829	6,341,900	205,993,729
2015	157,129,973	6,709,530	163,839,503
2014	129,367,998	6,515,401	135,883,399
Proportionate share of the net pension liability (%)			
2024	0.825%	0.210%	
2023	0.813%	0.254%	
2022	0.811%	0.270%	
2021	0.797%	0.273%	
2020	0.770%	0.218%	
2019	0.716%	0.242%	
2018	0.694%	0.412%	
2017	0.727%	0.209%	
2016	0.679%	0.135%	
2015	0.662%	0.156%	
2014	0.643%	0.183%	
Deferred outflows of resources	\$ 24,235,804	\$ 2,349,512	\$ 26,585,316
Deferred inflows of resources	\$ 1,338,546	\$ 2,513,458	\$ 3,852,004
Net pension expense	\$ 17,410,984	\$ 658,023	\$ 18,069,007

The University's proportionate share of each respective plan's net pension liability at each year was based on the State contribution relative to the total contributions for that year from all participating employers.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

The components of pension-related deferred outflows of resources and deferred inflows of resources at the Measurement Date for the fiscal year ended June 30, 2025 are as follows:

	PERS	PFRS	Total
Deferred outflows of resources:			
Differences between expected and actual experience	\$ 3,619,129	\$ 287,295	\$ 3,906,424
Changes of assumptions	99,657	4,762	104,419
Net differences between projected and actual investment earnings on pension plan investments	602,559	98,387	700,946
Changes in proportionate share	5,850,887	918,852	6,769,739
Contributions subsequent to the measurement date	<u>14,063,572</u>	<u>1,040,216</u>	<u>15,103,788</u>
Total	<u>\$ 24,235,804</u>	<u>\$ 2,349,512</u>	<u>\$ 26,585,316</u>
Deferred inflows of resources:			
Differences between expected and actual experience	\$ 367,454	\$ 87,005	\$ 454,459
Changes of assumptions	971,092	87,074	1,058,166
Changes in proportionate share	<u>-</u>	<u>2,339,379</u>	<u>2,339,379</u>
Total	<u>\$ 1,338,546</u>	<u>\$ 2,513,458</u>	<u>\$ 3,852,004</u>

Stockton University
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

The components of pension related deferred outflows of resources and deferred inflows of resources at the Measurement Date for the fiscal year ended June 30, 2024 are as follows:

	PERS	PFRS	Total
Deferred outflows of resources:			
Differences between expected and actual experience	\$ 4,047,614	\$ 313,376	\$ 4,360,990
Changes of assumptions	185,043	8,421	193,464
Net differences between projected and actual investment earnings on pension plan investments	2,792,256	273,385	3,065,641
Changes in proportionate share	8,785,022	1,524,398	10,309,420
Contributions subsequent to the measurement date	<u>14,387,005</u>	<u>1,336,460</u>	<u>15,723,465</u>
Total	<u>\$ 30,196,940</u>	<u>\$ 3,456,040</u>	<u>\$ 33,652,980</u>
Deferred inflows of resources:			
Differences between expected and actual experience	\$ 543,345	\$ 183,377	\$ 726,722
Changes of assumptions	5,239,849	269,634	5,509,483
Changes in proportionate share	<u>-</u>	<u>1,062,721</u>	<u>1,062,721</u>
Total	<u>\$ 5,783,194</u>	<u>\$ 1,515,732</u>	<u>\$ 7,298,926</u>

The deferred outflows of resources related to pensions resulting from contributions subsequent to the Measurement Date of \$14,063,572 for PERS and \$1,040,216 for PFRS will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense in the statement of revenues, expenses, and changes in net position as follows:

<u>Years Ending June 30,</u>	PERS	PFRS	Total
2026	\$ 3,387,002	\$ (217,422)	\$ 3,169,580
2027	3,802,705	88,423	3,891,128
2028	1,048,489	(347,510)	700,979
2029	526,441	(389,641)	136,800
2030	69,049	(311,321)	(242,272)
2031	<u>-</u>	<u>(26,691)</u>	<u>(26,691)</u>
	<u>8,833,686</u>	<u>(1,204,162)</u>	<u>7,629,524</u>
Contributions paid subsequent to measurement date	<u>14,063,572</u>	<u>1,040,216</u>	<u>15,103,788</u>
	<u>\$ 22,897,258</u>	<u>\$ (163,946)</u>	<u>\$ 22,733,312</u>

Stockton University
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

Actuarial Assumptions

The University's net pension liability at the Measurement Date was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. The actuarial valuation used the following actuarial assumptions:

	PERS	PFRS
Inflation rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary increases	2.75 - 6.55% based on years of service	3.25 - 16.25% based on years of service
Investment rate of return	7.00%	7.00%

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

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

The actuarial assumptions used in the July 1, 2023 valuations were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021 for PERS and PFRS.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the New Jersey Division of Investments and New Jersey Division of Pension and Benefits, the board of trustees of each plan and the plans' actuaries. Best estimates of the arithmetic real rates of return for each major asset class included in PERS's and PFRS's target asset allocations at the Measurement Date are summarized in the following table:

