



KEAN

(A Component Unit of the State of New Jersey)

REPORT ON FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 AND 2024



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

**REPORT ON FINANCIAL STATEMENTS AND
SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
IN ACCORDANCE WITH
UNIFORM ADMINISTRATIVE REQUIREMENTS, COST
PRINCIPLES AND AUDIT REQUIREMENTS FOR FEDERAL
AWARDS (UNIFORM GUIDANCE) AND
NEW JERSEY OMB CIRCULAR 15-08**

YEARS ENDED JUNE 30, 2025 AND 2024

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INDEPENDENT AUDITORS' REPORT

**The Board of Trustees
Kean University**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of Kean 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, based on our audits and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the University and the discretely presented component unit of Kean 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.

We did not audit the financial statements of the Kean University Foundation, Inc. and subsidiaries (the "Foundation"), the discretely presented component unit of Kean University. The Foundation's financial statements represent 13% of total assets, 25% of total net position and 4% of total operating revenues for the year ended June 30, 2025 and 12% of total assets, 24% of total net position and 4% of total operating revenues for the year ended June 30, 2024. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards and requirements 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Change in Accounting Policy

We draw attention to Note 23 in the notes to financial statements which disclose the effects of the University's adoption of the Governmental Accounting Standards Board ("GASB") Statement 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Emphasis of Matter

As more fully disclosed in Note 24 in the notes to financial statements, the University identified and corrected an error related to the reporting of a lease, which resulted in a restatement of a lease receivable offset by a deferred inflow of resources as of June 30, 2024. The correction resulted in an increase in 2024 net position of \$284 thousand. Our opinion is not modified with respect to this matter.

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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.

The Board of Trustees Kean University

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- 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of the University's proportionate share of the net pension liability Public Employees' Retirement System – PERS, schedule of University contributions Public Employees' Retirement System - PERS, schedule of the University's proportionate share of the net pension liability Police and Firemen's Retirement System – PFRS, schedule of University contributions Police and Firemen's Retirement System – PFRS, schedule of the State's proportionate share of the net pension liability associated with the University Teacher's Pension and Annuity Fund – TPAF and schedule of the State's Proportionate Share of the Net OPEB Liability – State Health Benefit Retired Employees Fund as presented in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the University's basic financial statements. The accompanying supplementary information as presented in the table of contents, which consists of the schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The

**The Board of Trustees
Kean University**

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information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2026, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Cranford, New Jersey
March 2, 2026

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

YEARS ENDED JUNE 30, 2025 and 2024

Overview of Basic Financial Statements and Financial Analysis

Introduction

This section of the financial statements for Kean University of New Jersey (the "University") presents management's discussion and analysis of the University's financial position and changes in financial position for the years ended June 30, 2025 and 2024 and comparative amounts for the year ended June 30, 2023. The discussion in this report focuses on the operations and financial position of Kean University. It is an overview of the reporting unit's financial activities and should be read in conjunction with the financial statements and notes, which follow this section. Management has prepared the financial statements and the related note disclosures, along with this discussion and analysis. Responsibility for the completeness and fairness of this information rests with management. All dollar amounts referred to in this Management's Discussion and Analysis are expressed in thousands.

University Overview

Kean University of New Jersey, one of twelve public institutions in the New Jersey system of public higher education, offers programs in the liberal arts and sciences as well as in business and other professional studies within a liberal context at both the bachelor's and master's level. Organized into schools, which provide thematic learning communities, the University presents a curriculum of traditional majors and innovative programs in an interdisciplinary fashion. Supported by global partnerships and telecommunications, international and intercultural education have become central themes in Kean's programming. The University purposely involves students in the cultural diversity of the world and of American society.

Financial Statements

The University's financial statements include the following: the Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position and the Statements of Cash Flows. These financial statements are prepared in accordance with Governmental Accounting Standards Board ("GASB") principles and accounting principles generally accepted in the United States of America.

Kean University Foundation, Inc. and subsidiaries (the "Foundation") is a legally separate component unit of Kean University and is exempt from tax under the Internal Revenue Code Section 501(c)(3). The Foundation's purpose is to obtain private funding to enhance the educational goals of Kean University. Because the resources of 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 presented as a discretely presented component unit in the University's financial statements in accordance with GASB Statement No. 61, *The Financial Reporting Entity: Omnibus* and GASB Statement No. 90, *Majority Equity Interests-an amendment of GASB Statement No. 14 and No. 61*.

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(Required Supplementary Information)

YEARS ENDED JUNE 30, 2025 and 2024

Separate financial statements of the Foundation can be obtained from the Kean University Foundation, Inc. at 1000 Morris Avenue, T-130, Union, NJ 07083 and/or from the Foundation's website at www.keanfoundation.org.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

YEARS ENDED JUNE 30, 2025 and 2024

Statements of Net Position

Net position represents the residual interest in the University's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted. Net position consists of three categories: net investment in capital assets, restricted and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of bonds, leases or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The restricted component of net position consists primarily of grants and contracts and capital funds that are subject to regulations or restrictions governing their use. The unrestricted component of net position is available to the University for general purposes but may be internally designated for various academic and student programs. The following represents the assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position of the University at June 30, 2025, 2024 and 2023:

	Net Position		
	(in thousands)		
	June 30,		
	<u>2025</u>	<u>2024 -</u> <u>As restated</u>	<u>2023</u>
Current assets	\$ 144,291	\$ 234,638	\$ 208,473
Capital assets, net	565,328	575,025	558,917
Other noncurrent assets	<u>128,408</u>	<u>18,809</u>	<u>1,660</u>
Total Assets	<u>838,027</u>	<u>828,472</u>	<u>769,050</u>
Deferred Outflows of Resources	<u>37,579</u>	<u>34,584</u>	<u>33,562</u>
Current liabilities	102,844	85,877	68,079
Noncurrent liabilities	<u>345,439</u>	<u>356,487</u>	<u>371,765</u>
Total Liabilities	<u>448,283</u>	<u>442,364</u>	<u>439,844</u>
Deferred Inflows of Resources	<u>58,092</u>	<u>65,262</u>	<u>54,100</u>
Net Position:			
Net investment in capital assets	301,153	301,334	255,822
Restricted	11,494	6,620	25,342
Unrestricted	<u>56,584</u>	<u>47,476</u>	<u>27,504</u>
Total Net Position	<u>\$ 369,231</u>	<u>\$ 355,430</u>	<u>\$ 308,668</u>

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MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

YEARS ENDED JUNE 30, 2025 and 2024

Kean University's net position increased by \$13.8 million during fiscal 2025. Operating revenues of \$247.3 million, plus net non-operating revenues and capital related revenues, net of interest expense of \$137.2 million and transfers from the Foundation of \$1.0 million, exceeded operating expenses of \$366.8 million. State appropriations and State payment of fringe benefits along with investment income and other income total \$133.6 million and \$14.3 million, respectively, more than offset the year's operating loss and net interest and other expenses totaling \$119.4 million and \$11.3 million, respectively.

Net investment in capital assets decreased \$0.2 million which was due mostly to a mix of offsetting activity. Such activity like new construction spending offset by depreciation/amortization related to existing capital assets. Restricted net position increased \$4.9 million which was mainly the result of an increase in funds transferred to the Plant Fund from operations related to upcoming construction projects.

In fiscal year 2024, after the restatement of a lease receivable offset by a lease related deferred inflow of resources, net position increased by \$46.8 million during fiscal 2024. Operating revenues of \$246.5 million, plus net non-operating revenues and capital related revenues, net of interest expense of \$123.6 million, exceeded operating expenses of \$327.8 million and transfers to the Foundation of \$3.0 million. State appropriations and State payment of fringe benefits totaling \$122.8 million more than offset the year's operating loss of \$80.0 million and net interest expense, investment income, and other expenses of \$0.8 million.

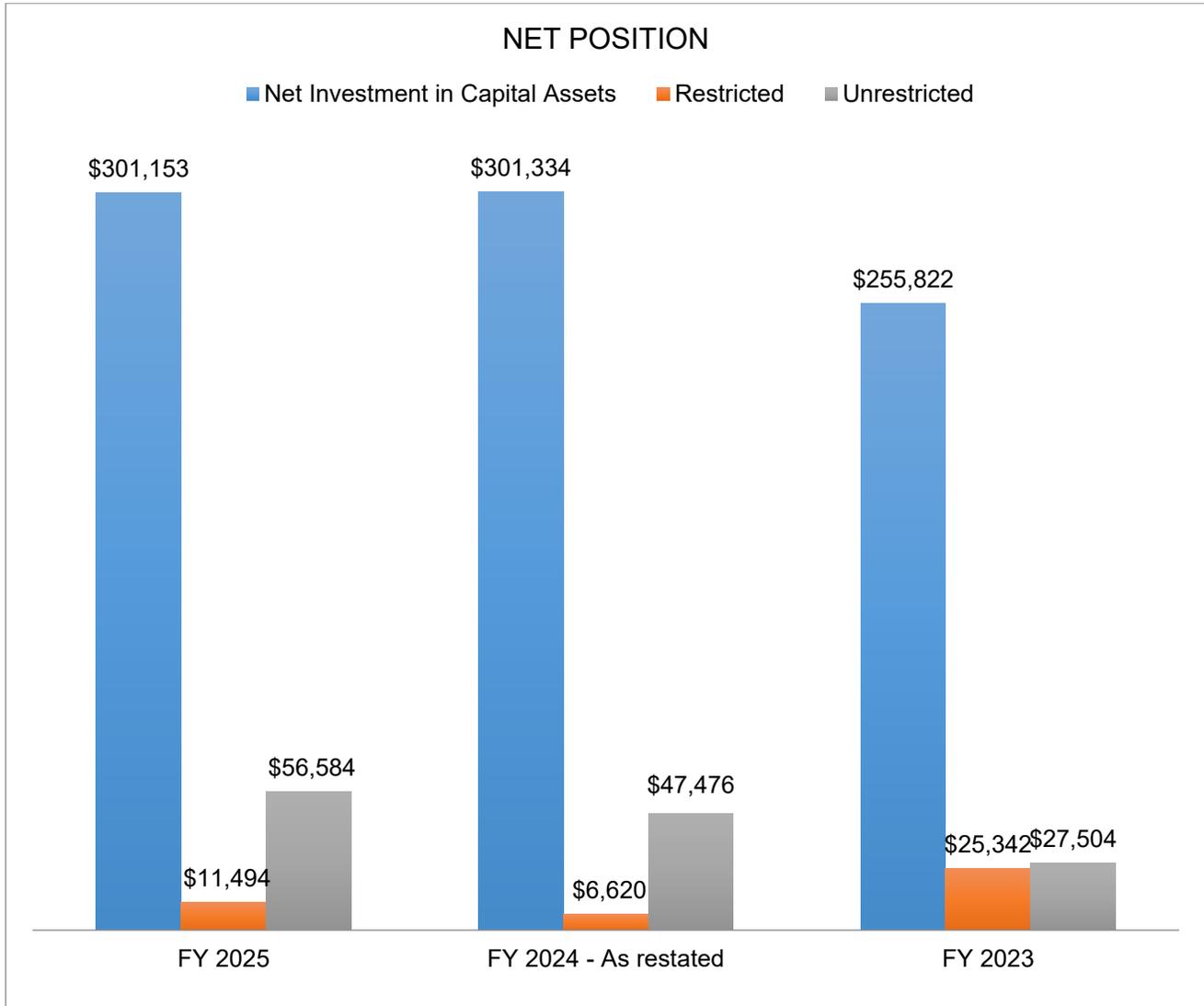
Current assets consist primarily of cash and equivalents, deposits held by bond trustees under bond agreements for capital activities, investments and accounts receivable. Noncurrent assets consist primarily of investments, long-term receivables, land, construction-in-progress, capital assets and right-of-use assets, net of accumulated depreciation and amortization. Current liabilities consist primarily of accounts payable, accrued expenses, unearned revenue, compensated absences debt – current portion. Noncurrent liabilities consist primarily of long-term debt, subscription-based information technology arrangements payable and the net pension liability.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

YEARS ENDED JUNE 30, 2025 and 2024

Graphically displayed below is net position by category as of June 30, 2025, 2024 and 2023.



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MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

YEARS ENDED JUNE 30, 2025 and 2024

Statements of Revenues and Expenses and Changes in Net Position

The statements of revenues, expenses and changes in net position present the University's changes in net position. The purpose of the statement is to present the revenues earned by Kean University, including operating, non-operating and capital and expenses incurred by the University, both operating and non-operating. A summary of the University's revenues for the years ended June 30, 2025, 2024 and 2023 follows:

Total Revenues and Non-Operating Expenses			
	Year Ended June 30,		
	<u>2025</u>	<u>2024 -</u> <u>As restated</u>	<u>2023</u>
Operating revenues:			
Student revenues, net	\$ 123,291	\$ 122,209	\$ 123,194
Grants and contracts	109,123	112,529	63,846
Other	<u>14,919</u>	<u>13,139</u>	<u>11,604</u>
Total Operating Revenues	<u>247,333</u>	<u>247,877</u>	<u>198,644</u>
Non-operating revenues (expenses) and other capital revenues:			
State appropriation/paid fringe benefits	133,612	122,849	108,654
State appropriation - capital	673	116	235
Private gifts, investment income, interest expense and other, net	<u>2,924</u>	<u>729</u>	<u>(4,028)</u>
Total Non-operating revenues (expenses) and other revenues	<u>137,209</u>	<u>123,694</u>	<u>104,861</u>
 Total Revenues and Non-Operating Expenses	 <u>\$ 384,542</u>	 <u>\$ 371,571</u>	 <u>\$ 303,505</u>

Operating Revenues

Operating revenues are recognized by Kean University for providing goods and services directly to its customers (students). Operating revenues decreased \$0.5 million in fiscal 2025 versus fiscal 2024. Net student revenues increased \$1.0 million, while federal and state grants and contracts decreased \$3.4 million. Other operating revenues increased \$1.8 million.

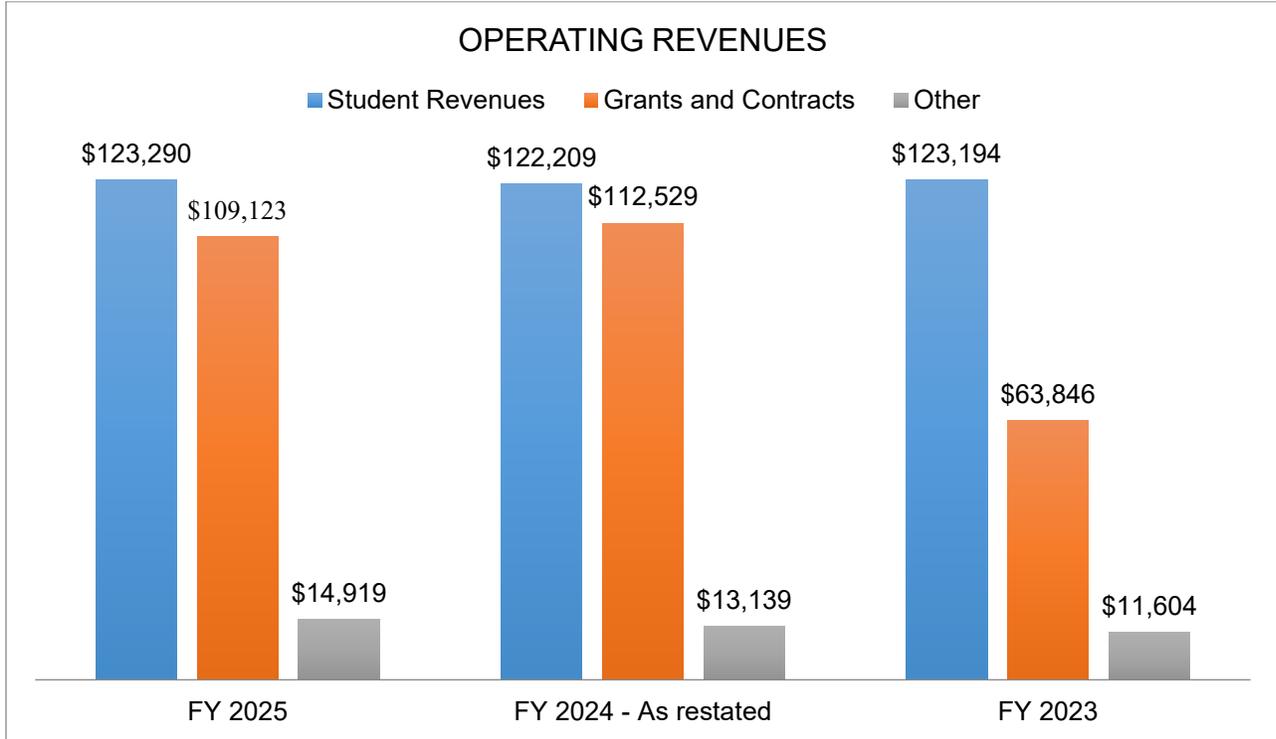
In fiscal 2024, operating revenues increased \$49.2 million versus fiscal 2023 Net student revenues decreased \$1.0 million, while grants and contracts increased \$48.5 million. Other operating revenues increased by \$1.5 million.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

YEARS ENDED JUNE 30, 2025 and 2024

Following is a breakdown of operating revenues by category for the years ended June 30, 2025, 2024 and 2023:



Non-Operating and Capital Revenues

Non-operating and capital-related revenues are revenues earned for which no goods or services have been provided. The primary non-operating and capital revenues earned by the University are State appropriations and State payments of fringe benefits (on behalf) which totaled \$133.6 million and \$122.8 million in 2025 and 2024, respectively, for an increase of \$10.8 million.

Approximately \$7.1 million of this increase was due to increased State appropriations mostly related to the outcomes-based initiative. The remaining \$3.7 million variance was primarily due to allocations that do not impact the bottom-line increase in net position. The first is the required GASB Statement No. 75 allocation for Postemployment Benefits other than Pensions. This allocation of revenue increased \$0.7 million compared to 2024. The second is the State fringe benefit allocation, which increased \$2.8 million due to an increase in the State's allocation rate. These are offset by an equal increase or decrease in the amount of expenses allocated to the various functional categories. The University also incurred a net increase in investment income and expense of \$1.3 million.

In total, this resulted in non-operating and other capital revenues *increasing* \$12.9 million when comparing fiscal 2025 to fiscal 2024.

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(Required Supplementary Information)

YEARS ENDED JUNE 30, 2025 and 2024

In fiscal 2024, State appropriations and State payments of fringe benefits (on behalf) totaled \$122.8 million, which represents an increase from 2023 of \$14.1 million.

Approximately \$3.1 million of this increase was due to increased State appropriations mostly related to the outcomes-based initiative. The remaining \$11.0 million variance was primarily due to allocations that do not impact the bottom-line increase in net position. The first is the required GASB Statement No. 75 allocation for Postemployment Benefits other than Pensions. This allocation of revenue decreased \$2.5 million compared to 2023. The second is the State fringe benefit allocation, which increased \$13.5 million due to an increase in the State's allocation rate. These are offset by an equal increase or decrease in the amount of expenses allocated to the various functional categories.

