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JEREMY A. SPECTOR
Executive Director

**MINUTES OF THE MEETING OF THE
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
HELD AT 103 COLLEGE ROAD EAST, PRINCETON, NEW JERSEY
ON TUESDAY, MAY 24, 2016
ANNUAL MEETING**

The meeting was called to order at 9:02 a.m. by Vice Chair Designee, Gregg Edwards. The New Jersey Educational Facilities Authority gave notice of the time, place and date of this meeting via fax and email on June 10, 2015, to The Star Ledger, The Times and the Secretary of State and by posting the notice at the offices of the Authority in Princeton, New Jersey. Pursuant to the New Jersey Open Public Meetings Act, a resolution must be passed by the New Jersey Educational Facilities Authority in order to hold a session from which the public is excluded.

AUTHORITY MEMBERS PRESENT:

Rochelle Hendricks, Secretary of Higher Education, Vice Chair (represented by Gregg Edwards)
Joshua Hodes, Treasurer
Louis Rodriguez
Katherine Ungar
Ford M. Scudder, Acting State Treasurer (represented by Steven Petrecca)

AUTHORITY MEMBERS ABSENT:

Ridgeley Hutchinson

STAFF PRESENT:

Jeremy A. Spector, Executive Director
Sheryl A. Stitt, Deputy Executive Director
Katherine Newell, Esq., Director of Compliance Management
Marie P. Mueller, Chief Financial Officer
Steven Nelson, Director of Project Management
Gary Vencius, Accounting Manager
Ellen Yang, Compliance Manager

Jamie O'Donnell, Communications/Special Projects Manager
Jacqueline McFadyen, Associate Project Manager
Lisa Walker, Accountant
Zachary Barby, Communications/Special Projects Assistant
Rebecca Clark, Project Management Assistant
Sheila Toles, Exec. Assistant/Human Resources Manager

ALSO PRESENT:

Mary Maples, Esq., Governor's Authorities Unit
Clifford Rones, Esq., Deputy Attorney General

ITEMS OF DISCUSSION

Mr. Edwards announced the resignation of the Authority's Chairman, Roger B. Jacobs. Mr. Jacobs was appointed to the Authority's board in 2003 and served as Chairman since 2010. Mr. Edwards thanked Mr. Jacobs on behalf of the Board and staff for his dedicated service and wished him well in his future endeavors.

1. Approval of the Minutes of the Meeting of March 22, 2016

The minutes of the meeting of March 22, 2016 were hand delivered to Governor Chris Christie under the date of March 23, 2016. Mr. Petrecca moved that the minutes of the meeting be approved as presented; the motion was seconded by Mr. Rodriguez and passed. Mr. Edwards abstained from the vote.

2. Guest Speaker, Michael W. Klein, Chief Executive Officer, New Jersey Association of State Colleges and Universities

Dr. Michael W. Klein, Executive Director of the New Jersey Association of State Colleges & Universities gave an insightful presentation on higher education with regard to New Jersey's public institutions. David Rousseau, Vice President of the Association of Independent Colleges and Universities in New Jersey gave brief comments.

3. Election of Officers for the Period Ending May 23, 2017

Mr. Edwards requested the Members' nominations for Chair and officers for the period ending May 23, 2017. The nominations and elected officers are indicated on the adopted resolution appended as Exhibit I.

4. Adoption of Resolution Appointing Members to the Authority's Evaluation Committee

Mr. Spector reported that the Authority's By-Laws provide that the Evaluation Committee consist of three Members of the Authority who are elected at the annual

meeting and that members of the Evaluation Committee must meet the same standards of independence as Audit Committee members, which is set forth in Executive Order No. 122. He reported that based on their availability, willingness to serve and meeting the criteria, the resolution recommends the appointment of the State Treasurer (or his designee), Ridgeley Hutchinson, and Louis Rodriguez to serve on the Evaluation Committee and requested the Members' approval.

Mr. Hodes moved the adoption of the following entitled resolution:

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY APPOINTING MEMBERS TO THE EVALUATION COMMITTEE

The motion was seconded by Ms. Ungar and passed unanimously.

The adopted resolution is appended as Exhibit II.

5. Adoption of Resolution Appointing Members to the Authority's Audit Committee

Mr. Spector reported that the Authority's By-Laws provide that the Audit Committee shall consist of the State Treasurer, the Treasurer of the Authority (if the Authority's Treasurer is a member of the Authority), the Chair (if the Treasurer is not a member of the Authority), and a member of the Authority with significant financial experience. He reported that the State Treasurer is an *ex officio* member of the Committee and based on availability, willingness to serve and background, the resolution elects Katherine Ungar as an additional member with significant financial experience in accordance with Executive Order 122.

Mr. Spector advised that pursuant to the requirements of the By-Laws, the State Treasurer would nominate a third member of the Committee at the June meeting.

Mr. Hodes moved the adoption of the following entitled resolution:

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY APPOINTING MEMBERS TO THE AUDIT COMMITTEE

The motion was seconded by Mr. Petrecca and passed unanimously.

The adopted resolution is appended as Exhibit III.

6. Resolution Adopting Annual Notice of Meetings

In compliance with the Open Public Meetings Law, Mr. Edwards requested the Members' approval of the annual notice of meetings for the period June 28, 2016 through May 23, 2017. The meetings are scheduled to begin at 10:00 a.m. at the Authority offices. He advised that in the event there are changes in time, date or location, the Members would receive a formal notice and that the notices would also be published in the *Star Ledger* and *The Times*.

Ms. Ungar moved the adoption of the following entitled resolution:

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY FOR THE ADOPTION OF THE ANNUAL NOTICE OF
MEETINGS**

The motion was seconded by Mr. Rodriguez and passed unanimously.

The adopted resolution is appended as Exhibit IV.

7. Executive Director's Report

Mr. Spector congratulated the Members on their newly elected officers.

Mr. Spector reported that the Authority's Memorandum of Understanding with the Secretary of Higher Education had been completed and would be presented later at the meeting.

Mr. Spector reported that staff was working on updating the Authority's Bond Counsel pool with the Attorney General's Office and also that Project Management was working on updating the Authority's underwriting and financial advisory pools.

Mr. Spector reported that the Authority's external audit had been completed and would be presented later at the meeting. He thanked Ms. Mueller and the accounting staff for their hard work.

Mr. Spector reported that the Authority had hired Ellen Yang in the position of Compliance Manager.

**8. Report of the Authority's Audit Committee and Adoption of Resolution
Accepting the Financial Statements and Auditors' Report for 2015**

Mr. Hodes reported that the Audit Committee consisting of himself, Katherine Ungar and Steven Petrecca met on January 8, 2016 and May 13, 2016 with Nancy Gunza, Partner and Andrew Lee, Manager of CliftonLarsonAllen (CLA) to discuss the annual audit. Mr. Hodes invited Ms. Gunza to provide an overview of the audit to the Members. Ms. Gunza reported that the results were an unmodified opinion and reported that CLA had identified no items of material weakness or significant deficiencies as it relates to internal control. She reported that in regard to bond compliance there were no areas of non-compliance. Ms. Gunza stated that she enjoyed working with the Authority and Ms. Mueller and staff.

Mr. Edwards thanked the audit committee and staff for their efforts on the Authority's behalf. Mr. Petrecca stated that staff had done a wonderful job and should be very proud of their hard work.

Mr. Hodes moved the adoption of the following entitled resolution:

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY ACCEPTING AND ADOPTING THE FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS' REPORT FOR 2015

The motion was seconded by Mr. Petrecca and passed unanimously.

The report and adopted resolution is appended as Exhibit V.

9. **Adoption of Resolution Authorizing Procurement of Insurance Coverage**

Ms. Mueller reported that the Authority's insurance is up for renewal on July 1, 2016. She reported that at the May 20, 2014 meeting, the Authority appointed Willis of New Jersey, Inc. as the Authority's insurance broker for a term of three years from July 1, 2014 through June 30, 2017 with two optional one-year renewals. She reported that Willis had recommended which insurance carriers should be selected for the current annual renewal and that staff had determined that it was in the Authority's best interest to accept the brokers' recommendation for procurement of insurance coverage for the period beginning July 1, 2016 through June 30, 2017. Ms. Mueller invited Robert English, Senior Vice President of Willis Towers Watson to describe the term sheets and to answer any questions.

Mr. English explained his process and described the term sheets. He reported that the price increase for the general insurance is consistent with the market. He reported that he had met with Ms. Mueller and Mr. Spector in January to bring Mr. Spector up to speed and to discuss the Authority's insurance limits. He explained that he had provided a proposal for additional Directors' & Officers insurance that had been accepted. Mr. English noted that the last time the Authority's insurance limits had been adjusted was in July 2000 and that the Authority was due for an increase but the market terms had been fairly competitive and got even better.

Ms. Ungar moved the adoption of the following entitled resolution:

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY AUTHORIZING PROCUREMENT OF INSURANCE
COVERAGE

The motion was seconded by Mr. Rodriguez and passed unanimously.

The adopted resolution and renewal term sheets are appended as Exhibit VI.

10. **Adoption of Reimbursement Resolution for Seton Hall University**

Ms. Newell reported that Seton Hall University had asked the Authority to issue bonds in the approximate amount of \$37,000,000 to finance the construction of a new welcome center and the renovation of its University Center. She reported that the resolution was necessary to permit the University to be reimbursed from proceeds of the bonds for expenses incurred before the bonds are issued.

Mr. Petrecca moved the adoption of the following entitled resolution:

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY DECLARING ITS OFFICIAL INTENT WITH RESPECT TO
THE REIMBURSEMENT OF EXPENDITURES FOR PROJECT COSTS
FROM PROCEEDS OF TAX-EXEMPT BONDS

The motion was seconded by Ms. Ungar and passed unanimously.

The adopted resolution is appended as Exhibit VII.

11. Adoption of Resolution Approving an Amended and Restated Memorandum of Understanding Between the Authority and the Secretary of Higher Education

Ms. Newell reported that as a result of a solicitation for grant applications distributed in the Spring of 2013, grants were made to various New Jersey colleges and universities pursuant to the Building Our Future Bond Act (GO Bond Act) and four state-backed grant programs, namely; the Higher Education Capital Improvement Fund Act; the Higher Education Equipment Leasing Fund Act; the Higher Education Technology Infrastructure Fund Act; and the Higher Education Facilities Trust Fund Act.

Ms. Newell reported that in December 2013, the Authority approved a Memorandum of Understanding (MOU) between the Secretary of Higher Education and the Authority that outlined certain responsibilities of the Secretary and the Authority for the administration of grants made pursuant to the GO Bond Act. She reported that the Authority had been providing various administrative services relating to the GO Bond Act grants pursuant to the MOU and that during the same period, the Authority had also been administering grants made pursuant to the four state-backed grant programs. Ms. Newell explained that based on the experience of the past two years, the Authority and the Secretary agreed that the MOU should be updated to address matters relating to the administration of the state-backed grant programs and to clarify matters relating to administration of the GO Bond Act.

Ms. Newell explained that the resolution would approve an Amended and Restated MOU, which applies to administration of all five of the higher education grant programs. In particular, it outlines specific actions reserved to the Secretary and specific responsibilities and authorizations of the Authority. She noted that in addition, it would authorize the Executive Director to negotiate with the State Treasurer for reimbursement of the Authority's reasonable administrative costs.

Mr. Edwards noted that without the assistance of the Authority, the Secretary's Office would be unable to administer the program on its own and that the Authority's assistance is appreciated.

Mr. Petrecca moved the adoption of the following entitled resolution:

AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING
BY AN BETWEEN THE SECRETARY OF HIGHER EDUCATION OF
THE STATE OF NEW JERSEY AND THE NEW JERSEY
EDUCATIONAL FACILITIES AUTHORITY RELATING TO BONDS
ISSUED AND GRANTS FUNDED PURSUANT TO THE BUILDING OUR
FUTURE BOND ACT, THE HIGHER EDUCATION CAPITAL
IMPROVEMENT FUND ACT, THE HIGHER EDUCATION EQUIPMENT
LEASING FUND ACT, THE HIGHER EDUCATION TECHNOLOGY
INFRASTRUCTURE FUND ACT AND THE HIGHER EDUCATION
FACILITIES TRUST FUND ACT

The motion was seconded by Mr. Rodriguez and passed. Mr. Hodes abstained from the vote.

The adopted resolution is appended as Exhibit VIII.

12. Adoption of Resolution Authorizing Conveyance of Certain Real Property to New Jersey City University

Ms. Newell reported that in 1989 and 1990, at New Jersey City University's request, the Authority's Board approved taking of title by the Authority of parcels of real property located on Kennedy Boulevard and College Road on behalf of the University. She reported that at that time, the public colleges were not legally able to acquire title to real property in their own name and that the Authority acquired title with funds provided by the University as an accommodation to the University and that no proceeds of Authority bonds were ever used with respect to those properties. Ms. Newell advised that the University was now able to own title directly and had asked the Authority to transfer title to them. She explained that the resolution would authorize the transfer provided that the University bears all costs associated with the transfer and agrees to indemnify the Authority for any liabilities the Authority may incur on account of its holding of title.

Mr. Rodriguez asked if the Authority would have to pay real estate taxes and Ms. Newell responded that the University should be exempt and the Authority was conditioning the transfer back to the University on their agreeing to indemnify the Authority on any liability that would occur and the University had already signed an agreement to that effect.

Mr. Petrecca moved the adoption of the following entitled resolution:

RESOLUTION AUTHORIZING CONVEYANCE OF CERTAIN REAL
PROPERTY TO NEW JERSEY CITY UNIVERSITY

The motion was seconded by Mr. Rodriguez and passed unanimously.

The adopted resolution is appended as Exhibit IX.

13. Adoption of Resolution Consenting to Entry by Kean University into an Arrangement to Provide Parking to PGA Tournament Corporation, Inc.

Ms. Newell reported that Kean University had advised the Authority that the PGA Championship Tournament would be held near the University and that the PGA organization had requested the University provide parking, pursuant to a lease between the University and the PGA, for a period of approximately three weeks before and during the tournament. She explained that in connection with various bond issues, the Authority had acquired title to certain parking facilities to be used by the PGA and leases those facilities to the University under leases related to the applicable bonds. Ms. Newell explained that the University, as required under the bond documents, had requested that the Authority consent to the parking arrangement with the PGA and that the resolution would approve the form of and consent to the parking arrangement.

Mr. Petrecca moved the adoption of the following entitled resolution:

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY CONSENTING TO ENTRY BY KEAN UNIVERSITY INTO
AN ARRANGEMENT TO PROVIDE PARKING TO THE PGA
TOURNAMENT CORPORATION, INC.

The motion was seconded by Mr. Rodriguez and passed unanimously.

The adopted resolution is appended as Exhibit X.

14. Report on Pending Projects

Mr. Nelson reported that there are several projects for which various colleges and universities have requested Authority financing. Mr. Nelson briefly described the projects and reported that the projects are under review and at various stages of development.

A summary of the projects to be financed, together with estimated financing amounts and proposed sale dates, is appended as Exhibit XI.

15. Report on the Sale of NJEFA Revenue Bonds, Princeton University Issue, 2016 Series A, In the Amount of \$109,500,000

Mr. Nelson reported that on March 9, 2016, the Authority sold \$109,500,000 in revenue bonds for Princeton University. He reported that the competitively issued, new money transaction would fund various projects across the University's campus. He reported that the transaction, which was awarded to Citigroup Global Markets, Inc., received seven additional bids and the top six were within three basis points of Citigroup's winning bid. Mr. Nelson reported the bonds had a true interest cost of 2.53%.

A copy of the Bond Sale Summary for the issue is appended as Exhibit XII.

16. **Report on the Sale of NJEFA Revenue Refunding Bonds, Princeton University Issue, 2016 Series B, In the Amount of \$117,820,000**

Mr. Nelson reported that on March 9, 2016, the Authority priced \$117,820,000 in revenue refunding bonds for Princeton University. He reported that the transaction refunded the Authority's 2006 Series D and 2006 Series E bonds for debt service savings, which on a present value savings basis totaled nearly \$31,000,000. Mr. Nelson reported that Goldman, Sachs & Co. was the highest bidder at a true interest cost of 1.77%.

A copy of the Bond Sale Summary for the issue is appended as Exhibit XIII.

17. **Report on the Sale of NJEFA Revenue Refunding Bonds, Montclair State University Issue, 2016 Series B, In the Amount of \$118,190,000**

Mr. Nelson reported that on April 19, 2016, the Authority priced and closed the current and advance refunding of the Series 2006 J and Series 2008 J bonds on behalf of Montclair State University. He reported that the transaction produced a present value savings of \$18.3 million, reducing the University's annual debt service by \$1.5 million per year.

A copy of the Bond Sale Summary for the issue is appended as Exhibit XIV.

18. **Report on Operating and Construction Fund Statements and Disbursements**

Ms. Mueller reviewed the Results of Operations and Budget Variance Analysis and reported on the status of construction funds and related investments for April 30, 2016.

Mr. Petrecca moved that the reports be accepted as presented; the motion was seconded by Mr. Rodriguez and passed unanimously.

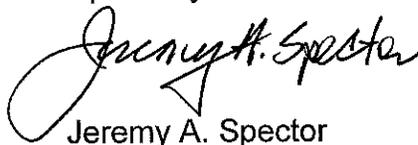
The reports are appended as Exhibit XV.

19. **Next Meeting Date**

Mr. Edwards reminded everyone that the next meeting would be on Tuesday, June 28, 2016 at 10:00 a.m. at the Authority offices and requested a motion to adjourn.

Mr. Hodes moved that the meeting be adjourned at 10:45 a.m.; the motion was seconded by Mr. Petrecca and passed unanimously.

Respectfully submitted,



Jeremy A. Spector
Secretary

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
ELECTING OFFICERS FOR THE ANNUAL TERM AS SPECIFIED IN THE
AUTHORITY'S BY-LAWS**

Adopted: May 24, 2016

WHEREAS, the By-Laws of the Authority provide for the annual election by the Authority of a Chair, Vice-Chair, Treasurer, Secretary, Assistant Secretaries and other Officers; and

WHEREAS, the nominations for the Officers were as follows:

Ms. Ungar	Nominated	Joshua Hodes as Chair
Mr. Hodes	Nominated	Katherine Ungar as Vice-Chair
Ms. Ungar	Nominated	Treasurer, State of New Jersey as Treasurer
Mr. Hodes	Nominated	Jeremy A. Spector as Secretary
Mr. Petrecca	Nominated	Marie P. Mueller as Assistant Treasurer
Ms. Ungar	Nominated	Sheryl A. Stitt as Assistant Secretary
Ms. Ungar	Nominated	Katherine A. Newell as Assistant Secretary
Ms. Ungar	Nominated	Steven P. Nelson as Assistant Secretary

NOW, THEREFORE, BE IT RESOLVED, that the Authority elects the following individuals to serve in the capacities of Chair, Vice-Chair, Treasurer, Acting Secretary, Assistant Treasurer and Assistant Secretaries for the annual term as specified in the Authority's By-Laws:

Joshua Hodes	- Chair	Marie P. Mueller	- Assistant Treasurer
Katherine Ungar	- Vice-Chair	Sheryl A. Stitt	- Assistant Secretary
Treasurer, State of New Jersey	- Treasurer	Katherine A. Newell	- Assistant Secretary
Jeremy A. Spector	- Secretary	Steven P. Nelson	- Assistant Secretary

SECTION 1. In the event that the Election of Officers is not held prior to May 23, 2017, the Officers shall continue to serve in such capacity until their successors are elected.

SECTION 2. This resolution shall take effect in accordance with the Act.

_____ Mr. Rodriguez _____ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by _____ Mr. Petrecca ___ and upon roll call the following members voted:

AYE: Rochelle Hendricks (represented by Gregg Edwards)
Joshua Hodes
Louis Rodriguez
Katherine Ungar
Ford M. Scudder (represented by Steven Petrecca)

NAY: None

ABSTAIN: None

ABSENT: Ridgeley Hutchinson

The Vice Chair thereupon declared said motion carried and said resolution adopted.

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY APPOINTING MEMBERS TO THE EVALUATION
COMMITTEE**

Adopted: May 24, 2016

WHEREAS, The Evaluation Committee has been established pursuant to Section 12 of the By-Laws (the "By-Laws") of the New Jersey Educational Facilities Authority (the "Authority"); and

WHEREAS, The By-Laws provide that the Evaluation Committee shall consist of three Members of the Authority elected at the Annual Meeting of the Members of the Authority or as soon as practicable thereafter; and

WHEREAS, Pursuant to Section 12 of the By-Laws, Members of the Audit Committee may also serve on the Evaluation Committee; and

WHEREAS, The Treasurer, State of New Jersey, Ridgeley Hutchinson and Louis Rodriguez are Members of the Authority each of whom is willing to serve on the Evaluation Committee and each of whom meets the criteria of Executive Order No. 122;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY, AS FOLLOWS:

Section 1. The Members of the Authority hereby elect The Treasurer, State of New Jersey, Ridgeley Hutchinson and Louis Rodriguez to serve on the Evaluation Committee in accordance with Section 12 of the By-Laws and Executive Order No. 122.

Section 2. This Resolution supersedes all prior resolutions to the extent inconsistent herewith and with the By-Laws and shall take effect in accordance with the provisions of the Act.

___ Mr. Hodes ___ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by ___ Ms. Ungar ___ and upon roll call the following members voted:

AYE: Rochelle Hendricks (represented by Gregg Edwards)
Joshua Hodes
Louis Rodriguez
Katherine Ungar
Ford M. Scudder (represented by Steven Petrecca)

NAY: None

ABSTAIN: None

ABSENT: Ridgeley Hutchinson

The Vice Chair thereupon declared said motion carried and said resolution adopted.