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

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

Stockton University
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

Discount Rates

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024, for both PERS and PFRS. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for employers in the State Group and 100% of actuarially determined contributions for the employers in the Local Group. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

The following presents the net pension liability of the plans calculated using the discount rate of 7.00% for both PERS and PFRS, as well as what the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	PERS		PFRS	
	Rate	Amount	Rate	Amount
1% decrease	6.00%	\$ 209,892,262	6.00%	\$ 10,793,348
Current discount rate	7.00%	182,948,365	7.00%	9,212,087
1% increase	8.00%	160,069,105	8.00%	7,893,992

Defined Contribution Pension Plans

Alternate Benefit Program Information

ABP is a defined contribution retirement program administered by the Division for eligible full-time employees in accordance with N.J.S.A. 52:18A.

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

Participating University employees are required to contribute 5% of total base salary and may contribute a voluntary additional contribution of salary up to the maximum federal statutory limit, on a pretax basis. Employer contributions are 8% of base salary up to \$175,000. During the year ended June 30, 2025, ABP employer and employee contributions were \$5,621,751 and \$3,513,594, respectively, which were based on participating employee salaries of \$70,271,888. During the year ended June 30, 2024, ABP employer and employee contributions were \$5,422,485 and \$3,389,053, respectively, which were based on participating employee salaries of \$67,781,063. Employer contributions to ABP paid by the State of New Jersey are reflected in the accompanying financial statements as State of New Jersey appropriations revenue and as expenses.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS

General Information about Postemployment Plans Other than Pensions

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

Plan Description Including Benefits Provided - The Plan is a single-employer defined benefit other postemployment benefit 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 with 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 PERS, the ABP or the PFRS. In addition, Chapter 302, P.L. 1996 provides that for purposes of this plan, the University's employees retain any and all rights to the health benefits in the Plan, even though the University is considered autonomous from the State; therefore, its employees are classified as State employees. As such, the State is legally obligated for the benefit payments on behalf of the retirees of the University; therefore, the Plan meets the definition of a special funding situation as defined in GASB 75.

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

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

Total OPEB Liability and OPEB expense

As of June 30, 2025 and 2024, the State recorded a liability of \$227,024,379 and \$209,141,386, respectively, which represents the portion of the State's total proportionate share of the collective total OPEB liability that is associated with the University (the "University's share"). The University's share was based on the ratio of its members to the total members of the Plan. At June 30, 2025 and 2024, the University's share was 3.603819% and 3.779287% of the special funding situation, respectively, and 0.945635% and 0.996312% of the Plan, respectively.

For the years ended June 30, 2025 and 2024, the University recognized OPEB benefit of (\$5,398,791) and (\$8,368,332), respectively. As the State is legally obligated for benefit payments on behalf of the University, the University recognized a credit related to the support provided by the State of \$5,398,791 and \$8,368,332, respectively.

Stockton University
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

Actuarial Assumptions and Other Inputs - The State's liability associated with the University at June 30, 2025 and 2024 was determined by an actuarial valuation as of June 30, 2023 and 2022, which was rolled forward to the measurement dates of June 30, 2024 and 2023, respectively.

Discount rate	3.93% - June 30, 2024
	3.65% - June 30, 2023
Salary increases	2.75% - 16.25%

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

June 30, 2024 Measurement Period

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS/JRS), and "Safety" (PFRS/SPRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Future disability mortality was based on the Pub-2010 "Safety" (PFRS/SPRS), "Teachers" (TPAF/ABP), and "General" (PERS/JRS) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-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 July 1, 2023 valuation were based on the results of actuarial experience studies of the State of New Jersey's defined benefit pension plans, including PERS (July 1, 2018 through June 30, 2021), ABP (using the experience of the Teacher's Pension and Annuity Fund - July 1, 2018 through June 30, 2021), and PFRS (July 1, 2018 through June 30, 2021).

Health Care Trend Assumptions – For pre-Medicare medical benefits, the trend is initially 7.50% and decreases to a 4.5% long-term trend rate after eight years. For PPO the trend is initially 3.06% in fiscal year 2025, increasing to 21.39% in fiscal year 2027 and decreases to 4.5% in fiscal year 2034. For HMO the trend is initially 2.65% in fiscal year 2025, increasing to 24.11% in fiscal year 2027 and decreases to 4.5% in fiscal year 2034. For pre-65 prescription drug benefits, the initial trend rate is 12.75% and decreases to a 4.5% long-term trend rate after nine years. For post-65 prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.5% long-term trend rate after nine years. For EGWP, the initial trend rate is 21.78% and decreases to a 4.5% long-term trend rate after nine years. Part B premium reimbursement is expected to increase at a flat 5.00%.