The University also incurred a net increase in investment income and expense of \$4.4 million in addition to increases in Grant and contract revenue and private gifts of \$18.4 million. This was mostly due to an increase in Tag funds received in addition to the State's Garden State Guarantee program in 2024.

Operating Expenses

Operating expenses are those incurred to acquire or produce goods and services in return for operating revenues, and to carry out the mission of the University. Operating expenses include pension-related expenses due to State-managed pension plans of the University. Non-operating expenses are those for which the University does not receive goods or services in return.

For the year ended June 30, 2025, operating expenses *increased* by approximately \$38.9 million. One component of this was a decrease in the OPEB allocation charged to revenues and an offset to expenses of \$2.8 million. This is a result of GASB Statement No. 75, which requires financial reporting for Postemployment Benefits other than Pensions. In addition to the GASB Statement No. 75 adjustment, there was also an *increase* of \$5.7 million in the allocation charge as a result of the GASB Statement No. 68 requirement to record expenses for the PERS and PFRS State-managed pension programs. These pension expenses consisted of employer (i.e., Kean) contributions as well as pension activity expenses to each plan.

Also included in the \$38.9 million variance noted above was an *increase* of \$0.8 million in fringe benefit expense allocations due to an increase in the State's Fringe benefit rate. The annual circular rate provided by the NJ Department of Treasury applies an expense allocation to the various programs that have state funded employee positions. These expenses are offset against a corresponding revenue allocation shown in non-operating revenues. The total allocation amounted to \$77.3 and \$76.5 million in 2025 and 2024, respectively.

For financial statement purposes, GASB Statement *No. 68 Pension*, GASB Statement *No. 75 OPEB*, and State's Fringe Benefit expenses were allocated among the various program expense line items based on a percentage of salary expenses incurred. For purposes of the Management's Discussion and Analysis, such expense allocation has been excluded and are shown as separate line items in the schedule below.

Excluding the fringe benefit, pension, and OPEB allocations mentioned above, the remaining variance was an *increase* of \$33.7 million in operating expenses. This was primarily due to increases

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(Required Supplementary Information)

YEARS ENDED JUNE 30, 2025 and 2024

noted in Instruction (\$20.6 million), Institutional Support (\$6.2 million), Operations & Maintenance (\$8.3 million), and Student Services (\$2.8 million). These increases were offset by a decrease in Auxiliary enterprise and Research expenses of \$2.5 and \$0.8 million, respectively. The increases noted above in Instruction were due mostly to increases in salary and benefit costs across many departments. Institutional Support also saw increases in salary and benefits in addition to increases in computer and software expenses in 2025 compared to 2024.

The increase in Operations and Maintenance was mostly due to an increase in fuel, household and security expenses along with professional services and repairs in 2025 compared to 2024. The offsetting decrease in Auxiliary expenses was due to savings found in security expenses.

For the year ended June 30, 2024, operating expenses increased by approximately \$26.6 million. One component of this was a decrease in the OPEB allocation charged to revenues and an offset to expenses of \$2.5 million. This is a result of GASB Statement No. 75, which requires financial reporting for Postemployment Benefits other than Pensions. In addition to the GASB Statement No. 75 adjustment, there was also an increase of \$4.0 million in the allocation charge as a result of the GASB Statement No. 68 requirement to record expenses for the PERS and PFRS State-managed pension programs. These pension expenses consisted of employer (i.e., Kean) contributions as well as pension activity expenses to each plan.

Also included in the \$26.6 million variance noted above was an increase of \$13.5 million in the fringe benefit expense allocations due to an increase in the State's Fringe benefit rate. The annual circular rate provided by the NJ Department of Treasury applies an expense allocation to the various programs that have state funded employee positions. These expenses are offset against a corresponding revenue allocation shown in non-operating revenues. The total allocation amounted to \$76.5 and \$63.0 million in 2024 and 2023, respectively.

For financial statement purposes, GASB Statement No. 68 *Pension*, GASB Statement No. 75 *OPEB*, and State's Fringe Benefit expenses were allocated among the various program expense line items based on a percentage of salary expenses incurred. For purposes of the Management's Discussion and Analysis, such expense allocation has been excluded and are shown as separate line items in the schedule below.

Excluding the fringe benefit, pension, and OPEB allocations mentioned above, the remaining variance was an increase of \$11.5 million in operating expenses. This was primarily due to increases noted in Instruction (\$6.7 million), Institutional Support (\$8.3 million), and Operations & Maintenance (\$2.0 million). These increases were offset by a decrease in scholarship and fellowships expenses of \$7.7 million. The decrease in scholarship and fellowships expense was due mostly to the State's Garden State Guarantee program which is being administered as a Financial Aid program in 2024 which is an offset to tuition expense. In 2023 funds from this program were recorded as Scholarship expense. The increases noted above in Instruction were due mostly to increases in salary and benefit costs across many departments with graphic design showing a significant investment. Institutional Support also saw increases in salary and benefits in addition to advertising and professional services in 2024 compared to 2023 however, the bulk of the increase was due to a larger year end accounting credit adjustment for capitalized equipment in addition to a large year end elimination entry related to the University Foundation which was recorded in 2023 not in 2024. The increase in Operations and

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(Required Supplementary Information)

YEARS ENDED JUNE 30, 2025 and 2024

Maintenance was mostly due to an increase in household and security expenses in 2024 compared to 2023.

The following is a summary of operating expenses by category for the fiscal years ended June 30, 2025, 2024 and 2023:

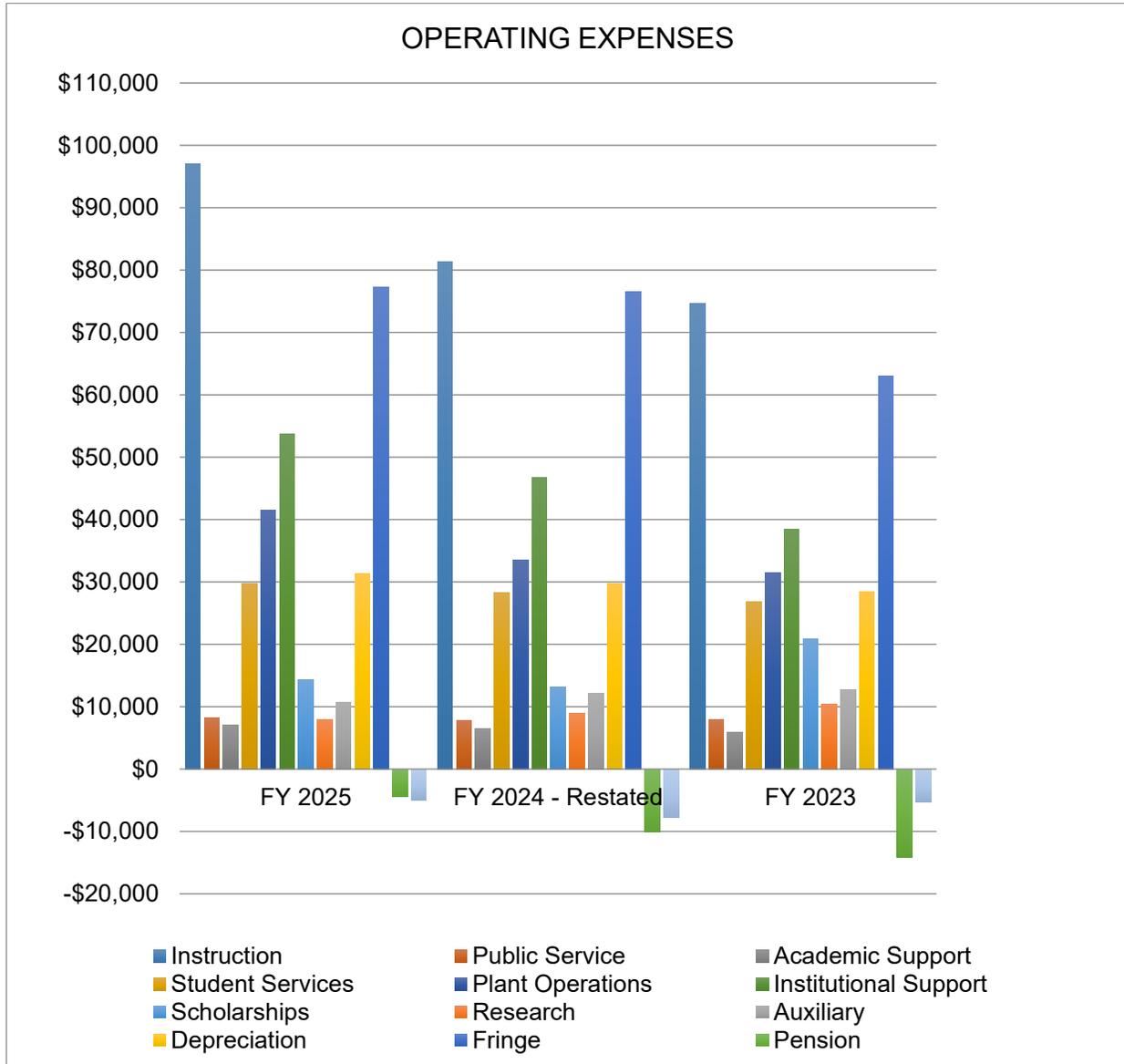
	Year Ended June 30,		
	2025	Restated - 2024	2023
Operating expenses:			
Instruction	\$ 97,078	\$ 81,386	\$ 74,656
Public service	8,289	7,759	7,893
Academic support	7,128	6,529	5,893
Student services	29,775	28,250	26,849
Operations and maintenance of plant	41,501	33,550	31,501
Institutional support	50,600	46,690	38,401
Scholarships and fellowships	14,371	13,203	20,892
Research	8,004	8,935	10,390
Auxiliary enterprises	10,761	13,270	12,778
Depreciation and amortization	31,282	29,698	28,469
Subtotal	<u>\$ 298,789</u>	<u>\$ 269,270</u>	<u>\$ 257,722</u>
State Fringe Benefit allocation impact	\$ 77,294	\$ 76,496	\$ 62,989
GASB 68 Pension Expense allocation impact	(4,367)	(10,102)	(14,149)
GASB 75 OPEB allocation impact	<u>(4,964)</u>	<u>(7,829)</u>	<u>(5,297)</u>
Total operating expenses	<u>\$ 366,752</u>	<u>\$ 327,835</u>	<u>\$ 301,265</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

YEARS ENDED JUNE 30, 2025 and 2024

The following chart provides a graphical breakdown of operating expenses by category for the fiscal years ended June 30, 2025, 2024 and 2023:



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

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

YEARS ENDED JUNE 30, 2025 and 2024

Capital Assets and Debt Administration

Capital Assets

Capital Assets, net (including construction-in-progress) decreased approximately \$9.7 million in 2025 compared to 2024. This was primarily due to an increase in new capital construction-in-progress spending of \$10.8 million offset against \$2.6 million of new capital assets placed into service described below. This overall capital assets decrease of \$9.7 million was attributable to an increase in depreciation and amortization expense of \$28.1 million, resulting in a net decrease. The University had approximately \$565.3 million invested in capital assets, net of accumulated depreciation and amortization of \$383.1 million at June 30, 2025 as compared to approximately \$575.0 million assets net of accumulated depreciation and amortization of \$351.8 million at June 30, 2024. Depreciation and amortization charges totaled \$31.4 and \$29.8 million for the years ended June 30, 2025 and 2024, respectively.

Details of these capital assets, net of accumulated depreciation and amortization, are as follows:

	June 30,		
	2025	2024	2023
Construction-in-progress	\$ 23,394	\$ 15,136	\$ 27,117
Land	9,123	9,123	9,123
Land improvements	15,148	14,617	14,213
Buildings and improvements	484,606	502,584	472,131
Right of use - Building	104	207	192
Equipment	22,081	21,676	22,284
Right of use - Equipment	779	367	967
Right of use subscription assets	4,954	6,702	8,008
Infrastructure	4,344	4,613	4,882
Intangibles	795	-	-
	<u>\$ 565,328</u>	<u>\$ 575,025</u>	<u>\$ 558,917</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

YEARS ENDED JUNE 30, 2025 and 2024

Major capital additions during the 2025 fiscal year included (in thousands):

	<u>Completed</u>
Facility Upgrades and Asset Replacement	\$ 2,466
Ellucia SaaS & Windows 11 Implementation	1,571
Valt Camera Project	3,078
1085 Morris Ave Exterior & IT/Network upgrades	559
EV Charges at East Campus	251
D'Angola Gym Upgrades	176
Various Equipment	2,981
Various Maintenance	<u>2,306</u>
Total (project to date spending)	<u>\$ 13,388</u>
	<u>In progress</u>
Miron Student Center HVAC Upgrades	\$ 2,585
Campus Roof Replacements (additional)	1,872
1085 Morris Ave Design	1,746
East Campus Boiler Repairs	721
Various Maintenance	<u>3,890</u>
Total (current year spending)	<u>\$ 10,814</u>

See Note 3 to the financial statements for additional information relating to the University's capital assets.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

YEARS ENDED JUNE 30, 2025 and 2024

Debt and Long-Term Liabilities

The University had \$254.2 and \$269.2 million in outstanding debt/long-term liabilities for the years ended June 30, 2025 and 2024, respectively. The outstanding debt/long-term liabilities are summarized below by the type of liability.

	Outstanding Debt, at Year-End (in thousands)		
	June 30,		
	2025	2024	2023
NJEFA bonds	\$ 236,865	\$ 251,665	\$ 265,815
Capital Improvement Fund bonds	3,633	3,921	2,462
Lease liability	849	590	1,217
Financed purchases liability	2,631	893	
Software subscriptions payable	5,036	6,556	7,799
Unamortized premium	5,147	5,542	5,937
	<u>\$ 254,161</u>	<u>\$ 269,167</u>	<u>\$ 283,230</u>

Year to year reductions in outstanding debt are primarily due to the payment of principal on outstanding debt, financed purchases, software subscriptions payable and lease obligations. See Notes 4 and 6 to the financial statements for additional information relating to the University's debt and noncurrent liabilities.

Summary and Outlook

Although operating expenses plus interest at Kean University *increased* from \$124.7 million in FY 2002 to \$378.1 million in FY 2025. (5.0 % CAGR) State aid revenue (appropriations and revenue) only *increased* from \$53.1 million in FY 2002 to \$134.3 million in FY 2025 (4.1% CAGR). It is anticipated that state aid appropriations in future years will continue to *decrease*, or at best, remain flat. To offset the increasing gap between state aid revenues and operating expenses, so as to minimize required tuition *increases*, the University will continue its effort to pursue alternate funding sources from outside contributors and other gifts and grants.

Requests for Information

This financial report is designed to provide a general overview of Kean University's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Joseph Antonowicz, Associate VP for Treasury Management and Accounting, Kean University, 1000 Morris Avenue, Union, New Jersey 07083.

KEAN UNIVERSITY
(A Component Unit of the State of New Jersey)
STATEMENTS OF NET POSITION
(dollars in thousands)

	June 30, 2025			June 30, 2024		
	Business-Type Activities Kean University	Component Unit Kean University Foundation	Total	Business-Type Activities Kean University (as restated)	Component Unit Kean University Foundation	Total
ASSETS						
CURRENT ASSETS:						
Cash and equivalents	\$ 82,583	\$ 5,665	\$ 88,248	\$ 42,217	\$ 2,326	\$ 44,543
Deposits held by bond trustees	28,285		28,285	27,837		27,837
Investments	12,485	107,438	119,923	144,847	97,795	242,642
Accounts receivable:						
Student accounts (less allowance for doubtful accounts of \$18,302 in 2025 and \$16,286 in 2024)	6,663		6,663	6,236		6,236
Student loans	199		199	277		277
Gifts and grants	2,570		2,570	5,108		5,108
Lease receivable	936		936	875		875
Due from State of New Jersey	4,129		4,129	3,621		3,621
Other receivables (less allowance for doubtful collections of \$20 in 2025 and \$119 in 2024)	6,441	9,491	15,932	3,618	8,499	12,117
Total Accounts Receivable	<u>20,938</u>	<u>9,491</u>	<u>30,429</u>	<u>19,735</u>	<u>8,499</u>	<u>28,234</u>
Prepaid expenses and other assets	-	529	529	2	190	192
Total Current Assets	<u>144,291</u>	<u>123,123</u>	<u>267,414</u>	<u>234,638</u>	<u>108,810</u>	<u>343,448</u>
NONCURRENT ASSETS:						
Investments	110,730		110,730	242		242
Student loans receivable	183		183	220		220
Land	9,123		9,123	9,123		9,123
Construction-in-progress	23,394		23,394	15,136		15,136
Capital assets (net of accumulated depreciation/amortization of \$385,020 in 2025 and \$353,630 in 2024)	532,811	1,180	533,991	550,766	1,235	552,001
Lease receivable	17,495		17,495	18,347		18,347
Other non current assets	-	1,142	1,142	-	1,055	1,055
Total Noncurrent Assets	<u>693,736</u>	<u>2,322</u>	<u>696,058</u>	<u>593,834</u>	<u>2,290</u>	<u>596,124</u>
Total Assets	<u>838,027</u>	<u>125,445</u>	<u>963,472</u>	<u>828,472</u>	<u>111,100</u>	<u>939,572</u>
DEFERRED OUTFLOWS OF RESOURCES:						
Swap termination and loss on refinancing	16,538		16,538	18,180		18,180
Pension deferrals	21,041	-	21,041	16,404	-	16,404
Total Deferred Outflows of Resources	<u>37,579</u>	<u>-</u>	<u>37,579</u>	<u>34,584</u>	<u>-</u>	<u>34,584</u>
LIABILITIES						
CURRENT LIABILITIES:						
Accounts payable and accrued expenses	26,087	3,335	29,422	20,141	174	20,315
Accrued interest payable	3,944		3,944	4,193		4,193
Unearned revenue	42,674		42,674	38,790		38,790
Deposits and other	65		65	65		65
Compensated absences	11,213		11,213	5,043		5,043
Financed purchases payable	597		597	131		131
Lease payable	314		314	488		488
Subscription based information technology arrangements payable	2,255		2,255	2,026		2,026
Other current liabilities		125	125		108	108
Bonds payable - current portion	15,695	-	15,695	15,000	-	15,000
Total Current Liabilities	<u>102,844</u>	<u>3,460</u>	<u>106,304</u>	<u>85,877</u>	<u>282</u>	<u>86,159</u>
NONCURRENT LIABILITIES:						
Compensated absences	669		669	720		720
U.S. Government grants refundable	88		88	18		18
Financed purchases payable	2,034		2,034	762		762
Lease payable	535		535	102		102
Subscription based information technology arrangements payable	2,781		2,781	4,530		4,530
Other liabilities		1,385	1,385		1,204	1,204
Bonds payable, less current portion	229,950		229,950	246,128		246,128
Net pension liability	109,382	-	109,382	104,227	-	104,227
Total Noncurrent Liabilities	<u>345,439</u>	<u>1,385</u>	<u>346,824</u>	<u>356,487</u>	<u>1,204</u>	<u>357,691</u>
Total Liabilities	<u>448,283</u>	<u>4,845</u>	<u>453,128</u>	<u>442,364</u>	<u>1,486</u>	<u>443,850</u>
DEFERRED INFLOWS OF RESOURCES:						
Pension deferrals	7,039		7,039	11,924		11,924
Deferred gain on refinancing	185		185	198		198
Deferred service concession arrangement	33,202		33,202	34,202		34,202
Deferred leases	17,666	-	17,666	18,938	-	18,938
Total Deferred Inflows of Resources	<u>58,092</u>	<u>-</u>	<u>58,092</u>	<u>65,262</u>	<u>-</u>	<u>65,262</u>
NET POSITION						
Net investment in capital assets	301,153		301,153	301,334		301,334
Restricted:						
Nonexpendable		116,387	116,387		101,840	101,840
Expendable:						
Capital projects	11,494		11,494	6,620		6,620
Unrestricted	56,584	4,213	60,797	47,476	7,774	55,250
Total Net Position	<u>\$ 369,231</u>	<u>\$ 120,600</u>	<u>\$ 489,831</u>	<u>\$ 355,430</u>	<u>\$ 109,614</u>	<u>\$ 465,044</u>

See accompanying notes to financial statements.