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY APPOINTING MEMBERS TO THE AUDIT COMMITTEE**

Adopted: May 24, 2016

WHEREAS, The Audit Committee has been established pursuant to Section 12 of the By-Laws (the "By-Laws") of the New Jersey Educational Facilities Authority (the "Authority"); and

WHEREAS, The By-Laws provide that the Audit Committee shall consist of the Treasurer of the State of New Jersey (the "State Treasurer"), the Treasurer of the Authority (if the Authority's Treasurer is a Member of the Authority), the Chair (if the Treasurer is not a Member of the Authority), and a Member of the Authority with significant financial experience elected at the Annual Meeting of the Members of the Authority or as soon thereafter as practicable; and

WHEREAS, Pursuant to Section 12 of the By-Laws, Katherine Ungar is a member of the Audit Committee by virtue of her significant financial experience; and

WHEREAS, Pursuant to Section 12 of the By-Laws, the State Treasurer is a member of the Audit Committee *ex officio*; and

WHEREAS, Pursuant to Section 12 of the By-Laws, since the Treasurer of the Authority is also a Member of the Authority *ex officio*, the State Treasurer will nominate a third Member of the Committee at the next meeting of the Authority; and

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY, AS FOLLOWS:

Section 1. The Members of the Authority hereby elect Katherine Ungar to serve on the Audit Committee in accordance with Section 12 of the By-Laws and Executive Order No. 122.

Section 2. This Resolution supersedes all prior resolutions to the extent inconsistent herewith and with the By-Laws and shall take effect in accordance with the provisions of the Act.

____ Mr. Hodes ____ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by ____ Mr. Petrecca __ and upon roll call the following members voted:

AYE: Rochelle Hendricks (represented by Gregg Edwards)
Joshua Hodes
Louis Rodriguez
Katherine Ungar
Ford M. Scudder (represented by Steven Petrecca)

NAY: None

ABSTAIN: None

ABSENT: Ridgeley Hutchinson

The Vice Chair thereupon declared said motion carried and said resolution adopted.

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
FOR THE ADOPTION OF ANNUAL NOTICE OF MEETINGS**

Adopted: May 24, 2016

WHEREAS: The Authority desires to adopt an annual notice of meetings consistent with the requirements of the Open Public Meetings Law, N.J.S.A. 10:4-1 et seq.; and

WHEREAS: The adoption of regular meetings will enable the Authority to comply with the provisions of N.J.S.A. 10:4-18 which outlines requirements for dissemination of the notice of schedule adoption to the general public for inspection; and

WHEREAS: The Authority has determined that all notices for any regular, special or emergency meeting of the Authority be published in The Star Ledger and The Times;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY AS FOLLOWS:

SECTION 1. The Authority hereby adopts the following schedule of meetings for the period June 28, 2016 through May 23, 2017.

SECTION 2. The New Jersey Educational Facilities Authority announces in accordance with the "Open Public Meetings Law," N.J.S.A. 10:4-1 et seq., that it will hold regular meetings, open to the public at 10:00 a.m. for the period June 28, 2016 through May 23, 2017, on the following specific dates:

June 28, 2016	December 13, 2016
July 26, 2016	January 24, 2017
August 23, 2016	February 28, 2017
September 27, 2016	March 28, 2017
October 25, 2016	April 25, 2017
November 15, 2016	May 23, 2017

Unless otherwise provided, meetings will be held at the offices of the New Jersey Educational Facilities Authority, 103 College Road East, Princeton, New Jersey.

SECTION 3. In accordance with the By-Laws, the Authority may conduct a special meeting of the Members consistent with the provisions of N.J.S.A. 10:4-9.

SECTION 4. This resolution shall take effect in accordance with the Act.

____ Ms. Ungar ____ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by ____ Mr. Rodriguez __ and upon roll call the following members voted:

AYE: Rochelle Hendricks (represented by Gregg Edwards)
Joshua Hodes
Louis Rodriguez
Katherine Ungar
Ford M. Scudder (represented by Steven Petrecca)

NAY: None

ABSTAIN: None

ABSENT: Ridgeley Hutchinson

The Vice Chair thereupon declared said motion carried and said resolution adopted.

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
ACCEPTING AND ADOPTING THE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT FOR 2015**

Adopted: May 24, 2016

WHEREAS: The New Jersey Educational Facilities Authority (the "Authority") annually prepares financial statements and this year engaged the independent auditing firm of CliftonLarsonAllen LLP (the "Independent Auditors") to perform an audit of the Authority's financial statements for the year ended December 31, 2015 (the "2015 Financial Statements"); and

WHEREAS: The members of the Authority's Audit Committee have received and reviewed the 2015 Financial Statements and the unmodified Report of the Independent Auditors thereon dated May 13, 2016 (the "Independent Auditors' Report"); and

WHEREAS: The members of the Authority's Audit Committee have met with representatives of the Independent Auditors and have discussed with them the 2015 Financial Statements and the Independent Auditors' Report; and

WHEREAS: The members of the Authority have received the 2015 Financial Statements and the Independent Auditors' Report; and

WHEREAS: The members of the Authority's Audit Committee have recommended that the members of the Authority accept the 2015 Financial Statements and the Independent Auditors' Report; and

WHEREAS: The members of the Authority wish to accept and approve the 2015 Financial Statements and the Independent Auditors' Report.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY AS FOLLOWS:

SECTION 1. The Authority hereby accepts and approves the 2015 Financial Statements and the Independent Auditors' Report, as attached hereto and incorporated by reference as if set forth in full herein.

SECTION 2. This resolution shall take effect in accordance with N.J.S.A. 18A:72A-4(i).

_____ Mr. Hodes _____ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by _____ Mr. Petrecca _____ and upon roll call the following members voted:

AYE: Rochelle Hendricks (represented by Gregg Edwards)
Joshua Hodes
Louis Rodriguez
Katherine Ungar
Ford M. Scudder (represented by Steven Petrecca)

NAY: None

ABSTAIN: None

ABSENT: Ridgeley Hutchinson

The Vice Chair thereupon declared said motion carried and said resolution adopted.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2015 AND 2014

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
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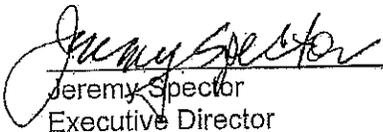
REPORT OF MANAGEMENT

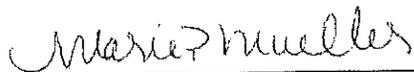
Management of the Authority is responsible for the preparation, integrity, and fair presentation of these financial statements. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and, consequently, they reflect certain amounts based upon the best estimates and judgment of management.

The financial statements have been audited by the independent firm of CliftonLarsonAllen LLP, which was given unrestricted access to all financial records and related data, including minutes of all meetings of the Authority. The independent auditors' opinion is presented on page 2.

The Authority maintains a system of internal controls to provide reasonable assurance that transactions are executed in accordance with management's authorization, that financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, that assets of the Authority are properly safeguarded, and that the covenants of all financing agreements are honored. There are, however, inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention of controls. Accordingly, even an effective internal control system can provide only reasonable assurance that its goals are achieved.

Consistent with Executive Order No. 122, the Authority, through its Audit and Evaluation Committees, engages the independent auditors. The Audit and Evaluation Committees comprise individuals who are not employees of the Authority, and who meet certain standards of independence and financial expertise. The Audit Committee periodically meets with the independent auditors, and is responsible for assisting the Members of the Authority in overseeing the Authority's compliance with legal, regulatory and ethical requirements, as well as overseeing the integrity and quality of the Authority's financial statements. The independent auditors have unrestricted access to the Audit Committee.


Jeremy Spector
Executive Director


Marie P. Mueller
Chief Financial Officer

May 13, 2016



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAAconnect.com

REPORT OF INDEPENDENT AUDITORS

Management and Members of
New Jersey Educational Facilities Authority
Princeton, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the New Jersey Educational Facilities Authority (the Authority), a component unit of the State of New Jersey, which comprise the statements of net position as of December 31, 2015 and 2014, and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business type activities of the Authority as of December 31, 2015 and 2014, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, the Authority implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68 – *Accounting and Financial Reporting for Pensions* and related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* for the year ended December 31, 2015. As a result of the implementation of GASB Statements No. 68 and 71, the Authority reported a restatement for the change in accounting principle and a summary of the restatement is presented in Note 2. Our auditors' opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 5 - 7, the schedule of funding progress and the schedule of employer contributions to the OPEB plan on page 27, and the schedule of proportionate share of net pension liability and schedule of contributions on page 28, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The supplemental financial information on pages 30 – 41, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplemental financial information has not been subjected to the auditing procedures applied in the audit of the basic financial statement and, accordingly, we do not express an opinion or provide any assurance on it.

Management and Members of
New Jersey Educational Facilities Authority

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 13, 2016 on our consideration of the Authority'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 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 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 Authority's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
May 13, 2016

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2015**

Introduction

This section of the New Jersey Educational Facilities Authority's (the Authority) annual financial report presents management's discussion and analysis of the Authority's financial performance during the fiscal year ended December 31, 2015 and the two immediately preceding years. It should be read in conjunction with the Authority's financial statements and accompanying notes.

Overview of the Financial Statements

The Authority is supported entirely by fees charged for the services it provides. Accordingly, the Authority is considered an Enterprise Fund and utilizes the accrual basis of accounting. The Basic Financial Statements for an Enterprise Fund include: Statements of Net Position; Statements of Revenues, Expenses and Changes in Net Position; and Statements of Cash Flows. These statements provide, respectively, a view of the Authority's financial position as of the end of the year, a description of the financial activity during the year, and a description of the cash activity during the year.

Financial Highlights 2015:

- The Authority issued \$804 million of conduit debt for educational institutions during 2015.
- Cash and Investments represent approximately 99% of Total Assets at the end of 2015.
- The Authority's 2015 operating margin (net operating income as a percentage of operating revenues) was 33%.
- At December 31, 2015, Net Position represents 2.2 times 2015 Total Operating Expenses.

During 2015, the Authority's volume of financing activity, excluding the state-backed bond programs during 2014 was approximately \$356 million more than 2014. In 2014 the Authority issued \$531 million in connection with several state-backed bond programs. The increased volume was due primarily to the result of market conditions. The Authority continued to work with the State's public and private institutions on their multi-year plans to invest in the upgrading of their capital facilities, technology infrastructures and capital equipment to accommodate growing demand for higher education. The Authority also helped New Jersey colleges and universities restructure outstanding issues for the greatest benefit to the institutions.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2015**

Condensed Financial Information

The following table represents condensed balance sheet information and changes between December 31, 2014 and December 31, 2015 and between December 31, 2013 and December 31, 2014:

	2015	2014 (Restated)	2013	Increase (Decrease) 2014 to 2015	Increase (Decrease) 2013 to 2014
Current Assets	\$ 8,672,794	\$ 7,826,028	\$ 6,917,902	10.82%	13.13%
Capital Assets, Net	72,319	60,084	67,556	20.36%	-11.06%
Deferred Outflows of Resources	779,818	213,555	-	265.16%	
Total Assets and Def Outflows	9,524,931	8,099,667	6,985,458	17.60%	15.95%
Current Liabilities	188,828	192,422	228,809	-1.87%	-15.90%
Noncurrent Liabilities	3,999,098	3,589,477	1,155,497	11.41%	210.64%
Total Liabilities	4,187,926	3,781,899	1,384,306	10.74%	173.20%
Deferred Inflows of Resources	160,991	294,443	-	-45.32%	
Total Net Position	<u>\$ 5,176,014</u>	<u>\$ 4,023,325</u>	<u>\$ 5,601,152</u>	28.65%	-28.17%

The following table represents condensed information from the Statements of Revenues, Expenses, and Changes in Net Position, and changes between 2014 and 2015 and between 2013 and 2014:

	2015	2014 (Restated)	2013	Increase (Decrease) 2014 to 2015	Increase (Decrease) 2013 to 2014
Operating Revenues:					
Administrative Fees	\$ 3,486,547	\$ 3,581,441	\$ 3,187,412	-2.65%	12.36%
Total Operating Revenues	3,486,547	3,581,441	3,187,412	-2.65%	12.36%
Operating Expenses:					
Salaries and Related Expenses	1,519,776	1,484,754	1,470,618	2.36%	0.96%
Provision for Postemployment Benefits	133,800	119,797	181,704	11.69%	-34.07%
General Expenses	686,059	642,394	593,236	6.80%	8.29%
Total Operating Expenses	2,339,635	2,246,945	2,245,558	4.13%	0.06%
Net Operating Income	1,146,912	1,334,496	941,854	-14.06%	41.69%
Nonoperating Revenues (Expenses):					
Investment Income	5,777	2,830	3,988	104.13%	-29.04%
Change in Net Position	1,152,689	1,337,326	945,842	-13.81%	41.39%
Net Position - Beginning of Year	4,023,325	5,601,152	4,655,310	-28.17%	20.32%
Prior Period Adjustment - See Note 2	-	(2,915,153)	-		
Net Position - Beginning of Year, Restated	4,023,325	2,685,999	4,655,310	49.79%	-42.30%
Net Position - End of Year	<u>\$ 5,176,014</u>	<u>\$ 4,023,325</u>	<u>\$ 5,601,152</u>	28.65%	-28.17%

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2015**

Analysis of Overall Financial Position and Results of Operations

The Authority's solid financial position and strong operating results continued.

Revenues

The Authority's revenues are derived primarily from two fees; annual fees charged with respect to existing bond issues, and initial fees charged with respect to the issuance of new debt. Total revenues for 2015 decreased approximately \$95,000 from 2014 and total revenues for 2014 increased approximately \$394,000 from 2013.

Expenses

Operating expenses in 2015 decreased slightly or 0.1% from 2014 and 2014 increased slightly or 0.1% from 2013.

Assets and Liabilities

Net position increased \$1.2 million, or 28.7% from 2014 to 2015 and decreased \$1.6 million, or 28.1% from 2013 to 2014 due primarily to the implementation of GASB 68. Net position increased as a result of an increase in assets. The increase in assets is primarily related to increased investments.

Contacting the Authority's Financial Management

If you have questions about this report or need additional financial information, contact the Office of the Chief Financial Officer, New Jersey Educational Facilities Authority, 103 College Road East, Princeton, New Jersey 08540-6612. Readers are invited to visit the Authority's website at www.njefa.com.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
STATEMENTS OF NET POSITION
DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u> (As Restated)
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash	\$ 72,501	\$ 96,109
Investments, Principally U.S. Government Obligations	8,582,850	6,997,322
Fees Receivable	-	710,023
Prepaid Expenses and Other Assets	<u>17,443</u>	<u>22,574</u>
Total Current Assets	8,672,794	7,826,028
NONCURRENT ASSETS		
Capital Assets, at cost, Less Accumulated Depreciation of \$542,283 and \$562,474 During 2015 and 2014, Respectively	<u>72,319</u>	<u>60,084</u>
DEFERRED OUTFLOWS OF RESOURCES	779,818	213,555
Total Assets and Deferred Outflows of Resources	<u>\$ 9,524,931</u>	<u>\$ 8,099,667</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	188,828	192,422
NONCURRENT LIABILITIES		
Net Pension Liability	3,644,819	2,834,265
Postemployment Benefits Other than Pension	334,881	732,581
Project Obligations	<u>19,398</u>	<u>22,631</u>
Total Noncurrent Liabilities	<u>3,999,098</u>	<u>3,589,477</u>
Total Liabilities	4,187,926	3,781,899
DEFERRED INFLOWS OF RESOURCES	160,991	294,443
NET POSITION		
Investment in Capital Assets	72,319	60,084
Unrestricted	<u>5,103,695</u>	<u>3,963,241</u>
Total Net Position	<u>5,176,014</u>	<u>4,023,325</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 9,524,931</u>	<u>\$ 8,099,667</u>

See accompanying Notes to Financial Statements.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u> (As Restated)
OPERATING REVENUES		
Administrative Fees	\$ 3,486,547	\$ 3,581,441
OPERATING EXPENSES		
Salaries and Related Expenses	1,519,776	1,484,754
General and Administrative Expenses	577,857	570,656
Provision for Postemployment Benefits	133,800	119,797
Professional Fees	108,202	71,738
Total Operating Expenses	<u>2,339,635</u>	<u>2,246,945</u>
NET OPERATING INCOME	1,146,912	1,334,496
NONOPERATING REVENUE		
Investment Income	<u>5,777</u>	<u>2,830</u>
CHANGES IN NET POSITION	1,152,689	1,337,326
Net Position - Beginning of Year	4,023,325	5,601,152
Prior Period Adjustment - See Note 2	<u>-</u>	<u>(2,915,153)</u>
Net Position - Beginning of Year, As Restated	<u>4,023,325</u>	<u>2,685,999</u>
NET POSITION - END OF YEAR	<u><u>\$ 5,176,014</u></u>	<u><u>\$ 4,023,325</u></u>

See accompanying Notes to Financial Statements.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Administrative Fees	\$ 4,201,701	\$ 2,890,573
Payments to Employees	(1,032,416)	(1,112,999)
Payments to Suppliers	(1,581,254)	(1,548,749)
Net Cash Provided by Operating Activities	1,588,031	228,825
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(9,568,832)	(9,511,840)
Sale and Maturity of Investments	7,984,235	9,266,077
Investment Income	4,846	2,513
Net Cash Used by Investing Activities	(1,579,751)	(243,250)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Capital Assets	(31,888)	(14,397)
Net Cash Used by Capital and Related Financing Activities	(31,888)	(14,397)
NET INCREASE (DECREASE) IN CASH	(23,608)	(28,822)
Cash - Beginning of Year	96,109	124,931
CASH - END OF YEAR	\$ 72,501	\$ 96,109
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Net Operating Income	\$ 1,146,912	\$ 1,334,496
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	19,653	21,869
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:		
Fees Receivable	710,023	(685,023)
Prepaid Expenses and Other Assets	5,131	(5,845)
Accounts Payable and Accrued Expenses	(3,594)	(36,387)
Project Obligations	(3,233)	(2,582)
Postemployment Benefits other than Pension	(397,000)	(397,703)
Net Pension Liability and Related Deferred Items	110,139	-
Net Cash Provided by Operating Activities	\$ 1,588,031	\$ 228,825
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTMENT ACTIVITIES		
Change in Fair Value of Investments	\$ 931	\$ 317

See accompanying Notes to Financial Statements.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 1 ORGANIZATION AND FUNCTION OF THE AUTHORITY

The New Jersey Educational Facilities Authority (the "Authority"), a component unit of the State of New Jersey, was created under the provisions of Chapter 106 of New Jersey Public Laws of 1966 as a public body corporate and politic. The powers of the Authority permit the sale of notes, bonds and other obligations to support the construction, acquisition and equipping of educational facilities for public and private institutions of higher education in the State of New Jersey. The Authority is also authorized, pursuant to statutory amendments, to issue State supported bonds to fund matching grants to qualified public libraries for capital improvements. The obligations issued by the Authority are conduit debt and are not guaranteed by, nor do they constitute a debt or obligation of, the State of New Jersey.

The Authority is exempt from both federal and state taxes.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

The accounts are maintained on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

In its accounting and financial reporting, the Authority follows the pronouncements of the Governmental Accounting Standards Board (GASB).

Administrative Fees

The Authority charges administrative fees to its client institutions for which bond and note sales have been completed. Such fees are considered operating revenue and are charged for services related to the structuring and administration of Authority financings, investment management of bond proceeds, monitoring of financial performance and other project costs and services. These fees are recognized as earned. The fees are used to provide sufficient funds to ensure that the Authority's operating expenses will be met, and that sufficient reserves will be available to provide for the Authority's needs.

Capital Assets

Capital assets, which consist of furniture and equipment, are carried at cost and depreciated over their useful lives using the straight-line method.

Conduit Debt

Due to the fact that the bonds and notes issued by the Authority are nonrecourse conduit debt obligations of the Authority, the Authority has, in effect, none of the risks and rewards of the related financings. Accordingly, with the exception of certain fees generated as a result of the financing transaction, the financing transaction is given no accounting recognition in the accompanying financial statements. At December 31, 2015, the amount of conduit debt outstanding totaled \$5,537,441,253.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows and Outflows of Resources

In addition to assets and liabilities, the statements of net position report separate sections of deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period which will not be recognized as an outflow of resources until that time. Deferred inflows of resources represent an acquisition of net position that applies to a future period which will not be recognized as an inflow of resources until that time.

Deferred outflows and inflows of resources for defined benefit plans result from the difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the Authority's proportion of expenses and liabilities to the pension as a whole, differences between the Authority's pension contributions and its proportionate share of contributions, and the Authority's pension contributions subsequent to the pension valuation measurement date.

Recent Accounting Standards

The Authority has adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Statements No. 68 and 71 require the Authority to report its share of the defined benefit pension liabilities and expense, as well as the related deferred outflows of resources and deferred inflows of resources, allocated to it by the Public Employees' Retirement System (PERS). The January 1, 2014, balance of the net pension liability and related deferred outflows of resources and deferred inflows of resources is reported in the Statement of Revenues, Expenses, and Changes in Net Position as a restatement to the *2014 Net position—beginning of year*.

		2014
Net Position, beginning of year, as previously stated	\$	5,601,152
January 1, 2014, Balance of the net pension liability and related deferred outflows of resources and deferred inflows of resources		(2,915,153)
Net Position, beginning of year, as restated	\$	2,685,999

In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application* ("GASB 72"). The objective of this Statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and for enhancing disclosures around fair value measurements. The provisions of this Statement are effective for financial statements in periods beginning after June 15, 2015. The Authority has not yet completed the process of evaluating the impact of GASB 72 on its financial statements.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Standards (continued)

In June 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This statement establishes requirements for defined contribution pensions and defined benefit pensions that are not within the scope of Statement No. 68 and amends certain provisions of Statements No. 67 and 68. Statement No. 73 is effective for fiscal years beginning after June 15, 2016. The Authority has determined that Statement No. 73 will have no effect on its financial statements.

In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* ("GASB 74"). This statement establishes financial reporting for state and local governmental other postemployment benefit (OPEB) plans and defined contribution OPEB plans that are administered through trusts or equivalent arrangements. This Statement also establishes financial reporting standards for governments that hold assets accumulated for purposes of providing OPEB through defined benefit OPEB plans that are not administered through trusts or equivalent arrangements. The provisions of this Statement are effective for financial statements in periods beginning after June 15, 2016. This Statement will become effective for the June 30, 2017 year-end. The Authority has not yet completed the process of evaluating the impact of GASB 74 on its financial statements.