Stockton University
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

June 30, 2023 Measurement Period

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS/JRS), and “Safety” (SPRS/PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Future disability mortality was based on the Pub-2010 “Safety” (PFRS/SPRS), “Teachers” (TPAF/ABP), and “General” (PERS/JRS) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Current disabled retirees mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

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

Health Care Trend Assumptions - For pre-65 medical benefits, the trend is initially 6.50% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits (PPO and HMO), the actual fully insured Medicare Advantage trend rates for fiscal year 2025 is reflected. For PPO the trend is initially 7.50% in fiscal year 2025, increasing to 15.93% in fiscal year 2026 and decreasing 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 decreasing to 4.50% in fiscal year 2033. For prescription drug benefits, fiscal years 2024 and 2025 are separate for pre-65, post-65 and EGWP with initial rates of 14.00%, 9.50% and 14.28%, respectively. Starting in fiscal year 2026, each category is 7.50% and decreases to a 4.50% long-term trend rate after four years.

Stockton University
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

NOTE 8 - BONDS PAYABLE AND OTHER LONG-TERM DEBT

Bonds payable and other long-term debt as of June 30, 2025, and 2024 consisted of the following:

	Interest Rate	2025	2024
Bonds payable:			
New Jersey Educational Facilities Authority bonds			
Series 2016A	3.00 - 5.00%	\$ 169,795,000	\$ 177,860,000
Unamortized premium, net		<u>21,746,510</u>	<u>23,105,668</u>
Total		191,541,510	200,965,668
Less: current portion		<u>(9,829,157)</u>	<u>(9,424,157)</u>
Bonds payable, noncurrent portion		<u>\$ 181,712,353</u>	<u>\$ 191,541,511</u>
Other long-term debt:			
Higher Education Capital Improvement Fund	3.00 - 5.25%	\$ 12,542,581	\$ 13,292,027
Higher Education Equipment Leasing Fund	5.00%	779,250	846,119
Series 2015E	2.83%	5,688,072	7,334,434
Series 2020A	2.14%	4,980,000	5,180,000
Dam Restoration Loan	2.00%	49,134	72,977
Atlantic County Improvement Authority Stockton University AC Campus (Phase 1)	4.21%	76,690,000	77,375,000
Atlantic County Improvement Authority Stockton University AC Campus (Phase 2)	4.00 - 5.00%	53,305,000	53,975,000
Casino Reinvestment Development Authority Loan	3.00%	<u>10,275,500</u>	<u>10,275,500</u>
Total		164,309,537	168,351,057
Unamortized premium, net		<u>349,660</u>	<u>489,485</u>
Total		164,659,197	168,840,542
Less: current portion		<u>(4,167,324)</u>	<u>(3,955,282)</u>
Other long-term debt, noncurrent portion		<u>\$ 160,491,873</u>	<u>\$ 164,885,260</u>

Bonds Payable

The University issued the Series 2016A Bonds on July 13, 2016, consisting of \$176,095,000 Serial Bonds and \$26,350,000 5.00% Term Bonds. The Serial Bonds bear interest at rates between 3.00%-5.00%, with the average being 4.71%. They are due annually each July 1 through 2037. The \$26,350,000 Term Bonds are due July 1, 2041. The Series 2016A Bonds were issued to finance the refunding of the outstanding Series 2006F Bonds, the advance refunding of the outstanding Series 2007G Bonds and outstanding Series 2008A Bonds, and the renovation, acquisition, installation and construction of certain capital improvements to the University's facilities. The outstanding balance as of June 30, 2025 and 2024 is \$169,795,000 and \$177,860,000, respectively. The financing included a premium of \$33,978,925, which is amortized as a component of interest expense over the life of the bonds. The unamortized premium on bonds payable as of June 30, 2025 and 2024 is \$21,746,510 and \$23,105,668, respectively.

Stockton University
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

The Bond Series 2016A refunded Bond Series 2006F, 2007G and 2008A. \$210,219,046 was placed in an irrevocable trust with an escrow agent to provide for future debt service payments. As a result, the refunded Series Bonds are considered defeased, and the related liability has been removed from the statements of net position. This transaction resulted in a loss on advance refunding which is presented as a deferred outflow and is amortized as a component of interest expense over the life of the defeased Series Bonds.

Other Long-Term Debt

Galloway Campus

During 2003, the University entered into a lease agreement with the Authority, along with other colleges and universities. Under the terms of the agreement, the Authority issued Series 2002A Revenue Bonds to provide funding for the Higher Education Capital Improvement Fund. The University was allocated \$17,204,000 of the total proceeds of the bond issue to be used for academic campus exterior repairs, HVAC improvements, gallery safety rails, Housing II roof replacement, and F-Wing extension and renovation design. The terms of the agreement required one-third of the total allocation, or \$5,734,667, to be repaid in annual rental payments equal to the University's allocable share of the Series 2002A Bonds and related program expenses through 2022.