KEAN UNIVERSITY
(A Component Unit of the State of New Jersey)
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
(dollars in thousands)

	Year ended June 30, 2025			Year ended June 30, 2024		
	Business-Type Activities Kean University	Component Unit Kean University Foundation	Total	Business-Type Activities Kean University (as restated)	Component Unit Kean University Foundation	Total
OPERATING REVENUES:						
Student revenues:						
Student tuition and fees	\$ 199,045	\$ -	\$ 199,045	\$ 179,224	\$ -	\$ 179,224
Less: tuition scholarship allowances	<u>(98,122)</u>	<u>-</u>	<u>(98,122)</u>	<u>(77,639)</u>	<u>-</u>	<u>(77,639)</u>
Student Tuition & Fees, net	100,923	-	100,923	101,585	-	101,585
Auxiliary enterprises	24,579	-	24,579	22,648	-	22,648
Less: housing scholarship allowances	<u>(2,211)</u>	<u>-</u>	<u>(2,211)</u>	<u>(2,024)</u>	<u>-</u>	<u>(2,024)</u>
Auxiliary revenues, net	22,368	-	22,368	20,624	-	20,624
Federal grants and contracts	50,022	-	50,022	66,369	-	66,369
State and local grants and contracts	59,101	-	59,101	46,160	-	46,160
Fundraising revenue	-	7,794	7,794	-	3,455	3,455
Other operating revenues	<u>14,919</u>	<u>28</u>	<u>14,947</u>	<u>13,139</u>	<u>2,962</u>	<u>16,101</u>
Total operating revenues	<u>247,333</u>	<u>7,822</u>	<u>255,155</u>	<u>247,877</u>	<u>6,417</u>	<u>254,294</u>
OPERATING EXPENSES:						
Instruction	132,874	-	132,874	112,253	-	112,253
Public service	9,550	-	9,550	8,956	-	8,956
Academic support	9,100	-	9,100	8,075	-	8,075
Student services	39,126	-	39,126	36,352	-	36,352
Operations and maintenance of plant	46,684	-	46,684	38,425	-	38,425
Institutional support	64,521	8,006	72,527	58,334	6,350	64,684
Scholarships and fellowships	14,371	-	14,371	13,203	-	13,203
Research	8,483	-	8,483	9,269	-	9,269
Auxiliary enterprises	10,761	-	10,761	13,270	-	13,270
Depreciation and amortization	<u>31,282</u>	<u>58</u>	<u>31,340</u>	<u>29,698</u>	<u>58</u>	<u>29,756</u>
Total operating expenses	<u>366,752</u>	<u>8,064</u>	<u>374,816</u>	<u>327,835</u>	<u>6,408</u>	<u>334,243</u>
OPERATING (LOSS) INCOME	<u>(119,419)</u>	<u>(242)</u>	<u>(119,661)</u>	<u>(79,958)</u>	<u>9</u>	<u>(79,949)</u>
NON-OPERATING REVENUES (EXPENSES):						
State of New Jersey appropriations - State	61,283	-	61,283	54,181	-	54,181
State of New Jersey paid fringe benefits - on behalf payments	72,329	-	72,329	68,668	-	68,668
Private gifts	1,822	-	1,822	1,973	-	1,973
Investment income	11,349	12,504	23,853	10,441	11,839	22,280
Realized gain on investments	997	-	997	-	-	-
Other	88	-	88	-	-	-
Interest expense	<u>(11,332)</u>	<u>(245)</u>	<u>(11,577)</u>	<u>(11,685)</u>	<u>(69)</u>	<u>(11,754)</u>
Total net non-operating revenues (expenses)	<u>136,535</u>	<u>12,259</u>	<u>148,794</u>	<u>123,578</u>	<u>11,770</u>	<u>135,348</u>
STATE OF NEW JERSEY APPROPRIATIONS - CAPITAL	<u>673</u>	<u>-</u>	<u>673</u>	<u>116</u>	<u>-</u>	<u>116</u>
INCOME BEFORE TRANSFERS	<u>17,789</u>	<u>12,017</u>	<u>29,806</u>	<u>43,736</u>	<u>11,779</u>	<u>55,515</u>
TRANSFERS						
Transfers from Kean University Foundation	<u>1,031</u>	<u>(1,031)</u>	<u>-</u>	<u>3,026</u>	<u>(3,026)</u>	<u>-</u>
INCREASE IN NET POSITION	18,820	10,986	29,806	46,762	8,753	55,515
NET POSITION:						
BEGINNING OF YEAR, AS REPORTED	<u>355,430</u>	<u>109,614</u>	<u>465,044</u>	<u>308,668</u>	<u>100,861</u>	<u>409,529</u>
Cumulative Effect of Change in Accounting Principle	<u>(5,019)</u>	<u>-</u>	<u>(5,019)</u>	<u>-</u>	<u>-</u>	<u>-</u>
BEGINNING OF YEAR, AS RESTATED	<u>350,411</u>	<u>109,614</u>	<u>460,025</u>	<u>308,668</u>	<u>100,861</u>	<u>409,529</u>
END OF YEAR	<u>\$ 369,231</u>	<u>\$ 120,600</u>	<u>\$ 489,831</u>	<u>\$ 355,430</u>	<u>\$ 109,614</u>	<u>\$ 465,044</u>

See accompanying notes to financial statements.

KEAN UNIVERSITY
(A Component Unit of the State of New Jersey)
STATEMENTS OF CASH FLOWS
Business-Type Activities - University Only
(dollars in thousands)

	Year Ended June 30,	
	2025	2024 (as restated)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Student revenues	\$ 126,862	\$ 141,334
Government grants	189,025	187,725
Payments to suppliers	(193,501)	(187,973)
Payments for employee salaries and benefits	(144,255)	(131,305)
Other receipts	12,098	13,157
Net cash flows from operating activities	(9,771)	22,938
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State of New Jersey appropriations	61,448	53,161
Direct lending receipts	63,330	59,916
Direct lending disbursements	(63,330)	(59,916)
Transfers from Component Unit	1,031	3,026
Private gifts	1,822	1,973
Net cash flows from noncapital financing activities	64,301	58,160
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from long-term debt	(212)	2,528
Payments made for refunded debt	88	
Loss on disposal of capital assets	167	332
Purchases of capital assets	(22,518)	(47,067)
Principal paid on long-term debt	(14,877)	(14,327)
Interest paid on long-term debt	(10,585)	(12,334)
Deposits held by Bond Trustees	(448)	(16,664)
Net cash flows from capital and related financing activities	(48,384)	(87,532)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net sales of investments	22,871	(544)
Net investment income and other	11,349	10,441
Net cash flows from investing activities	34,220	9,897
NET CHANGE IN CASH AND EQUIVALENTS	40,366	3,463
CASH AND EQUIVALENTS, BEGINNING OF YEAR	42,217	38,754
CASH AND EQUIVALENTS, END OF YEAR	\$ 82,583	\$ 42,217
RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating loss	\$ (119,419)	\$ (79,958)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation and amortization expenses	31,282	29,698
State of New Jersey paid fringe benefits	72,329	68,668
State of New Jersey paid pension contributions	(4,367)	(10,102)
Changes in operating assets and liabilities:		
Accounts receivable, net	(527)	(2,574)
Prepaid expenses and other assets	2	(2)
Accounts payable and accrued expenses	5,945	(3,210)
Unearned revenue	3,884	19,968
Compensated absences	1,100	450
Net cash flows from operating activities	\$ (9,771)	\$ 22,938

See accompanying notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2025 and 2024
(dollars in thousands)

Note 1 - Nature of the Organization and Summary of Significant Accounting Policies:

Nature of the Organization - Kean University (the “University”), a multi-purpose institution of higher education, offers graduate and undergraduate programs that are administered through the University’s six (6) colleges: the College of Business and Public Management; the College of Education; the College of Health Professions and Human Services; the College of Liberal Arts; the Dorothy and George Hennings College of Science, Mathematics and Technology; and the Michael Graves College; as well as through its online platform, Kean Online. Certain amounts in the footnotes include amounts for the Foundation that are reported as a discretely presented component unit.

The University is recognized as a public institution of higher education by the State of New Jersey (the “State”). This recognition is supported by an annual appropriation between the University and the State whereby the University agrees to render services of public higher education for the State.

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. However, under Governmental Accounting Standards Board (“GASB”) Statement No. 61, *The Financial Reporting Entity*, the University is considered a component unit of the State of New Jersey for financial reporting purposes. Accordingly, the University’s financial statements are included in the State of New Jersey’s Annual Comprehensive Financial Report.

In May 2025, the University and New Jersey City University signed a letter of intent, which outlined a proposed merger, under which Kean University would assume control of New Jersey City University with a targeted merger date of July 1, 2026.

Kean University Foundation, Inc. and Subsidiaries (the “Foundation”) is a legally separate component unit of Kean University, exempt from tax under the Internal Revenue Code Section 501(c)(3). The Foundation’s purpose is to obtain private funding to enhance the educational goals of Kean University. Because the resources of 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 presented as a discretely presented component-unit in the University’s financial statements.

Complete financial statements can be obtained from the Kean University Foundation, Inc. at 1000 Morris Avenue, T-130, Union, NJ 07083-01 or from the Foundation’s website at www.keanfoundation.org.

The significant accounting policies employed by the University are described below:

Basis of Presentation - The accounting policies of the University conform to accounting principles generally accepted in the United States of America as applicable to colleges and universities and the accounts are maintained on the accrual basis of accounting. The University reports are based on all applicable GASB authoritative literature in accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

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

NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2025 and 2024
(dollars in thousands)

Note 1 - Nature of the Organization and Summary of Significant Accounting Policies (continued):

Kean University Foundation, Inc. and Subsidiaries is a private not-for-profit organization that reports under Financial Accounting Board Standards (“FASB”), including FASB Accounting Standards Codification (“ASC”) 958, *Not-for-Profit Entities*. These standards provide for certain revenue recognition and presentation features which may be different from GASB criteria. The Foundation follows FASB ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements for Not-For-Profit Entities*.

Net Position - GASB Statements No. 35 and No. 63 established the standards for external financial reporting for public colleges and universities. The University classifies its resources into three net position categories in accordance with the provisions of these Statements.

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

- **Restricted:**

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

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

- **Unrestricted:** Net position not subject to externally imposed stipulations. They may be designated for specific purposes by action of management or the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

Measurement Focus and Basis of Accounting - The financial statements of the University have been prepared on the accrual basis of accounting using the economic resources measurement focus, in accordance with the Governmental Accounting Standards Board. The University reports its financial statements as a business type activity, as defined by GASB Statement No. 35. Business type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

Estimates and Uncertainties - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results, as determined at a later date, could differ from those estimates.

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

NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2025 and 2024
(dollars in thousands)

Note 1 - Nature of the Organization and Summary of Significant Accounting Policies (continued):

Cash and Equivalents - Cash and equivalents consist of cash and highly liquid investments that have maturities of three months or less when purchased. 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. Cash and equivalents under the Foundation include highly liquid short-term investments purchased with original maturities of three months or less.

Investments - Investments are recorded in the financial statements at fair value, which is based on quoted market prices. Purchase and sales of investments are accounted for on the trade-date basis. Investment income is recorded on an accrual basis.

Deposits Held by Bond Trustees - Deposits held by bond trustees are recorded in the financial statements at fair value, which is based on quoted market price and consist of cash and equivalents and U.S. Treasury obligations and government securities.

Capital Assets and Right-of-Use Subscription Assets - Capital assets are recorded at actual incurred cost if purchased or constructed. Construction-in-progress is recorded as costs are incurred during construction. Donated capital assets are recorded at acquisition value at the date of acquisition. Assets acquired under lease agreements and subscription arrangements are classified as right of use assets and are recorded as capital assets. Capital assets of the University are depreciated/amortized using the straight-line method over the following useful lives:

	Useful Lives
Land and building improvements	15
Buildings	40
Right of use building	4
Equipment	5-7
Right of use equipment	5
Right of use subscription assets	5
Infrastructure	40

Receivables - Student receivables consist of tuition and fees charged to current and former students. State of New Jersey receivables, grants and contracts receivables are amounts due from federal and state governments in connection with reimbursement of allowable expenditures made pursuant to grants and contracts and other miscellaneous sources. Loan receivables consist of funds loaned to students under federal loan programs. Lease receivables consist of the present value of lease receipts expected during the lease term. Other receivables consist of employee receivables and a variety of billings ranging from clinical services, fee for service arrangements, and auxiliary enterprise contracts.

Unearned Revenue - Unearned revenue consists primarily of amounts received from grants and NJEFA funds, which have not yet been earned under the terms of the agreement. Unearned revenue also includes student tuition and fees billed and collected in advance of the applicable academic term.

Student Tuition and Fees - Student tuition and fees are presented net of scholarships applied to student accounts, while other payments made directly to students are presented as scholarships expenses, and are recognized in the period earned.

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(dollars in thousands)

Note 1 - Nature of the Organization and Summary of Significant Accounting Policies (continued):

Grants and Contracts - Federal, State and local grants and contracts revenue is comprised mainly of grant revenues received from the Federal Government, State of New Jersey and local entities and are 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 unearned revenue in the accompanying statements of net position.

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

Financial Dependency - One of the University's largest sources of revenue is appropriations from the State of New Jersey. The University is economically dependent on these appropriations to carry on its operations.

Classification of Operating Revenues and Expenses - The University's policy for defining operating activities in the statements of revenues, expenses, and changes in net position is 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 and services of auxiliary enterprises and (3) most Federal, State and local grants and contracts. Operating expenses include administrative and educational costs, as well as depreciation and amortization. All revenues and expenses not meeting this definition including formula-based state aid and non-exchange, non-operating grants and contracts are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the University's policy to use restricted resources first, then unrestricted resources as they are needed.

Income Taxes - The University and Foundation are exempt from Federal income taxes under Internal Revenue Code Section 115 and 501(c)(3), respectively.

Other significant tax positions include its determination of whether any amounts are subject to unrelated business income tax (UBIT). Management regularly reviews and evaluates its tax positions taken in previously filed information returns and as reflected in its financial statements, with regard to issues affecting its tax-exempt status, unrelated business income and related matters. All significant tax positions have been considered by management, and it has been determined that all tax positions would be sustained upon examination by taxing authorities. Therefore, management has concluded that no tax benefits or liabilities are required to be recognized.

The Foundation believes it is no longer subject to income tax examinations for years prior to June 30, 2022.

Compensated Absences - The University accounts for compensated absences in accordance with GASB Statement No. 101, "*Compensated Absences*," which supersedes GASB Statement No. 16. Under GASB 101, a liability is recognized when employees earn leave that is more likely than not to be used or otherwise realized. The University's compensated absences liability consists of accumulated vacation and sick leave and includes the related payroll-driven costs such as Social Security, Medicare and applicable pension contributions.

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Note 1 - Nature of the Organization and Summary of Significant Accounting Policies (continued):

In measuring this liability, GASB 101 requires governments to consider the full range of potential outcomes for earned leave—use, payout, carryover, and forfeiture. The University’s estimate is based on a five-year analysis of historical usage patterns and reflects the likelihood that employees will use or otherwise realize earned leave. The population used in the analysis included every employee who was employed by the University during the full five-year evaluation period. Leave expected to expire unused is excluded from the calculation.

Upon implementation of GASB 101, the University recalculated its compensated absences liability using the new recognition and measurement requirements. As a result, the ending compensated absences balance and net position for the fiscal year ending June 30, 2024, was restated to reflect the revised measurement of expected leave usage and related payroll-driven costs.

University employees are granted varying amounts of vacation and sick leave in accordance with the University’s personnel policy or applicable labor contract. Upon termination, if employees are eligible and have given sufficient notice as defined in their labor contracts or handbook, they are paid for accrued vacation up to the maximum days as defined by New Jersey Statute. The University’s policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, eligible employees are paid for their unused sick leave in accordance with the University’s policies and agreements with the various employee unions.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the University has two items that qualify for reporting in this category, including deferred swap termination and loss from the refinancing of debt and deferred amounts related to pensions. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that apply to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The University has four items that qualify for reporting in this category, including deferred gain on the refinancing of debt, deferred amounts related to pensions, deferred service concession arrangement and deferred leases.

Leases/Financed Purchases - The University is a lessee for non-cancellable leases/financed purchases of buildings and equipment. The University recognizes a lease liability and an intangible right-to-use lease asset or capital asset in the financial statements. At commencement of a lease/financed purchase, the University initially measures the related liability at the present value of payments expected to be made during the lease term. Subsequently, the liability is reduced by the principal portion of payments made. The lease asset is initially measured as the initial amount of liability, adjusted for payments made at or before the lease/financed purchase commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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NOTES TO FINANCIAL STATEMENTS
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Note 1 - Nature of the Organization and Summary of Significant Accounting Policies (continued):

Key estimates and judgements to lessee accounting include:

Discount Rate	The University uses the lessor’s implicit interest rate as the discount rate to discount the expected lease payments to the present value. When the interest rate is not provided, the University uses its estimated incremental borrowing rate as the discount rate for leases.
Lease Term	The lease term includes the non-cancellable period of the lease.
Lease Payments	Lease payments included in the measurement of the lease liability are composed of fixed payments and any purchase price that the University is reasonably certain to exercise.