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"). This statement establishes standards of accounting and financial reporting for defined benefit OPEB and defined contribution OPEB that are provided to the employees of state and local government employers through OPEB plans that are administered through trusts or equivalent arrangements. This Statement also establishes standards of accounting and financial reporting for defined benefit OPEB and defined contribution OPEB that are provided to the employees of state and local governmental employees through OPEB plans that are not administered through trusts or equivalent arrangements. The provisions of this Statement are effective for financial statements in periods beginning after June 15, 2017. This Statement will become effective for June 30, 2018 year-end. The Authority has not yet completed the process of evaluating the impact of GASB 75 on its financial statements.

In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Statement No. 76 modifies the GAAP hierarchy, which are the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP. The provisions in Statement No. 76 are effective for reporting periods beginning after June 15, 2015. The Authority has determined that Statement No. 76 will have no effect on its financial statements.

In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*. Statement No. 77 requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The provisions in Statement No. 77 are effective for reporting periods beginning after December 15, 2015. The Authority has determined that Statement No. 77 will have no effect on its financial statements.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Standards (continued)

In December 2015, GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. This Statement amends the scope and applicability of GASB Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The provisions in Statement No. 78 are effective for reporting periods beginning after December 15, 2015. The Authority has not yet completed the process of evaluating the impact of GASB 78 on its financial statements.

In December 2015, GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. Statement No. 79 requires establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The provisions in Statement No. 79 are effective for reporting periods beginning after June 15, 2015. The Authority has not yet completed the process of evaluating the impact of GASB 79 on its financial statements.

In January 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*. Statement No. 80 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The provisions in Statement No. 80 are effective for reporting periods beginning after June 15, 2016. The Authority has determined that Statement No. 80 will have no effect on its financial statements.

In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The provisions in Statement No. 81 are effective for reporting periods beginning after December 15, 2016. The Authority has not yet completed the process of evaluating the impact of GASB 81 on its financial statements.

In March 2016, GASB issued Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 14, No. 68, and No. 73*. Statement No. 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The provisions in Statement No. 82 are effective for reporting periods beginning after June 15, 2016. The Authority has not yet completed the process of evaluating the impact of GASB 82 on its financial statements.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 3 CASH AND INVESTMENTS

At December 31, 2015 and 2014, the Authority's bank balance was \$94,903 and \$99,133, respectively, all of which was covered by FDIC insurance.

The types of securities which are permitted investments for Authority funds are established by New Jersey Statutes. All funds of the Authority may be invested in obligations of, or guaranteed by, the United States Government. In addition, certain funds of the Authority may be invested in: obligations of agencies of the U.S. government; obligations of, or guaranteed by, the State of New Jersey; collateralized certificates of deposit and repurchase agreements; commercial paper; and other securities which shall be authorized for the investment of funds in the custody of the Treasurer of the State of New Jersey.

Investments of the Authority comprise the following:

	2015	2014
Investments:		
U.S. Treasury Bills	\$ 8,567,881	\$ 6,988,272
Money Market Mutual Fund	14,969	9,050
Total Investments	\$ 8,582,850	\$ 6,997,322

In 2015 and 2014, the Authority had \$14,969 and \$9,050, respectively, invested in a money market mutual fund, which invests in short-term and other obligations of the U.S. Treasury. All investments are carried at fair value.

In accordance with Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures* ("GASB 40"), the Authority has assessed the Custodial Credit Risk, the Concentration of Credit Risk, Credit Risk and Interest Rate Risk of its Cash and Investments.

- (a) Custodial Credit Risk – The Authority's deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are: uncollateralized, collateralized with 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 depositor-government's name. The deposit risk is that, in the event of the failure of a depository financial institution, the Authority will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Authority's investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Authority and are held by either: the counterparty or the counterparty's trust department or agent but not in the Authority's name. The risk is that, in the event of the failure of the counterparty to a transaction, the Authority will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
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NOTE 3 CASH AND INVESTMENTS (CONTINUED)

At December 31, 2015 and 2014, the Authority's bank balances were not exposed to custodial credit risk since the full amount was covered by FDIC insurance.

As of December 31, 2015 and 2014, the Authority's investments consisted of U.S. Treasury Bills in the amount of \$8,567,881 and \$6,988,272, respectively. Since the investments are registered in the Authority's name they are not exposed to custodial credit risk. The Authority does not have a written policy for investment securities custodial credit risk but its practice has been to maintain a safekeeping account for the securities at a financial institution.

- (b) Concentration of Credit Risk – This is the risk associated with the amount of investments the Authority has with any one issuer that exceed five percent of its total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. The Authority places no limit on the amount it may invest in any one issuer, but its practice has been to invest, almost exclusively, in U.S. Treasury Securities. At December 31, 2015 and 2014, the Authority was not exposed to a concentration of credit risk.
- (c) Credit Risk – GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In general, the Authority does not have an investment policy regarding credit risk except to the extent previously outlined under the Authority's investment policy. The Authority's Money Market Mutual Fund is not rated.
- (d) Interest Rate Risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority does not have a written policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations, but the Authority does from time to time evaluate its investment portfolio to determine if, based on the interest rate environment, other investment vehicles would provide higher yields that lower the cost and risk. As of December 31, 2015, the U.S. Treasury Bills had maturities ranging from January 7, 2016 through November 10, 2016.

For the years ended December 31, 2015 and 2014, investment income comprised the following:

	2015	2014
Interest Earnings	\$ 4,845	\$ 2,513
Net Increase in Fair Value of Investments	932	317
Total Investment Income	<u>\$ 5,777</u>	<u>\$ 2,830</u>

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
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NOTE 4 RETIREMENT PLANS

The Authority's employees participate in the Public Employees Retirement System of New Jersey (PERS), a cost sharing multiple-employer defined benefit plan. The PERS is administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes financial statements and required supplementary information and can be found at:

www.state.nj.us/treasury/pensions/annrpts.shtml.

The PERS provides retirement, death and disability benefits to qualified members. Membership is open to most state, county, municipal, authority, school board employees and elected officials who are not required to become members of any other NJ state retirement system and is mandatory in most cases given the requirements for eligibility are met. Vesting and benefit provisions are established by N.J.S.A. 43:15A. All benefits vest after ten years of service, except for medical benefits which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

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

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 4 RETIREMENT PLANS (CONTINUED)

The PERS is maintained on an actuarial reserve basis with contribution requirements of plan members determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members enrolled in the Public Employees' Retirement System were required to contribute 5.5% of their annual base salary. Effective October 1, 2011, in accordance with Chapter 78, P.L. 2011, employee contributions to the PERS were increased to 6.5% of base salary. For employees enrolled in the retirement system prior to October 1, 2011, the increase was effective with the first payroll amount to be paid on or immediately after October 1, 2011. Subsequent increases are scheduled to be phased in on July 1st of each year over a seven year period bringing the total pension contribution rate to 7.5% of base salary as of July 1, 2018. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

- Actuarial cost method is entry age normal, level percent of pay.
- Straight-line amortization of investments over five years and amortization of assumption changes and noninvestment gains/losses over the average expected remaining service lives of all employees that are provided benefits.
- Inflation of 3.04%.
- Investment return of 7.90%, including inflation.
- Salary increases of 2.15 – 4.40% based on age for years 2012-2021, and 3.15 – 5.40% based on ages subsequent years.
- Asset Valuation using fair (market) value.
Mortality rates based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 base on Projection Scale AA.

In accordance with State statute, the long-term expected rate of return on pension plan investments was 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. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table below.

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NOTE 4 RETIREMENT PLANS (CONTINUED)

PERS' policy in regard to the allocation of invested plan assets is established and may be amended by the PERS Board of Trustees. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds / Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
	100.00%	

The discount rate used to measure the total PERS pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/ Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date to determine the total pension liability.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 4 RETIREMENT PLANS (CONTINUED)

The following presents the Authority's proportionate share of the PERS net pension liability calculated using the discount rate of 4.90% and 5.39%, as of June 30, 2015 and 2014, respectively, as well as what the collective net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

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

	1% Decrease 3.90%	Current Rate 4.90%	1% Increase 5.90%
2015	\$4,506,300	\$3,644,819	\$2,887,409
	1% Decrease 4.39%	Current Rate 5.39%	1% Increase 6.39%
2014	\$3,559,509	\$2,834,265	\$2,216,334

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions and pension expense, the fiduciary net position of PERS and additions to or deductions from PERS's fiduciary net position have been determined on the same basis as they are reported in the PERS's financial statements. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Detailed information about PERS' fiduciary net position is available in the PERS Comprehensive Annual Financial Report, which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

PERS measured the net pension liability as of June 30, 2015. The total PERS pension liability used to calculate the net pension liability was determined by rolling forward the total pension liability calculated as of June 30, 2014, to June 30, 2015. PERS calculated the employer's proportion of the net pension liability using the ratio of each employer's one-year contributions to total participating employers' contributions for the group. At June 30, 2015, the Authority's proportion was .01615%, an increase of .00104% from its proportion calculated as of June 30, 2014.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
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NOTES TO FINANCIAL STATEMENTS
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NOTE 4 RETIREMENT PLANS (CONTINUED)

For the year ended December 31, 2015, the Authority recognized PERS' pension expense of \$235,422. At December 31, 2015, deferred outflows of resources and deferred inflows of resources related to the PERS pension are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of Assumptions	\$ 389,371	\$ -
Changes in Proportions	165,090	102,697
Net Difference Between Projected and Actual Investment Earnings	-	58,294
Difference Between Expected and Actual Experience	86,496	-
Contributions After the Measurement Date	138,860	-
	<u>\$ 779,818</u>	<u>\$ 160,991</u>

For the year ended December 31, 2014, the Authority recognized PERS' pension expense of \$119,740. At December 31, 2014, deferred outflows of resources and deferred inflows of resources related to the PERS pension are as follows.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of Assumptions	\$ 88,972	\$ -
Changes in Proportions	-	125,825
Net Difference Between Projected and Actual Investment Earnings	-	168,618
Contributions After the Measurement Date	124,583	-
	<u>\$ 213,555</u>	<u>\$ 294,443</u>

The Authority will recognize the \$138,860 and \$124,583 reported as deferred outflows of resources resulting from pension contributions after the measurement date as a reduction of the PERS net pension liability in the year ended December 31, 2016 and December 31, 2015, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions as of December 31, 2015 will be recognized as PERS pension expense as follows.

Year Ending December 31,	Amortization
2016	\$ 87,866
2017	87,866
2018	87,866
2019	147,927
2020	68,440
Total	<u>\$ 479,966</u>

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
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NOTE 5 POSTEMPLOYMENT BENEFITS OTHER THAN PENSION

The Authority, as permitted by Chapter 88, P.L. 1974 as amended by Chapter 436, P.L. 1981, provides postemployment medical benefits for eligible retired employees through participation in the New Jersey Health Benefits Program as sponsored and administered by the State of New Jersey. The Authority does not issue a publicly available financial report for the plan which for financial reporting purposes is considered a single employer defined benefit health care plan. Employees become eligible for these benefits upon retirement after 25 years of creditable service in the PERS.

Benefit provisions for the plan are established and amended by the Authority's Members, and there is no statutory requirement for the Authority to continue this plan for future Authority employees. The Plan is a non-contributory plan with all payments for plan benefits being funded by the Authority.

The Authority applies the accounting provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement establishes guidelines for reporting costs associated with "other postemployment benefits" (OPEB). OPEB costs are actuarially calculated based on benefits (other than pensions), that current and retired employees have accrued as a result of their respective years of employment service.

The Authority's annual OPEB cost for the plan is calculated based on the annual required contribution "ARC," an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The Authority's annual OPEB cost for the years ended December 31, 2015 and 2014 and the related information for the plan are as follows (dollar amounts in thousands):

	2015	2014
Annual Required Contribution	\$ 238	\$ 214
Interest on the Net OPEB Obligation	50	45
Amortization of the Net OPEB Obligation	(155)	(139)
Annual OPEB Cost	133	120
Contributions Made	(531)	(517)
Change in Net OPEB Obligation	(398)	(397)
Net OPEB Obligation - Beginning of Year	733	1,130
Net OPEB Obligation - End of Year	<u>\$ 335</u>	<u>\$ 733</u>

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 5 POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (CONTINUED)

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for fiscal years 2013 through 2015 were as follows (dollar amounts in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2015	\$ 134	397.23%	\$ 335
December 31, 2014	120	431.98%	733
December 31, 2013	182	0.00%	1,130

In April 2008, the Authority established and funded an irrevocable trust in the amount of \$2,000,000 to pay for the employee postemployment medical benefits. At December 31, 2015 and 2014, the fair value of this trust fund was \$2,700,119 and \$2,233,019, respectively.

As of January 1, 2014, the most recent actuarial valuation date, the New Jersey Educational Facilities Authority OPEB Plan was 69% funded. The actuarial accrued liability for benefits was \$2,581,400 and the actuarial value of assets was \$1,786,000, resulting in an unfunded actuarial accrued liability (UAAL) of \$795,400. The covered payroll (annual payroll of active employees covered by the plan) was \$1,076,700, and the ratio of the UAAL to the covered payroll was 74%. During 2015 and 2014, the Authority funded \$531,000 and \$517,000, respectively, to continue to increase the funding ratio.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits are based on the substantive plan (the plan understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Authority and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

For the January 1, 2014 actuarial valuation, the Authority used the actuarial assumptions of a 4% discount rate and an annual healthcare trend rate of 8% grading down to an ultimate rate of 5% in 2020.

At December 31, 2015, the Plan had 18 participants of which 13 were active employees and 5 were retirees. Of the Plan participants, 5 retirees and 0 active employees were eligible to receive benefits.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 6 COMMITMENTS AND CONTINGENCIES

The Authority has an operating lease commitment for its offices at an annual rental of approximately \$218,212 through December 31, 2016 and an annual rental of approximately \$190,834 through December 31, 2023.

The Authority, in the normal course of business, is involved in various legal matters. Under the terms of the agreements between the Authority and the public and private institutions of higher education, and costs associated with litigation are the obligation of the institution involved. It is the opinion of the Authority after consultation with legal counsel that its financial position will not be adversely affected by the ultimate outcome of any existing legal proceedings.

NOTE 7 NET POSITION

The Authority's net position represents the excess of assets and deferred outflows of resources over liabilities and deferred inflows of resources and is categorized as follows:

- **Investment in Capital Assets** are the amounts expended by the Authority for the acquisition of capital assets, net of accumulated depreciation.
- **Unrestricted** is the remaining net position, which can be further categorized as designated or undesignated. The designated position is not governed by statute or contract but is committed for specific purposes pursuant to Authority policy and/or directives. The designated position includes funds and assets committed to working capital.

NOTE 8 CHANGES IN NET POSITION

The changes in net position are as follows:

	Net Investment in Capital Assets	Unrestricted	Total
Net Position at December 31, 2013	\$ 67,556	\$ 5,533,596	\$ 5,601,152
Net Position Change	-	1,337,326	1,337,326
Capital Asset Additions	14,397	(14,397)	-
Depreciation	(21,869)	21,869	-
Prior Period Adjustment	-	(2,915,153)	(2,915,153)
Net Position at December 31, 2014	60,084	3,963,241	4,023,325
Net Position Change	-	1,152,689	1,152,689
Capital Asset Additions	31,888	(31,888)	-
Depreciation	(19,653)	19,653	-
Net Position at December 31, 2015	<u>\$ 72,319</u>	<u>\$ 5,103,695</u>	<u>\$ 5,176,014</u>

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 9 RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, and destruction of assets; errors and omission; injuries to employees; and natural disasters. The Authority maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Authority. Settled claims have not exceeded this commercial coverage in any of the last three years.

Required Supplementary Information

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
REQUIRED SUPPLEMENTARY INFORMATION**

Schedule 1

**SCHEDULE OF FUNDING PROGRESS FOR THE OPEB PLAN
(in thousands)**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Level Dollar (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
January 1, 2014	\$ 1,786	\$ 2,581	\$ 795	69%	\$ 1,077	74%
January 1, 2011	\$ 1,966	\$ 2,591	\$ 625	76%	\$ 1,110	56%
January 1, 2008	-	1,826	1,826	0%	1,415	129%

Note: In April 2008, the Authority established and funded an irrevocable trust in the amount of \$2 million. During 2015 and 2014, the Authority contributed \$531,000 and \$517,000, respectively, and as of December 31, 2015 and 2014, the fair value of this trust was \$2,700,119 and \$2,233,019, respectively.

Schedule 2

**SCHEDULE OF EMPLOYER CONTRIBUTIONS TO THE OPEB PLAN
(in thousands)**

Year Ended December 31,	Annual OPEB Cost (Benefit)	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	133.8	397.23%	334.9
2014	119.8	431.98%	732.6
2013	181.7	0.00%	1129.8
2012	168.1	0.00%	948.1
2011	562.0	0.00%	780.0
2010	120.0	0.00%	218.0
2009	95.0	0%	98.0
2008	(221.0)	N/A	3.0

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
REQUIRED SUPPLEMENTARY INFORMATION**

Schedule 3

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (NPL)
Determined as of June 30, 2015, Measurement Date**

Year Ended December 31,	Authority's Proportion	Authority's Proportion Share	Authority's Covered Employee Payroll	Authority's Proportionate Share of NPL as a % of Covered-Employee Payroll	PERS Fiduciary Net Position as a % of Total Pension Liability
2015	0.016151549%	\$ 3,644,819	\$ 1,074,192	339.31%	47.93%
2014	0.015112225%	\$ 2,834,265	\$ 1,059,504	267.51%	52.08%

Schedule 4

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended December 31,	Contractually Required Contributions	Contributions Recognized by PERS in FY 2014/15	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a % of Covered-Employee Payroll
2015	138,860	138,860	-	\$ 1,074,192	12.93%
2014	124,583	124,583	-	\$ 1,059,504	11.76%

Supplemental Financial Information

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
BALANCE SHEETS – TRUSTEE HELD FUNDS
DECEMBER 31, 2015 AND 2014**

	2015	2014
ASSETS		
Cash	\$ -	\$ 1,262
Investments, Principally U.S. Government Obligations	699,780,967	844,932,998
Accrued Interest Receivable	12,452	131,773
Due from Colleges and Universities	3,122,607	3,121,069
Loans and Leases Receivable	5,488,336,753	5,608,557,491
Total Assets	\$ 6,191,252,779	\$ 6,456,744,593
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 43,127,257	\$ 25,210,171
Accrued Interest Payable	102,876,512	113,468,696
Bonds, Notes, and Leases Payable	5,537,441,253	5,655,282,490
Funds Held in Trust	507,807,757	662,783,236
Total Liabilities	\$ 6,191,252,779	\$ 6,456,744,593

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
STATEMENTS OF CHANGES IN TRUSTEE HELD FUNDS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

	2015	2014
Funds Held in Trust - Beginning of Year	\$ 662,783,236	\$ 163,848,086
Additions:		
Proceeds from Sale of Bonds and Issuance of Notes:		
Par Amount	1,097,685,826	1,197,206,363
Bond Premium, Net	91,208,891	93,037,137
Annual Loan and Rental Requirements	750,255,029	661,170,762
College and University Contributions (Returned)	(33,251)	(2,724,442)
Investment Income	342,759	1,015,009
U.S. Government Debt Service Subsidies	1,742,639	1,738,889
Change in Investment Valuation Reserve	(5,644)	(35,881)
Total Additions	1,941,196,249	1,951,407,837
Deductions:		
Debt Service:		
Interest	239,104,415	250,390,163
Principal	512,042,064	427,141,453
Project Costs	681,279,260	630,138,388
Issuance Costs	4,019,296	4,278,083
Administrative Fees	3,486,546	3,582,292
Transfers to Escrow Accounts for Defeasance of Refunded Issues	656,240,147	136,942,308
Total Deductions	2,096,171,728	1,452,472,687
Increase (Decrease) in Funds Held in Trust	(154,975,479)	498,935,150
Funds Held in Trust - End of Year	\$ 507,807,757	\$ 662,783,236

See accompanying Notes to Supplemental Financial Information.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
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NOTE 1 INTRODUCTION

Under the terms of the Authority's enabling legislation, the Authority has the power to issue bonds and notes on behalf of public and private institutions of higher education in the State of New Jersey. The obligations issued by the Authority are conduit debt and are not guaranteed by, nor do they constitute a debt or obligation of, the State of New Jersey.

Because the bonds and notes issued by the Authority are nonrecourse conduit debt obligations of the Authority, the Authority has, in effect, none of the risks and rewards of the related financings. The supplemental financial statements presented herein include information pertaining to funds held by Trustees of the various bond and note issuances of the Authority.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

The Trustee Held Funds are presented as fiduciary funds and are held by outside trustees and as such are not intended to present the financial position or results of operations of the Authority. The Trustee Held Funds utilize the accrual basis of accounting.

NOTE 3 FUNDS HELD IN TRUST

Funds held in trust include amounts in the construction, debt service and debt service reserve funds and the renewal and replacement accounts established for each bond issue. Balances maintained in the construction funds represent unexpended proceeds allocated for specific projects; the debt service fund, debt service reserve fund, and renewal and replacement account balances represent amounts reserved for payment of debt service and the renewal and replacement of major components of projects as required by the provisions of the various series resolutions. The following is a schedule of the aggregate funds held in trust as of December 31, 2015 and 2014:

	2015	2014
Construction Funds	\$ 483,771,344	\$ 627,051,787
Debt Service Funds	467,383	211,495
Debt Service Reserve Funds	20,135,118	31,726,919
Renewal and Replacement Accounts	3,433,912	3,793,035
Total Funds Held in Trust	<u>\$ 507,807,757</u>	<u>\$ 662,783,236</u>

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
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NOTE 4 CASH AND INVESTMENTS

Investments permitted in the Trustee Held Funds are authorized by the respective Bond Resolutions. All funds held by the trustees may be invested in obligations of, or guaranteed by, the United States Government. In addition, certain funds may be invested in: obligations of agencies of the U.S. government; obligations of, or guaranteed by, the State of New Jersey; collateralized certificates of deposit and repurchase agreements; commercial paper; and other securities which shall be authorized for the investment of funds in the custody of the Treasurer of the State of New Jersey.