During 2004, the University entered into a lease agreement with the Authority, along with other colleges and universities. Under the terms of the agreement, the Authority issued Series 2004A Revenue Bonds to provide funding for the Higher Education Capital Improvement Fund. The University was allocated \$3,848,250 of the total proceeds of the bond issue to be used for Housing I exterior and Housing I HVAC. The terms of the agreement required one-third of the total allocation, or \$1,282,750, to be repaid in annual rental payments equal to the University's allocable share of the Series 2004A Bonds and related program expenses through 2024.

The 2002A and 2004A bonds were partially refunded by the 2005A and 2006A bonds. The 2004A bonds were also partially advance refunded by the 2014C bonds. In 2016, the Authority refunded the 2005A and 2006A with the 2016A bonds with a final maturity of September 1, 2024. The outstanding balance on the 2016A bonds as of June 30, 2025 and 2024 is \$0 and \$68,387, respectively, which is included in the Higher Education Capital Improvement Fund balance.

During 2014, the University entered into a lease agreement with the Authority, along with other colleges and universities. Under the terms of the agreement, the Authority issued Series 2014A Revenue Bonds to provide funding for the Higher Education Capital Improvement Fund. The University was allocated \$10,600,000 of the total proceeds of the bond issue to be used for the Arts and Science Renovations and an Energy Management Project. The terms of the agreement require one-third of the total allocation, or \$3,287,691, to be repaid in annual rental payments equal to the University's allocable share of the Series 2014A Bonds through 2034. The financing included a premium of \$245,288 which is amortized as a component of interest expense over the life of the bond. The outstanding balance as of June 30, 2024, is \$2,091,476. During fiscal year 2025, the balance of the 2014A bonds was refunded by the 2024A bonds with a final maturity of August 1, 2033. The outstanding balance on the 2024A bonds as of June 30, 2025 is \$1,803,667, which is included in the Higher Education Capital Improvement Fund balance.

During 2017, the University entered into a lease agreement with the Authority, along with other colleges and universities. Under the terms of the agreement, the Authority issued Series 2016B Revenue Bonds to provide funding for the Higher Education Capital Improvement Fund. The University was allocated \$22,000,000 of the total proceeds of the bond issue to be used for the Atlantic City academic building. The terms of the agreement require one-third of the total allocation, or \$7,332,600, to be repaid in annual rental payments equal to the University's allocable share of the Series 2016B Bonds and related program

Stockton University
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

expenses through 2036. The outstanding balance as of June 30, 2025 and 2024 is \$5,137,755 and \$5,446,826, respectively, which is included in Higher Education Capital Improvement Fund balance.

In October 2023, the University entered into a lease agreement with the Authority, along with other colleges and universities. Under the terms of the agreement, the Authority issued Series 2023A Revenue Bonds to provide funding for the Higher Education Capital Improvement Fund. The University was allocated \$17,723,697 of the total proceeds of the bond issue to be used for the Library Learning Commons Project. The terms of the agreement require one-third of the total allocation, or \$5,907,899, to be repaid in annual rental payments equal to the University's allocable share of the Series 2023A Bonds through 2054. The financing included a premium of \$222,561 which is amortized as a component of interest expense over the life of the bond. The outstanding balance as of June 30, 2025 and 2024 is \$5,601,159 and \$5,685,338, respectively, which is included in Higher Education Capital Improvement Fund balance.

In October 2023, the University entered into a lease agreement with the Authority, along with other colleges and universities. Under the terms of the agreement, the Authority issued Series 2023A Revenue Bonds to provide funding for the Higher Education Equipment Leasing Fund. The University was allocated \$3,611,570 of the total proceeds of the bond issue to be used for the Library Learning Commons Equipment and Academic Classroom Technology Innovation Project. The terms of the agreement require one-quarter of the total allocation, or \$902,893, to be repaid in annual rental payments equal to the University's allocable share of the Series 2023A Bonds through 2034. The financing included a premium of \$56,774 which is amortized as a component of interest expense over the life of the bond. The outstanding balance as of June 30, 2025 and 2024 is \$779,250 and \$846,119, respectively.

On June 12, 2015, the University issued \$18,830,826 of Tax-Exempt Series 2015E Revenue Refunding Bonds issued through the Authority. The 2015E issuance was issued as a direct loan with a fixed interest rate of 2.83% and a final maturity of July 1, 2028. The proceeds of the 2015E Bonds were used to refund Series 2005F Bonds originally issued October 27, 2005, including issuance costs of \$123,222. This transaction resulted in a gain on refunding which is a deferred inflow and amortized as a component of interest expense over the life of the 2015E Series Bonds. The outstanding balance as of June 30, 2025 and 2024 is \$5,688,072 and \$7,334,434, respectively.

On February 12, 2020, the University issued \$5,935,000 of Tax-Exempt Series 2020A Revenue Refunding Bonds issued through the Authority. The 2020A issuance was issued as a direct loan with a fixed interest rate of 2.14% and a final maturity of February 1, 2035. The transaction structure is a direct placement with T.D. Bank, N.A. Proceeds from this transaction financed the University's acquisition of a 42-room residence facility located approximately two miles from the University's main campus in Galloway Township. The outstanding balance as of June 30, 2025 and 2024 is \$4,980,000 and \$5,180,000, respectively.