Leases with a term of 12 months or less are not recorded in the Statement of Net Position and are expensed. Right-of-use-assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the right-of-use asset and is included in depreciation and amortization expense in the Statement of Revenues, Expenses, and Changes in Net Position. The interest expense related to leases is recognized using the effective interest method based on the discount rate determined at lease commencement and is included within interest on indebtedness in the Statement of Revenues, Expenses and Changes in Net Position.

The University monitors changes in circumstances that would require a remeasurement of its leases and will remeasure lease liabilities where the University is a lessee if certain changes occur that are expected to significantly affect the amount of the lease liability.

The University is a lessor of a building and cell tower leases with multiple entities after purchasing the building at 1085 Morris Avenue and taking over the lessor terms. The University recognizes a lease receivable and a deferred inflow of resources in the financial statements. At the commencement of the lease, the University initially measured the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

The University monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable and deferred inflow of resources.

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Note 1 - Nature of the Organization and Summary of Significant Accounting Policies (continued):

Recently Issued Accounting Pronouncements

The GASB issued Statement No. 100, “*Accounting Changes and Error Corrections*” in June 2022. This Statement will improve the clarity of accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The requirements of this Statement have been evaluated by the University and have been applied to the financial statements for the year ended December 31, 2024. The University implemented the requirements of this Statement during the June 30, 2025 fiscal year.

The GASB issued Statement No. 101, “*Compensated Absences*” in June 2023. 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. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for periods beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The University implemented the requirements of this Statement during the June 30, 2025 fiscal year.

The GASB issued Statement No. 102, “*Certain Risk Disclosures*” in January 2024. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for periods beginning after June 15, 2024, and all reporting periods thereafter. Management has reviewed the Statement and determined it did not have an impact on the financial statements.

The GASB issued Statement No. 103, “*Financial Reporting Model Improvements*” in April 2024. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The requirements of this Statement are effective for periods beginning after June 15, 2025, and all reporting periods thereafter. Management has not yet determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 104, “*Disclosure of Certain Capital Assets*” in September 2024. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets including lease assets, intangible right-to-use assets, subscription assets, other intangible assets and assets held for sale. The requirements of this Statement are effective for periods beginning after June 15, 2025, and all reporting periods thereafter. Management has not yet determined the impact of the Statement on the financial statements.

Reclassification of Prior Year Amounts - Certain prior year amounts have been reclassified to conform to the current year presentation. Specifically, revenue previously reported as non-operating revenue has been reclassified to operating revenue. This reclassification had no impact on previously reported net income, total assets, liabilities, or cash flows.

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Note 1 - Nature of the Organization and Summary of Significant Accounting Policies (continued):

Subsequent Events - Management has reviewed and evaluated all events and transactions that occurred between June 30, 2025 and March 2, 2026, the date that the financial statements were available for issuance. The effect of those events and transactions that provide additional pertinent information about conditions that existed at the statement of net position date, have been recognized in the accompanying financial statements.

In October 2025, the University and New Jersey City University signed a definitive merger agreement to create Kean Jersey City as a new campus, effective July 1, 2026.

Note 2 - Cash and Equivalents, Investments and Deposits held by Bond Trustees:

Statutes of the State of New Jersey and regulations of the State Investment Council authorize the New Jersey Division of Investments to invest in obligations of the U.S. Treasury agencies, and other municipal or political subdivisions of the State; commercial paper; bankers acceptances; revenue obligations of public authorities; debt instruments of banks; collateralized notes and mortgages; certificates of deposit; repurchase agreements; equity and convertible equity securities; and other common types of investment securities. Investee institutions and organizations are prescribed by the statutes and regulations based on such things as minimum capital, dividend paying history, credit history and other evaluation factors.

Cash and equivalents of the University are comprised of the following as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Cash and equivalents	\$ 48,427	\$ 40,544
State of NJ Cash Management Fund	<u>34,156</u>	<u>1,673</u>
Total Cash and Equivalents	<u>\$ 82,583</u>	<u>\$ 42,217</u>

As of June 30, 2025 and 2024, the University’s cash and equivalents book balance (excluding State of New Jersey Cash Management Fund) was \$48,427 and \$40,544, respectively; the actual amount of cash on deposit in the University’s bank accounts was \$48,829 and \$43,323, respectively. Of these bank balances, \$48,779 at June 30, 2025, and \$43,323 at June 30, 2024, were either fully insured by the Federal Deposit Insurance Corporation, covered by a collateralization agreement or backed by US Government Securities.

For additional information regarding the cash and equivalents and investments of the Foundation, please refer to the separately issued Foundation report.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the University’s deposits may not be returned to it. The University’s Investment Policy addresses custodial credit risk by limiting deposits and investments to specific banks and financial institutions that meet criteria established by the New Jersey Department of Banking and Insurance.

The University participates in the State of New Jersey Cash Management Fund (“NJCMF”) wherein amounts also contributed by other State entities are combined into a large-scale investment program. The NJCMF is administered by the State of New Jersey, Department of the Treasury.

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Note 2 - Cash and Equivalents, Investments and Deposits held by Bond Trustees (continued):

It invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include U.S. Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and Certificates of Deposit. Agencies that participate in the NJCMF typically earn returns that mirror short-term investments rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty. The carrying amount of cash and equivalents in the State of New Jersey Cash Management Fund as of June 30, 2025 and 2024 was \$34,156 and \$1,673, respectively, which represented the amount on deposit with the Fund. The amount of cash and equivalents is equal to the amount on deposit with the pool. The debt instruments in the New Jersey Cash Management Fund are rated by three national rating agencies.

Lastly, deposits held by the bond trustees of \$28,285 and \$27,837 at June 30, 2025 and 2024, respectively, are carried in the financial statements at fair value, and consist of cash and equivalents and U.S. Government obligations.

Investments - GASB Statement No. 40 requires that the University disclose whether its deposits are exposed to custodial credit risk (risk that in the event of failure of the counterparty, the University would not be able to recover the value of its deposit or investment). Deposits are considered to be exposed to custodial credit risk if they are: uncollateralized (securities are not pledged to the depositor), collateralized with the securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the name of the University. The University's investment balances as of June 30, 2025 and 2024, of \$123,215 and \$145,089, respectively, were comprised of instruments that were either fully insured by the FDIC, and/or registered in the University's name. The Foundation's investment balances as of June 30, 2025 and 2024, of \$107,439 and \$97,795, respectively, were comprised of mutual funds, charitable gift annuities and limited partnership interests registered in the name of the Foundation.

The University's Centralized Cash Management and Investment Policy ("Investment Policy") states, "Preservation of capital is regarded as the highest priority in the handling of University investments. All other investment objectives are secondary to the safety of capital." To that end, the Investment Policy addresses custodial credit risk by limiting deposits and investments to specific banks and financial institutions that meet criteria established by the New Jersey Department of Banking and Insurance.

Investments held by various bank custodians, investments in debt securities and equity securities with readily determinable fair values are carried at fair value.

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

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Note 2 - Cash and Equivalents, Investments and Deposits held by Bond Trustees (continued):

The following table sets forth by level, within the fair value hierarchy, the investment assets at fair value as of June 30, 2025 and 2024:

	Assets at Fair Value as of June 30, 2025			
	Level 1	Level 2	Level 3	Total
Kean University				
Short Term Bond Funds	\$ 12,485	\$ -	\$ -	\$ 12,485
Long Term Bond Funds	110,730	-	-	110,730
Total Kean University	<u>123,215</u>	<u>-</u>	<u>-</u>	<u>123,215</u>
Kean University Foundation				
Mutual Funds	85,329			85,329
Commodity Trust Fund	1,905	-	-	1,905
Investments Measured at Net Asset Value (a)	20,204			20,204
Total Kean University Foundation	<u>107,438</u>	<u>-</u>	<u>-</u>	<u>107,438</u>
Total Assets at Fair Value	<u>\$ 230,653</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 230,653</u>
	Assets at Fair Value as of June 30, 2024			
	Level 1	Level 2	Level 3	Total
Kean University				
Fixed Income Securities	\$ 242	\$ -	\$ -	242
Short Term Bond Funds	144,847	-	-	144,847
Total Kean University	<u>145,089</u>	<u>-</u>	<u>-</u>	<u>145,089</u>
Kean University Foundation				
Mutual Funds	78,620			78,620
Commodity Trust Fund	1,791	-	-	1,791
Investments Measured at Net Asset Value (a)	17,384			17,384
Total Kean University Foundation	<u>97,795</u>	<u>-</u>	<u>-</u>	<u>97,795</u>
Total Assets at Fair Value	<u>\$ 242,884</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 242,884</u>

(a) As it relates to the Foundation, in accordance with FASB Accounting Standards Codification Subtopic 820-10 *Fair Value Measurement* - Overall, certain investments that are measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of financial position within the separately issued Foundation audit report.

Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. As a means of managing its exposure to fair value losses arising from increasing interest rates, the University's Investment Policy requires that, to the fullest extent possible, investment maturities be matched to anticipated cash flow requirements. Furthermore, the Investment Policy prohibits direct investments in securities maturing more than five years from the date of purchase unless they are matched to a specific cash flow. The average maturity of the University's investments in the NJCMF is less than one year.

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Note 2 - Cash and Equivalents, Investments and Deposits held by Bond Trustees (continued):

As of June 30, 2025, the University and Foundation had the following investments and maturities:

Investment Type	Quality Rating	Fair Value	Maturities (in years)		
			Less than 1	1 - 5	Greater than 5
Kean University					
Short Term Bond Funds	AAA	\$ 12,485	\$ 12,485		
Long Term Bond Funds	AAA	110,730		\$ 110,730	
Kean University Foundation					
Mutual Funds		85,329	85,329		
Commodity Trust Fund		1,905	1,905		
Total		\$ 210,449	\$ 99,719	\$ 110,730	\$ -
Investments Measured at Net Asset Value (a)		20,204			
		\$ 230,653			

As of June 30, 2024, the University and Foundation had the following investments and maturities:

Investment Type	Quality Rating	Fair Value	Maturities (in years)		
			Less than 1	1 - 5	Greater than 5
Kean University					
US Treasury Securities	AAA	\$ 242		\$ 242	
Fixed Income Securities	AAA	144,847	\$ 144,847		
Kean University Foundation					
Mutual Funds		78,620	78,620		
Commodity Trust Fund		1,791	1,791		
Total		\$ 225,500	\$ 225,258	\$ 242	\$ -
Investments Measured at Net Asset Value (a)		17,384			
		\$ 242,884			

- (a) As it relates to the Foundation, in accordance with FASB Accounting Standards Codification Subtopic 820-10 *Fair Value Measurement* - Overall, certain investments that are measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of financial position within the separately issued Foundation audit report.

Credit Risk - GASB Statement No. 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of U.S. government or investments guaranteed by the U.S. government as well as pooled investments such as the New Jersey Cash Management Fund.

Concentration of Credit Risk - This is the risk associated with the amount of investment the University has with any one issuer. The University's Investment Policy requires that investments be diversified by limiting investments to avoid over-concentration in securities from a specific issuer or business sector. Assets held under bond indenture agreements represent assets held by bond trustees under the terms of various bonds and other long-term debt agreements. Assets held under bond indenture agreements are carried in the financial statements at fair value and consist of cash and equivalents and U.S. Government obligations.

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NOTES TO FINANCIAL STATEMENTS
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Note 2 - Cash and Equivalents, Investments and Deposits held by Bond Trustees (continued):

Deposits Held by Bond Trustees - The deposits held by bond trustees under bond indenture agreements are maintained for the following:

	June 30,	
	2025	2024
Construction fund	\$ 16,655	\$ 16,655
Debt service fund for principal and interest	11,630	11,182
	28,285	27,837
Less: Current Portion	28,285	27,837
Non-current Deposits Held by Trustees	\$ -	\$ -

Deposits held by bond trustees are recorded in the financial statements at fair value, as determined by quoted market prices, and consist of the following:

	June 30,			
	2025		2024	
	Cost	Fair Value	Cost	Fair Value
Cash and equivalents	\$ 28,285	\$ 28,285	\$ 27,837	\$ 27,837

The University's deposits held with bond trustees 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's trust department or agent but not in the University's name. As of June 30, 2025 and 2024, the University's deposits held with bond trustees are invested in money market accounts. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As of June 30, 2025 and 2024, no deposits held with bond trustees had maturities greater than one year.

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NOTES TO FINANCIAL STATEMENTS
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Note 3 - Capital Assets:

The University's principal capital assets are buildings, which are owned by the State of New Jersey and are dedicated for use to the University. Although legal title rests with the State of New Jersey, the University has been given, through legislation, exclusive use of the buildings and has included the cost of these capital assets in the accompanying statements of net position. For the years ended June 30, 2025 and 2024, capital assets and accumulated depreciation/amortization activity were as follows:

	Year Ended June 30, 2025			
	Beginning of Year	Additions	Retirements/ Placed into Service	End of Year
Nondepreciable assets:				
Construction-in-progress	\$ 15,136	\$ 10,814	\$ (2,556)	\$ 23,394
Land	9,123			9,123
	<u>24,259</u>	<u>10,814</u>	<u>(2,556)</u>	<u>32,517</u>
Depreciable/Amortizable assets:				
Land improvements	51,361	1,118	1,190	53,669
Buildings and improvements	772,343	2,172	1,020	775,535
Right of use - Buildings	430			430
Equipment	55,766	5,288	(60)	60,994
Right of use - Equipment	2,690	887		3,577
SBITA Asset	12,285	881		13,166
Intangible Assets		644	239	883
Infrastructure	10,756	1		10,757
	<u>905,631</u>	<u>10,991</u>	<u>2,389</u>	<u>919,011</u>
Less: Accumulated				
depreciation/amortization				
Land improvements	36,744	1,777		38,521
Buildings and improvements	268,527	21,205		289,732
Right of use - Buildings	823	102	(599)	326
Equipment	34,086	4,846		38,932
Right of use - Equipment	1,723	475	599	2,797
SBITA Amortization	5,583	2,629		8,212
Intangible Assets		88		88
Infrastructure	6,144	269	(1)	6,412
	<u>353,630</u>	<u>31,391</u>	<u>(1)</u>	<u>385,020</u>
Capital Assets, Net	<u>\$ 576,260</u>	<u>\$ (9,586)</u>	<u>\$ (166)</u>	<u>\$ 566,508</u>
Kean University				\$ 565,328
Kean University Foundation				1,180
				<u>\$ 566,508</u>

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Note 3 - Capital Assets (continued):

	Year Ended June 30, 2024			
	Beginning of Year	Additions	Retirements/ Placed into Service	End of Year
Nondepreciable assets:				
Construction-in-progress	\$ 27,117	\$ 12,313	\$ (24,294)	\$ 15,136
Land	9,123			9,123
	<u>36,240</u>	<u>12,313</u>	<u>(24,294)</u>	<u>24,259</u>
Depreciable/Amortizable assets:				
Land improvements	49,262	1,212	887	51,361
Buildings and improvements	721,660	2,727	23,407	772,343
Right of use - Buildings	315	115		430
Equipment	52,371	3,759	(364)	55,766
Right of use - Equipment	2,690			2,690
SBITA Asset	11,157	1,207	(79)	12,285
Infrastructure	10,756			10,756
	<u>848,211</u>	<u>33,569</u>	<u>23,851</u>	<u>905,631</u>
Less: Accumulated depreciation/amortization				
Land improvements	35,049	1,695		36,744
Buildings and improvements	248,211	20,316		268,527
Right of use - Buildings	123	700		823
Equipment	30,087	3,999		34,086
Right of use - Equipment	1,723			1,723
SBITA Amortization	3,180	2,777	(374)	5,583
Infrastructure	5,875	269		6,144
	<u>324,248</u>	<u>29,756</u>	<u>(374)</u>	<u>353,630</u>
Capital Assets, Net	<u>\$ 560,203</u>	<u>\$ 16,126</u>	<u>\$ (69)</u>	<u>\$ 576,260</u>
Kean University				\$ 575,025
Kean University Foundation				1,235
				<u>\$ 576,260</u>

At June 30, 2025 and 2024, the University retired certain capital assets no longer in service, resulting in a nonmaterial loss on disposal. Depreciation and amortization expense for the years ended June 30, 2025 and 2024 was \$31,391 and \$29,756, respectively. Commitments outstanding on construction projects amounted to approximately \$5,935 and \$5,110 as of June 30, 2025 and 2024, respectively.

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Note 4 – Noncurrent Liabilities:

The Board of Trustees of the University, the New Jersey Board of Higher Education and the New Jersey Educational Facilities Authority (the “Authority”) have entered into various agreements whereby the University is given use of buildings, improvements and equipment and the University agrees to make payments equal to the related debt and interest payments of the underlying revenue bonds issued by the Authority.

In March 2014, the University also entered into a Capital Improvement Fund agreement with the Authority for the purpose of providing funds for the renewal, renovation, improvement, expansion, construction and reconstruction of certain facilities, or technology infrastructure. The University was allocated \$7,800 which was funded with the proceeds of the 2014A Revenue Bonds issued by the Authority. The terms of the agreement require the University to pay the Authority an amount equal to one-third (1/3) of the amount necessary to pay the principal and interest on the Bonds and any refunding bonds, plus the University’s share of any fees allocable to the University.

In September 2016, the University was awarded an additional \$3,000 under the Capital Improvement Fund which was funded with the proceeds of the 2016B Revenue Bonds issued by the Authority. In addition, the Authority issued 2016A Revenue Bonds which were a result of an advance refunding of the 2005A and 2006A Capital Improvement Fund Revenue Bonds. The terms of the agreement require the University to pay the Authority an amount equal to one-third (1/3) of the amount necessary to pay the principal and interest on the Bonds and any refunding bonds, plus the University’s share of any fees allocable to the University.

In 2014, the University, along with other colleges and universities, was awarded multiple grants under the State of New Jersey’s Building our Future Bond Act (\$40,838) as well as the Authority’s Higher Education Technology Infrastructure Fund (\$238), and Higher Education Facilities Trust Fund (\$2,500). The University did not incur any debt with respect to these new grant agreements; however the University was required to provide matching funds equal to 25% for the Building our Future Bond Act grant and matching funds equal to the grant amount for the Higher Education Technology Infrastructure Fund. A matching component was not required for the Higher Education Facilities Trust Fund grant.

On August 1, 2015, the Authority issued \$117,175 of revenue refunding bonds (Series 2015 H) on behalf of the University. The University completed the advance refunding to reduce its total debt service payments over the next twenty-four years by \$8,288 and to obtain an economic gain (the difference between the present values of the old and new debt service) of \$5,836. As of June 30, 2025, there is no refunded debt that remains outstanding.