Investments held by trustees are carried at fair value and comprise the following:

	2015	2014
Investments:		
Collateralized Investment Agreements	\$ 2,293,000	\$ 2,299,000
Variable Rate Demand Obligations	2,415,000	5,900,000
U.S. Treasury and Agency Obligations*	695,072,967	836,733,998
Total Investments	\$ 699,780,967	\$ 844,932,998

* Includes \$456,914,006 and \$621,410,761 of investments in pooled U.S. Treasury funds at December 31, 2015 and 2014, respectively, which are uncategorized.

NOTE 5 LOANS AND LEASES RECEIVABLE

Since its inception, the Authority has issued obligations of \$15,202,113,125 and \$14,398,427,299 as of December 31, 2015 and 2014, respectively, for the benefit of various public and private institutions of higher education. The obligations are secured by loans, mortgages, leases and other agreements, the terms of which generally correspond to the amortization of the related bond issues.

The loans and mortgages are secured by revenues produced by the facilities and by other legally available funds of the institutions. For projects under lease agreements, the Authority is the owner of those projects. It is the intention of the Authority to transfer title in the projects at the expiration of the leases. Accordingly, the leases are being accounted for as financing transactions.

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NOTE 5 LOANS AND LEASES RECEIVABLE (CONTINUED)

Loans and leases receivable comprise the following:

	2015	2014
Loans:		
Institute for Advanced Study	\$ 44,910,000	\$ 46,955,000
New Jersey Institute of Technology	69,932,500	70,972,500
Princeton Theological Seminary	62,040,000	66,022,500
Princeton University	1,918,660,000	1,848,127,500
Mortgages:		
Bloomfield College	31,608,577	32,215,047
Caldwell University (formerly Caldwell College)	18,726,075	19,260,334
Centenary College	32,757,928	33,942,348
College of Saint Elizabeth	19,590,000	20,340,000
Drew University	62,282,973	67,534,373
Fairleigh Dickinson University	76,443,983	82,809,737
Felician College	-	6,360,000
Georgian Court University	24,173,065	25,094,462
Institute for Defense Analyses	9,400,500	11,625,000
New Jersey Institute of Technology	617,500	1,817,500
Rider University	39,080,000	42,955,000
Saint Peter's University (formerly Saint Peter's College)	32,181,335	34,626,108
Seton Hall University	115,667,500	124,350,000
Stevens Institute of Technology	66,785,000	69,695,000
Leases:		
Kean University	309,267,256	321,217,210
Montclair State University	435,622,500	452,302,500
New Jersey City University	152,440,000	121,582,500
Passaic County Community College	12,752,500	13,012,500
Ramapo College of New Jersey	230,582,500	222,265,000
Rowan University	182,917,500	271,147,500
Thomas Edison State University (formerly Thomas Edison State College)	13,204,735	14,543,872
The College of New Jersey	355,742,500	364,087,500
Stockton University (formerly The Richard Stockton College of New Jersey)	219,095,326	225,009,000
The William Paterson University of New Jersey	166,335,000	156,702,500
Higher Education Capital Improvement Fund	442,015,000	478,255,000
Higher Education Facilities Trust Fund	199,855,000	199,855,000
Higher Education Equipment Leasing Fund	78,735,000	89,340,000
Higher Education Technology Infrastructure Fund	36,670,000	38,110,000
County College Capital Projects Fund	-	-
Dormitory Safety Trust Fund	6,340,000	11,970,000
Library Grant Program	21,905,000	24,455,000
Total	\$ 5,488,336,753	\$ 5,608,557,491

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NOTE 6 BONDS, NOTES AND LEASES PAYABLE

Bonds, notes and leases payable comprise the following:

Issue	Original Issue Amount	Final Maturity Date	Net Effective Interest Rate	Amount Outstanding December 31,	
				2015	2014
Bonds Payable					
Bloomfield College 2013 Series A	\$ 32,267,000	5/13/2043	Variable	\$ 31,608,577	\$ 32,215,047
Caldwell University (formerly Caldwell College): 2013 Series E	20,000,000	5/31/2038	3.629%	18,726,075	19,260,334
Centenary College: 2003 Series A	14,775,000	10/1/2033	Variable	7,730,000	8,320,000
2006 Series J	9,154,113	11/1/2036	Variable	8,176,613	8,344,113
2007 Series B	4,784,617	11/1/2036	Variable	4,146,315	4,243,235
2010 Series D	13,974,000	1/1/2041	Variable	12,705,000	13,035,000
Drew University: 2003 Series C	20,855,000	7/1/2021	3.888%	13,240,000	14,120,000
2007 Series D	29,135,000	7/1/2037	4.601%	25,655,000	26,230,000
2008 Series B	10,765,000	7/1/2017	4.234%	3,300,000	4,825,000
2008 Series I	40,000,000	6/25/2018	Variable	12,895,473	14,844,373
2010 Series C	15,580,000	6/1/2024	Variable	8,755,000	9,005,000
Dormitory Safety Trust Fund: Series 2001 A	67,970,000	3/1/2016	4.239%	4,855,000	9,710,000
Series 2001 B - Taxable	5,800,000	3/1/2016	6.117%	410,000	820,000
Series 2003 A	5,440,000	3/1/2018	3.752%	1,075,000	1,440,000
Fairleigh Dickinson University: 2004 Series C	35,285,000	7/1/2023	5.534%	-	21,935,000
2006 Series G	14,505,000	7/1/2028	4.954%	10,615,000	11,185,000
2006 Series H	2,147,554	7/1/2027	4.954%	728,983	774,738
2014 Series B	51,925,000	2/1/2029	3.678%	48,100,000	50,175,000
2015 Series B	19,675,000	7/1/2045	3.932%	17,650,000	-
Felician College: 2006 Series I	11,445,000	11/1/2022	4.749%	-	6,475,000
Georgian Court University: 1998 Series, Project B	6,455,000	7/1/2015	4.198%	-	230,000
2007 Series D	26,980,000	7/1/2037	5.022%	23,970,000	24,690,000
2007 Series H	1,050,000	10/1/2022	5.296%	580,565	649,462

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DECEMBER 31, 2015 AND 2014**

NOTE 6 BONDS, NOTES AND LEASES PAYABLE (CONTINUED)

Issue	Original Issue Amount	Final Maturity Date	Net Effective Interest Rate	Amount Outstanding	
				December 31,	
				2015	2014
Higher Education Capital					
Improvement Fund:					
Series 2002 A	194,590,000	9/1/2022	4.599%	1,640,000	1,640,000
Series 2005 A	169,790,000	9/1/2019	4.121%	96,370,000	122,240,000
Series 2006 A	155,460,000	9/1/2024	4.421%	150,410,000	151,065,000
Series 2014 A	164,245,000	9/1/2033	3.669%	158,705,000	164,245,000
Series 2014 B	14,345,000	9/1/2033	3.671%	13,860,000	14,345,000
Series 2014 C	21,230,000	9/1/2020	1.696%	18,060,000	21,230,000
Series 2014 D	3,490,000	9/1/2020	1.712%	2,970,000	3,490,000
Higher Education Equipment					
Leasing Fund:					
Series 2014 A	82,235,000	6/1/2023	1.894%	72,320,000	82,235,000
Series 2014 B	7,105,000	6/1/2023	1.894%	6,415,000	7,105,000
Higher Education Facilities					
Trust Fund:					
Series 2014	199,855,000	6/15/2029	3.246%	199,855,000	199,855,000
Higher Education Technology					
Infrastructure Fund:					
Series 2014	38,110,000	6/1/2028	3.039%	36,670,000	38,110,000
Institute for Advanced Study:					
2006 Series B	29,600,000	7/1/2031	3.990%	24,500,000	25,500,000
2006 Series C	20,000,000	7/1/2036	Variable	16,500,000	17,000,000
2008 Series C	11,255,000	7/1/2021	3.619%	3,910,000	4,455,000
Institute for Defense Analysis:					
2000 Series D	16,695,000	10/1/2030	Variable	9,400,500	11,625,000
Kean University:					
Series 1998 B	25,995,000	7/1/2027	4.872%	4,215,000	4,360,000
Series 2003 D	75,000,000	7/1/2033	4.811%	4,865,000	6,190,000
Series 2005 B	101,915,000	7/1/2037	4.681%	-	16,200,000
Series 2007 D	117,795,000	7/1/2039	4.553%	-	107,840,000
Series 2009 A	179,380,000	9/1/2036	6.404%	177,090,000	177,975,000
Series 2015 H	117,175,000	7/1/2039	3.762%	117,175,000	-
Library Grant Program:					
Series 2002 A	45,000,000	9/1/2022	4.560%	21,905,000	24,455,000

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NOTE 6 BONDS, NOTES AND LEASES PAYABLE (CONTINUED)

Issue	Original Issue Amount	Final Maturity Date	Net Effective Interest Rate	Amount Outstanding December 31,	
				2015	2014
Montclair State University:					
Series 2002 F	78,500,000	7/1/2032	4.489%	-	2,500,000
Series 2003 E	23,425,000	7/1/2033	4.445%	-	10,100,000
Series 2006 A	98,090,000	7/1/2036	4.816%	-	73,630,000
Series 2006 J	154,110,000	7/1/2034	4.300%	149,050,000	152,100,000
Series 2007 A	6,150,000	7/1/2021	4.022%	3,620,000	4,125,000
Series 2008 J	27,545,000	7/1/2038	5.100%	24,735,000	25,345,000
Series 2014 A	189,365,000	7/1/2044	4.212%	189,365,000	189,365,000
Series 2015 D	73,770,000	7/1/2036	3.757%	73,770,000	-
New Jersey City University:					
Series 2002 A	15,115,000	7/1/2032	4.949%	-	410,000
Series 2003 B	2,300,000	7/1/2018	5.659%	750,000	1,000,000
Series 2007 F	17,910,000	7/1/2032	4.337%	16,095,000	16,395,000
Series 2008 E	68,445,000	7/1/2035	4.763%	57,615,000	59,350,000
Series 2008 F	6,175,000	7/1/2036	7.039%	6,175,000	6,175,000
Series 2010 F	24,065,000	7/1/2028	3.313%	20,435,000	22,145,000
Series 2010 G	18,310,000	7/1/2040	4.062%**	18,310,000	18,310,000
Series 2015 A	35,340,000	7/1/2045	3.932%	35,340,000	-
New Jersey Institute of Technology:					
Series 2001 H - Taxable	12,570,000	7/1/2016	6.259%	1,235,000	2,400,000
Series 2010 H	50,965,000	7/1/2031	4.280%	50,080,000	50,965,000
Series 2010 I	20,450,000	7/1/2040	4.304%**	20,450,000	20,450,000
Passaic County Community College:					
Series 2010 C	13,635,000	7/1/2041	5.355%	12,885,000	13,140,000
Princeton Theological Seminary:					
2009 Series B	14,435,000	12/1/2032	2.878%	8,800,000	9,835,000
2010 Series A	68,785,000	7/1/2030	3.745%	55,270,000	58,140,000
Princeton University:					
2003 Series D	114,495,000	7/1/2019	3.727%	42,380,000	51,925,000
2005 Series A	139,590,000	7/1/2030	4.405%	-	123,050,000
2005 Series B	114,645,000	7/1/2035	4.236%	-	68,805,000
2006 Series D	74,290,000	7/1/2031	4.391%	57,655,000	60,105,000
2006 Series E	93,285,000	7/1/2027	4.504%	91,670,000	91,825,000
2007 Series E	325,000,000	7/1/2037	4.534%	275,085,000	282,150,000
2007 Series F	67,620,000	7/1/2030	4.392%	66,755,000	66,890,000
2008 Series J	250,000,000	7/1/2038	4.391%	220,735,000	226,105,000
2008 Series K	208,805,000	7/1/2023	4.356%	120,805,000	135,160,000
2010 Series B	250,000,000	7/1/2040	4.034%	231,070,000	236,015,000
2011 Series B	250,000,000	7/1/2041	4.087%	236,750,000	241,370,000
2014 Series A	200,000,000	7/1/2044	3.773%	200,000,000	200,000,000
2015 Series A	156,790,000	7/1/2035	2.317%	156,790,000	-
2015 Series D	150,000,000	7/1/2045	3.403%	150,000,000	-

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NOTE 6 BONDS, NOTES AND LEASES PAYABLE (CONTINUED)

Issue	Original Issue Amount	Final Maturity Date	Net Effective Interest Rate	Amount Outstanding December 31,	
				2015	2014
Ramapo College of New Jersey:					
Series 2006 D	49,085,000	7/1/2036	4.521%	-	31,565,000
Series 2006 I	106,820,000	7/1/2036	4.417%	103,185,000	104,755,000
Series 2011 A	19,090,000	7/1/2021	3.325%	8,565,000	11,655,000
Series 2012 B	80,670,000	7/1/2042	3.689%	76,810,000	77,635,000
Series 2015 B	45,180,000	7/1/2040	3.585%	45,180,000	-
Rider University:					
2012 Series A	52,020,000	7/1/2037	3.741%	41,055,000	44,855,000
Rowan University:					
Series 2005 D	51,840,000	7/1/2030	4.532%	2,120,000	43,780,000
Series 2006 G	69,405,000	7/1/2031	4.362%	19,670,000	58,355,000
Series 2007 B	121,355,000	7/1/2034	4.266%	109,585,000	113,845,000
Series 2008 B	35,205,000	7/1/2027	4.839%	34,975,000	35,095,000
Series 2011 C	30,045,000	7/1/2025	3.705%	22,190,000	24,355,000
Saint Peter's University (formerly Saint Peter's College):					
2007 Series G	36,053,465	7/1/2027	4.217%	30,699,285	32,607,306
2008 Series H	5,000,000	7/1/2018	3.925%	1,482,050	2,018,800
Seton Hall University:					
2008 Series D	49,760,000	7/1/2037	Variable	40,985,000	44,935,000
2008 Series E	24,340,000	7/1/2037	6.127%	-	22,540,000
2011 Series A	35,470,000	7/1/2026	2.997%	13,860,000	17,500,000
2013 Series D	41,910,000	7/1/2043	2.707%	41,090,000	41,810,000
2015 Series C	22,205,000	7/1/2037	3.819%	22,205,000	-
Stevens Institute of Technology:					
1998 Series I	17,000,000	7/1/2028	5.109%	4,225,000	4,610,000
2007 Series A	71,060,000	7/1/2034	4.977%	64,050,000	66,505,000
The College of New Jersey:					
Series 2008 D	287,790,000	7/1/2035	5.086%	161,955,000	279,385,000
Series 2010 A	3,410,000	7/1/2015	2.411%	-	890,000
Series 2010 B	41,090,000	7/1/2040	4.748%**	41,090,000	41,090,000
Series 2012 A	26,255,000	7/1/2019	1.637%	18,590,000	22,610,000
Series 2013 A	24,950,000	7/1/2043	4.561%	24,950,000	24,950,000
Series 2015 G	114,525,000	7/1/2031	3.301%	114,525,000	-

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NOTE 6 BONDS, NOTES AND LEASES PAYABLE (CONTINUED)

Issue	Original Issue Amount	Final Maturity Date	Net Effective Interest Rate	Amount Outstanding December 31,	
				2015	2014
The College of Saint Elizabeth: 2008 Series F	24,090,000	7/1/2036	Variable	19,590,000	20,340,000
Stockton University (formerly The Richard Stockton College of New Jersey):					
Series 1998 A	3,294,000	7/1/2016	3.000%	79,000	239,000
Series 2005 F	28,180,000	7/1/2028	4.458%	-	19,790,000
Series 2006 F	50,365,000	7/1/2036	4.460%	43,710,000	44,940,000
Series 2007 G	40,250,000	7/1/2037	4.500%	34,695,000	35,650,000
Series 2008 A	136,910,000	7/1/2038	5.309%	124,560,000	127,665,000
Series 2015 E	18,830,826	7/1/2028	2.830%	18,830,826	-
Thomas Edison State University (formerly Thomas Edison State College):					
Series 2011 D	8,000,000	10/1/2031	3.516%	5,921,216	6,342,269
Series 2014 B	7,000,000	12/1/2024	2.500%	6,325,000	6,945,000
The William Paterson University of New Jersey:					
Series 2005 E	42,295,000	7/1/2030	4.546%	-	32,040,000
Series 2008 C	88,670,000	7/1/2038	4.724%	76,000,000	78,175,000
Series 2012 C	33,815,000	7/1/2042	2.955%	32,225,000	32,690,000
Series 2012 D	21,860,000	7/1/2028	2.489%	16,115,000	17,085,000
Series 2015 C	45,695,000	7/1/2040	3.538%	45,695,000	-
Notes Payable					
Princeton University: Various Commercial Paper	120,000,000 *	N/A	Variable	74,000,000	69,500,000
Leases Payable					
Kean University	10,000,000	7/1/2020	3.140%	4,750,000	5,750,000
Kean University	15,000,000	2/15/2021	2.820%	5,512,256	6,562,210
Thomas Edison State University	2,700,000	9/28/2022	Variable	491,801	562,059
Thomas Edison State University	700,000	9/14/2015	2.370%	-	110,355
Thomas Edison State University	948,000	7/1/2019	2.427%	466,718	584,189
				<u>\$ 5,537,441,253</u>	<u>\$ 5,655,282,490</u>

* Maximum authorized amount.

** Build America Bond

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NOTE 6 BONDS, NOTES AND LEASES PAYABLE (CONTINUED)

The minimum aggregate principal maturities for each of the following five year periods are as follows:

2016 - 2020	\$ 1,319,134,947
2021 - 2025	1,271,805,519
2026 - 2030	1,281,735,350
2031 - 2035	952,196,466
2036 - 2040	499,771,222
2041 - 2045	212,797,749
Total	<u>\$ 5,537,441,253</u>

NOTE 7 REFUNDED BOND ISSUES

When conditions have warranted, the Authority has sold various issues of bonds to provide for the refunding of previously issued obligations.

The proceeds received from the sales of the bond issues were used to refund currently the outstanding bond issues or to deposit in an irrevocable escrow fund held by the Escrow Agent, an amount which, when combined with interest earnings thereon, is at least equal to the sum of the outstanding principal amount of the bonds, the interest to accrue thereon to and including the first optional redemption date thereof, and the premium required to redeem the bonds outstanding on such date. Accordingly, the trust account assets and the liability for defeased bonds are not included in the Authority's financial statements.

Certain transactions defeased the outstanding bond issues with a resultant reduction in annual debt service during the term of the issues. The debt service savings, together with any accounting gain or loss that will be deferred, accrue to the respective institutions.

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NOTE 7 REFUNDED BOND ISSUES (CONTINUED)

Refunded bonds outstanding at December 31, 2015 comprise the following:

Issue	Principal Amount Outstanding December 31, 2015	Refunded Issues		Debt Service Savings	Refunding Issues		
		Principal Amount Refunded	Call Date		Date of Issuance	Issue	Original Amount of Issue
Princeton University 2005 Series B	-	7,820,000	7/1/2015	2,755,549	8/10/2006	2006 Series E	45,500,000
Ramapo College of New Jersey Series 2006 D	11,145,000	11,145,000	7/1/2016	3,510,943	11/28/2006	Series 2006 I	106,820,000
Montclair State University Series 2002 F	-	56,125,000	7/1/2015	6,194,157	12/14/2006	Series 2006 J	154,110,000
Kean University Series 2005 B	71,035,000	77,530,000	7/1/2016	14,985,307	4/13/2007	Series 2007 E	156,240,000
Stevens Institute of Technology 1998 Series I	3,615,000	6,050,000	No Call	N/A*	8/2/2007	2007 Series A	71,060,000
Princeton University 2005 Series A	-	2,095,000	7/1/2015	2,361,004	6/19/2007	2007 Series F	67,620,000
2005 Series B	-	17,625,000	7/1/2015				
University of Medicine & Dentistry of New Jersey Series 2009 B	96,628,042 92,488,330 31,122,002 1,581,626	109,794,495 105,090,709 35,362,659 2,341,867	6/1/2019 6/1/2019 6/1/2019 6/1/2019	N/A** N/A** N/A** N/A**		Rutgers TE Rutgers Taxable Rowan Univ Hospital	
Montclair State University Series 2002 F	-	12,900,000	7/1/2015	4,161,795	4/3/2014	Series 2014 A	189,365,000
Series 2003 E	-	6,325,000	7/1/2015				
Series 2006 A	10,945,000	10,945,000	7/1/2016				
Rowan University Series 2006 G	34,855,000	34,855,000	7/1/2016	N/A**		GCIA	
Ramapo College of New Jersey Series 2006 D	30,360,000	30,360,000	7/1/2016	1,296,916	5/19/2015	Series 2015 B	45,180,000
Montclair State University Series 2006 A	71,420,000	71,420,000	7/1/2016	6,705,621	7/1/2015	Series 2015 D	73,770,000
Seton Hall University 2008 Series E	22,030,000	22,030,000	7/1/2019	1,329,496	7/14/2015	2015 Series C	22,205,000
Kean University Series 2005 B	13,645,000	13,645,000	7/1/2016	5,835,842	8/27/2015	Series 2015 H	117,175,000
Series 2007 D	100,715,000	100,715,000	7/1/2017				
The College of New Jersey Series 2008 D	112,665,000	112,665,000	7/1/2018	3,781,458	9/17/2015	Series 2015 G	114,525,000

* Debt Restructuring

** Not NJEFA Refunding Bonds



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

Management and Members of
New Jersey Educational Facilities Authority
Princeton, New Jersey

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 the New Jersey Education Facilities Authority as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated May 13, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 may exist that have not been identified.

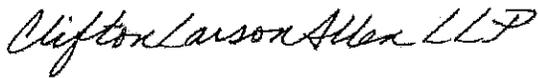
Management and Members of
New Jersey Educational Facilities Authority

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of 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 the determination of 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 result of that testing, and not to provide an opinion on the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
May 13, 2016



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**INDEPENDENT AUDITORS' REPORT ON
BOND RESOLUTION COMPLIANCE**

Members
New Jersey Educational Facilities Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America, the accompanying financial statements of the business-type activities of the New Jersey Educational Facilities Authority (the Authority), which comprise the statement of net position as of December 31, 2015, and the related statement of revenues, expenses and changes in net position and cash flows for the year then ended, and have issued our report thereon dated May 13, 2016.