During 2005, the University entered into a \$405,000 loan agreement with the New Jersey Department of Environmental Protection. Repayment began in 2008 with payments due semiannually through 2027 and bearing an interest rate of 2.00%. The loan was issued to finance the costs of rehabilitating the University's "Lake Fred" dam. The outstanding balance as of June 30, 2025 and 2024 is \$49,134 and \$72,977, respectively.

Atlantic City Campus

On September 22, 2016, the Atlantic County Improvement Authority ("ACIA") issued \$78,980,000 of its Revenue Notes, Series 2016A. The proceeds of the notes were loaned by ACIA to Island Campus Redevelopment Urban Renewal Associates LLC (the "Landlord"), whose sole and managing member is the Atlantic City Development Corporation ("ACDevco"), pursuant to a Loan Agreement dated September 30, 2016 to finance a portion of the costs of the development and construction in connection with the establishment of the University's new Atlantic City campus. The Landlord is leasing the property to the

Stockton University
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

University pursuant to the Master Lease Agreement dated September 30, 2016. At the end of the term, title to the property will be transferred to the University upon payment of the outstanding amounts due on the ACIA notes and on ACDevco's equity contribution. Leasehold improvements capitalized under this agreement totaled \$81,080,000 with the related accumulated depreciation of \$18,693,444 and \$15,990,778 at June 30, 2025, and 2024, respectively. The University is the guarantor and obligor under this financed purchase agreement, for the Atlantic County Improvement Authority's issuance on September 22, 2016, General Obligation Lease Revenue Series 2016A Bonds consisting of \$26,950,000 Serial Bonds and \$18,905,000 3.25% Term Bonds, \$22,650,000 4.00% Term Bonds, and \$10,475,000 5.00% Term Bonds. The Serial Bonds bear interest at rates between 2.125-5.00%, with the average being 4.40%. They are due annually each July 1 through 2036. The Term Bonds fully mature on July 1, 2048. The outstanding balance as of June 30, 2025 and 2024 is \$76,690,000 and \$77,375,000, respectively.

In September 2018, the University utilized \$2,180,246 of the bond funds towards the Atlantic City Academic project which is recorded as a deferred inflow of financial resources. This deferred inflow is amortized and recognized as a component of interest expense over the lease term. The balance of the deferred inflow was \$1,671,456 and \$1,744,128 on June 30, 2025 and 2024, respectively.

On May 4, 2021, the ACIA issued \$54,550,000 of its Revenue Notes, Series 2021A. The proceeds of the notes were loaned by ACIA to Atlantic City University Housing Associates LLC (the "Landlord"), whose sole and managing member is ACDevco, pursuant to a Loan Agreement dated May 1, 2021 to finance the costs of the development and construction of an approximately 135,000 square foot building that will provide additional student housing for students of the University as part of the expansion of the University's campus in Atlantic City. The Landlord is leasing the Property to the University pursuant to the Master Lease Agreement dated May 13, 2021. At the end of the term, title to the property will be transferred to the University upon payment of outstanding amounts due on the ACIA's notes. Leasehold improvements capitalized under this agreement totaled \$64,825,500 with related accumulated depreciation of \$4,321,700 and \$2,160,850 at June 30, 2025, and 2024, respectively. The University is the guarantor, and obligor under this financed purchase agreement, for the Atlantic County Improvement Authority's issuance on May 4, 2021, General Obligation Lease Revenue Series 2021A Bonds consisting of \$23,225,000 Serial Bonds, \$13,830,000 4.00% Term Bonds, and \$17,495,000 4.00% Term Bonds. The Serial Bonds bear interest at rates between 4.00-5.00%, with the average being 4.66%. They are due annually each July 1 through 2041. The Term Bonds fully mature July 1, 2047, and July 1, 2053, respectively. The outstanding balance as of June 30, 2025 and 2024 is \$53,305,000 and \$53,975,000, respectively.

The University is the guarantor and obligor of a \$10,275,500 loan by and between the Casino Reinvestment Development Authority and Atlantic City University Housing Associates LLC, whose sole and managing member is ACDevco. The loan agreement is dated May 13, 2021. Repayment begins July 1, 2028, bearing an interest rate of 3.00%. Payments are due semiannually each July 1 and January 1 through 2053. The loan was issued to finance a portion of the costs of the development and construction of an approximately 135,000 square foot building that will provide additional student housing for students of the University as part of the expansion of the University's campus in Atlantic City. The outstanding balance as of June 30, 2025 and 2024 is \$10,275,500.

Stockton University
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

Payments Due on Bonds Payable and Other Long-Term Debt

Payments due on bonds payable and other long-term debt excluding net unamortized premiums, and deferred gains and losses totaling \$16,502,316 subsequent to June 30, 2025, are as follows.