In December 2017, the Authority issued \$199,884 of revenue refunding bonds consisting of \$184,230 Series 2017C and \$15,655 Series 2017D. The proceeds were used to advance refund and defease (a) a portion of the Authority’s revenue refunding bonds series 2009A and (b) all of the Bergen County Improvement Authority’s Revenue Bonds Series 2010A and pay certain costs of issuance of the Bonds. The refunding and the assignment and transference of the Foundations’ interest in the Gateway Building resulted in a loss of \$1,566. The advance refunding resulted in a difference between reacquisition price and the net carrying amount of the old debt of \$29,668 (loss). The University completed the advance refunding to reduce its total debt service payments over the next twenty-three years by \$18,726 and to obtain an economic gain (the difference between the present values of the old and new debt service) of \$18,062. As of June 30, 2025, there is no refunded debt that remains outstanding.

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Note 4 - Noncurrent Liabilities (continued):

In September 2023, the University also entered into a Capital Improvement Fund agreement with the Authority for the purpose of providing funds for the renewal, renovation, improvement, expansion, construction and reconstruction of certain facilities, or technology infrastructure. The University was allocated \$5,077 which was funded with the proceeds of the 2023A Revenue Bonds issued by the Authority. The terms of the agreement require the University to pay the Authority an amount equal to one-third (1/3) of the amount necessary to pay the principal and interest on the Bonds, plus the University's share of any fees allocable to the University.

During fiscal year 2025, the Authority issued a Capital Improvement Bond, Series 2024A for \$1,327. The Series 2024A Bonds refunded the 2014A Bond Series and there was no gain or loss to the University as a result of the refunding.

The following represents the components and changes in outstanding debt for the years ended June 30, 2025 and 2024:

	2025				Amount Due Within One Year
	Beginning of Year	Additions	Reductions	End of Year	
Bonds payable - gross	\$ 255,586	\$ 1,327	\$ (16,415)	\$ 240,498	<u>\$ 15,695</u>
Unamortized premium	<u>5,542</u>	<u>-</u>	<u>(395)</u>	<u>5,147</u>	
Total bonds payable - net	<u>\$ 261,128</u>	<u>\$ 1,327</u>	<u>\$ (16,810)</u>	<u>\$ 245,645</u>	
	2024				
	Beginning of Year	Additions	Reductions	End of Year	Amount Due Within One Year
Bonds payable - gross	\$ 268,277	\$ 1,629	\$ (14,320)	\$ 255,586	<u>\$ 15,000</u>
Unamortized premium	<u>5,937</u>	<u>-</u>	<u>(395)</u>	<u>5,542</u>	
Total bonds payable - net	<u>\$ 274,214</u>	<u>\$ 1,629</u>	<u>\$ (14,715)</u>	<u>\$ 261,128</u>	

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Note 4 - Noncurrent Liabilities (continued)

The following principal payments due were outstanding at June 30, 2025 and 2024:

	<u>Interest Rates</u>	<u>June 30,</u>	
		<u>2025</u>	<u>2024</u>
New Jersey Educational Facilities			
Authority Revenue Bonds:			
Series 2015 H, due 2025 to 2040	1.00%-5.00%	\$ 80,580	\$ 84,275
Series 2017 C, due 2025 to 2037	2.25%-3.84%	142,305	152,745
Series 2017 D, due 2025 to 2040	4.00%-5.00%	<u>13,980</u>	<u>14,645</u>
		<u>236,865</u>	<u>251,665</u>
Other debt:			
Higher Education Capital Improvement Fund Bonds:			
Series 2014 A, due serially to 2034	3.50%-5.00%		1,539
Series 2016 A, due serially to 2025	1.69%-3.36%		10
Series 2016 B, due serially to 2037	3.00%-5.50%	701	743
Series 2023 A, due serially to 2054	4.625%-5.25%	1,605	1,629
Series 2024 A, due serially to 2035	5.00%	<u>1,327</u>	<u>-</u>
		<u>3,633</u>	<u>3,921</u>
Total principal		<u>240,498</u>	<u>255,586</u>
Additional amounts representing:			
Unamortized premiums		<u>5,147</u>	<u>5,542</u>
Total long-term debt		245,645	261,128
Less: Non-current portion		<u>229,950</u>	<u>246,128</u>
Long-term debt - current portion		<u>\$ 15,695</u>	<u>\$ 15,000</u>

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Note 4 - Noncurrent Liabilities (continued):

Payments due on long-term debt for Kean University, including mandatory sinking fund payments on the Authority and Higher Education revenue bonds, for the next five years and thereafter are as follows as of June 30, 2025:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 15,695	\$ 9,037	\$ 24,732
2027	16,445	8,421	24,866
2028	16,545	7,775	24,320
2029	17,366	7,097	24,463
2030	18,207	6,438	24,645
2031-2035	93,900	21,208	115,108
2036-2040	61,343	4,466	65,809
2041-2045	312	219	531
2046-2050	396	138	534
2051-2054	289	31	320
Total	<u>\$ 240,498</u>	<u>\$ 64,830</u>	<u>\$ 305,328</u>

Note 5 - Accounts Payable and Accrued Expenses:

Accounts payable and accrued expenses of the University and Foundation were as follows:

	June 30,	
	<u>2025</u>	<u>2024</u>
Salaries and fringe benefits	\$ 5,978	\$ 5,315
Accounts payable - construction related	4,398	3,034
Accounts payable - other	<u>19,046</u>	<u>11,966</u>
Total	<u>\$ 29,422</u>	<u>\$ 20,315</u>

KEAN UNIVERSITY
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Note 6 - Other Non-current Liabilities:

Activity in other non-current liabilities of the University and Foundation for the year ended June 30, 2025 was as follows:

	June 30, 2024 - As reported	Cumulative Effect of Change on Accounting Principal	June 30, 2024 - As restated	Additions	Reductions	June 30, 2025	Current Portion
Compensated absences	\$ 5,763	\$ 5,019	\$ 10,782	\$ 1,100		\$ 11,882	11,213
U.S. Government grants refundable	18		18	70		88	
Annuity Payable	526		526	105		631	125
Gear Up Scholarship Fund	786		786	93		879	
Financed purchases payable	893		893	1,738		2,631	597
Lease Liability	590		590	259		849	314
SBITA Payable	6,556		6,556		\$ 1,520	5,036	2,255
Net pension liability	<u>104,227</u>	<u>-</u>	<u>104,227</u>	<u>5,155</u>	<u>-</u>	<u>109,382</u>	<u>-</u>
	<u>\$ 119,359</u>	<u>\$ 5,019</u>	<u>\$ 124,378</u>	<u>\$ 8,520</u>	<u>\$ 1,520</u>	<u>\$ 131,378</u>	<u>\$ 14,504</u>

*See Note 23.

**The change in compensated absences was presented as a net change.

Activity in other non-current liabilities of the University and Foundation for the year ended June 30, 2024, was as follows:

	June 30, 2023	Additions	Reductions	June 30, 2024	Current Portion
Compensated absences	\$ 5,313	\$ 450		\$ 5,763	\$ 5,043
U.S. Government grants refundable	25		\$ 7	18	
Annuity payable	558		32	526	108
Gear Up scholarship fund	701	85		786	
Financed purchase liabilities		893		893	131
Lease liability	1,217		627	590	488
Software subscription payable	7,799		1,243	6,556	2,026
Net pension liability	<u>104,833</u>	<u>-</u>	<u>606</u>	<u>104,227</u>	<u>-</u>
	<u>\$ 120,446</u>	<u>\$ 1,428</u>	<u>\$ 2,515</u>	<u>\$ 119,359</u>	<u>\$ 7,796</u>

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Note 7 - Benefits Paid by the State of New Jersey:

The State of New Jersey pays certain fringe benefits on behalf of University employees. It is the policy of the University to reflect such amounts, aggregating \$72,329 and \$68,668 in 2025 and 2024, respectively, in the financial statements as part of non-operating revenues and expenses, which are distributed to the various functional categories.

Note 8 - Retirement Plans:

Plan Descriptions - All full-time employees of the University participate in a retirement program. The University has four retirement plans for its employees - Public Employees' Retirement System ("PERS"), Police and Firemen's Retirement System ("PFRS"), the Teachers' Pension and Annuity Fund ("TPAF"), and the Alternate Benefit Program ("ABP") which provides the choice of seven investment carriers all of which are privately operated defined contribution retirement plans. PERS and PFRS are cost-sharing multiple-employer defined benefit pension plans administered by the State of New Jersey.

PERS was established under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full-time employees of the State of New Jersey or public agency provided the employee is not a member of another State-administered retirement system. PFRS was established under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full-time county and municipal police or firemen and State of New Jersey firemen appointed after June 30, 1994.

Certain faculty members of the University participate in the Teachers' Pension and Annuity Fund ("TPAF") which is a State of New Jersey cost-sharing, defined benefit plan. TPAF was established under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care, to substantially all full-time public-school employees in the State of New Jersey. The plan's eligibility requirements are similar to PERS' requirements. The State of New Jersey issues publicly available financial reports that include financial statements and required supplementary information for PERS, PFRS and TPAF. These reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pension and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

PERS and PFRS Funding Policy - Chapter 78, P.L. 2011, the Pension and Health Benefit Reform Law, increased the contribution required from PERS members to 7.5% of base salary and PFRS members to 10.0% of base salary. The State of New Jersey, in accordance with State statutes, makes employer contributions on behalf of the University. The State of New Jersey contribution is based upon annual actuarially determined percentages of total compensation of all active members. The University is charged for pension costs through a fringe benefit charge assessed by the State which is included within the state paid fringe benefits in the accompanying financial statements. The University has no direct pension obligation associated with this plan. The contribution requirements of the plan members and the University are established and may be amended by the State of New Jersey.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of PERS and PFRS and additions to/deductions from PERS and PFRS fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when they are due and payable in accordance with the benefit terms. Investments are reported at fair value.

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NOTES TO FINANCIAL STATEMENTS
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Note 8 - Retirement Plans (continued):

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

The following table summarizes the total pension liability, deferred outflows and deferred inflows of resources by retirement system presented in the financial statements at June 30, 2025:

	<u>Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
PERS	\$ 100,623	\$ 17,171	\$ 4,785
PFRS	8,759	3,870	2,254
Total	<u>\$ 109,382</u>	<u>\$ 21,041</u>	<u>\$ 7,039</u>

Public Employees' Retirement System (PERS) - 2025

At June 30, 2025, the University reported a liability of \$100,623 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at July 1, 2023, which was rolled forward to June 30, 2024. The University's proportion of the net pension liability was based on a projection of the University's long-term share of contributions to the pension plan relative to the projected contributions of all participating state colleges, actuarially determined. At June 30, 2024, the University's proportion was 0.4538646344 percent, which was an increase of 0.035503488 from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the University recognized full accrual pension credit of \$4,769 in the financial statements. At June 30, 2025, the University reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 55	\$ 534
Difference between expected and actual experience	1,991	202
Net difference between projected and actual earnings on pension plan investments	331	
Changes in proportion and differences between University contributions and proportionate share of contributions	6,360	4,049
University contributions subsequent to the measurement date	8,434	
	<u>\$ 17,171</u>	<u>\$ 4,785</u>

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Note 8 - Retirement Plans (continued):

\$8,434 is reported as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2026	\$ (290)
2027	1,681
2028	934
2029	1,488
2030	139
	<u>\$ 3,952</u>

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases	2.75 - 6.55%
Investment rate on return	7.00%

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

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.

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Note 8 - Retirement Plans (continued):

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	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%
	<u>100.00%</u>	

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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 non-employer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of the actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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Note 8 - Retirement Plans (continued):

Sensitivity of the University's proportionate share of the net pension liability to changes in the discount rate

The following presents the University's proportionate share of the net pension liability as of June 30, 2024 calculated using the discount rate as disclosed above as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
University's proportionate share of the net pension liability	\$ 115,442	\$ 100,623	\$ 88,039

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

Additional Information Related to the State Group

Collective balances of the State Group at June 30, 2024 are as follows:

Collective deferred outflows of resources	\$ 787,611
Collective deferred inflows of resources	\$ 426,146
Collective net pension liability	\$ 22,170,236
University's proportion	0.4538646344%

Collective pension expense for the State Group for the measurement period ended June 30, 2024 is \$1,421,296.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2024, 2023, 2022, 2021, 2020, and 2019 is 5.08, 5.08, 5.04, 5.13, 5.16, and 5.21 years, respectively.

The following table summarizes the total pension liability, deferred outflows and deferred inflows of resources by retirement system presented in the financial statements at June 30, 2024:

	<u>Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
PERS	\$ 93,956	\$ 11,769	\$ 10,265
PFRS	10,271	4,635	1,659
Total	<u>\$ 104,227</u>	<u>\$ 16,404</u>	<u>\$ 11,924</u>

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Note 8 - Retirement Plans (continued):

Public Employees' Retirement System (PERS) - 2024

At June 30, 2024, the University reported a liability of \$93,956 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at July 1, 2022, which was rolled forward to June 30, 2023. The University's proportion of the net pension liability was based on a projection of the University's long-term share of contributions to the pension plan relative to the projected contributions of all participating state colleges, actuarially determined. At June 30, 2024, the University's proportion was 0.4183611464 percent, which was a decrease of 0.0172667653 from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the University recognized full accrual pension credit of \$1,498 in the financial statements. At June 30, 2024, the University reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 95	\$ 2,697
Difference between expected and actual experience	2,083	280
Net difference between projected and actual earnings on pension plan investments	1,438	
Changes in proportion and differences between University contributions and proportionate share of contributions		7,288
University contributions subsequent to the measurement date	8,153	
	\$ 11,769	\$ 10,265

\$8,153 is reported as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2025	\$ (4,351)
2026	(1,818)
2027	153
2028	(594)
2029	(39)
	\$ (6,649)

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Note 8 - Retirement Plans (continued):

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases	2.75 - 6.55%
Investment rate on return	7.00%

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

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.

Long-Term Rate of Return

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

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Note 8 - Retirement Plans (continued):

and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%
Non-U.S. developed markets equity	12.75%	9.22%
International small cap equity	1.25%	9.22%
Emerging markets equity	5.50%	11.13%
Private equity	13.00%	12.50%
Real estate	8.00%	8.58%
Real assets	3.00%	8.40%
High yield	4.50%	6.97%
Private credit	8.00%	9.20%
Investment grade credit	7.00%	5.19%
Cash equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk mitigation strategies	3.00%	6.21%
	<u>100.00%</u>	

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of the actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the University's proportionate share of the net pension liability to changes in the discount rate

The following presents the University's proportionate share of the net pension liability as of June 30, 2023 calculated using the discount rate as disclosed above as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
University's proportionate share of the net pension liability	\$ 107,434	\$ 93,956	\$ 82,513

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NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2025 and 2024
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Note 8 - Retirement Plans (continued):

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

Additional Information Related to the State Group

Collective balances of the State Group at June 30, 2023 are as follows:

Collective deferred outflows of resources	\$ 25,071
Collective deferred inflows of resources	\$ 1,072,313
Collective net pension liability	\$ 22,458,048
University's proportion	0.4183611464%

Collective pension expense for the State Group for the measurement period ended June 30, 2023 is \$958,107.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2023, 2022, 2021, 2020, 2019, and 2018 is 5.08, 5.04, 5.13, 5.16, 5.21, and 5.63 years, respectively.

Police and Firemen's Retirement System (PFRS) - 2025

At June 30, 2025, the University reported a liability of \$8,759 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2023, which was rolled forward to June 30, 2024. The University's proportion of the net pension liability was based on a projection of the University's long-term share of contributions to the pension plan relative to the projected contributions of all participating state colleges, actuarially determined. At June 30, 2024, the University's proportion was 0.19927475 percent, which was a decrease of 0.03209971 from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the University recognized full accrual pension expense of \$688 in the financial statements. At June 30, 2025, the University reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

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NOTES TO FINANCIAL STATEMENTS
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Note 8 - Retirement Plans (continued):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 5	\$ 83
Difference between expected and actual experience	273	83
Net difference between projected and actual earnings on pension plan investments	94	
Changes in proportion and differences between University contributions and proportionate share of contributions	2,207	2,088
University contributions subsequent to the measurement date	1,291	
	\$ 3,870	\$ 2,254

\$1,291 is reported as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2026	\$ 13
2027	228
2028	48
2029	194
2030	(139)
2031	(19)
	\$ 325

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases through all future years	3.25 - 16.25%
	based on years of service
Investment rate on return	7.00%

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NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2025 and 2024
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Note 8 - Retirement Plans (continued):

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

Mortality Rates

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.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equity	24.00%	6.90%
U.S. Small/Mid Cap equity	4.00%	7.40%
Non-US developed Large Cap equity	9.50%	6.70%
Non-US 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 equivalents	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%
	<u>100.00%</u>	

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NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2025 and 2024
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Note 8 - Retirement Plans (continued):

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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 non-employer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of the actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the University's proportionate share of the net pension liability to changes in the discount rate

The following presents the University's proportionate share of the net pension liability as of June 30, 2024 calculated using the discount rate as disclosed above as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
University's proportionate share of the net pension liability	\$ 10,262	\$ 8,759	\$ 7,505

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Police and Fireman's Retirement System.

Additional Information Related to the State Group

Collective deferred outflows of resources	\$	211,065
Collective deferred inflows of resources	\$	107,833
Collective net pension liability	\$	4,395,280
University's proportion		0.1992747500%

Collective pension expense for the State Group for the measurement period ended June 30, 2024 is \$335,054.

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Note 8 - Retirement Plans (continued):

The average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active and inactive employees) determined at July 1, 2024, 2023, 2022, 2021, 2020, and 2019 is 6.09, 6.16, 6.22, 6.17, 5.90, and 5.92 years, respectively.

Police and Firemen's Retirement System (PFRS) - 2024

At June 30, 2024, the University reported a liability of \$10,271 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2022, which was rolled forward to June 30, 2023. The University's proportion of the net pension liability was based on a projection of the University's long-term share of contributions to the pension plan relative to the projected contributions of all participating state colleges, actuarially determined. At June 30, 2023, the University's proportion was 0.2321744600 percent, which was an increase of 0.0632178000 from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the University recognized full accrual pension expense of \$816 in the financial statements. At June 30, 2024, the University reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 8	\$ 247
Difference between expected and actual experience	286	168
Net difference between projected and actual earnings on pension plan investments	250	
Changes in proportion and differences between University contributions and proportionate share of contributions	2,820	1,244
University contributions subsequent to the measurement date	1,271	
	\$ 4,635	\$ 1,659

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Note 8 - Retirement Plans (continued):

\$1,271 is reported as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2025	\$ 199
2026	250
2027	465
2028	284
2029	431
2030	76
	\$ 1,705

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases through all future years	3.25 - 16.25%
	based on years of service
Investment rate on return	7.00%

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

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

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NOTES TO FINANCIAL STATEMENTS
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Note 8 - Retirement Plans (continued):

Long-Term Rate of Return

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equity	27.00%	8.12%
Non-US developed markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real estate	8.00%	11.19%
Real assets	3.00%	7.60%
High yield	4.00%	4.95%
Private credit	8.00%	8.10%
Investment grade credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk mitigation strategies	3.00%	4.91%
	100.00%	

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of the actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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Note 8 - Retirement Plans (continued):

Sensitivity of the University's proportionate share of the net pension liability to changes in the discount rate

The following presents the University's proportionate share of the net pension liability as of June 30, 2023 calculated using the discount rate as disclosed above as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
University's proportionate share of the net pension liability	\$ 11,988	\$ 10,271	\$ 8,841

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Police and Fireman's Retirement System.