Pursuant to the General Revenue Bond Resolution adopted October 10, 1968 and amended January 12, 1971, the General Higher Educational Facilities Revenue Bond Resolution adopted October 10, 1968 and amended April 13, 1971, applicable Series Resolutions and applicable Trust Indentures during the period under audit, the Authority had outstanding the authorized bonds and obligations listed in Exhibit A of this report as of December 31, 2015.

In connection with our audit, nothing came to our attention that caused us to believe that the New Jersey Educational Facilities Authority New Jersey Educational Facilities Authority failed to comply with the terms, covenants, provisions, or conditions of the Resolutions and Indentures referred to above, insofar as they relate to accounting matters including the maintenance of Debt Service Reserve Funds and the Renewal and Replacement Accounts and insurance coverage. However, our audit was not directed primarily toward obtaining knowledge of such non-compliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Authority's noncompliance with the above-referenced terms, covenants, provisions, or conditions of the aforementioned General Resolutions, applicable Series Resolutions and applicable Trust Indentures, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the Members and management of the New Jersey Educational Facilities Authority and the Trustees under the Resolutions and Indentures and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
May 13, 2016

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
 OUTSTANDING BONDS AND OBLIGATIONS
 DECEMBER 31, 2015

Institution	Issue
Bloomfield College	-- 2013 Series A
Caldwell University	-- 2013 Series E
Centenary College	-- 2003 Series A
	-- 2006 Series J
	-- 2007 Series B
	-- 2010 Series D
Drew University	-- 2003 Series C
	-- 2007 Series D
	-- 2008 Series B
	-- 2008 Series I
	-- 2010 Series C
Fairleigh Dickinson University	-- 2006 Series G
	-- 2006 Series H
	-- 2014 Series B
	-- 2015 Series B
Georgian Court University	-- 2007 Series D
	-- 2007 Series H
Institute for Advanced Study	-- 2006 Series B
	-- 2006 Series C
	-- 2008 Series C

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
OUTSTANDING BONDS AND OBLIGATIONS (CONTINUED)
DECEMBER 31, 2015**

Institution	Issue
Institute for Defense Analyses	-- 2000 Series D
Kean University	-- Series 2003 D
	-- Series 2007 D
	-- Series 2009 A
	-- 2010 Tax-Exempt Lease
	-- 2011 Tax-Exempt Lease
	-- Series 2015 H
Montclair State University	-- Series 2006 J
	-- Series 2007 A
	-- Series 2008 J
	-- Series 2014 A
	-- Series 2015 D
New Jersey City University	-- Series 2003 B
	-- Series 2007 F
	-- Series 2008 E
	-- Series 2008 F
	-- Series 2010 F
	-- Series 2010 G
	-- Series 2015 A
New Jersey Institute of Technology	-- Series 2001 H - Taxable
	-- Series 2010 H
	-- Series 2010 I
Passaic County Community College	-- Series 2010 C

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
OUTSTANDING BONDS AND OBLIGATIONS (CONTINUED)
DECEMBER 31, 2015**

Institution	Issue
Princeton Theological Seminary	-- 2009 Series B
	-- 2010 Series A
Princeton University	-- Various Commercial Paper
	-- 2003 Series D
	-- 2006 Series D
	-- 2006 Series E
	-- 2007 Series E
	-- 2007 Series F
	-- 2008 Series J
	-- 2008 Series K
	-- 2010 Series B
	-- 2011 Series B
Ramapo College of New Jersey	-- 2014 Series A
	-- 2015 Series A
	-- 2015 Series D
	-- 2015 Series D
Rider University	-- Series 2006 I
	-- Series 2011 A
	-- Series 2012 B
	-- Series 2015 B
Rowan University	-- 2012 Series A
	-- Series 2005 D
	-- Series 2006 G
	-- Series 2007 B
	-- Series 2008 B
Saint Peter's University	-- Series 2011 C
	-- 2007 Series G
	-- 2008 Series H

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
 OUTSTANDING BONDS AND OBLIGATIONS (CONTINUED)
 DECEMBER 31, 2015

Institution	Issue
Seton Hall University	-- 2008 Series D
	-- 2011 Series A
	-- 2013 Series D
	-- 2015 Series C
Stevens Institute of Technology	-- 1998 Series I
	-- 2007 Series A
Stockton University	-- Series 1988 A
	-- Series 2006 F
	-- Series 2007 G
	-- Series 2008 A
	-- Series 2015 E
The College of New Jersey	-- Series 2008 D
	-- Series 2010 B
	-- Series 2012 A
	-- Series 2013 A
	-- Series 2015 G
The College of Saint Elizabeth	-- 2008 Series F
Thomas Edison State University	-- 2007 Tax-Exempt Lease
	-- 2011 Tax-Exempt Lease
	-- 2011 Series D
	-- 2014 Series B
William Paterson University of New Jersey	-- Series 2008 C
	-- Series 2012 C
	-- Series 2012 D
	-- Series 2015 C

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
 OUTSTANDING BONDS AND OBLIGATIONS (CONTINUED)
 DECEMBER 31, 2015

Institution	Issue
Treasurer, State of New Jersey	-- Series 2002 A, Higher Education Capital Improvement Fund
	-- Series 2005 A, Higher Education Capital Improvement Fund
	-- Series 2006 A, Higher Education Capital Improvement Fund
	-- Series 2014 A, Higher Education Capital Improvement Fund
	-- Series 2014 B, Higher Education Capital Improvement Fund
	-- Series 2014 C, Higher Education Capital Improvement Fund
	-- Series 2014 D, Higher Education Capital Improvement Fund
	-- Series 2014 A, Higher Education Equipment Leasing Fund
	-- Series 2014 B, Higher Education Equipment Leasing Fund
	-- Series 2014, Higher Education Facilities Trust Fund
	-- Series 2014, Higher Education Technology Infrastructure Fund
	-- Series 2001 A, Dormitory Safety Trust Fund
	-- Series 2001 B, Taxable, Dormitory Safety Trust Fund
	-- Series 2003 A, Dormitory Safety Trust Fund
	-- Series 2002 A, Library Grant Program

ADVANCE



New Jersey Educational Facilities Authority

Fiscal Year 2015 Financial Statement
Audit Results
May 13, 2016

Agenda

- Terms of Engagement
- Responsibility Overview
- Audit Results Governance Communications
 - Governance Communications
 - Internal Controls
- GASB Update
- Other Communications
- Questions



Terms of Engagement

- Express an opinion on New Jersey Educational Facilities Authority's financial statements as of and for the year ended December 31, 2015
- Required communications letter to the Audit Committee
- Internal control letter that includes required internal control findings, and provides our observations and recommendations on enhancing accounting controls and related processes, business risks, and other operating matters



Responsibility Overview

- Those Charged with Governance (Audit Committee/Board)
 - Oversight of the audit process
 - Policy related to external and internal audits
- Management
 - Preparation of financial statements
 - Selection of accounting policies
 - Design and implementation of internal controls over financial reporting
- Auditors
 - Perform an audit in accordance with GAAS and GAGAS
 - Issue auditor's opinion
 - Communicate significant matters



Audit Results

Governance Communication

- Auditor's responsibility
 - Audit performed in accordance with Generally Accepted Auditing Standards and Government Auditing Standards
- Accounting policies
 - GASB 68 and 71 was implemented in FY15's audit
- Significant estimates
 - Net Pension Liability
 - OPEB Liability
 - Useful Lives of Capital Assets
- We concluded that management has a reasonable basis for significant judgments and estimates that impact the financial statements
- No disagreements with management or difficulties encountered
- No corrected or uncorrected misstatements were noted



Audit Results

Internal Controls

- We consider internal controls for the purpose of determining the nature, timing and extent of audit procedures
- We gain an understanding through:
 - Inquiries of management and other Authority personnel
 - Walkthroughs of significant processes/cycles
- No *material weaknesses* identified
- We do not express an opinion on the effectiveness of the Authority's internal controls

Compliance

- No matters to report



GASB Update

- **GASB 72 (FY16)** – Fair Value Measurement and Application
- **GASB 74 & 75 (FY17/18)** - Financial Reporting for Postemployment Benefit Plans Other (OPEB) Than Pension Plans & Accounting and Financial Reporting for OPEB
- **GASB 79 (FY16)** – Certain External Investment Pools and Pool Participants
- **GASB 82 (FY17)** – Pension Issues - an amendment of GASB Statements No. 14, No. 68, and No. 73

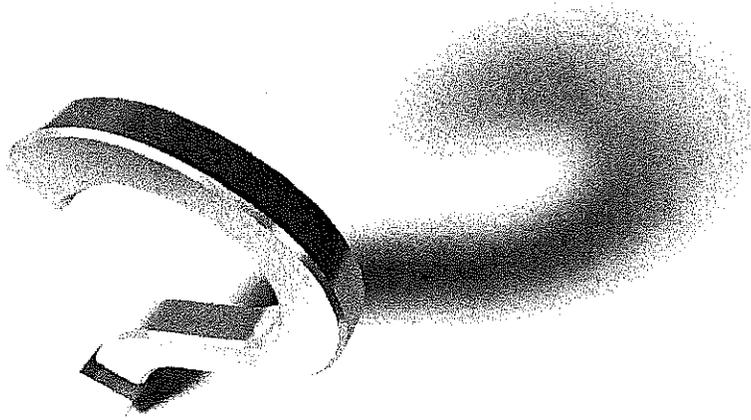


Other Communications

- Management and staff at NJEFA were very cooperative and helpful.
- **We appreciate the opportunity to serve as the NJEFA auditors.**



Questions?



ADVANCE



Nancy L. Gunza, CPA

Principal

267-419-1162

Nancy.gunza@claconnect.com

Andy Lee, CPA

Manager

267-419-1122

Andrew.lee@claconnect.com

Part IV Uses of Proceeds of Issue (including underwriters' discount)				Amount
22	Proceeds used for accrued interest		22	71,738.33
23	Issue price of entire issue (enter amount from line 21, column (b))		23	22,872,229.41
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	391,128.75	
25	Proceeds used for credit enhancement	25	269,852.70	
26	Proceeds allocated to reasonably required reserve or replacement fund	26	1,572,962.50	
27	Proceeds used to currently refund prior issue (complete Part VI)	27	0.00	
28	Proceeds used to advance refund prior issue (complete Part VI)	28	0.00	
29	Add lines 24 through 28		29	2,233,943.99
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)		30	20,638,285.41

Part V Description of Property Financed by Nonrefunding Proceeds
Caution: The total of lines 31a through e below must equal line 30 above. Do not complete for qualified student loan bonds, qualified mortgage bonds, or qualified veterans' mortgage bonds.

31 Type of Property Financed by Nonrefunding Proceeds:				Amount
a	Land	31a		0.00
b	Buildings and structures	31b		20,638,285.41
c	Equipment with recovery period of more than 5 years	31c		0.00
d	Equipment with recovery period of 5 years or less	31d		0.00
e	Other (describe)	31e		

32 North American Industry Classification System (NAICS) of the projects financed by nonrefunding proceeds.					
	NAICS Code	Amount of nonrefunding proceeds		NAICS Code	Amount of nonrefunding proceeds
a	611310	\$ 20,638,285.45	c		\$
b		\$	d		\$

Part VI Description of Refunded Bonds (Complete this part only for refunding bonds.)

33	Enter the remaining weighted average maturity of the bonds to be currently refunded	▶	_____	year
34	Enter the remaining weighted average maturity of the bonds to be advance refunded	▶	_____	year
35	Enter the last date on which the refunded bonds will be called	▶	_____	
36	Enter the date(s) the refunded bonds were issued ▶		_____	

Part VII Miscellaneous

37 Name of governmental unit(s) approving issue (see the instructions) ▶ New Jersey Educational Facilities Authority and James E. McGreevey, Governor of the State of New Jersey Public Hearing: March 26, 2003 Approval: May 15, 2003

38 Check the box if you have designated any issue under section 265(b)(3)(B)(i)(III) ▶

39 Check the box if you have elected to pay a penalty in lieu of arbitrage rebate ▶

40 Check the box if you have identified a hedge (see instructions) ▶

41 Check the box if the issue is comprised of qualified redevelopment, qualified small issue, or exempt facilities bonds and provide name and EIN of the primary private user ▶

Name ▶ _____ EIN _____

Part VIII Volume Caps

				Amount
42	Amount of state volume cap allocated to the issuer. Attach copy of state certification	42		
43	Amount of issue subject to the unified state volume cap	43		
44	Amount of issue not subject to the unified state volume cap or other volume limitations:	44		
a	Of bonds for governmentally owned solid waste facilities, airports, docks, wharves, environmental enhancements of hydroelectric generating facilities, or high-speed intercity rail facilities	44a		
b	Under a carryforward election. Attach a copy of Form 8328 to this return	44b		
c	Under transitional rules of the Tax Reform Act of 1986. Enter Act section ▶ _____	44c		
d	Under the exception for current refunding (section 146(i) and section 1313(a) of the Tax Reform Act of 1986)	44d		
45a	Amount of issue of qualified veterans' mortgage bonds	45a		
b	Enter the state limit on qualified veterans' mortgage bonds	45b		
46a	Amount of section 1394(f) volume cap allocated to issuer. Attach copy of local government certification	46a		
b	Name of empowerment zone ▶ _____			
47	Amount of section 142(k)(5) volume cap allocated to issuer. Attach copy of state certification.	47		

Under penalties of perjury, I declare that I have examined this return, and accompanying schedules and statements, and to the best of my knowledge and belief they are true, correct, and complete.

Sign Here ▶ Neil E. Anderson ▶ May 29, 2003

Signature of officer Date



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Management and Members of
New Jersey Educational Facilities Authority
Princeton, New Jersey

We have audited the financial statements of the business-type activities of the New Jersey Educational Facilities Authority for the year ended December 31, 2015, and have issued our report thereon dated May 13, 2016. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by New Jersey Educational Facilities Authority are described in Note 2 to the financial statements.

As described in Note 2 to the financial statements, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27 and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68, by recognizing its net pension liability related to its pension plans. Accordingly, the cumulative effect of the accounting change is recorded at the beginning of fiscal year 2014 in the financial statements.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements were:

- Other post-employment benefit (OPEB) liability
- Public Employees' Retirement System (PERS) liability
- Management's estimate of useful lives of capital assets

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.



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Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the attached management representation letter dated May 13, 2016.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other information in documents containing audited financial statements

With respect to the management's discussion and analysis, the schedule of funding progress for the OPEB plan, schedule of employer contributions to the OPEB plan, schedule of proportionate share of net pension liability, and schedule of employer contributions which is part of the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have

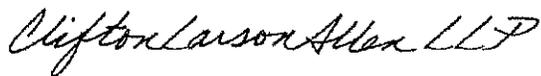
been changed from the prior period, and whether there were any significant assumptions or interpretations underlying the measurement of presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

The supplemental financial information accompanying the financial statements, which is the responsibility of management, was prepared for purposes of additional analysis and is not a required part of the financial statements. Such information was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we did not express an opinion or provide any assurance on it.

* * *

This communication is intended solely for the information and use of the members and management of New Jersey Educational Facilities Authority and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
May 13, 2016



103 COLLEGE ROAD EAST • PRINCETON, NEW JERSEY 08540
PHONE 609-987-0880 • FAX 609-987-0850

May 13, 2016

CliftonLarsonAllen LLP
610 West Germantown Pike, Suite 400
Plymouth Meeting, PA 19462

This representation letter is provided in connection with your audit of the financial statements of the business-type activities of the New Jersey Educational Facilities Authority, which comprise the statements of net position as of December 31, 2015 and 2014, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of May 13, 2016, the following representations made to you during your audit.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 9, 2015, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. The financial statements include all properly classified funds and other financial information of the Authority required by generally accepted accounting principles to be included in the financial reporting entity
- We acknowledge and have fulfilled our responsibility 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

- Significant estimates have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Significant estimates are estimates at the financial statement date that could change materially within the next year.
- No events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements.
- We have not identified or been notified of any uncorrected financial statement misstatements.
- We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- Guarantees, whether written or oral, under which the entity is contingently liable, if any, have been properly recorded or disclosed in accordance with U.S. GAAP.
- Arrangements with financial institutions involving repurchase, reverse repurchase, or securities lending agreements, compensating balances, or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements, have been properly recorded or disclosed in the financial statements.
- The fact that the amount of "uncollateralized" deposits or "uninsured, unregistered securities held by the counterparty, or by its trust department or agent but not in the entity's name" during the period significantly exceeded the amounts in those categories as of the financial statement date was properly disclosed in the financial statements.
- Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date and have been reduced to their estimated net realizable value.
- The methods and significant assumptions used result in a measure of fair value appropriate for financial statement measurement and disclosure purposes.
- We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefits (OPEB) liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- We do not plan to make frequent amendments to our pension or other postretirement benefit plans.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters.
 - Additional information that you have requested from us for the purpose of the audit.
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - Complete minutes of the meetings of the governing board and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
 - All communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
 - All communications from regulatory agencies concerning noncompliance with the provisions of laws, regulations, contracts, and grant agreements.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others when the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
- We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations and provisions of contracts and grant agreements, or abuse whose effects should be considered when preparing financial statements.
- We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments, that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.

- There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- We have a process to track the status of audit findings and recommendations.
- We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to New Jersey Educational Facilities Authority, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- The entity has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
- Provisions for uncollectible receivables have been properly identified and recorded.
- Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- Deposits and investment securities and derivative instruments are properly classified as to risk and are properly valued and disclosed.
- Capital assets are properly capitalized, reported, and, if applicable, depreciated.
- We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

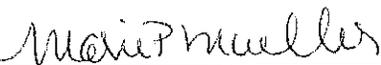
- The Authority has implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Statements No. 68 and 71 require the Authority to report its share of the defined benefit pension liabilities and expense, as well as the related deferred outflows of resources and deferred inflows of resources, allocated to it by the State of New Jersey's Public Employees' Retirement System (PERS). The January 1, 2014, balance of the net pension liability and related deferred outflows of resources and deferred inflows of resources is reported in the Statement of Revenues, Expenses, and Changes in Net Position as a restatement to the *2014 net position-beginning of year*. The restatement for the pension liability and related expense was approximately \$2,915,153 at January 1, 2014.
- We acknowledge our responsibility for the required supplementary information (RSI) presenting management's discussion and analysis, the schedule of funding progress for the OPEB plan, the schedule of employer contributions to the OPEB plan, the schedule of proportionate share of net pension liability, and the schedule of employer contributions. The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- We acknowledge our responsibility for presenting the Trustee Held Fund statements, (the other information) in accordance with U.S. GAAP, and we believe the supplemental financial information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplemental financial information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplemental financial information. If the supplemental financial information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplemental financial information no later than the date we issue the supplemental financial information and the auditors' report thereon.

Signature: _____



Title: Executive Director

Signature: _____



Title: Chief Financial Officer

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
AUTHORIZING PROCUREMENT OF INSURANCE COVERAGE**

Adopted: May 24, 2016

- WHEREAS:** The New Jersey Educational Facilities Authority (the "Authority") was created pursuant to the New Jersey Educational Facilities Authority Law, (being Chapter 72A of Title 18A of the New Jersey Statutes, as amended and supplemented N.J.S.A. 18A:72A-1 et seq. (the "Act") and is authorized to issue its obligations to provide a means for New Jersey public and private colleges and universities to obtain financing to construct educational facilities as defined in the Act; and
- WHEREAS:** The Authority is required in order to fulfill contractual obligations and in order to operate in a prudent business manner to carry property insurance, liability insurance, automobile insurance, workers compensation and directors and officers liability insurance; and
- WHEREAS:** At the meeting of May 20, 2014, the Authority appointed Willis of New Jersey, Inc. as the Authority's Insurance Broker for a term of three years from July 1, 2014 to June 30, 2017 with two optional one-year renewals; and
- WHEREAS:** The Authority's Insurance Broker has recommended which insurance carriers should be selected for the current annual renewal, and these are set forth on the term sheets attached hereto (the "Term Sheets"); and
- WHEREAS:** The Authority has determined that it is in the Authority's best interest to accept the Insurance Broker's recommendation as to the insurance carriers as set forth on the Term Sheets.

**NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY
EDUCATIONAL FACILITIES AUTHORITY THAT:**

- SECTION 1.** The Authority hereby authorizes procurement of insurance coverage for the period July 1, 2016 through June 30, 2017 with the insurance carriers, for the respective types of insurance coverage and on the terms and conditions set forth on the Term Sheets.
- SECTION 2.** The Authority hereby authorizes the Executive Director or the Chief Financial Officer to take and do any and all acts and things as may be necessary or desirable in connection with implementation of this Resolution.
- SECTION 3.** This Resolution shall take effect in accordance with the Act.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

RENEWAL TERM SHEET – GENERAL INSURANCE

For the Period 7/1/16 to 7/1/17

COVERAGE:

General Liability:	\$ 1,000,000 per Occurrence, no retention
1 st Umbrella	\$10,000,000 per Occurrence
2 nd Umbrella	\$15,000,000 per Occurrence
E. F. A. Property	\$ 610,000 subject to \$5,000 Deductible
Property Legal Liability	\$ 1,000,000
Automobile	\$ 1,000,000 per Accident, no deductible
Workers Compensation	NJ Statutory Limits (\$1,000,000 per Accident Employers Liability)

	<u>Expiring Policies</u>	<u>Proposed Renewal</u>
Term:	7/1/15 – 7/1/16	7/1/16 – 7/1/17
Carrier:	American Alternative / Navigators / Hartford	American Alternative / Navigators / Hartford
AM Best Ratings:	A+ XV / A XI / A XV	A+ XV / A XI / A XV
Premiums:	\$101,481	\$102,903
NJ PLIGA:	874	689
Policy Fees:	Waived	Waived

MARKETING EFFORT AND RESPONSES:

	<u>Carrier</u>	<u>Response</u>
All Lines	American Alternative	Provided Cover Quote of \$82,435.03
	Hartford	WC Cover of \$4,491.00
	Navigators	Provided 2 nd Umbrella Cover Quote of \$16,665.50
	Selective Insurance	Declined – Nature of Operations
	Philadelphia Insurance	Declined – Nature of Operations
	CNA	Declined – Nature of Operations
	Travelers	No Response

<u>Premiums</u>	<u>2015-16</u>	<u>2016-17</u>
Automobile	\$ 529	\$ 529
General Liability	\$ 63,416	\$ 64,494
Property/Computers/Crime	\$ 1,979	\$ 1,979
1 st Umbrella	\$ 14,657	\$ 14,860
2 nd Umbrella	\$ 16,550	\$ 16,550
Workers Compensation	\$ 4,350	\$ 4,491
NJ PLIGA	\$ 874	\$ 689
Policy Fees	<u>\$Waived</u>	<u>\$Waived</u>
TOTAL	\$ 102,355	\$103,592

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

RENEWAL TERM SHEET – DIRECTORS & OFFICERS
For the Period 7/1/16 – 7/1/17

COVERAGE:

Limit: \$7,000,000 per Occurrence and Aggregate
Retention: Zero Non-Indemnifiable Loss
\$50,000 with Authority Reimbursement

	<u>Expiring Policy</u>	<u>Proposed Renewal</u>
Term:	7/1/15 – 7/1/16	7/1/16 – 7/1/17
Carrier:	RSUI	RSUI
AM Best Rating:	A+XIII	A+XIII
Premium:	\$25,300.00	\$25,300.00
NJ PLIGA	\$ 227.70	\$ 177.10
Policy Fee	<u>\$ Waived</u>	<u>\$ Waived</u>
TOTAL	\$25,527.70	\$25,477.10

Option D&O Quote:

Carrier: Allied World Specialty Insurance Company (Admitted in NJ)
AM Best Rating: AXV
Limits: \$5,000,000
Premium: \$11,551 + \$103.96 PLIGA + \$245 Fee
Total Premium: \$11,899.96

EXCESS D&O

	<u>Expiring Policy</u>	<u>Proposed Renewal</u>
Term:	2/12/16 – 7/1/16	7/1/16 – 7/1/17
Carrier:	QBE	QBE
Limits:	\$7M xs \$7M (RSUI)	\$7M xs \$7M (RSUI)
AM Best Rating:	AXIV	AXIV
Premium:	\$19,000.00	\$20,000.00
NJ PLIGA	\$ 133.00	\$ 140.00
Policy Fee	<u>\$ Waived</u>	<u>\$ Waived</u>
TOTAL	\$19,133.00	\$20,140.00

Option Excess D&O Quote:

Carrier: QBE Insurance Company (Admitted in NJ)
AM Best Rating: AXIV
Limits: \$5,000,000 xs \$5,000,000
Premium: \$15,000 + \$105 PLIGA
Total Premium: \$15,105

Carrier: RSUI Indemnity Company (Admitted in NJ)
AM Best Rating: A+XIII
Limits: \$4,000,000 xs \$10,000,000 (RSUI)
Premium: \$12,000 + \$84 PLIGA
Total Premium: \$12,084.00

MARKETING EFFORT AND RESPONSE:

	<u>Carrier</u>	<u>Response</u>
D&O	Allied World	Quoted
	AIG	Indication \$5M/\$50K for \$17,000
	Western World	Quoted \$5M/\$50K for \$16,559
	Hudson	Indication \$2M/\$50K for \$29,500
	USLI	Declined – Nature of Operations
	Admiral	Declined – Not Competitive
	Chubb, Axis, Lloyd's	Declined – Nature of Operations

Note: We have included an optional quote for a \$14,000,000 limit through three carriers. The total cost for this option is \$39,088.96 a savings of about \$6,500. We have reviewed the quote and noticed a bond default exclusion in their form. The current policy has no exclusion and we have confirmed the RSUI renewal proposal continues to delete the exclusion. Given this difference we cannot recommend a change.

We have inquired if additional limits are available above the \$14,000,000 limit and will advise once we get a response from the markets.

_____ Ms. Ungar _____ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by _____ Mr. Rodriguez _____ and upon roll call the following members voted:

AYE: Rochelle Hendricks (represented by Gregg Edwards)
Joshua Hodes
Louis Rodriguez
Katherine Ungar
Ford M. Scudder (represented by Steven Petrecca)

NAY: None

ABSTAIN: None

ABSENT: Ridgeley Hutchinson

The Vice Chair thereupon declared said motion carried and said resolution adopted.

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY DECLARING ITS OFFICIAL
INTENT WITH RESPECT TO THE REIMBURSEMENT OF
EXPENDITURES FOR PROJECT COSTS FROM
PROCEEDS OF TAX-EXEMPT BONDS**

May 24, 2016

WHEREAS, Seton Hall University (the "University") has advised the New Jersey Educational Facilities Authority (the "Authority") that the University intends to implement a project (the "Project") consisting of the construction of an approximately 46,000 sq. ft. three story building to be used as a welcome center and the renovation of the University Center, an approximately 92,000 sq. ft. three story building used for dining, events, a student lounge and other University activities.

WHEREAS, the University has advised the Authority that the University intends to finance the Project through the issuance of tax-exempt bonds (the "Bonds") by the Authority in one or more series and in one or more transactions over the next three years, the proceeds of which will be loaned to the University;

WHEREAS, the University has advised that it may pay for certain costs of the Project ("Project Costs") prior to the issuance of the Bonds with funds of the University that are not proceeds of tax-exempt bonds; and

WHEREAS, the University desires to preserve its right to treat an allocation of proceeds of the Bonds to the reimbursement of Project Costs paid prior to the issuance of the Bonds as an expenditure for such Project Costs to be reimbursed for purposes of Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended ("Code").

NOW, THEREFORE, BE IT RESOLVED by the Members of the Authority as follows:

Section 1. The Authority reasonably expects the University to reimburse its expenditure of the Project Costs paid prior to the issuance of the Bonds with proceeds of the Bonds.

Section 2. This resolution is intended to be and hereby is a declaration of official intent to reimburse the expenditures for Project Costs paid prior to the issuance of the Bonds with the proceeds of the Bonds in accordance with Treasury Regulations Section 1.150-2.

Section 3. The maximum principal amount of Bonds expected to be issued to finance the Project and the cost of issuing the Bonds is \$36,720,000, which Bonds may be issued in one or more series and in one or more transactions over the next three years.

Section 4. The Project Costs to be reimbursed with the proceeds of the Bonds will be "capital expenditures" in accordance with the meaning of Section 150 of the Code.

Section 5. No reimbursement allocation will employ an "abusive arbitrage device" under Treasury Regulations Section 1.148-10 to avoid the arbitrage restrictions or to avoid the restrictions under Section 142 through 147 of the Code. The proceeds of the Bonds used to

reimburse for Project Costs, or funds corresponding to such amounts, will not be used in a manner that results in the creation of "replacement proceeds," including "sinking funds," "pledged funds," or funds subject to a "negative pledge" (as such terms are defined in Treasury Regulations Section 1.148-1) of the Bonds or another issue of debt obligations of the Authority, other than amounts deposited into a "bona fide debt service fund" (as defined in Treasury Regulations Section 1.148-1).

Section 6. All reimbursement allocations will occur not later than 18 months after the later of (i) the date the expenditure from a source other than the Bonds is paid, or (ii) the date the Project is "placed in service" (within the meaning of Treasury Regulations Section 1.150-2) or abandoned, but in no event more than three years after the expenditure is paid.

Section 7. This resolution does not bind the Authority to issue the Bonds.

Section 8. This resolution will take effect immediately.

_____ Mr. Petrecca _____ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by _____ Ms. Ungar _____ and upon roll call the following members voted:

AYE: Rochelle Hendricks (represented by Gregg Edwards)
Joshua Hodes
Louis Rodriguez
Katherine Ungar
Ford M. Scudder (represented by Steven Petrecca)

NAY: None

ABSTAIN: None

ABSENT: Ridgeley Hutchinson

The Vice Chair thereupon declared said motion carried and said resolution adopted.

**AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING BY AND
BETWEEN THE SECRETARY OF HIGHER EDUCATION OF THE STATE OF
NEW JERSEY AND THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY RELATING TO BONDS ISSUED AND GRANTS FUNDED
PURSUANT TO THE BUILDING OUR FUTURE BOND ACT, THE HIGHER
EDUCATION CAPITAL IMPROVEMENT FUND ACT, THE HIGHER EDUCATION
EQUIPMENT LEASING FUND ACT, THE HIGHER EDUCATION TECHNOLOGY
INFRASTRUCTURE FUND ACT AND THE HIGHER EDUCATION FACILITIES
TRUST FUND ACT**

This **Amended and Restated Memorandum of Understanding ("MOU")** made as of the Effective Date defined below by and between the Secretary of Higher Education of the State of New Jersey ("Secretary") and the New Jersey Educational Facilities Authority (the "Authority");

WHEREAS, pursuant to *N.J.S.A. 52:14-1 et seq.*, two departments are authorized to work collaboratively in matters germane to the duties of said departments through a memorandum of understanding; and

WHEREAS, pursuant to the Building Our Future Bond Act, P.L. 2012, c.41 (the "GO Bond Act"), the Secretary is authorized to solicit applications and certify grants for projects for New Jersey's public and private institutions of higher education (the "GO Participating Institutions") eligible for funding under the GO Bond Act (the "GO Grants") that become approved for funding when reviewed by the New Jersey State Legislature without adverse action (the "Approved GO Projects"); and

WHEREAS, pursuant to the Higher Education Fund Capital Improvement Fund Act, *N.J.S.A. 18A:72A-72 et seq.* ("CIF"), the Higher Education Equipment Leasing Fund Act, *N.J.S.A. 18A: 72A-40 et seq.* ("ELF"); the Higher Education Technology Infrastructure Fund Act, *N.J.S.A. 18A: 72A-59 et seq.* ("HETI"); and the Higher Education Facilities Trust Fund Act, *N.J.S.A. 18A: 72A- 49 et seq.* ("HEFT" and together with CIF, ELF and HETI, the "State-Backed Programs"), the Secretary is authorized to solicit applications and certify grants for projects for New Jersey's public and private institutions of higher education grants (the "State-Backed Participating Institutions" and together with GO Participating Institutions, "State-Backed Grants" and together with GO Grants, "Grants") that become approved for funding when reviewed by the New Jersey State Legislature and/or applicable committee thereof without adverse action (the "Approved State-Backed Projects" and together with Approved GO Projects, "Approved Projects"); and

WHEREAS, funding for the GO Grants is provided through issuance of general obligation bonds by the State of New Jersey pursuant to the GO Bond Act (the "GO Bonds") and funding for the State-Backed Grants is provided through issuance by the New Jersey Educational Facilities Authority (the "Authority") of bonds payable by the State subject to appropriation pursuant to applicable State-Backed Programs (the "State-Backed Bonds"); and

WHEREAS, in addition to the responsibility for soliciting and approving GO Grants and State-Backed Grants and monitoring compliance of Participating Institutions with Grants for Approved Projects, the Secretary is responsible for certain aspects of administering the GO Bonds, including disbursing the proceeds of the GO Bonds in order to fund Approved GO Projects, and assuring compliance of expenditures of the GO Bonds with certain requirements under the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the Secretary has adopted procedures to comply with applicable provisions of the Code ("Post-Issuance Compliance Tax Procedures") for the GO Bonds; and

WHEREAS, the Authority has experience in issuing bonds for the State's institutions of higher education and in investing, disbursing and overseeing compliance of such bonds with requirements of the Code including the State-Backed Bonds; and

WHEREAS, the Secretary determined to avail herself of the experience and expertise of the Authority to assist her in fulfilling certain of her obligations with respect to Approved GO Grants and the GO Bonds and the Post-Issuance Compliance Tax Procedures entered into a Memorandum of Understanding effective as of December 12, 2013 (the "Original Memorandum of Understanding"); and

WHEREAS, in the course of implementing the Original Memorandum of Understanding, the Secretary and the Authority have determined that it will be beneficial to clarify the relationship and responsibilities of the Secretary and the Authority with respect to administration of the State-Backed Grants and State-Backed Bonds and to further clarify certain matters relating to the administration of the GO Grants and the GO Bonds by amending and restating the Original Memorandum of Understanding;

NOW THEREFORE the Secretary and the Authority agree to amend and restate the Original Memorandum of Understanding in its entirety to read as follows:

Section 1. Responsibilities of the Secretary and the Authority

1.1 The parties agree that the Secretary has sole responsibility and authority to solicit applications and to certify Grants for Participating Institutions pursuant to the GO Bond Act and the State-Backed Programs.

1.2 If the Secretary determines to solicit applications for Grants, the Secretary may request assistance from the Authority in connection with developing and distributing the solicitation, and receiving applications as submitted. The Authority shall provide such assistance as mutually agreed at that time and if the assistance includes reviewing applications for conformity to requirements set forth in the solicitation shall advise the Secretary of any nonconformity and shall act in accordance with the Secretary's determination.

1.3 The Authority shall, in consultation with the Secretary and the Attorney General's Office, develop and/or amend grant agreements relating to the GO Bond Act and the State-Backed Programs and shall assist the Secretary in obtaining executed copies of grant agreements and/or amendments thereto.

1.4 The Authority shall, in consultation with the Secretary and the Attorney General's Office, develop and/or amend the forms of requisitions to be utilized by the Participating Institutions to submit requests for disbursement of proceeds of the GO Bonds and the State-Backed Bonds, as applicable for Approved Projects.

1.5 The Authority is responsible for conducting a review of each requisition submitted by a Participating Institution to assure that: (a) proceeds of the GO Bonds and the State-Backed Bonds (collectively, the "Bonds") are expended only for costs of an Approved Project; (b) the Participating Institution has satisfied any obligation to match grant funding; and (c) reimbursement of costs incurred before the Bonds are issued is permissible.

1.6 In conducting a review pursuant to Section 1.5 above, the Authority: (a) shall review all requisitions for conformity with Grants for Approved Projects; (b) shall recommend to the Secretary, in the case of GO Grants, and to the trustee for the applicable Bonds, in the case of State-Backed Grants, approval of requisitions that the Authority determines conform to the applicable Grant for an Approved Project. In the event that the Authority believes that a requisition requests a disbursement for a cost that may not be a proper cost of an Approved Project, the Authority shall request the Secretary to make the determination and the Authority shall follow the decision of the Secretary in completing its review.

1.7 The Secretary shall be responsible for assuring that proceeds of GO Bonds are disbursed for approved requisitions for GO Grants. The Authority shall be responsible for assuring that proceeds of State-Backed Bonds are disbursed for approved requisitions for State-Backed Grants.

1.8 In the event that the Authority receives a request from a Participating Institution for a change in an Approved Project that the Authority believes is material, the Authority will seek the Secretary's decision on such requested change and will act in accordance with the Secretary's decision. For purposes of this MOU, a change will not be considered material if it involves substitution of a different model of equipment from the equipment requested in a Participating Institution's grant application or if involves a change in design or construction of an Approved Project that fulfills the purpose of the Approved Project, become necessary or advisable because of conditions that develop during implementation of the Approved Project and the Participating Institution is able to pay for any additional costs incurred because of the change.

1.9 The Authority shall maintain a database of all requisitions and its recommendations for payment and shall ensure that it does not approve any requisition for any Approved Project which would cause the amount of the Grant to be exceeded.

1.10 The Secretary will maintain a separate database of all requisitions and payment information for GO Grants and shall not pay any requisition which would cause the amount of the GO Grant to be exceeded.

1.11 The Authority will assist the Secretary in fulfilling her responsibilities under the Post-Issuance Compliance Tax Procedures for the GO Bonds, as the Secretary may request from time to time. Notwithstanding the foregoing, the Authority will not be responsible for any matters relating to arbitrage and rebate relating to the GO Bonds, including without limitation tracking timing of expenditures of GO Bond proceeds.

1.12 The Authority will implement Post-Issuance Compliance Tax Procedures for State-Backed Bonds and will engage rebate specialists for State-Backed Bonds.

1.13 The Authority will assist the Secretary in fulfilling her responsibilities for monitoring compliance with Grants for Approved Projects by collecting reports required to be made pursuant to grant agreements and coordinating with the Secretary or her representative in reviewing information provided by the reports. Upon completion of the review, the Authority will advise the Secretary of any material variances from a Participating Institution's expectations regarding the progress of the applicable Approved Project.

1.14 The Secretary will be responsible in her sole discretion for reducing the amount of Grants for Approved Projects or for reallocating all or portions of Grants for Approved Projects. The Secretary will advise the Authority of any such reductions or re-allocations.

Section 2. Administrative Matters

2.1 This MOU is being entered into for the sole purpose of evidencing the mutual understanding and intention of the parties.

2.2 This MOU shall become effective on the date this MOU is fully executed by both of the authorized signatories ("Effective Date") and shall remain in effect unless it is terminated by any party upon sixty (60) days written notice to the other party.

2.3 The parties acknowledge and agree that there is no delegation of duties of the Secretary under the GO Bond Act or any State-Backed Program which require her discretion and that the Authority is assisting the Secretary solely in the performance of her ministerial duties under the GO Bond Act and the State-Backed Programs other than as provided in this MOU.

2.4 For the responsibilities undertaken pursuant to this MOU, the Secretary authorizes the Authority to negotiate with the State Treasurer for reimbursement of the Authority's reasonable administrative costs.

2.5 This MOU may be amended from time to time provided such amendment is in writing and signed by both parties.

2.6 The parties acknowledge that they are both public entities of the State. Therefore, the parties agree that each entity shall be liable for its own conduct and any claims against it without indemnification from the other.

IN WITNESS WHEREOF, the Secretary and the Authority have executed this MOU as of the dates written below.

SECRETARY OF HIGHER EDUCATION OF THE STATE OF NEW JERSEY

By:
Title:
Date:

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

By:
Title:
Date:

____ Mr. Petrecca ____ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by ____ Mr. Rodriguez __ and upon roll call the following members voted:

AYE: Rochelle Hendricks (represented by Gregg Edwards)
Louis Rodriguez
Katherine Ungar
Ford M. Scudder (represented by Steven Petrecca)

NAY: None

ABSTAIN: Joshua Hodes

ABSENT: Ridgeley Hutchinson

The Vice Chair thereupon declared said motion carried and said resolution adopted.

MOU resolution - 5/24/16

**RESOLUTION AUTHORIZING CONVEYANCE OF CERTAIN REAL PROPERTY TO
NEW JERSEY CITY UNIVERSITY**

Adopted: May 24, 2016

WHEREAS, the New Jersey Educational Facilities Authority (the "Authority"), is a public body corporate and politic of the State of New Jersey pursuant to the New Jersey Educational Facilities Authority Law (being Chapter 72A of Title 18A of the New Jersey Statutes, as amended and supplemented), *N.J.S.A. 18A:72A-1 et seq.* (the "Act"); and

WHEREAS, the Authority, at its meeting held on March 1, 1989, adopted a resolution at the request of New Jersey City University then known as Jersey City State College (the "University") authorizing the acquisition by the Authority of a parcel of property located at 2044-2046 Kennedy Boulevard for use as surface parking for its Kennedy Boulevard Apartments (the "Kennedy Boulevard Parcel"); and

WHEREAS, the Authority; at its meetings held on June 7, 1989, October 14, 1989 and January 1, 1990, adopted resolutions at the request of the University authorizing the acquisition by the Authority of houses located at 12, 14, 16, 20, 32, 48, 50, 54 and 64 College Street to be used by the University as additional space for purposes such as parking, storage, housing, recreation and offices (the "College Street Parcels" and together with the Kennedy Boulevard Parcel, the "Acquired Parcels"); and

WHEREAS, the University provided its own funds to the Authority for the purchase of the Acquired Parcels and the Authority did not issue any bonds to finance the acquisition; and

WHEREAS, due to changes in law subsequent to the acquisition of the Acquired Parcels by the Authority, the University is now able to hold title to real property including the Acquired Parcels in its own name; and

WHEREAS, the University has determined that it is beneficial to the University and its students to obtain title to the Acquired Parcels and has requested the Authority to convey title to the Acquired Parcels to the University; and

WHEREAS, the Members of the Authority have determined that it is beneficial and advisable to convey title to the Acquired Parcels to the University.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY AS FOLLOWS:

Section 1. Authorization and Approval of Conveyance of the Acquired Parcels.
The Authority hereby authorizes the conveyance of title to the Acquired Parcels to the University; hereby approves and authorizes the execution and delivery of the deeds to the University in form satisfactory to the Authority and the recording thereof by the University; and hereby authorizes

the execution and delivery of any and all other agreements, documents, certificates, discharges and notices (the "Conveyance Documents") that are necessary to effect the conveyance of title to the Acquired Parcels to the University provided that the University bears all costs associated with the conveyance and indemnifies the Authority for any liabilities the Authority incurs on account of its ownership of the Acquired Parcels.

Section 2. Authorization of Action by Authorized Officers. The Authority hereby authorizes and directs the Chair, Vice Chair, Secretary, any Assistant Secretary, Executive Director, Deputy Executive Director or Director of Compliance Management of the Authority and any such officers designated as "acting" or "interim" (each an "Authorized Officer") to execute and deliver the deeds for the Acquired Parcels to the University in the form approved by the Authorized Officer executing the same and to take any and all such other actions as may be necessary or appropriate to effect the release and conveyance of the Acquired Parcels to the University. The Secretary and any Assistant Secretary are authorized to execute, attest and affix the official common seal of the Authority, as applicable, to the deed or deeds and any and all other necessary Conveyance Documents. Approval of the form of all documents executed pursuant to this Resolution shall be conclusively evidenced by the execution thereof.

Section 3. Effective Date. This Resolution shall take effect in accordance with the provisions of the Act.

_____ Mr. Petrecca _____ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by _____ Mr. Rodriguez _____ and upon roll call the following members voted:

AYE: Rochelle Hendricks (represented by Gregg Edwards)
Joshua Hodes
Louis Rodriguez
Katherine Ungar
Ford M. Scudder (represented by Steven Petrecca)

NAY: None

ABSTAIN: None

ABSENT: Ridgeley Hutchinson

The Vice Chair thereupon declared said motion carried and said resolution adopted.