Years Ending June 30,	Principal	Interest	Total
2026	\$ 12,616,060	\$ 14,326,535	\$ 26,942,595
2027	13,352,287	13,762,832	27,115,119
2028	14,091,996	13,165,764	27,257,760
2029	13,332,657	12,721,102	26,053,759
2030	15,023,321	12,188,022	27,211,343
2031 - 2035	90,663,172	48,955,052	139,618,224
2036 - 2040	83,259,628	28,378,867	111,638,495
2041 - 2045	46,904,781	14,547,583	61,452,364
2046 - 2054	44,860,635	7,011,096	51,871,731
 Total	 <u>\$ 334,104,537</u>	 <u>\$ 165,056,853</u>	 <u>\$ 499,161,390</u>

NOTE 9 - LINE OF CREDIT

The University has available a \$50,000,000 revolving priority credit line with Wells Fargo Advisors which has no expiration and had no outstanding balance as of June 30, 2025 and 2024. Interest is payable monthly at a rate of 5.47% of the priority credit line outstanding, if any. The credit line is available for all purposes, except for the purchase of additional securities, is fully collateralized by the investments of the University, and is due on demand. Interest expense was \$0 for the years ended June 30, 2025 and 2024.

NOTE 10 - LONG-TERM LIABILITIES

Activity in long-term liabilities for the years ended June 30, 2025 and 2024 are as follows.

	July 1, 2024	Additions	Current Reductions	June 30, 2025	Current Portion
Compensated absences	\$ 7,866,495	\$ 5,754,629	\$ (5,754,959)	\$ 7,866,165	\$ 5,821,179
Net pension liability	193,778,061	-	(1,617,609)	192,160,452	-
U.S. government grants refundable	924,405	-	(146,321)	778,084	-
Leases payable	3,978,822	846,036	(1,285,983)	3,538,875	1,313,674
SBITAs payable	4,240,110	5,713,342	(3,508,148)	6,445,304	2,590,670
Bonds payable, net	200,965,668	-	(9,424,158)	191,541,510	9,829,157
Other long-term debt, net	168,840,542	1,803,667	(5,985,012)	164,659,197	4,167,324
 Total	 <u>\$ 580,594,103</u>	 <u>\$ 14,117,674</u>	 <u>\$ (27,722,190)</u>	 <u>\$ 566,989,587</u>	 <u>\$ 23,722,004</u>

Stockton University
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

	July 1, 2023	Additions	Current Reductions	June 30, 2024	Current Portion
Compensated absences	\$ 4,731,592	\$ 7,213,963	\$ (4,079,060)	\$ 7,866,495	\$ 5,754,959
Net pension liability	193,274,354	503,707	-	193,778,061	-
U.S. government grants refundable	1,119,332	-	(194,927)	924,405	-
Leases payable	629,788	4,503,983	(1,154,949)	3,978,822	1,203,008
SBITAs payable	3,516,897	4,347,620	(3,624,407)	4,240,110	2,023,357
Bonds payable, net	209,104,825	-	(8,139,157)	200,965,668	9,424,157
Other long-term debt, net	165,553,373	6,810,792	(3,523,623)	168,840,542	3,955,282
Total	\$ 577,930,161	\$ 23,380,065	\$ (20,716,123)	\$ 580,594,103	\$ 22,360,763

NOTE 11 - DISCRETELY PRESENTED COMPONENT UNIT

The following amounts are presented in the statements of net position of the Foundation as due to the University as of June 30, 2025, and 2024.

	2025	2024
Due to the University:		
Institutional support	\$ 159,355	\$ 18,373
Services provided	43,380	26,491
Total due to the University	\$ 202,735	\$ 44,864

The Foundation provided support of \$2,704,087 and \$2,360,609 to the University for scholarships, academic, faculty, and facilities support for the years ended June 30, 2025, and 2024, respectively. The University provided in-kind finance and administrative services to the Foundation of \$1,448,443 and \$1,284,249 for the years ended June 30, 2025, and 2024, respectively.

In September 2025, the Foundation entered into a gift termination agreement with a donor upon mutually determining that the original purposes stated in the original gift agreement can no longer be fulfilled and that original contribution cannot be used in any other manner to coincide with the original intent. As a result, and upon entering into the gift termination agreement, the Foundation returned \$8,014,119 to the donor.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Litigation

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

Grants

The University receives support from federal government and State of New Jersey grant programs, primarily student financial assistance. Entitlement to these resources requires compliance with terms of the grant agreements and applicable regulations, including the expenditure of the resources for allowable purposes.

Stockton University
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

Substantially all grants are subject to financial and compliance audits by the respective sponsors. As of June 30, 2025 and 2024, the University believes that adjustments, if any, as a result of such audits would not have a material adverse effect on the University's financial statements.