Additional Information Related to the State Group

Collective deferred outflows of resources	\$ 217,974
Collective deferred inflows of resources	\$ 343,205
Collective net pension liability	\$ 4,326,593
University's proportion	0.1689566600%

Collective pension expense for the State Group for the measurement period ended June 30, 2023 is \$218,636.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2023, 2022, 2021, 2020, 2019, and 2018 is 6.16, 6.22, 6.17, 5.90, 5.92, and 5.73 years, respectively.

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NOTES TO FINANCIAL STATEMENTS
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Note 8 - Retirement Plans (continued):

Teachers' Pension and Annuity Fund (TPAF) - 2025 – Special Funding Situation

The employer contributions for participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the participating employers.

However, the notes to the financial statements of the participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The State's proportionate share of the TPAF net pension liability associated with the University as of June 30, 2024 was \$2,354. The University's proportionate share was \$0. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The State's proportionate share of the net pension liability associated with the University was based on a projection of the State's long-term contributions to the pension plan associated with the University relative to the projected contributions by the State associated with all participating Universities, actuarially determined. At June 30, 2024, the State's proportionate share of the TPAF net pension liability associated with the University was 0.0047623302 percent, which was a decrease of 0.0001862028 from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the University recognized on-behalf pension benefit and revenue in the financial statements of \$9 for contributions incurred by the State.

Actuarial assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases	2.75 - 5.65%
	based on years of service
Investment rate on return	7.00%

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NOTES TO FINANCIAL STATEMENTS
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Note 8 - Retirement Plans (continued):

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equity	28.00%	8.63%
Non-US 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 assets	8.00%	10.95%
Real estate	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%
	<u>100.00%</u>	

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Note 8 - Retirement Plans (continued):

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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 the contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make 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 State's proportionate share of the net pension liability associated with the University to changes in the discount rate

The following presents the State's proportionate share of the net pension liability associated with the University as of June 30, 2024 calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the University would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	Decrease (6.00%)	Discount Rate (7.00%)	Increase (8.00%)
State's proportionate share of the net pension liability associated with the University	\$ 2,798	\$ 2,354	\$ 1,980

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

Additional Information

Collective balances of the State Group at June 30, 2024 are as follows:

Collective deferred outflows of resources	\$ 1,499
Collective deferred inflows of resources	\$ 84,589
Collective net pension liability	\$ 66,966
University's proportion	0.0047623302%

Collective pension credit for the plan for the measurement period ended June 30, 2024 is \$31,850.

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NOTES TO FINANCIAL STATEMENTS
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Note 8 - Retirement Plans (continued):

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2024, 2023, 2022, 2021, 2019, and 2018 is 7.84, 7.93, 7.83, 7.93, 7.99, and 8.04 years, respectively.

Teachers Pension and Annuity Fund (TPAF) - 2024 – Special Funding Situation

The employer contributions for participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the participating employers.

However, the notes to the financial statements of the participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The State's proportionate share of the TPAF net pension liability associated with the University as of June 30, 2024 was \$2,525. The University's proportionate share was \$0.

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The State's proportionate share of the net pension liability associated with the University was based on a projection of the State's long-term contributions to the pension plan associated with the University relative to the projected contributions by the State associated with all participating Universities, actuarially determined. At June 30, 2023, the State's proportionate share of the TPAF net pension liability associated with the University was 0.0049485330 percent, which was a decrease of 0.0013111614 from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the University recognized on-behalf pension expense and revenue in the financial statements of \$62 for contributions incurred by the State.

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Note 8 - Retirement Plans (continued):

Actuarial assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases	2.75 - 4.25%
	based on years of service
Investment rate on return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

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NOTES TO FINANCIAL STATEMENTS
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Note 8 - Retirement Plans (continued):

Long-Term Expected Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equity	28.00%	8.98%
Non-US developed markets equity	12.75%	9.22%
International small cap equity	1.25%	9.22%
Emerging markets equity	5.50%	11.13%
Private equity	13.00%	12.50%
Real estate	8.00%	8.58%
Real assets	3.00%	8.40%
High yield	4.50%	6.97%
Private credit	8.00%	9.20%
Investment grade credit	7.00%	5.19%
Cash equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk mitigation strategies	3.00%	6.21%
	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and the contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make 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.

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Note 8 - Retirement Plans (continued):

Sensitivity of the State's proportionate share of the net pension liability associated with the University to changes in the discount rate

The following presents the State's proportionate share of the net pension liability associated with the University as of June 30, 2023 calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the University would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
University's proportionate share of the net pension liability	\$ 2,978	\$ 2,525	\$ 2,144

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

Additional Information

Collective balances of the State Group at June 30, 2023 are as follows:

Collective deferred outflows of resources	\$ 3,650
Collective deferred inflows of resources	\$ 111,125
Collective net pension liability	\$ 77,292
University's proportion	0.0049485330%

Collective pension credit for the plan for the measurement period ended June 30, 2023 is \$36,219.

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Note 8 - Retirement Plans (continued):

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2023, 2022, 2021, 2019, 2018, 2017, 2016, and 2015 is 7.93, 7.83, 7.93, 7.99, 8.04, 8.29, 8.30 and 8.30 years, respectively.

Alternate Benefits Program Information - The Alternate Benefits Program (“ABP”) is a defined contribution retirement program for eligible full time non-temporary appointed employees of the public institutions of higher education in New Jersey. Participation eligibility as well as contributory and noncontributory requirements are established by the State of New Jersey Retirement and Social Security Law and IRS Code. An employee is a vested member if he/she has an existing qualified retirement account from his/her previous employer. From that point on, all of the contributions and accumulations in the account belong to employees and provide benefit. An employee never enrolled in a retirement plan will be considered as delayed enrollment and will be vested on the second year of employment. ABP provides retirement benefits, life insurance, long-term disability and loans for vested members. The University assumes no liability for ABP members other than payment of contributions.

Participating University employees are required to contribute 5.0% and may contribute a voluntary additional contribution of salary up to the maximum Federal statutory limit, on a pre-tax basis. Employer contributions to ABP of 8.0% of salary are paid by the State of New Jersey and are reflected in the accompanying financial statements as appropriation revenue and expenses.

Participating University employees are required to contribute 5.0%. Employer contributions to ABP of 8.0% of salary are paid by Kean University and reimbursed by the State of New Jersey and are reflected in the accompanying financial statements as appropriation revenue and expenses.

During the year ended June 30, 2025 and 2024, ABP received employer and employee contributions that approximated the following from the University:

	<u>2025</u>	<u>2024</u>
Employer contributions	\$ 7,652	\$ 6,948
Employee contributions	\$ 8,685	\$ 8,065
 Basis for contributions:		
Participating employee salaries	\$ 95,644	\$ 86,851

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Note 9 – Postemployment Benefits Other than Pensions:

The State of New Jersey funds post-retirement medical benefits for those State employees who retire from a full-time SHBP eligible position with an accumulated 25 years of credited service in a State-administered retirement plan. Any required retiree contributions towards premium costs will be determined by the date on which the employee completed 25 years of service. These expenses are not included in the University's financial statements.

The University contributes to the New Jersey Health Benefits Program (the "Plan"), a multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP provide medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension and Benefits issue a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295.

P.L. 1987, c.384 and P.L. 1990, c.6 required the Public Employees' Retirement System (PERS) to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994. As the employer contributions for local government education employers are legally required to be funded by the State, this constitutes a special funding situation as defined by GASB Statement No. 75 (GASB 75) and the State is treated as a non-employer contributing entity.

The State is also responsible for the cost attributable P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (APB), who retired from a board of education or county college with 25 years of service.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

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Note 9 – Postemployment Benefits Other than Pensions (continued):

Postemployment Benefits Other Than Pensions (OPEB) – 2025 – Special Funding Situation

Plan description, including benefits provided

The Plan is a single-employer defined benefit other postemployment benefit (OPEB) plan, which provides medical, prescription drug, and Medicare Part B reimbursements to retirees and their covered dependents. Although the Plan is a single-employer plan, it is treated as a cost-sharing defined benefit multiple employer plan, with a special funding situation, for standalone reporting purposes. In accordance N.J.S.A. 52:14-17.32, the State of New Jersey (the State) is required to pay the premiums and periodic charges for OPEB of State employees who retire with 25 years or more of credited service, or on a disability pension, from one or more of the following pension plans: the Public Employees' Retirement System (PERS), the Alternate Benefit Program (ABP) or the Police and Firemen's Retirement System (PFRS). In addition, Chapter 302, P.L. 1996 provides that for purposes of this Plan, the University's employees retain any and all rights to the health benefits in the Plan, even though the University is considered autonomous from the State, therefore, its employees are classified as State employees. As such, the State is legally obligated for the benefit payments on behalf of the retirees of the University; therefore, the Plan meets the definition of a special funding situation as defined in GASB Statement No. 75, *Accounting and Financial Reporting for Other Postemployment Benefits Other Than Pensions* (GASB Statement No. 75).

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

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

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Note 9 – Postemployment Benefits Other than Pensions (continued):

Total OPEB Liability and OPEB Expense

As of June 30, 2025, the State recorded a liability of \$208,762, which represents the portion of the State’s total proportionate share of the collective total OPEB liability that is attributable to the University (the University’s share) and includes 1,246 plan members. The University’s share was based on the ratio of its members to the total members of the Plan. At June 30, 2025, the State’s proportionate share was 3.313918% of the total collective OPEB liability under the Plan.

For the year ended June 30, 2025, the University recognized OPEB expense of \$4,965. As the State is legally obligated for benefit payments on behalf of the University, the University recognized revenue related to the support provided by the State of \$4,965.

Actuarial assumptions and other inputs

The State’s total OPEB liability associated with the University at June 30, 2024 was determined by an actuarial valuation as of June 30, 2023, which was rolled forward to the measurement date of June 30, 2024. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%		
Discount rate	3.93%		
Salary increases:			
	TPAF	PERS	PFRS
	All future years	All future years	All future years
	2.75 - 4.25%	2.75 - 6.55%	3.25 - 16.25%
	based on years	based on years	based on years
	of service	of service	of service
Thereafter	Not applicable	Not applicable	Not applicable

Discount Rate

The discount rate for June 30, 2025 was 3.93%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality Rates

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

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Note 9 – Postemployment Benefits Other than Pensions (continued):

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. Disability mortality was based on the Pub-2010 “Safety” (PFRS) “Teachers” (TPAF) and “General” (PERS) 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 plans, including PERS (July 1, 2018 through June 30, 2021), TPAF/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 rate is initially 6.50% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rate for fiscal 2024 through 2025 are reflected. For PPO the trend is initially 7.50% in fiscal year 2025, increasing to 15.93% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially 7.89% in fiscal year 2025, increasing to 17.83% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% decreases to a 4.50% long-term trend rate after seven years.

Postemployment Benefits Other Than Pensions (OPEB) – 2024 – Special Funding Situation

Plan description, including benefits provided

The Plan is a single-employer defined benefit other postemployment benefit (OPEB) plan, which provides medical, prescription drug, and Medicare Part B reimbursements to retirees and their covered dependents. Although the Plan is a single-employer plan, it is treated as a cost-sharing multiple employer plan, with a special funding situation, for standalone reporting purposes. In accordance N.J.S.A. 52:14-17.32, the State of New Jersey (the State) is required to pay the premiums and periodic charges for OPEB of State employees who retire with 25 years or more of credited service, or on a disability pension, from one or more of the following pension plans: the Public Employees’ Retirement System (PERS), the Alternate Benefit Program (ABP) or the Police and Firemen’s Retirement System (PFRS). In addition, Chapter 302, P.L. 1996 provides that for purposes of this Plan, the University’s employees retain any and all rights to the health benefits in the Plan, even though the University is considered autonomous from the State, therefore, its employees are classified as State employees. As such, the State is legally obligated for the benefit payments on behalf of the retirees of the University; therefore, the Plan meets the definition of a special funding situation as defined in GASB Statement No. 75, *Accounting and Financial Reporting for Other Postemployment Benefits Other Than Pensions* (GASB Statement No. 75).

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.

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Note 9 – Postemployment Benefits Other than Pensions (continued):

Pursuant to Chapter 78, P.L., 2011, future retirees eligible for post-retirement medical coverage, who have less than 20 years of creditable service on June 28, 2011, will be required to pay a percentage of the cost of their healthcare coverage in retirement provided they retire with 25 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible for will be determined based on the retiree’s annual retirement benefit and level of coverage.

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

Total OPEB Liability and OPEB Expense

As of June 30, 2023, the State recorded a liability of \$195,672, which represents the portion of the State’s total proportionate share of the collective total OPEB liability that is attributable to the University (the University’s share) and includes 1,322 plan members. The University’s share was based on the ratio of its members to the total members of the Plan. At June 30, 2023, the State’s proportionate share was 3.535894% of the total collective OPEB liability under the Plan.

For the year ended June 30, 2023, the University recognized OPEB expense of \$7,829. As the State is legally obligated for benefit payments on behalf of the University, the University recognized revenue related to the support provided by the State of \$7,829.

Actuarial assumptions and other inputs

The State’s total OPEB liability associated with the University at June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to the measurement date of June 30, 2023. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%		
Discount rate	3.65%		
Salary increases:			
	TPAF	PERS	PFRS
	All future years	All future years	All future years
	2.75 - 4.25%	2.75 - 6.55%	3.25 - 16.25%
	based on years	based on years	based on years
	of service	of service	of service
Thereafter	Not applicable	Not applicable	Not applicable

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Note 9 – Postemployment Benefits Other than Pensions (continued):

Discount Rate

The discount rate for June 30, 2023 was 3.65%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality Rates

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “Safety” (PFRS) “Teachers” (TPAF) and “General” (PERS) 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 plans, including PERS (July 1, 2018 through June 30, 2021), TPAF/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 rate is initially 6.50% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rate for fiscal 2024 through 2025 are reflected. For PPO the trend is initially 7.50% in fiscal year 2025, increasing to 15.93% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially 7.89% in fiscal year 2025, increasing to 17.83% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% decreases to a 4.50% long-term trend rate after seven years.

Note 10 - Compensated Absences:

The University has recorded a liability for compensated absences in the amount of \$11,882 and \$10,782 (as restated) as of June 30, 2025 and 2024, respectively. The 2024 amount reflects the University’s adoption of GASB Statement No. 101, *Compensated Absences*. As a result of adopting GASB Statement No. 101, the compensated absences liability increased by \$5,019. The liability is calculated based upon employees’ accrued vacation leave, as well as estimated vested amounts for accrued sick leave and paid leave bank, as of each respective year-end.

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Note 10 - Compensated Absences (continued):

Payments for accumulated sick leave balances are made to retiring employees upon regular retirement. The payment is based on 50% of the employee's sick leave accumulation, at the pay rate in effect at the time of retirement up to a maximum of \$15. Employees separating from University service prior to retirement are not entitled to payments for accumulated sick leave balances. The University paid approximately \$52 and \$102 in sick leave payments for employees who retired during the years ended June 30, 2025 and 2024, respectively.

Note 11 - Agency Transactions:

The University collects and distributes monies as the agent for various student organizations and certification programs, as well as the Federal Direct Loan Program. The revenues and related expenses have not been included in the accompanying financial statements. However, the related assets and liabilities are presented in the statements of net position.

Note 12 - Contingencies:

The University receives support from Federal and State of New Jersey grant programs, primarily student financial assistance. Entitlement to the resources requires compliance with terms of the grant agreements and applicable regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors.

As of June 30, 2025, the University estimates that adjustments, if any, as a result of such audits would not have a material adverse effect on the University's financial statements.

The University is also involved in various other claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the University's financial position. Liabilities for claims are accrued when it is probable that a loss has been incurred, and the amount of the loss can be reasonably estimated. There have been no significant reductions in insurance coverage from the prior year and there have been no settlements in the prior three years that exceeded insurance coverage.

Note 13 - Middle States Commission on Higher Education:

The Middle States Association of Colleges and Schools (MSA), established in 1887, is a nonprofit organization dedicated to educational improvement through evaluation and accreditation. Accreditation by the Commission on Higher Education follows a period of candidacy lasting up to five years. MSCHE reviews institutions periodically through either on-site evaluations or other reports. Accreditation is reaffirmed only as a result of periodic reviews and evaluations through assessments of institutional achievements.

The Commission maintains a 10-year cycle of review alternating between self-study and on-site evaluation and a Periodic Review Report. Institutions granted initial accreditation following self-study and on-site evaluation conduct a second self-study for on-site evaluation in the fifth year following the grant of accreditation. From that point forward, institutions reflect on progress and changes in a Periodic Review Report five years later. In addition to these reviews, institutions also may be reviewed in conjunction with follow-up reporting or substantive institutional change, or at the initiation of the Commission, based on developments within the institution.

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Note 13 - Middle States Commission on Higher Education (continued):

Kean University was first accredited in 1960 and has since been re-accredited in November 2023 as part of the Commission’s review cycle. The next evaluation visit is scheduled for 2029-2030. Refer to the MSCHE website for additional information: <https://www.msche.org/institution/0226/>.

Note 14 - Unrestricted Net Position:

As described in Note 1 to the financial statements, unrestricted net position is those amounts not subject to externally imposed restrictions. Net position may be designated for specific purposes by action of management or the Board of Trustees or may otherwise be limited by contractual agreements with outside parties. Unrestricted net position of the University and the Foundation is comprised of the following:

	June 30,	
	2025	2024
Operating reserve - University	\$ 82,513	\$ 87,985
Operating reserve - Foundation	4,296	7,774
State pension allocation	(95,379)	(99,747)
Academic and other programs	27,320	23,803
Curriculum Devel. / Pres. Initiatives	4,952	2,531
Capital - renewal and replacement	14,270	8,407
Capital project reserve	19,000	19,000
Student loan program	1,833	1,813
Operating programs	2,075	3,684
	\$ 60,880	\$ 55,250

Note 15 - Operations in China:

On May 8, 2006, Kean University entered into an agreement with Wenzhou University in China and signed a cooperation agreement (the “Agreement”) on the establishment and operation of Wenzhou-Kean University (WKU), a jointly governed organization. The Agreement, supplemented in 2010, is to establish a co-operative university in Wenzhou, China which will provide an independent Sino-American co-operative educational institution with legal status and qualified to grant certificates, diplomas and degrees independently. Additionally, this institution will introduce high-quality educational resources and will advance teaching, research and management methods, to provide easier access to high-class educational opportunities and resources to students and to contribute to the development and internationalization of Chinese Higher Education.