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY CONSENTING TO ENTRY BY KEAN UNIVERSITY INTO AN
ARRANGEMENT TO PROVIDE PARKING TO THE PGA TOURNAMENT
CORPORATION, INC.**

Adopted: May 24, 2016

WHEREAS, the New Jersey Educational Facilities Authority (the "Authority") issued its \$179,380,000 Revenue Refunding Bonds, Kean University Issue, Series 2009A and its \$117,175,000 Revenue Refunding Bonds, Kean University Issue, Series 2015 H (the "Bonds"), to refinance various capital projects including, inter alia, parking facilities for Kean University (the "University"); and

WHEREAS, in connection with the issuance of the Bonds, the Authority acquired or retained title, inter alia, to the parking facilities and currently leases these parking facilities to the University (the "Leased Parking Facilities"); and

WHEREAS, the University has advised the Authority that the PGA Tournament Corporation, Inc. (the "PGA") has asked the University to provide parking for the 2016 PGA Championship professional golf tournament ("Championship") including the "Leased Parking Facilities"); and

WHEREAS, the parking facilities to be made available to the PGA for the Championship parking are located at Kean Hall, Vaughn-Eames Hall, the NJ Center for Science & Math and the East Campus as identified in the "2016 PGA Championship Ground Lease" (the "PGA Lease") in substantially the form attached hereto as Exhibit A are; and

WHEREAS, as required by the leases relating to the Bonds, the University has asked the Authority to consent to the University's entry into the PGA Lease and the Authority believes it advisable and appropriate to provide the consent requested by the University;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY, AS FOLLOWS:

Section 1. Consent of the Authority.

The Members hereby approve the PGA Lease in substantially the form attached hereto as Exhibit A and consents to entry by Kean University into the PGA Lease and authorize and direct the Chair, Vice Chair, Executive Director, Deputy Executive Director, Director of Compliance Management or any Assistant Secretary of the Authority (each an "Authorized Officer") to consent to entry by the University into the PGA Lease with such changes as shall be approved by an Authorized Officer with the advice of bond counsel, if necessary, and the Attorney General of the State, execution and delivery of such consent to be deemed conclusive evidence of the approval thereof.

Section 2. Prior Actions Ratified; All Other Necessary Action Authorized.

Any and all prior actions taken by the Authority in connection with the entry by the University into the PGA Lease by the Authority are hereby ratified and confirmed. The Authorized Officers, are each hereby authorized and directed to undertake any and all actions necessary to effect execution, delivery and performance of the consent to the entry by the University into the PGA Lease and to execute and deliver any other consents, agreements, documents, certificates, directions, amendments, opinions and notices as may be necessary, advisable, or appropriate to effect action and the taking of any such action, and the execution and delivery of each such consent, agreement, documents, certificates, directions and notices shall be conclusive evidence of the approval thereof by the Authorized Officer taking such action and of its necessity, advisability or appropriateness.

Section 3. Effective Date.

This Resolution shall take effect in accordance with the provisions of the *N.J.S.A.* 18A:72A-4(i).

**2016 PGA CHAMPIONSHIP
GROUND LEASE**

THIS GROUND LEASE ("Lease"), made and entered into by and between KEAN UNIVERSITY, an educational organization organized under the laws of the State of New Jersey (hereinafter referred to as "Landlord") and PGA TOURNAMENT CORPORATION, INC., (hereinafter referred to as "Tenant").

**ARTICLE I
PREMISES**

Landlord hereby leases to Tenant and Tenant hereby leases from Landlord for the term, at the rental, and upon all of the conditions set forth herein, that certain real property consisting of the paved parking spaces located at 1000 Morris Avenue, situated in Union, New Jersey for Tenant's use for the 2016 PGA Championship professional golf tournament ("Championship") scheduled to be held July 25-31, 2016, such space (and the number of parking spaces available in each location) more specifically designated in Exhibit A, attached hereto and incorporated herein by reference (the "Premises"). So long as Tenant fulfills the obligations on its part to be performed hereunder, Landlord represents and warrants that Tenant shall peaceably and exclusively hold and quietly enjoy the Premises without interruption by the Landlord, or any mortgagee, holder of any deed of trust, or any other person, firm or corporation claiming under Landlord.

For clarity, the parties agree that Tenant will have exclusive access to the following number of parking spots in the designated lots:

1. Vaughn-Eames Hall – 1400
2. Kean Hall – 450
3. East Campus – 725
4. NJ Center for Science Technology & Math – 275

**ARTICLE II
TERM**

The term of this Lease shall commence on July 18, 2016 for the purpose of preparing the Premises for Tenant's use, and on July 25, 2016 for the purpose of parking vehicles, staging shuttle buses, and shuttle purposes for the Championship and terminate on July 31, 2016, at 11:59 p.m., unless sooner terminated pursuant to any provision hereof. Landlord agrees that in the event of a postponement in play of the Championship, the Premises shall be available for all of the aforementioned purposes on August 1, 2016 at no additional charge to Tenant.

**ARTICLE III
CONSIDERATION**

3.01 **Consideration.** In consideration for Tenant's ability to use the Premises as set forth herein, Tenant agrees to provide Landlord with One Dollar (\$1).

3.02 **Delivery of Consideration.** Tenant shall deliver the consideration set forth above to (TBD landlord designee), 1000 Morris Avenue, Union, New Jersey 07083, or such other address as Landlord may provide from time to time.

**ARTICLE IV
USE AND CONDITIONS OF THE PREMISES**

4.01 **Use.** The Premises may be used and occupied for parking of vehicles, staging of shuttle buses and other parking or shuttle related activities, and transportation of persons under the supervision of Tenant for all such purposes directly or indirectly related to the Championship and related events, including, without limitation the following:

- (a) Place several 10'x10'/20'x20' shade canopies on the Premises.
- (b) Place signage (to include directional signs, traffic cones, rope and other devices) to ensure that those areas not designated as a part of the Premises are not used for any purpose.
- (c) Place portable restroom facilities on the Premises if needed.
- (d) Place trash receptacles and make arrangements for daily pick-up of all trash from the Premises.
- (e) Tenant will have Tenant or Tenant's agent staff the parking areas during the periods of time Tenant will have vehicles parking at the Premises.

4.02 **Compliance with Law.** Tenant shall, at Tenant's expense, comply promptly with, or secure appropriate variances or exemptions from, all applicable statutes, ordinances, rules, regulations, orders, restrictions of record and requirements including applicable zoning laws, as may be in effect during the term or any part of the term hereof regulating the use by Tenant of the Premises.

ARTICLE V **MAINTENANCE, REPAIRS, IMPROVEMENTS AND ALTERATIONS**

5.01 **Tenant's Obligations.** Tenant, and Tenant's agent, shall have the right to enter upon the Premises for purposes of site planning and deciding improvements at Tenant's sole expense, agrees to the following:

- (a) Keep and adequately maintain the Premises and all improvements thereto made by Tenant or Tenant's subtenants;
- (b) all improvements to be removed from the Premises; and
- (c) surrender the Premises to Landlord in substantially the same comparable condition existing as of the date of commencement of the term of this Lease, reasonable wear and tear excepted.

Tenant acknowledges its responsibility to inspect the current condition of the Premises and note any such defects to ensure that the Premises are restored as stated in this paragraph with the exception of pre-existing defects in the condition of the Premises prior to the commencement of this Lease.

5.02 **Landlord's Obligations.**

- (a) **Premises.** It is intended by the parties hereto that Landlord have no obligation, in any manner whatsoever, to repair and maintain the improvements on the Premises, whether structural or nonstructural, all of which obligations are intended to be that of the Tenant under Paragraph 5.01 hereof. Notwithstanding the foregoing, from and after the date of execution hereof, Landlord shall maintain the Premises as usual until the commencement of the Championship.
- (b) Additionally, Landlord agrees to make Landlord's shuttle buses available to Tenant if requested by Tenant provided that the details of Tenant's use of such Landlord owned shuttle buses shall be memorialized in a separate agreement.

5.03 **Improvements, Alterations and Additions.**

- (a) Subject to the requirements set forth herein, Tenant may make such improvements, additions or alterations to the Premises as mutually agreed upon by Tenant and Landlord.

(b) Upon expiration of the term of this Lease, Tenant's facilities, structures and other removable improvements to the Premises shall remain the property of Tenant, and shall be removed by Tenant.

(c) Landlord shall permit Tenant and Tenant's agents to enter upon the Premises at reasonable times after July 1, 2016 for the purpose of site inspections of the Premises for use as set forth in Paragraph 4.01 hereof.

ARTICLE VI
INSURANCE AND INDEMNITY

6.01 **Liability Insurance.** Tenant agrees to maintain in effect throughout the term of this Lease general liability insurance coverage with respect to the Premises in such form and amount as follows:

Type of Insurance	Minimum Limits
A. Commercial General Liability (i) General Aggregate (a) Each Occurrence (ii) Fire Damage	\$2,000,000 \$1,000,000 \$ 50,000
B. Workers' Compensation and Employers' Liability (i) Workers' Compensation (ii) Employers' Liability (a) Bodily Injury by Accident (b) Bodily Injury by Disease	Statutory-all states of operation \$100,000 Each accident \$100,000 Each employee \$500,000 Policy limit
C. Auto Liability Business Auto Coverage shall apply to "any auto" (all owned, hired and non-owned autos). (i) Bodily Injury (ii) Property Damage	\$1,000,000 Combined Single Limit
D. Property It is expressly understood that any property coverage maintained by Tenant is for its sole benefit and will not cover property of others.	N/A

All policies be endorsed to provide thirty (30) days written notice of cancellation, non-renewal or coverage reductions. The Certificates of Insurance, so noting the above, shall be submitted to Landlord at the address set forth in Article X, Section 10.04.

6.02 **Indemnity.** Tenant shall indemnify, defend and hold harmless Landlord and the New Jersey Educationla Facilities Authority, as fee owner of the property, from and against any and all claims arising from Tenant's use or occupancy of the Premises or from the conduct of Tenant's business or from any activity, work or things done, permitted or suffered by Tenant in, on or about the Premises, unless due to Landlord's gross negligence or willful misconduct.

ARTICLE VII
DAMAGE OR DESTRUCTION

Upon casualty, Tenant shall remove the rubbish and ruins resulting therefrom and may, at Tenant's sole discretion, restore and rebuild any improvements to the Premises, subject to the provisions of Article V regarding improvements, alterations and additions, reasonable wear and tear excepted.

ARTICLE VIII
CONDEMNATION

If any of the land area of the Premises shall be taken under the power of eminent domain or sold under the threat of the exercise of said power (herein called "condemnation"), Landlord shall promptly notify Tenant, and Tenant may within thirty (30) days thereafter elect to either continue or terminate this Lease by notice to the Landlord. In the event Tenant does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Consideration may be reduced in the proportion that the land area taken bears to the total land area of the Premises. In the event Tenant elects to terminate this Lease, Landlord shall be entitled to receive a pro-rata portion of the total Consideration in the proportion that the time of Tenant's possession bears to the total term of the Lease, and Landlord shall refund any Consideration in excess of such amount to Tenant.

ARTICLE IX
REAL ESTATE BROKER

Each party represents that it has dealt with no broker in connection with this Lease and that no other broker or finder negotiated this Lease or is entitled to any commission or fee in connection herewith. Each party agrees to indemnify, defend and hold the other harmless from and against all claims for broker's commissions or finder's fees by any person claiming to have been retained by such party in connection with this transaction or to have caused this transaction.

ARTICLE X
GENERAL PROVISIONS

10.01 **Severability.** The invalidity of any provision of this Lease as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

10.02 **Captions.** Article and paragraph captions are not a part hereof.

10.03 **Incorporation of Prior Agreements; Amendments.** This Lease contains all agreements of the parties with respect to any matter mentioned herein. No prior agreement or understanding pertaining to any such matter shall be effective. This Lease may be modified in writing only, signed by the parties in interest at the time of the modification, and notices provided to addressees in 10.04.

10.04 **Notices.** Any notice required or permitted to be given hereunder shall be in writing and may be given by personal delivery or by certified mail, and if given by mail, shall be deemed sufficiently given if addressed at the address noted below:

If to Landlord: **KEAN UNIVERSITY**
1000 Morris Ave
Union, New Jersey 07083
Attention: Executive Vice President for Operations

If to Tenant: **PGA TOURNAMENT CORPORATION, INC.**
2016 PGA Championship
100 Avenue of the Champions

Palm Beach Gardens, Florida 33418

Any notice given by mail shall be effective three (3) days following the date of the U.S. Mail postmark.

10.05 **Binding Effect; Choice of Law.** This Lease shall bind the parties, their personal representatives, successors, heirs and assigns. This Lease shall be governed by the laws of the State of Florida.

10.06 **Authority.** Landlord represents and warrants that it is the leasehold owner of the Premises and is duly authorized by the owners of the Premises to enter into this Lease and has all rights of possession thereto, and that all necessary parties on behalf of Landlord have executed said Lease, and that this Lease is binding upon and enforceable on Landlord and Tenant and/or said owners in accordance with its terms.

10.07 **Excuse of Performance; Condition.** The performance of this Lease by either party is subject to acts of God, war, government regulation or advisory, disasters, fire, accidents or other casualty, strikes or threat of strikes, civil disorder, acts and/or threats of terrorism, or curtailment of transportation services or facilities, or similar cause beyond the control of either party making it illegal, impossible or impracticable to hold, reschedule or relocate the Championship or provide the Premises for parking as outlined herein. Either party may terminate or suspend its obligations under this Lease if such obligations are prevented by any of the above events to the extent such events are beyond the reasonable control of the party whose reasonable performance is prevented. Landlord acknowledges that in the event the Premises are destroyed or rendered unusable prior to the first scheduled day of occupancy and is not repaired for use during the term of occupancy, Tenant shall be entitled to receive a full refund.

10.08 **Date of Lease.** For purposes hereof, the date of this Lease shall be the date of last execution by Landlord and Tenant as noted herein below.

10.09 **Acknowledgement of Sublease.** Tenant acknowledges and agrees that the New Jersey Educational Facilities Authority (NJEFA) holds title to certain of the parking areas leased to Tenant by the Lessor in connection with tax-exempt financing provided by the NJEFA. Tenant agrees to name NJEFA as an additional insured on the insurance policies required under this agreement and further agrees that this agreement may be amended only with the written consent of the NJEFA.

The parties hereto have executed this Lease as of the date set forth below their respective signatures herein below.

KEAN UNIVERSITY

PGA TOURNAMENT CORPORATION, INC.

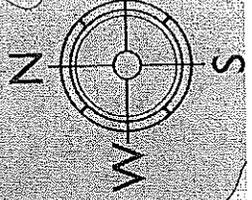
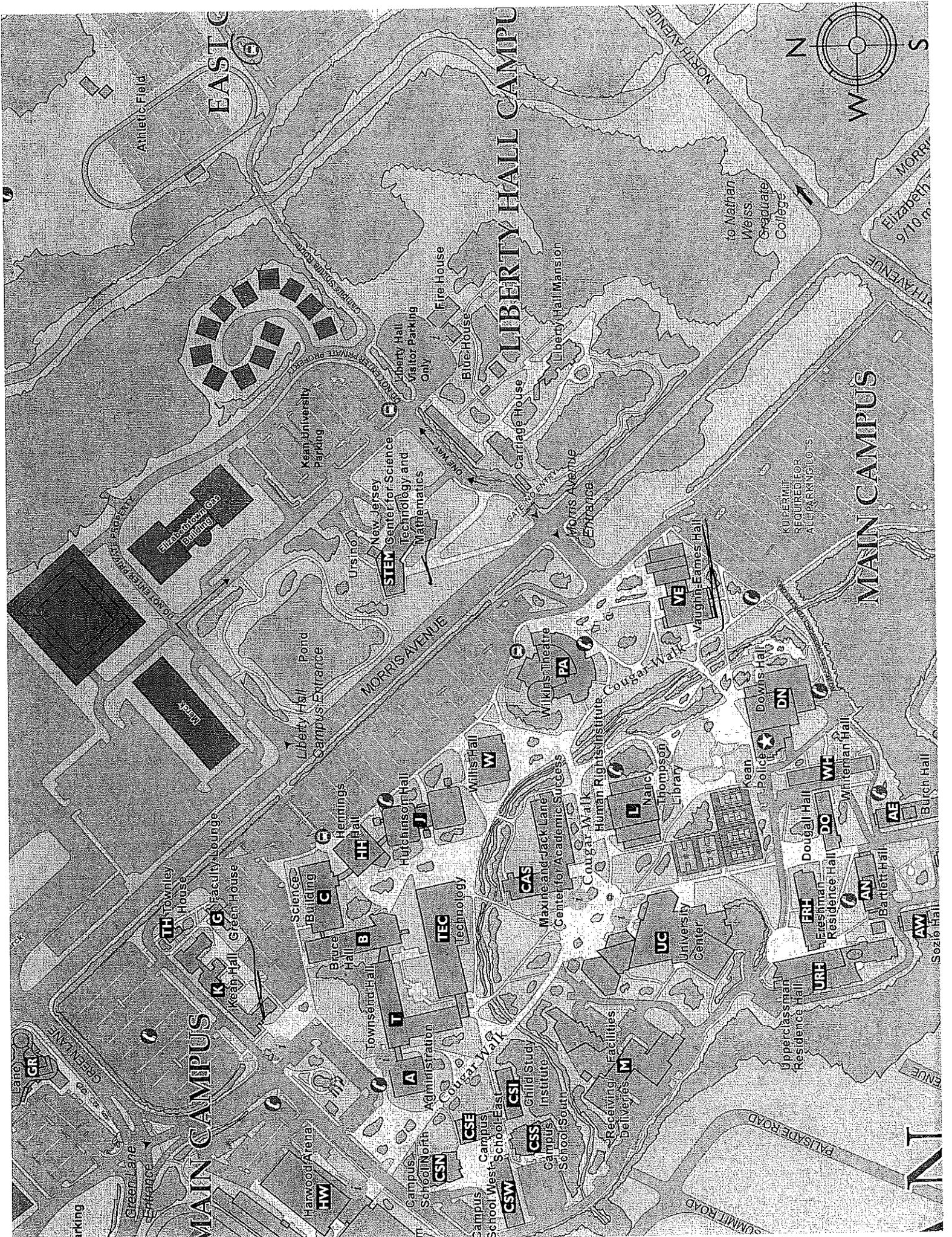
Philip Connelly
Executive Vice President for Operations

Kerry Haigh
Chief Championships Officer

Date: _____

Date: _____

Exhibit A
To Follow



EAST CAMPUS

LIBERTY HALL CAMPUS

MAIN CAMPUS

Athletic Field

to Nathan Weiss Graduate College

STEM Center for Science Technology and Mathematics

Wilkins Theatre

University Center

MAIN CAMPUS

MORRIS AVENUE

SUMMIT ROAD

PARLADE ROAD

GREENLINE

KUPERMILL REQUIRED FOR ALL PARKING LOTS

MORRIS AVENUE

Elizabeth 9/10

MORRIS AVENUE

Plaza Towers Building

Liberty Hall Campus Entrance

Faculty Lounge

Green House

Green Lane

Science Building

Administration

Administration

Hutchinson Hall

Technology

Technology

Technology

Willis Hall

Maxine and Jack Lane Center for Academic Success

Maxine and Jack Lane Center for Academic Success

Maxine and Jack Lane Center for Academic Success

Wilkins Theatre

Human Rights Institute

Human Rights Institute

Human Rights Institute

Human Rights Institute

Vaughn-Eames Hall

Downs Hall

Downs Hall

Downs Hall

Downs Hall

Downs Hall

Whiteman Hall

Whiteman Hall

Whiteman Hall

Whiteman Hall

Whiteman Hall

Upperclassman Residence Hall

Upperclassman Residence Hall

Upperclassman Residence Hall

Upperclassman Residence Hall

Burch Hall

Burch Hall

Burch Hall

Burch Hall

Sozio Hall

____ Mr. Petrecca ____ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by ____ Mr. Rodriguez __ and upon roll call the following members voted:

AYE: Rochelle Hendricks (represented by Gregg Edwards)
Joshua Hodes
Louis Rodriguez
Katherine Ungar
Ford M. Scudder (represented by Steven Petrecca)

NAY: None

ABSTAIN: None

ABSENT: Ridgeley Hutchinson

The Vice Chair thereupon declared said motion carried and said resolution adopted.

New Jersey Educational Facilities Authority

Pending Projects

May 24, 2016

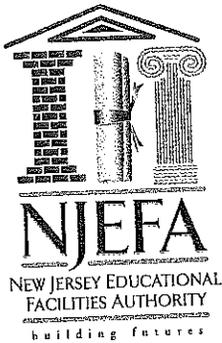
Institution	Project	Transaction Type	Expected Par	Expected PV Savings	Expected Closing
<u>Public Institutions</u>					
New Jersey City University	Refund 2008E	Negotiated	\$52 million	\$6 million	June 1, 2016
Rowan University	Refund 2006G and 2008B	Negotiated	\$45 million	\$6 million	June 2016
Stockton University	Refund 2006F, 2007G and 2008A and \$20M new money	Negotiated	\$230 million	\$23 million	June 2016
<u>Private Institutions</u>					
Stevens Institute of Technology	Refund 1998I and new money	Negotiated	\$75 million	< \$1 million	November 2016

New Jersey Educational Facilities Authority

Closed Projects

May 24, 2016

Institution	Project	Transaction Type	Par	PV Savings	Closed
<u>Public Institutions</u> Montclair State University	Refund 2006J and 2008J	Negotiated	\$118 million	\$18.3 million	May 4, 2016
<u>Private Institutions</u> Princeton University	Refund 2006D, 2006E and new money	Competitive	\$227 million	\$30.9 million	April 5, 2016



103 COLLEGE ROAD EAST • PRINCETON, NEW JERSEY 08540
 PHONE 609-987-0880 • FAX 609-987-0850

BOND SALE SUMMARY

Borrower: Princeton University, Princeton, New Jersey

Issue: 2016 Series A

Amount: \$109,500,000

Purpose: To provide funds to: (i) finance (in whole or in part) the costs of the acquisition, construction, renovation and installation of certain capital assets to be located at or near the University's main campus in Princeton, New Jersey, at its Forrestal Campus in Plainsboro, New Jersey, or at its administrative building at 701 Carnegie Center in West Windsor, New Jersey, consisting of (A) the renovation and repair of various University buildings and other facilities, including utility systems, roads, grounds and parking, (B) the construction of academic, administrative and/or student related capital facilities, and (C) the acquisition of land; (ii) refund a portion of the Authority's Princeton University Commercial Paper Notes, Series 2014A (Tax-exempt); (iii) refund a portion of The Trustees of Princeton University Taxable Commercial Paper Notes; and (iv) pay certain costs incidental to the sale and issuance of the 2016 Series A Bonds.