Construction Contracts

The University has outstanding construction commitments in the amount of \$15,240,017 for the year ended June 30, 2025. These commitments are primarily related to projects on the Galloway campus. It is expected that \$12,059,689 will be allocated from the Higher Education Capital Improvement funds, \$112,115 will be allocated from the Higher Education Equipment Leasing funds, and \$3,068,213 will be allocated from unrestricted resources.

Power Purchase Agreements

The University entered into various agreements with Stockton Blue Sky Power, LLC ("Blue Sky") related to the construction of a solar power plant at the University. Blue Sky owns and operates the solar power plant, and the University leases the space on campus where the solar power plant is located. The University agreed to purchase all of the energy produced by the solar power plant for a 15-year period at a fixed rate of \$0.03 per kWh, expiring on May 25, 2026.

The University entered into various agreements with Marina Energy LLC related to solar energy conversion services. The University agreed to purchase all of the solar energy produced for a 10-year period at the rate of \$0.09 per kWh with an increase of 2% per year after the first year. The latest agreement expires on October 21, 2029.

NOTE 13 - LEASES & SUBSCRIPTIONS

The University is a lessee for non-cancellable leases of building and equipment assets. Lease liabilities and intangible right-to-use assets with initial, individual undiscounted payments of the term of the lease value of \$5,000 or more are recognized. At the commencement of a lease, the lease liability is measured at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The intangible right-to-use asset is initially measured as the initial lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The intangible right-to-use asset is subsequently amortized on a straight-line basis over its useful life. The University uses an estimated incremental borrowing rate as the discount rate for leases. The borrowing rate varies from 0.90% to 5.57% depending on the lease term as of June 30, 2025 and 2024.

The tables below present the schedule of maturity for current lessee and lessor arrangements as of June 30, 2025:

Lessee Maturity Schedule

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,313,674	\$ 165,026	\$ 1,478,700
2027	1,130,848	101,376	1,232,224
2028	1,085,181	46,068	1,131,249
2029	9,172	59	9,231
Total	\$ 3,538,875	\$ 312,529	\$ 3,851,404

Stockton University
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

Lessor Maturity Schedule

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 247,127	\$ 50,067	\$ 297,194
2027	254,164	41,103	295,267
2028	271,977	31,652	303,629
2029	103,906	22,981	126,887
2030	98,743	19,238	117,981
2031-2035	149,651	59,749	209,400
2036-2040	17,127	45,455	62,582
2041-2045	20,703	41,879	62,582
2046-2050	25,083	37,499	62,582
2051-2072	177,385	85,460	262,845
Total	\$ 1,365,866	\$ 435,083	\$ 1,800,949

The University is also a subscriber for non-cancellable contracts for another party's information technology ("IT"). Subscription liabilities and intangible assets with initial, individual undiscounted payments of \$5,000 or more for the term of the contract are recognized. At the commencement of a contract, the subscription liability is measured at the present value of payments expected to be made during the term. Subsequently, the liability is reduced by the principal portion of subscription payments made. The asset is initially measured as the initial liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. The intangible asset is subsequently amortized on a straight-line basis over its useful life. The University uses an estimated incremental borrowing rate as the discount rate for subscriptions, which ranges from 1.12% to 6.03% depending on the length of the contract term as of June 30, 2025, and 2024.

The table below presents the schedule of maturity for current subscription contracts as of June 30, 2025.

Subscription Maturity Schedule

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 2,590,670	\$ 317,505	\$ 2,908,175
2027	1,947,855	202,498	2,150,353
2028	1,285,306	100,894	1,386,200
2029	621,473	33,291	654,764
Total	\$ 6,445,304	\$ 654,188	\$ 7,099,492

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

Stockton University
(A Component Unit of the State of New Jersey)

REQUIRED SUPPLEMENTARY INFORMATION
Schedules of Proportionate Share of Net Pension Liability* - Unaudited

June 30,

Public Employees' Retirement System (PERS)

Reporting Fiscal Year (Measurement Date, June 30,)	Stockton's Proportion of the Net Pension Liability		Stockton's Covered Employee Payroll	Stockton's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
	%	\$			
2025 (2024)	0.825%	\$ 182,948,365	\$ 39,707,982	460.73%	27.31%
2024 (2023)	0.813%	182,554,780	38,568,178	473.33%	24.86%
2023 (2022)	0.811%	181,610,259	39,012,201	465.52%	23.19%
2022 (2021)	0.797%	172,451,219	36,943,055	466.80%	25.29%
2021 (2020)	0.770%	171,147,251	36,120,696	473.82%	21.39%
2020 (2019)	0.716%	164,700,547	37,652,697	437.42%	22.03%
2019 (2018)	0.694%	164,511,244	35,096,517	468.74%	22.11%
2018 (2017)	0.727%	186,353,409	31,211,750	597.06%	21.18%
2017 (2016)	0.679%	199,651,829	30,386,266	657.05%	19.02%
2016 (2015)	0.662%	157,129,973	30,400,613	516.86%	24.96%