Under the agreement, the principal responsibilities of Wenzhou University include: assisting in obtaining all necessary approvals, permits and licenses, and any other documents for the operation of WKU; acting as liaison for the procurement of various services and infrastructure required for the operation of WKU; assisting expatriate employees of WKU in obtaining necessary visas, work permits and residences; providing student support services to WKU at the expense of WKU; and assisting in the design, construction and maintenance of a new campus location and providing the funds required to build academic and administrative structures and facilities as well as required infrastructure for the campus.

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Note 15 - Operations in China (continued):

After WKU is established, the Board of Directors of WKU will be responsible for supplementary financing to satisfy the capital requirements of operation and development of WKU. The entire revenue of WKU shall be completely dedicated to the operation and development of WKU. Neither party seeks profit from the operation of WKU. WKU shall hold the user's right of the land and title and ownership of the building and facilities being that the Chinese party raised the funds for such and thus the Kean University claims no interests in the assets or any associated debt in this regard.

Kean University's principal responsibilities under the agreement include: providing all necessary legal documents required for approval, registration and establishment of WKU; providing teaching and administrative staff for academic and administrative work at WKU in compliance with relevant regulations of the People's Republic of China; issuing certificates, diplomas and degrees of Kean University, which are the same as those issued in New Jersey and acceptable in the United States, to qualified WKU students; introducing internationally advanced academic systems and materials at the same level as those in use at Kean University; and accept credits of WKU students for study at Kean University.

On November 16, 2011, the Chinese Ministry of Education approved the initiative, giving the University the name "Wenzhou Kean University (in preparation)" and granting it three years to prepare for its official establishment in 2014.

On March 31, 2014, the Chinese Ministry of Education officially approved the formal establishment of Wenzhou-Kean University, making it the first Sino-US University in Zhejiang.

Note 16 - Acquisition of Liberty Hall Museum:

On December 22, 2006, the University entered into an agreement with the Liberty Hall Foundation (the "Foundation") for the sale of real estate and the formation of a Historic Precinct. The Foundation and the University have jointly organized the Liberty Hall Museum, Inc. ("LHM").

As part of the agreement, the University purchased property from the Foundation in the amount of \$5,150, which represents the land, the museum and associated buildings. At the time of the closing, the University took ownership of the land and Museum buildings but did not take ownership of the Historical Documents contained in the Museum. In accordance with the terms of the agreement, the Foundation was to retain possession and control of the Historical Documents until they were formally donated to the University after a Cataloging Period was completed.

In June 2015, Stuart Lutz Historic Documents Inc. of Short Hills, New Jersey was hired to undertake the appraisal work. As of September 2016, the appraisal was substantially complete, and the Deed of Gift was finalized in November 2016 of which the final appraised value was determined to be \$550.

Management elected not to capitalize these items in accordance with GASB Statement No. 34 and rather record this in the University's financial statements as non-operating revenue and expense in the June 30, 2017 fiscal year. LHM, Inc. was established to operate and preserve the Museum and the Historic Precinct. The Board of Trustees consists of eight individuals, three appointed by the University and five appointed by the Liberty Hall Foundation. At closing, LHM, Inc. and the University entered into a ground lease, which

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Note 16 - Acquisition of Liberty Hall Museum (continued):

provides for the lease of the Historical Precinct, including the Museum and all other buildings and improvements within the Historical Precinct, to LHM for a period of ninety-eight years at an annual rent of one dollar. Annually, LHM is responsible for establishing an operating budget for the Museum and the Historic Precinct, approved by its Board of Trustees. Annually, the Foundation provides funding to LHM in an amount not to exceed five percent of the Foundation's total endowment. In the event that LHM's annual operating expenses exceed the amount contributed by the Foundation, the University is required to contribute to the shortfall in an amount not to exceed \$200 per year unless mutually agreed upon and in compliance with the terms of the original contract. In fiscal year 2024, it was mutually agreed that the University's annual support would include additional funds to cover the cost of grounds maintenance, bringing the total annual support to \$360. Any additional support deemed necessary will be mutually agreed upon and set forth in a separate agreement. The amount the University contributed in 2025 and 2024 was \$360 and \$360, respectively.

Note 17 - The Institute for Life Science Entrepreneurship:

On March 3, 2014, the Kean University Board of Trustees passed a resolution approving seed funding in the amount of \$250 for the creation of the Institute for Life Science Entrepreneurship, Inc. (ILSE), a new non-profit entity based in the New Jersey Center for Science, Technology and Mathematics (STEM/IST building) located on the university campus. ILSE is a regional research integrator, accelerator and incubator, bringing basic researchers and clinical scientists from academia together with entrepreneurs, R&D experts and business leaders to facilitate the translation of early innovation into meaningful health care solutions. ILSE was incorporated as a NJ non-profit 501(c)(3) corporation on April 29, 2014, "organized and operated exclusively for charitable, educational and scientific purposes."

On December 11, 2014, the parties formalized the status of Kean as a founding member as well as a "use of space" agreement which established a life sciences incubator facility in the STEM building, under the direction of ILSE. Under the agreements, the principal responsibilities of ILSE are to provide one seat on its Board of Trustees to Kean University, facilitate networking and collaboration for university faculty, students and staff including participation in seminars, conferences and other educational events organized by ILSE, and the facilitation of internships, advisory roles and research collaborations between ILSE, ILSE partners and the university community. The parties will also seek to collaborate on the submission of research grants and other funding opportunities to support scientific research activities common to the university and ILSE.

ILSE will also be responsible for creating and operating a life sciences incubator facility in a portion of the STEM/IST building, bringing start-up and small entity life science companies and their advisors to STEM the incubator in order to create a vibrant research community and ecosystem of entrepreneurship, all in close proximity with the university. Neither party seeks profit from the operation of ILSE, although a for-profit subsidiary of ILSE was established to develop and fund commercially viable health care innovation that result from the activities of ILSE and its partners, this subsidiary has now been dissolved. As a founding member of ILSE, Kean will be entitled to an ownership portion or other benefits from any subsidiary that may be established in the future and are lawful and consistent with the missions and non-profit status of both ILSE and Kean University.

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(dollars in thousands)

Note 17 - The Institute for Life Science Entrepreneurship (continued):

Kean University’s principal responsibilities under the agreement include providing space and staff support for the activities of ILSE in the STEM building. The Associate Provost of Science and Technology will serve part-time as interim CEO of ILSE until such time as additional funds are raised, and a permanent CEO and a full management team can be recruited. University staff, under the direction of the Associate Provost, will also provide administrative and operational support to ILSE on a part-time basis.

Note 18 – Student Concession Arrangement for Student Residence Hall Facility:

On February 1, 2017, the University entered into a 40- year Project Development agreement with The Provident Group – Kean Properties LLC to undertake the design, finance, and construction of a student housing facility on the University’s campus. The Provident Group will be entitled to all of the housing revenues during the term of the 40-year agreement. At the end of the term, the residence hall facility and its operations will be transferred to the University. During fiscal year 2019, construction was completed on the Student Residence Hall Facility pursuant to the agreement. At June 30, 2019, the University reported the dormitory as a capital asset and related deferred inflows of resources with a carrying amount of \$38,924. The capital assets are being depreciated in accordance with the University’s capitalization policies and accumulated depreciation as of June 30, 2025 and 2024 was \$10,106 and \$8,645, respectively. As of June 30, 2025 and 2024, the deferred inflow of resources on the concession arrangement was \$33,202 and \$34,202, respectively, in the Statements of Net Position.

Note 19 – Related Party Transaction:

On July 1, 2018, the University entered into an operating relationship with Foundation upon the elimination of the Division of Institutional Advancement at Kean University and the simultaneous decision of the Foundation Board of Directors to directly employ its own staff and manage its operations independent of the University structure. To aid the Foundation in this transition to a self-managed and operated organization, the University agreed to provide financial support. During the year ended June 30, 2025, the University provided \$3,150 to the Foundation representing the seventh annual payment.

Note 20 – Leases Payable:

The University reported leases payable of \$0.9 million and \$0.6 million, as of June 30, 2025 and 2024 for right-of-use equipment and building, respectively. The University’s leases are related to various printing and copying equipment as well as a buildings located in Trenton and Lincroft, NJ. The following is a schedule of future minimum payments on the University’s leases payable as of June 30, 2025:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 314	\$ 32	\$ 346
2027	222	20	242
2028	234	10	244
2029	79	1	80
Total	<u>\$ 849</u>	<u>\$ 63</u>	<u>\$ 912</u>

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

NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2025 and 2024
(dollars in thousands)

Note 21 – Financed Purchase Payable:

On December 23, 2023, the University entered into a five-year financed purchase for equipment in the amount of \$900 due in annual installments, including interest at a rate of 4.53%. On October 1, 2024, the University entered into a five-year financed purchase for equipment in the amount of \$2,145 due in annual installments, including interest at a rate of 7.72%.

The following is a schedule of future payments on the University’s financed purchase payable as of June 30, 2025:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 597	\$ 170	\$ 767
2027	641	126	767
2028	688	79	767
2029	617	30	647
2030	88	1	89
Total	\$ 2,631	\$ 406	\$ 3,037

Note 22 – Subscription-Based Information Technology Arrangements (SBITAs) Payable:

At June 30, 2025, the University recognized a right-to-use subscription asset associated with its SBITA agreements of \$13.1 million, net of accumulated amortization of \$5.7 million with amortization expense of \$2.5 million in fiscal year 2025. At June 30, 2024, the University recognized a right-to-use subscription asset associated with its SBITA agreements of \$13.1 million, net of accumulated amortization of \$5.7 million with amortization expense of \$2.4 million in fiscal year 2024.

The University reported SBITAs payable of \$5.0 million and \$7.3 million, as of June 30, 2025 and 2024, respectively. The University’s SBITAs are related to various information technology and software agreements utilized by the University.

The following is a schedule of future minimum payments on the University’s SBITAs payable as of June 30, 2025:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 2,255	\$ 232	\$ 2,487
2027	1,859	131	1,990
2028	922	47	969
Total	\$ 5,036	\$ 410	\$ 5,446

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

NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2025 and 2024
(dollars in thousands)

Note 23 – Change in Accounting Principle and Restatement of Net Position:

Effective for the year ended June 30, 2025, the University implemented the provisions of GASB Statement No. 101, “*Compensated Absences.*” This statement establishes new recognition and measurement criteria for certain types of compensated absences when the leave is earned, rather than when it is paid. In addition to the value of unused leave time owed to employees upon separation from employment, the University now also recognizes as part of the compensated absences liability an estimated amount of unused leave earned as of year-end that will be used by employees as time off in future years. As a result of this implementation and in accordance with GASB Statement No. 100, “*Accounting Changes and Error Corrections,*” the beginning net position as of July 1, 2024 was restated to reflect the cumulative effect change of (\$5.0) million recognized in the 2025 changes in net position.

Note 24 – Reclassification of Prior Year Presentation and Error Correction:

It was determined that the University entered into a lease as defined by the provisions of GASB Statement No. 87, “*Leases,*” in the 2024 fiscal year, where the University as the lessor would record such activity as receivables and deferred inflows of resources related to the future rent payments in the University’s financial statements. As a result of this change, the University has adjusted the Statement of Net Position to reflect the lease receivable for future rent payments and related deferred inflows of resources for this agreement. As a result, the effect of the correction was an increase in net position of \$284 thousand as recognized in the University’s 2024 net position as follows:

	Balance June 30, <u>As Reported</u>	<u>Restatement</u>	Balance June 30, <u>As Reported</u>
Lease receivable-current		\$ 875	\$ 875
Lease receivable-noncurrent		18,347	18,347
Deferred leases		(18,938)	(18,938)
Net investment in capital assets	\$301,050	284	301,334
Total net position	355,146	284	355,430

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

NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2025 and 2024
(dollars in thousands)

Note 25 – Lease Receivable and Deferred Inflow of Resources:

The University leases building space to various entities, with remaining contract lives of seven years. The lease revenue and interest revenue for the 2025 fiscal year from all lessor agreements is \$636 and \$550, respectively, for a total amount of \$1,186.

The table below presents future lease payments included in the lease receivable and deferred inflow of resources for the fiscal years ended June 30:

<u>Fiscal Year</u>	<u>Lease Receivable</u>	<u>Deferred Inflow</u>
2026	\$ 936	\$ 1,272
2027	916	1,272
2028	1,105	1,272
2029	1,199	1,272
2030	1,285	1,272
2031-2035	7,595	6,362
2036-2040	4,168	3,305
2041-2045	686	1,120
2046-2050	479	496
2051-2052	<u>62</u>	<u>22</u>
	<u>\$ 18,431</u>	<u>\$ 17,666</u>

Note 26 – Net Position - Net Investment in Capital Assets:

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. The net investment in capital assets of \$301,153 indicated as part of the net position is calculated as follows:

Capital assets, net of depreciation/amortization	\$ 565,328
Public-Private partnership assets	(29,923)
Deferred gain on refunding	(185)
Deferred loss on refunding	16,538
Other changes	3,556
Bonds payable	(240,498)
Unamortized premium on bonds	(5,147)
SBITA payable	(5,036)
Leases payable	(849)
Financed purchases payable	<u>(2,631)</u>
Total net investment in capital assets	<u>\$ 301,153</u>

KEAN UNIVERSITY
Schedule of the University's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System
Required Supplementary Information
(dollars in thousands)

Last Ten Fiscal Years

	Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
University's proportion of the net pension liability (asset) - State Group	0.4538646344%	0.4183611464%	0.4356279117%	0.4368793953%	0.4601692811%	0.4788429429%	0.5030546560%	0.5499250943%	0.5694857985%	0.5741010825%
University's proportionate share of the net pension liability (asset)	<u>\$ 100,623</u>	<u>\$ 93,956</u>	<u>\$ 97,523</u>	<u>\$ 94,495</u>	<u>\$ 102,268</u>	<u>\$ 110,193</u>	<u>\$ 119,246</u>	<u>\$ 141,032</u>	<u>\$ 167,376</u>	<u>\$ 136,189</u>
University's covered payroll	<u>\$ 24,030</u>	<u>\$ 22,819</u>	<u>\$ 20,956</u>	<u>\$ 19,724</u>	<u>\$ 18,072</u>	<u>\$ 18,882</u>	<u>\$ 18,981</u>	<u>\$ 18,819</u>	<u>\$ 20,436</u>	<u>\$ 20,526</u>
University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	418.74%	411.74%	465.37%	479.09%	565.89%	583.59%	628.24%	749.41%	819.01%	663.48%
Plan fiduciary net position as a percentage of the total pension liability - State Group	27.31%	24.86%	23.19%	25.29%	21.39%	22.03%	22.11%	21.18%	19.02%	24.96%

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

Notes to Required Supplementary Information:

Benefit Changes

There were none.

Changes of Assumptions

There were none.

KEAN UNIVERSITY
Schedule of University Contributions
Public Employees' Retirement System
Required Supplementary Information
(dollars in thousands)

Last Ten Fiscal Years

	Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 8,434	\$ 8,153	\$ 7,278	\$ 7,544	\$ 5,270	\$ 4,271	\$ 3,876	\$ 3,252	\$ 2,588	\$ 1,857
Contributions in relation to the contractually required contribution	(8,434)	(8,153)	(7,278)	(7,544)	(5,270)	(4,271)	(3,876)	(3,252)	(2,588)	(1,857)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's covered payroll	<u>\$ 22,819</u>	<u>\$ 20,956</u>	<u>\$ 19,724</u>	<u>\$ 18,072</u>	<u>\$ 18,882</u>	<u>\$ 18,981</u>	<u>\$ 18,819</u>	<u>\$ 20,436</u>	<u>\$ 20,526</u>	<u>\$ 23,254</u>
Contributions as a percentage of covered payroll	36.96%	38.91%	36.90%	41.74%	27.91%	22.50%	20.60%	15.91%	12.61%	7.99%

KEAN UNIVERSITY
Schedule of the University's Proportionate Share of the Net Pension Liability
Police and Firemen's Retirement System
Required Supplementary Information
(dollars in thousands)

Last Ten Fiscal Years

	Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
University's proportion of the net pension liability (asset) - State Group	0.19927475%	0.2321744600%	0.1689566600%	0.2017053534%	0.1834585660%	0.1973929503%	0.1953740267%	0.2266066008%	0.2510633291%	0.2810715320%
University's proportionate share of the net pension liability (asset)	<u>\$ 8,759</u>	<u>\$ 10,271</u>	<u>\$ 7,310</u>	<u>\$ 8,198</u>	<u>\$ 7,887</u>	<u>\$ 8,294</u>	<u>\$ 8,458</u>	<u>\$ 9,961</u>	<u>\$ 11,827</u>	<u>\$ 12,068</u>
University's covered payroll	<u>\$ 1,163</u>	<u>\$ 1,093</u>	<u>\$ 953</u>	<u>\$ 909</u>	<u>\$ 803</u>	<u>\$ 920</u>	<u>\$ 866</u>	<u>\$ 945</u>	<u>\$ 940</u>	<u>\$ 1,024</u>
University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	753.14%	939.71%	767.05%	901.87%	982.19%	901.52%	976.67%	1054.07%	1258.19%	1178.52%
Plan fiduciary net position as a percentage of the total pension liability - State Group	31.37%	28.93%	27.20%	29.72%	24.81%	26.06%	25.84%	25.99%	24.70%	29.07%

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

Notes to Required Supplementary Information:

Benefit Changes

There were none.

Changes of Assumptions

There were none.

KEAN UNIVERSITY
Schedule of University Contributions
Police and Firemen's Retirement System
Required Supplementary Information
(dollars in thousands)

Last Ten Fiscal Years

	Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 1,291	\$ 1,271	\$ 1,449	\$ 1,084	\$ 897	\$ 697	\$ 636	\$ 507	\$ 443	\$ 347
Contributions in relation to the contractually required contribution	(1,291)	(1,271)	(1,449)	(1,084)	(897)	(697)	(636)	(507)	(443)	(347)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's covered payroll	<u>\$ 1,093</u>	<u>\$ 953</u>	<u>\$ 909</u>	<u>\$ 803</u>	<u>\$ 920</u>	<u>\$ 866</u>	<u>\$ 945</u>	<u>\$ 940</u>	<u>\$ 1,024</u>	<u>\$ 1,195</u>
Contributions as a percentage of covered payroll	118.12%	133.37%	159.41%	134.99%	97.50%	80.48%	67.30%	53.94%	43.26%	29.05%

KEAN UNIVERSITY
Schedule of the State's Proportionate Share of the Net Pension Liability Associated With the University
Teachers' Pension and Annuity Fund
Required Supplementary Information
(dollars in thousands)
Last Ten Fiscal Years

	Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
State's proportion of the net pension liability (asset) associated with the University	0.0047623302%	0.0049485330%	0.0062596944%	0.0063483435%	0.0071136873%	0.0081832550%	0.0085063653%	0.0089503436%	0.0090329168%	0.0345727610%
University's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the University	\$ 2,354	\$ 2,525	\$ 3,230	\$ 3,052	\$ 4,684	\$ 5,022	\$ 5,412	\$ 6,035	\$ 7,106	\$ 21,851
Total proportionate share of the net pension liability (asset) associated with the University	<u>\$ 2,354</u>	<u>\$ 2,525</u>	<u>\$ 3,230</u>	<u>\$ 3,052</u>	<u>\$ 4,684</u>	<u>\$ 5,022</u>	<u>\$ 5,412</u>	<u>\$ 6,035</u>	<u>\$ 7,106</u>	<u>\$ 21,851</u>
Plan fiduciary net position as a percentage of the total pension liability	37.99%	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

Notes to Required Supplementary Information:

Benefit Changes

There were none.