Structure: Competitive, Fixed Rate

Final Maturity: July 1, 2035

True Interest Cost: 2.53%

Bond Ratings: Aaa – Moody's Investors Service
 AAA – Standard & Poor's Ratings

Priced: March 9, 2016

Closed: April 5, 2016

Professionals on the Transaction:

Bond Counsel:

Authority's Counsel:

Borrower's Counsel:

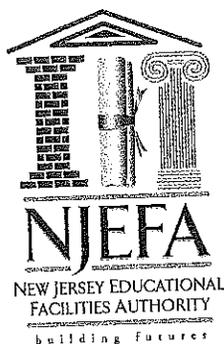
Borrower's Financial Advisor:

Winning Bidder:

Trustee:

Trustee Counsel:

McManimon, Scotland & Baumann, LLC
Attorney General of the State of New Jersey
Ballard Spahr LLP
The Yuba Group
Citigroup Global Market, Inc.
The Bank of New York Mellon
Hawkins Delafield & Wood LLP



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BOND SALE SUMMARY

Borrower: Princeton University, Princeton, New Jersey

Issue: 2016 Series B

Amount: \$117,820,000

Purpose: To provide funds to finance: (i) the current refunding and defeasance of all, or a portion, of the Outstanding 2006 Series D Bonds; (ii) the current refunding and defeasance of all, or a portion, of the Outstanding 2006 Series E Bonds; and (iii) the payment of certain costs incidental to the sale and issuance of the 2016 Series B Bonds.

Structure: Competitive, Fixed Rate

Final Maturity: July 1, 2027

True Interest Cost: 1.77%

Net Present Value Savings: \$30,853,072 / 21.04%

Bond Ratings: Aaa – Moody’s Investors Service
AAA – Standard & Poor’s Ratings

Priced: March 9, 2016

Closed: April 5, 2016

Professionals on the Transaction:

Bond Counsel:

Authority's Counsel:

Borrower's Counsel:

Borrower's Financial Advisor:

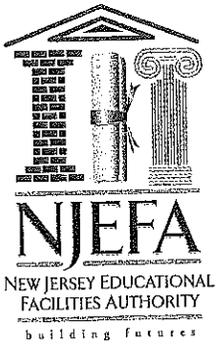
Senior Manager:

Trustee:

Trustee Counsel:

Verification Agent:

McManimon, Scotland & Baumann, LLC
Attorney General of the State of New Jersey
Ballard Spahr LLP
The Yuba Group
Goldman, Sachs & Co.
The Bank of New York Mellon
Hawkins Delafield & Wood LLP
The Mercadien Group



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BOND SALE SUMMARY

Borrower: Montclair State University, Montclair, New Jersey

Issue: Series 2016 B

Amount: \$118,190,000

Purpose: To provide funds sufficient to: (i) current refund a portion of the Authority's outstanding Revenue Refunding Bonds, Montclair State University Issue, Series 2006 J; (ii) advance refund a portion of the Authority's outstanding Revenue Bonds, Montclair State University Issue, Series 2008 J; and (iii) pay costs of issuance of the Series 2016 B Bonds.

Structure: Negotiated Sale, Fixed Rate

Final Maturity: July 1, 2038

True Interest Cost: 2.88%

Net Present Value Savings: \$18,337,553 / 13.26%

Bond Ratings: A1 - Moody's Investors Service
AA- - Fitch Ratings

Priced: April 19, 2016

Closed: May 4, 2016

Professionals on the Transaction:

Bond Counsel:	GluckWalrath LLP
Authority's Counsel:	Attorney General of the State of New Jersey
Borrower's Financial Advisor:	Acacia Financial Group, Inc.
Senior Manager:	Barclays Capital, Inc.
Co-Managers:	Janney Montgomery Scott LLC
	Raymond James & Associates, Inc.
	Ramirez & Co., Inc.
Underwriter's Counsel:	Connell Foley LLP
Trustee/Escrow Agent:	U.S. Bank, National Association
Trustee/Escrow Agent's Counsel:	McManimon, Scotland & Baumann, LLC
Verification Agent:	The Arbitrage Group, Inc.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
2016 BUDGET VARIANCE ANALYSIS
FOR FOUR MONTHS ENDED APRIL 30, 2016**

Executive Summary

The NJEFA concluded April with year-to-date net operating income in the amount of \$89,526, based on revenues of \$1,000,555 and expenses of \$911,029. As a result, net operating income is higher than budgeted by \$122,043. This difference is a result of less than budgeted expenses in the amount of \$163,130 partially offset by less than budgeted revenues in the amount of \$41,087.

Revenues

Revenues were less than projected through April primarily due to less than expected bond issuance activity.

Expenses

Operating expenditures for the first four months of the year were favorable as compared to budget by \$163,130. Most of the line items display positive deviations and are primarily the result of staff vacancies and timing.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
ACTUAL vs. BUDGET REPORT
APRIL 2016

	Month Ended April 30, 2016			Four Months Ended April 30, 2016		
	Actual	Budget	Variance	Actual	Budget	Variance
<u>Operating Revenues</u>						
Annual Administrative Fees	\$246,938	\$246,938	\$ -	\$ 987,752	\$ 987,752	\$ -
Initial Fees	-	52,222	(52,222)	-	52,222	(52,222)
Investment Income	<u>2,592</u>	<u>417</u>	<u>2,175</u>	<u>12,803</u>	<u>1,668</u>	<u>11,135</u>
	<u>\$ 249,530</u>	<u>\$ 299,577</u>	<u>\$ (50,047)</u>	<u>\$ 1,000,555</u>	<u>\$ 1,041,642</u>	<u>\$ (41,087)</u>
<u>Operating Expenses</u>						
Salaries	\$100,048	\$106,914	\$ 6,866	\$ 378,880	\$ 427,656	\$ 48,776
Employee Benefits	24,223	38,820	14,597	232,690	285,280	52,590
Provision for Post Ret. Health Benefits	12,358	12,358	-	49,432	49,432	-
Office of The Governor	2,208	2,208	-	8,833	8,832	(1)
Office of The Attorney General	2,500	4,667	2,167	(414)	18,668	19,082
Sponsored Programs	-	500	500	-	2,000	2,000
Telephone	2,212	1,667	(545)	5,692	6,668	976
Rent	19,794	24,464	4,670	83,617	88,286	4,669
Utilities	1,687	1,792	105	6,747	7,168	421
Postage	112	417	305	706	1,668	962
Office Supplies & Expenses	2,470	3,333	863	14,059	13,332	(727)
Travel & Official Receptions	1,992	1,250	(742)	3,806	5,000	1,194
Staff Training & Tuition Reimbursement	2,698	1,750	(948)	3,552	7,000	3,448
Insurance	2,699	2,699	-	29,928	10,796	(19,132)
Annual Report & Newsletters	-	2,792	2,792	-	11,168	11,168
Public Relations	-	683	683	-	2,732	2,732
Professional Services	4,930	25,000	20,070	50,744	67,500	16,756
Dues & Subscriptions	1,826	3,110	1,284	21,410	26,149	4,739
Data Processing	3,675	3,833	158	11,025	15,332	4,307
Maintenance of Equipment	927	3,333	2,406	4,164	13,332	9,168
Depreciation	1,539	1,540	1	6,158	6,160	2
Contingency	-	-	-	-	-	-
	<u>187,898</u>	<u>243,130</u>	<u>55,232</u>	<u>911,029</u>	<u>1,074,159</u>	<u>163,130</u>
Net Operating Income	<u>\$ 61,632</u>	<u>\$ 56,447</u>	<u>\$ 5,185</u>	<u>\$ 89,526</u>	<u>\$ (32,517)</u>	<u>\$ 122,043</u>

New Jersey Educational Facilities Authority
Summary of Construction Funds
As of April 30, 2016

<u>Institution</u>	<u>Issue</u>	<u>Description</u>	<u>Bond Proceeds</u>	<u>Net Disbursed</u>	<u>Balance</u>	<u>% Complete</u>
<u>Private</u>						
Princeton University	2016 Series A	Renov, Maint & Refund Commercial Paper	\$ 131,644,807.40	\$ (77,714,077.33)	\$ 53,930,730.07	59%
Sub Total			\$ 131,644,807.40	\$ (77,714,077.33)	\$ 53,930,730.07	
<u>Public</u>						
The College of New Jersey	Series 2010 B	Construct School of Education	\$ 44,293,116.12	\$ (41,537,942.59)	\$ 2,755,173.53	94%
New Jersey City University	Series 2010 F	Various Capital Improvements	14,717,070.83	(13,807,652.29)	909,418.54	94%
New Jersey City University	Series 2010 G	Various Capital Improvements	18,201,075.23	(17,196,582.80)	1,004,492.43	94%
The College of New Jersey	Series 2013 A	Demo of Holman Hall, Construct and Renov of STEM	25,608,240.10	(9,722,030.38)	15,886,209.72	38%
Montclair State University	Series 2014 A	Various Refundings and Capital Projecis	156,675,111.09	(63,969,955.90)	92,705,155.19	41%
Thomas Edison State College	Series 2014 B	Nursing Education Center & Parking	7,000,000.00	(5,400,310.88)	1,599,689.12	77%
New Jersey City University	Series 2015 A	Various Renovations & Improv, Refund 02 A, 08 E	37,869,656.10	(19,425,042.02)	18,444,614.08	51%
Ramapo College of New Jersey	Series 2015 B	Refund & Renov to Student Center & Coll. Park Apis	16,039,113.37	(6,786,429.57)	9,252,683.80	42%
William Paterson University of New Jersey	Series 2015 C	Refund & Improv, Renov Hunziker Hall & Wing	20,486,649.75	(3,111,318.10)	17,375,331.65	15%
Sub Total			\$ 340,890,032.59	\$ (180,957,264.53)	\$ 159,932,768.06	
<u>Other Programs</u>						
Equipment Leasing Fund	Series 2014 A&B	Acquisition and Installation of Equipment	\$ 101,266,893.00	\$ (55,542,066.93)	\$ 45,724,826.07	55%
Technology Infrastructure Fund	Series 2014	Development of Technology Infrastructure	41,313,667.00	(22,840,640.46)	18,473,026.54	55%
Capital Improvement Fund	Series 2014 A-D	Capital Improvements	191,905,596.00	(90,888,063.14)	101,017,532.86	47%
Facilities Trust Fund	Series 2014	Construct, Reconstruct, Develop & Improve Facilities	219,977,164.00	(91,980,229.27)	127,996,934.73	42%
Sub Total			\$ 554,463,320.00	\$ (261,250,999.80)	\$ 293,212,320.20	
Grand Total			\$ 1,026,998,159.99	\$ (519,922,341.66)	\$ 507,075,818.33	

NJFEFA
Operating Account - Vendor Payments
April 2016

Type	Date	Num	Name	Memo	Account	Accrual Basis Amount
Check	04/01/2016	11030	100 & RW CRA, LLC	Inv 100977, 100979, 100978	Rent, Utilities	22,271.67
Check	04/01/2016	11031	Neopost Northeast	Inv NEDAR237236	Office Supplies and Expenses	121.00
Check	04/01/2016	11032	Nelson, Steven	Expense Reimbursement - NABL Conference 3/23/16	Staff Training, Travel	1,056.20
Check	04/01/2016	11033	UPS	Inv 2Y687X126	Postage	60.39
Check	04/01/2016	11034	Newell, Katherine	Employee Reimb - NABL 2016 Tax & Securities	Office Supplies and Expenses	795.00
Check	04/01/2016	11035	Panera Bread	3/22/2016 Board Meeting Inv 60147600282	Travel & Official Receptions	125.40
Check	04/01/2016	11036	NJBIA	Inv 5145586751 NJBIA Program MM, ST	Staff Training	178.00
Check	04/01/2016	11037	Jersey Printing	Inv 22793	Office Supplies and Expenses	165.00
Check	04/01/2016	11038	NJ Economic Development Authority	April Coverage	Employee Benefits	1,309.68
Check	04/01/2016	11039	Paterson, Debra L.	Employee Reimbursement	Employee Benefits	54.00
Check	04/01/2016	11040	Spector, Jeremy	Expense Reimbursement - Travel 2/19/16 - 3/13/16	Travel & Official Receptions	608.70
Check	04/04/2016	EFT	NJSHBP	ID 150400 04/16	Employee Benefits	20,623.87
Check	04/04/2016	EFT	NJSHBP	INV440255	Post Retirement Benefits	5,242.57
Check	04/12/2016	11041	SS&C Technologies, Inc	Inv 9763069669	Data Processing	3,675.00
Check	04/12/2016	11042	Verizon Wireless	Inv 1603219630	Telephone	91.96
Check	04/12/2016	11043	Lexis Nexis	Inv 1232858	Dues & Subscriptions	292.00
Check	04/12/2016	11044	CliftonLarsonAllen LLP	Inv 73762-G	Professional Services	4,600.00
Check	04/12/2016	11045	Government News Network	Inv 03430499 Payroll Managers Letter	Dues & Subscriptions	303.00
Check	04/12/2016	11046	Wolters Kluwer Law & Business	Inv 84213	Dues & Subscriptions	545.00
Check	04/12/2016	11047	DocuSafe	Inv 2Y687X146	Office Supplies and Expenses	119.00
Check	04/12/2016	11048	UPS	2016 NJ Instit Investors Conference JO, ZB	Postage	10.37
Check	04/12/2016	11049	Raymond James	Employee Reimbursement	Receptions	50.00
Check	04/12/2016	11050	Mueller, Marie P	Inv 93647019	Employee Benefits	300.00
Check	04/12/2016	11051	Thomson Reuters (Markets) LLC	Inv IS0462858	Dues & Subscriptions	686.00
Check	04/12/2016	11052	W.B. Mason Company, Inc.	Inv ARINV-675416, ARINV-674961	Office Supplies and Expenses	984.69
Check	04/12/2016	11053	Softmart, Inc.	Inv XJWX747N8, XJWWK1R49	Data Processing Equipment	3,526.01
Check	04/12/2016	11054	Dell Marketing L.P.	Inv 907111-0316	Data Processing Equipment	5,249.48
Check	04/12/2016	11055	Arkadin Inc.	Expense Reimbursement - NABL Conference 3/23/16	Telephone	167.22
Check	04/12/2016	11056	McFadyen, Jacqueline	Replenish Petty Cash	Staff Training, Travel	1,056.20
Check	04/12/2016	11057	Cash	Inv 66054160415	Receptions, Office Supplies & Exp	101.39
Check	04/12/2016	11058	Line Systems	Inv 4170263	Telephone	1,952.68
Check	04/12/2016	11059	US Bank	Inv 5041406031 - 7500	Public Library Project Oblig.	3,232.50
Check	04/12/2016	11060	Ricoh USA, Inc.	Inv 022103	Equipment Maintenance	416.16
Check	04/12/2016	11061	Polar Inc.	Expense Reimbursement - NABL Conference 4/11/16	Office Supplies and Expenses	89.85
Check	04/12/2016	11062	Yang, Eileen	Inv 2Y687X166, 2Y687X046	Staff Training, Travel	1,017.20
Check	04/26/2016	11063	UPS	Inv 489973	Postage	81.86
Check	04/26/2016	11064	20/20 Business Solutions, Inc.	Inv 101670	Equipment Maintenance	511.11
Check	04/26/2016	11065	100 & RW CRA, LLC	Employee Reimbursement	Office Supplies and Expenses	54.39
Check	04/26/2016	11066	Yang, Eileen	Inv 111-1686859	Employee Benefits	189.98
Check	04/26/2016	11067	The Bank of New York Mellon	Inv 16030005636	Post Retirement Benefits	500.00
Check	04/26/2016	11068	Bank of America - Acct Analysis	Inv 30174 - JS	Office Supplies and Expenses	119.25
Check	04/26/2016	11069	NJ Alliance For Action, Inc.	Office Meeting 4/20/2016	Staff Training	95.00
Check	04/26/2016	11070	Gennaro's	Inv 30225 - SN, Inv 30226 - SS	Travel & Official Receptions	233.20
Check	04/26/2016	11072	NJ Alliance For Action, Inc.		Staff Training	190.00
						83,051.98

NJEFA

Operating Account - Vendor Payments
March 2016

Type	Date	Num	Name	Memo	Account	Amount
Check	03/01/2016	10991	100 & RW CRA, LLC	Inv 100280, 100282, 100281	Rent, Utilities	23,751.57
Check	03/09/2016	10992	SS&C Technologies, Inc	INV438035	Data Processing	3,675.00
Check	03/09/2016	10993	DocuSafe	Inv 83370	Office Supplies and Expenses	272.58
Check	03/09/2016	10994	Government News Network	Inv 73485-G	Dues & Subscriptions	303.00
Check	03/09/2016	10995	CliffonLarsonAllen LLP	Inv 1202381	Professional Services	28,000.00
Check	03/09/2016	10996	NJ Economic Development Authority	March Coverage	Employee Benefits	1,309.68
Check	03/09/2016	10997	Nelson, Steven	Expense Reimbursement - Travel 2/19/16 - 3/7/16	Travel & Official Receptions	95.87
Check	03/09/2016	10999	Arkadin Inc.	Inv 897752-0216	Telephone	84.65
Check	03/09/2016	11000	Monster.com	Inv 6180653	Office Supplies and Expenses	395.00
Check	03/09/2016	11001	Northside News Service	Jan.-Feb. 26/16	Dues & Subscriptions	72.50
Check	03/09/2016	11002	UPS	Inv 2Y687X096, 2Y687X086	Postage	104.40
Check	03/09/2016	11003	Spector, Jeremy	Expense Reimbursement - Travel 1/11/16 - 2/12/16	Travel & Official Receptions	117.43
Check	03/09/2016	11004	Panera Bread	2/23/2016 Board Meeting Inv 60147600279	Travel & Official Receptions	125.40
Check	03/09/2016	11005	NJ Legislative Manual	2016 Legislative Manual - 2 Units	Dues & Subscriptions	167.00
Check	03/09/2016	11006	The Municipal Forum Youth Education Fund	Annual Dinner 5/11/16 - SN	Travel & Official Receptions	185.00
Check	03/10/2016	11007	McFadyen, Jacqueline	Employee Reimbursement	Employee Benefits	536.20
Check	03/10/2016	EFT	PERS	Annual Employer Pension Appropriation	Pension Expense	138,860.00
Check	03/10/2016	EFT	NJSHBP	ID 150400 03/16	Employee Benefits	20,623.87
Check	03/16/2016	11008	Romeo's Restaurant & Pizza	Office Meeting 3/16/2016	Travel & Official Receptions	177.95
Check	03/16/2016	EFT	United States Postal Service - Neopost	Replenish Meter	Postage	300.00
Check	03/21/2016	11009	Hazley, Linda J.	Employee Reimbursement - Travel 3/7/16	Employee Benefits	50.00
Check	03/21/2016	11010	Newell, Katherine	Employee Reimbursement - Travel 3/11/16 - 3/14/16	Travel & Official Receptions	23.53
Check	03/21/2016	11011	Neopost Northeast	Inv NEDAR235961	Equipment Maintenance	484.00
Check	03/21/2016	11012	Thomson Reuters (Markets) LLC	Inv 93560581	Dues & Subscriptions	686.00
Check	03/21/2016	11013	Lamont Financial Services	Inv 455-0316	Professional Services	11,500.00
Check	03/21/2016	11014	Line Systems	Inv 66054160315	Telephone	1,839.37
Check	03/21/2016	11015	Dell Marketing L.P.	Inv XJWR4PRK2, XJWNR3267	Data Processing Equipment	2,526.76
Check	03/21/2016	11016	20/20 Business Solutions, Inc.	Inv 489831	Equipment Maintenance	511.11
Check	03/21/2016	11017	UPS	Inv 2Y687X106	Postage	12.08
Check	03/21/2016	11018	Government Finance Officers Association	Inv 2814521	Office Supplies and Expenses	150.00
Check	03/21/2016	11019	McFadyen, Jacqueline	Expense Reimbursement - Travel 3/11/16 - 3/14/16	Travel & Official Receptions	86.94
Check	03/21/2016	11020	NJ Alliance For Action, Inc.	Inv 30000 - Roger Jacobs - Seaview	Staff Training	95.00
Check	03/21/2016	11021	Ricoh USA, Inc.	Inv 1061252105 - Main Copier (7500)	Equipment Maintenance	192.82
Check	03/21/2016	11022	Bloomberg Finance LP	Inv 5603275514	Dues & Subscriptions	6,270.00
Check	03/21/2016	11023	Bank of America - Acct Analysis	Inv 16020005607	Office Supplies and Expenses	142.79
Check	03/21/2016	11024	Panera Bread	3/9/16 Princeton Pricing Inv 60147600281	Travel & Official Receptions	85.97
Check	03/21/2016	11025	Verizon Wireless	Inv 9761424411	Telephone	91.98
Check	03/21/2016	11026	W.B. Mason Company, Inc.	Inv IS0452182	Office Supplies and Expenses	1,946.91
Check	03/21/2016	11027	Lexis Nexis	Inv 1602219790	Dues & Subscriptions	292.00
Check	03/21/2016	11028	Gennaro's	3/9/16 Princeton Pricing 13104	Travel & Official Receptions	230.20
Check	03/21/2016	11029	Newell, Katherine	Employee Reimbursement - Data Plan Jan.-March	Telephone	108.00
						246,482.66