Police and Firemen's Retirement System (PFRS)

Reporting Fiscal Year (Measurement Date, June 30,)	Stockton's Proportion of the Net Pension Liability		Stockton's Covered Employee Payroll	Stockton's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
	%	\$			
2025 (2024)	0.210%	\$ 9,212,087	\$ 1,143,836	805.37%	31.37%
2024 (2023)	0.254%	11,223,281	940,292	1,193.60%	28.93%
2023 (2022)	0.270%	11,664,095	1,105,986	1,054.63%	27.20%
2022 (2021)	0.273%	11,086,359	1,120,640	989.29%	29.72%
2021 (2020)	0.218%	9,374,648	1,237,912	757.30%	24.81%
2020 (2019)	0.242%	10,173,510	1,430,366	711.25%	26.06%
2019 (2018)	0.412%	17,849,912	1,244,287	1,434.55%	25.84%
2018 (2017)	0.209%	9,167,389	1,101,089	832.57%	25.99%
2017 (2016)	0.135%	6,341,900	965,938	656.55%	24.70%
2016 (2015)	0.156%	6,709,530	885,871	757.39%	29.07%

**These schedules are intended to show information for 10 years.*

Stockton University
(A Component Unit of the State of New Jersey)

REQUIRED SUPPLEMENTARY INFORMATION
Schedules of Employer Contributions* - Unaudited

June 30,

Public Employees' Retirement System (PERS)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
(1) Contractually required contribution	\$ 14,063,572	\$ 14,387,005	\$ 13,640,026	\$ 13,565,938	\$ 9,288,136	\$ 6,907,920	\$ 5,637,853	\$ 4,389,336	\$ 4,994,131	\$ 2,184,725
(2) Contributions in relation to the contractually determined contribution	\$ 14,063,572	\$ 14,387,005	\$ 13,640,026	\$ 13,565,938	\$ 9,288,136	\$ 6,907,920	\$ 5,637,853	\$ 4,389,336	\$ 4,994,131	\$ 2,184,725
(3) Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(4) Covered-employee payroll	\$ 39,707,982	\$ 38,568,178	\$ 39,012,201	\$ 36,943,055	\$ 36,120,696	\$ 37,652,697	\$ 35,096,517	\$ 31,211,750	\$ 30,386,266	\$ 30,400,613
(5) Contributions as a percentage of covered-employee payroll	35.42%	37.30%	34.96%	36.72%	25.71%	18.35%	16.06%	14.06%	16.44%	7.19%

Police and Firemen's Retirement System (PFRS)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
(1) Contractually required contribution	\$ 1,040,216	\$ 1,336,460	\$ 1,582,820	\$ 1,728,896	\$ 1,212,917	\$ 828,521	\$ 780,005	\$ 563,191	\$ 602,447	\$ 185,988
(2) Contributions in relation to the contractually determined contribution	\$ 1,040,216	\$ 1,336,460	\$ 1,582,820	\$ 1,728,896	\$ 1,212,917	\$ 828,521	\$ 780,005	\$ 563,191	\$ 602,447	\$ 185,988
(3) Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(4) Covered employee payroll	\$ 1,143,836	\$ 940,292	\$ 1,105,986	\$ 1,120,640	\$ 1,237,912	\$ 1,430,366	\$ 1,244,287	\$ 1,101,089	\$ 965,938	\$ 885,871
(5) Contributions as a percentage of covered-employee payroll	90.94%	142.13%	143.11%	154.28%	97.98%	57.92%	62.69%	51.15%	62.37%	20.99%

**These schedules are intended to show information for 10 years.*

Stockton University
(A Component Unit of the State of New Jersey)

REQUIRED SUPPLEMENTARY INFORMATION
Schedules of Proportionate Share of Other Postemployment Benefits Liability* - Unaudited

June 30,

	2025	2024	2023	2022	2021	2020	2019	2018
University's proportion of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
University's proportionate share of the total OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of New Jersey's proportionate share of the total OPEB liability attributable to the University	<u>227,024,379</u>	<u>209,141,386</u>	<u>203,615,065</u>	<u>246,821,258</u>	<u>282,719,809</u>	<u>178,379,517</u>	<u>224,108,076</u>	<u>252,260,777</u>
Total OPEB liability	<u>\$ 227,024,379</u>	<u>\$ 209,141,386</u>	<u>\$ 203,615,065</u>	<u>\$ 246,821,258</u>	<u>\$ 282,719,809</u>	<u>\$ 178,379,517</u>	<u>\$ 224,108,076</u>	<u>\$ 252,260,777</u>
University's covered-employee payroll	\$ 87,690,269	\$ 92,750,825	\$ 90,343,879	\$ 87,731,706	\$ 90,767,840	\$ 89,890,453	\$ 86,832,800	\$ 70,831,270
University's proportionate share of the total OPEB liability as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**These schedules are intended to show information for 10 years. Additional years will be displayed as they become available.*