Changes of Assumptions

There were none.

KEAN UNIVERSITY
Schedule of Proportionate Share of the Total OPEB Liability
and Note to Required Supplementary Information
State Health Benefit Retired Employees Fund
Required Supplementary Information
(dollars in thousands)

Last Ten Fiscal Years*

	Year Ended 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 associated with the University	\$ 208,762	\$ 195,672	\$ 182,754	\$ 214,722	\$ 254,371	\$ 170,816	\$ 230,515	\$ 264,692
Total OPEB liability	<u>\$ 208,762</u>	<u>\$ 195,672</u>	<u>\$ 182,754</u>	<u>\$ 214,722</u>	<u>\$ 254,371</u>	<u>\$ 170,816</u>	<u>\$ 230,515</u>	<u>\$ 264,692</u>
University covered payroll	<u>\$ 77,509</u>	<u>\$ 80,282</u>	<u>\$ 69,561</u>	<u>\$ 67,757</u>	<u>\$ 68,844</u>	<u>\$ 76,755</u>	<u>\$ 79,199</u>	<u>\$ 65,296</u>
University's proportionate share of the Collective Total OPEB liability as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

Note to Required Supplementary Information

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

Changes of Assumptions

The discount rate changed to 3.93% as of June 30, 2024, increasing from 3.65% as of June 30, 2023.

KEAN UNIVERSITY
(A Component Unit of the State of New Jersey)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

Federal Grantor/Program Title/Cluster Title	Federal AL Number	FAIN or Other Grant Identifying Number	Current Year Expenditures	Amounts Provided to Subrecipients
U.S. DEPARTMENT OF EDUCATION:				
Direct Awards:				
Student Financial Assistance Cluster:				
Federal Direct Loan Programs	84.268	P268K220270	\$ 63,239,530	
Teacher Education Assistance Program	84.379	P379T200270	43,380	
Federal Supplemental Educational Opportunity Grants	84.007	P007A212574	816,019	
Federal Work-Study Program	84.033	P033A212574	531,246	
Federal Pell Grant Program	84.063	P063P190270	38,409,449	
Total Student Financial Assistance Cluster			<u>103,039,623</u>	
ARP - CSFRF Cluster:				
COVID-19 American Rescue Plan Act - Coronavirus State Fiscal Recovery Fund	21.027	SLFRP1024	2,585,503	
Total ARP - CSFRF Cluster			<u>2,585,503</u>	
TRIO Cluster:				
McNair Scholars	84.217A	P217A170003	240,353	
Student Support Services (SSS)	84.116G	P116G200045	40,893	
Upward Bound	84.047A	P047A170183	333,400	
Total Trio Cluster			<u>614,646</u>	
Passed through the State of New Jersey:				
CTSO- DECA	84.048	V048A170030	47,565	
CTSO-FBLA	84.048	V048A170031	38,658	
CTSO- HOSA	84.048	N/A	23,597	
Perth Amboy Adelante - English as a Second Language	84.365	S365A170030	121	
Higher Education - Institutional Aid	84.031A	P031A190002	396,476	
Education Innovation and Research (EIR)	84.184X	S184X220084	1,046,251	
Child Care Access Means Parents in School (CCAMPIS)	84.335A	P335A220159	537,018	
Total US Department of Education Passed Through the State of New Jersey			<u>2,089,686</u>	
Total U.S. Department of Education			<u>108,329,458</u>	
U.S. DEPARTMENT OF DEFENSE				
Direct Award:				
Machine Learning Techniques	12.431	W911NF-24-2-0136	71,105	
Total U.S. Department of Defense			<u>71,105</u>	
U.S. ENVIRONMENTAL PROTECTION AGENCY:				
Direct Awards:				
Science to Achieve Results (STAR) Research Program	66.509	84045601.000	42,067	
Environmental Education Grants	66.951	N/A	1,320	
Total U.S. Environmental Protection Agency			<u>43,387</u>	
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
Passed through Union County:				
Community Development Block Grants/Entitlement Grants (CDBG)	14.218	P021A210004	295,974	
Total U.S. Department of Housing and Urban Development			<u>295,974</u>	
U.S. DEPARTMENT OF THE INTERIOR				
Direct Award:				
National Coastal Wetlands Conservation Grant Program	15.928	P23AP02358	1,956	
Total U.S. Department of the Interior			<u>1,956</u>	
U.S. DEPARTMENT OF JUSTICE				
Passed through the State of New Jersey:				
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525	15JOVV-24-GG-01	57,024	
Total U.S. Department of Justice			<u>57,024</u>	
U.S. DEPARTMENT OF LABOR:				
Direct Award:				
Occupational Safety and Health - Susan Harwood Training Grants	17.289	24A60CP000192-01-00	342,699	
Total U.S. Department of Labor			<u>342,699</u>	
U.S. DEPARTMENT OF TRANSPORTATION:				
Passed through the State of New Jersey:				
State and Community Highway Safety	20.600	69A37518300004020NJ0	151,906	
Passed through The Economic Development Administration (EDA):				
Investments for Public Works and Economic Development Facilities	11.303	ED21PHI3030010	125,031	
Total U.S. Department of Transportation			<u>276,937</u>	
U.S. SMALL BUSINESS ADMINISTRATION				
Direct Award:				
Women's Business Centers	59.079	73351023C0016	91,537	
Passed through Rutgers University:				
Small Business Development Centers (SBDC)	59.059	SBAHQ23I0021	30,800	
Total U.S. Small Business Administration			<u>122,337</u>	
Research and Development Cluster:				
NATIONAL SCIENCE FOUNDATION				
Direct Awards:				
NSF Assignment	47.070	OAC-2208802	154,437	
NSF S-STEM	47.076	2129796	363,874	
NSF Career Grant	47.074	2237390	243,189	
NSF - Noyce Scholars	47.076	2243328	159,578	
NSF - Embedding Equitable Design through Undergraduate	47.076	2042341	65,980	
NSF - Building Capacity Grant	47.076	1928452	458,063	
NSF CISE-MSI	47.070	2318696	105,878	
NSF EPIC Collaborative Proposal: Light Up	47.084	2331572	66,813	
NSF Fostering Communities of Practice Through Research and Peer Mentoring	47.076	2247157	609,959	
NSF Collaborative Research	47.070	2430746	45,515	
Passed through Rutgers University				
NSF - LSAMP	47.076	1400780	31,000	
Passed through The University of Texas				
NSF - Alliance	47.070	HRD-1834620	182,109	
NSF - CUE-M: MOBILIZING CAHSI	47.070	2454338.000	21,847	
NSF-BPC-AE: STRENGTH RESEARCH	47.070	2417798.000	13,024	
Passed through Cornell University				
NSF - CyberTraining: Pilot HPC ED	47.070	2320977	5,399	
NSF - SESMag Design for Computing	47.076	2345334	176,875	
NSF - Social, Behavioral and Economic Sciences	47.075	2312345	372,429	
NSF - MRI: TRK 1 ACC OF TANDEM QUADR	47.049	2409248	381,714	
Passed Through Emory University				
NSF- EXPAND NORDP PRGM TO MSI	47.079	2331578	25,664	
Total National Science Foundation			<u>3,483,347</u>	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Direct Awards:				
Child Health and Human Development Extramural Research	93.865	R15HD102960	40,241	
Biomedical Research and Research Training	93.859	1T34GM149448-01	122,136	
Aging Research	93.866	AWD00000727	19,454	
Pass through Indiana University Northwest				
NIH - Determining the Role of Me31B Protein in Germ Cell Development	93.865	PO0741058	7,015	
Total U.S. Department of Health and Human Services			<u>188,846</u>	
Total Research and Development Cluster			<u>3,672,193</u>	
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION				
Passed through New Jersey Sea Grant Consortium:				
Sea Grant Support - Veg Cover on BermDune-NJ	11.417	6238-0010	4,546	
Sea Grant Support - NJSGC Coastal Adaptation and Resilience Outreach	11.417	NA22OAR4170095	25,052	
Total National Oceanic and Atmospheric Administration			<u>29,598</u>	
Total expenditures of Federal awards				
			<u>\$ 113,242,668</u>	<u>\$ -</u>

See accompanying notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

KEAN UNIVERSITY
(A Component Unit of the State of New Jersey)
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

YEAR ENDED JUNE 30, 2025

State of New Jersey Grantor/Program Title	Grant or Account Number	Grant Period	Current Year Expenditures
Student Financial Assistance Cluster:			
N.J. Department of Treasury:			
Tuition Aid Grant	100-074-2405-007	07/01/24 - 06/30/25	\$ 39,878,455
NJ Best Scholarship	100-074-2405-316	07/01/24 - 06/30/25	53,000
New Jersey Stars II	100-074-2405-313	07/01/24 - 06/30/25	133,130
Embrella	N/A	07/01/24 - 06/30/25	58,243
Student Teacher Stipends	100-074-2405-346	07/01/24 - 06/30/25	1,179,000
Governor Urban Scholarships	100-074-2405-329	07/01/24 - 06/30/25	16,000
Survivor Tuition Benefit Program	100-074-2405-009	07/01/24 - 06/30/25	1,788
Garden State Guarantee	100-074-2405-345	07/01/24 - 06/30/25	6,932,305
N.J. Department of State:			
Educational Opportunity Fund Undergraduate	200-100-074-2401-002	07/01/24 - 06/30/25	1,521,056
Educational Opportunity Fund Graduate	200-100-074-2401-002	07/01/24 - 06/30/25	59,500
Total Student Financial Assistance Cluster			<u>49,832,477</u>
N.J. Department of State:			
Educational Opportunity Fund Article IV - Academic Year	100-074-2401-002	07/01/24 - 06/30/25	399,798
Educational Opportunity Fund Article IV - Summer	100-074-2401-002	07/01/24 - 06/30/25	655,350
Educational Opportunity Fund Article IV - Winter	100-074-2401-002	07/01/24 - 06/30/25	57,239
Educational Opportunity Fund Article IV - Senior Exp.	100-074-2401-002	07/01/24 - 06/30/25	50,592
Educational Opportunity Fund Article IV - Staff & Support	100-074-2401-002	07/01/24 - 06/30/25	29,851
Educational Opportunity Fund Praxis Core Prep Series	100-074-2401-003	07/01/24 - 06/30/25	42,788
			<u>1,235,618</u>
Interdepartmental Accounts:			
FICA State Colleges and University Reimbursement Program	100-094-9410-137	07/01/24 - 06/30/25	8,023,440
Fringe benefits paid by State of New Jersey	100-094-9410-137	07/01/24 - 06/30/25	64,306,133
N.J. Higher Education Capital Facilities:			
Fire Safety Training Program	100-022-8017-035	07/01/24 - 06/30/25	1,957,022
N.J. Office of the Secretary of Higher Education			
Hunger Free Campus	23-66418	07/01/24 - 06/30/25	135,458
OSHE NJ GEAR UP	P334S190011-23	07/01/24 - 06/30/25	5,615
OSHE FY24 SCND	24-65941	07/01/24 - 06/30/25	89,789
Mental Health in Higher Education-CG	23-67085	07/01/24 - 06/30/25	181,531
Mental Health in Higher Education-PD	23-67090	07/01/24 - 06/30/25	12,000
N.J. Department of State:			
State of New Jersey Appropriation	100-074-2455-001	07/01/24 - 06/30/25	61,282,616
N.J. Department of Education:			
Minority Teacher Development Grant	24E00605	07/01/24 - 06/30/25	184,543
Mental Health Training Grant - SBMHS program	23E00460	07/01/24 - 06/30/25	181,589
RAPID Plus	23-19941	07/01/24 - 06/30/25	477,602
Holocaust Research Center	N/A	07/01/24 - 06/30/25	2,091
N.J. State Council on the Arts:			
Premier Stages	0625A050169	07/01/24 - 06/30/25	86,480
Passaic Board of Education:			
PASS Adelante	N/A	07/01/24 - 06/30/25	10,981
Restorative Justice in Education Comp	23E000182	07/01/24 - 06/30/25	45,435
N.J. Economic Development Authority			
Maternal Child Health Center	00087123	07/01/24 - 06/30/25	270,460
Department of Children and Families	N/A	07/01/24 - 06/30/25	1,500
N.J. Department of Labor:			
Job Opportunities for Building Success (JOBS)	JOBS-R1-2023	07/01/24 - 06/30/25	618,951
N.J. Department of Health and Human Services:			
Inclusive Healthy Communities	MOA	07/01/24 - 06/30/25	61,528
URBAN Focus Policy	N/A	07/01/24 - 06/30/25	561,475
NFBPA	27-53250	07/01/24 - 06/30/25	65,000
Literacy and Learning Loss	N/A	07/01/24 - 06/30/25	131,513
Traffic Safety Program 2025	N/A	07/01/24 - 06/30/25	263,005
Faith-Based Institute – Public Policy	N/A	07/01/24 - 06/30/25	226,749
Cougar NJ GEAR UP	N/A	07/01/24 - 06/30/25	107,361
History Unfolded / Family Treasures	N/A	07/01/24 - 06/30/25	1,619
CTSO - DECA Year 9	24E00116	07/01/24 - 06/30/25	110,909
CTSO - FBPA Year 6	24E00091	07/01/24 - 06/30/25	116,588
CTSO - HOSA Year 3	24E00090	07/01/24 - 06/30/25	94,786
VW Mitigation Grant Project	N/A	07/01/24 - 06/30/25	807,735
NJDEP Organic Waste Recycling	SHW23-004	07/01/24 - 06/30/25	<u>2,910</u>
Total expenditures of State Financial Assistance			<u>\$ 191,492,509</u>

See accompanying notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

KEAN UNIVERSITY
(A Component of the State of New Jersey)

**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE**

1. Significant Accounting Policies/Basis of Presentation:

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal and state grant activity of Kean University (the “University”) and are presented on the accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of Title 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. For the purposes of these schedules, Federal Awards and State Financial Assistance include any assistance provided by a Federal and State agency directly or indirectly in the form of grants, contracts, cooperative agreements, loan guarantees, property, subsidies, insurance, direct appropriations and other non-cash assistance. Because these schedules present only a selected portion of the activities of the University, it is not intended to, and does not, present the financial position, changes in net position and other changes of the University in conformity with generally accepted accounting principles.

The accounting practice followed by the University in preparing the accompanying schedules is as follows:

Expenditures for direct costs are recognized as incurred using the accrual method of accounting contained in the U.S. Office of Management and Budget (OMB) 2 CFR Part 220, Cost Principles for Educational Institutions. Under those cost principles, certain types of expenditures are not allowable or are limited as to reimbursement.

2. Perkins Loan and Nursing Faculty Loan Programs:

The University administers the following Federal loan programs:

	<u>AL #</u>	<u>Loans Extended for the Year Ended June 30, 2025</u>	<u>Outstanding Principal Balance at June 30, 2025</u>
Perkins Loan Program	84.038	\$ <u> -</u>	\$ <u> 2,780</u>
Nursing Faculty Loan Program	93.264	\$ <u> -</u>	\$ <u> 376,340</u>

The University is no longer participating in the Perkins Loan Program and did not have any related expenses incurred during the 2025 or 2024 fiscal years.

KEAN UNIVERSITY
(A Component of the State of New Jersey)

**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE**

3. Other Loan Programs:

During the fiscal year ended June 30, 2025, the University processed the following amount of new loans under the Federal Direct Stafford Student Loan programs (which include Stafford Loans and Parents' Loans for Undergraduate Students):

	<u>AL #</u>	<u>Value of Loans</u>
Stafford Loans (Direct)	84.268	<u>\$ 50,666,992</u>
Parent Loans for Undergraduate Students (PLUS)		<u>\$ 12,572,538</u>

4. Indirect Costs:

The University did not elect to use the 10% de minimis indirect cost rate as allowed by the Uniform Guidance.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Independent Auditors' Report

**The Board of Trustees
Kean University**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Kean University (the "University"), a component unit of the State of New Jersey, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated March 2, 2026. The financial statements of the Kean University Foundation, Inc. and subsidiaries, were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

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

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

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

**The Board of Trustees
Kean University**

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

PKF O'Connor Davies, LLP

Cranford, New Jersey
March 2, 2026



REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08

Independent Auditors' Report

**The Board of Trustees
Kean University**

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Kean University's (the "University") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid Grant Compliance Supplement* that could have a direct and material effect on each of the University's major federal and state programs for the year ended June 30, 2025. The University's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

PKF O'Connor Davies, LLP

Cranford, New Jersey
March 2, 2026

KEAN UNIVERSITY
(A Component Unit of the State of New Jersey)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___Yes X No
- Significant deficiency(ies) identified? ___Yes X None reported

Noncompliance material to financial statements noted? ___Yes X No

Federal Awards and State Financial Assistance

Internal control over major federal and state programs:

- Material weakness(es) identified? ___Yes X No
- Significant deficiency(ies) identified? ___Yes X None reported

Type of auditors' report issued on compliance for major federal and state programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or NJ OMB 15-08?

___Yes X No

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditors' Results

Identification of major programs:

<u>Federal AL Numbers:</u>	<u>Program Name or Cluster</u>	<u>Department/Agency</u>
84.268 / 84.379 / 84.007 / 84.033 / 84.063	Student Financial Assistance Cluster	U.S. Department of Education
84.184	KU Be Well Initiative	U.S. Department of Education
 <u>State Grant Number:</u> 100-074-2455-001	 <u>Program Name or Cluster</u> State of New Jersey Appropriations	 New Jersey Department of State

Dollar threshold used to distinguish
between Type A and Type B programs:

\$750,000 Federal Awards

\$3,000,000 State Financial Assistance

Auditee qualified as low-risk auditee? X Yes ___ No

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2025

Section II - Financial Statement Findings

None to report.

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs

No federal award or state financial assistance program internal control over compliance or compliance findings or questioned costs were noted that are required to be reported in accordance with 2 CFR 200 Section 516(a) or New Jersey State OMB Circular 15-08.