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

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED DECEMBER 31, 2019 AND 2018

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
YEARS ENDED DECEMBER 31, 2019 AND 2018

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NJEFA
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
building futures

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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 PKF O'Connor Davies, 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.

Eric D. Brophy, Esq.
Executive Director

Brian Sootkoos
Director of Finance

July 13, 2020

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying basic financial statements of the business-type activities and fiduciary funds of the New Jersey Educational Facilities Authority (the "Authority"), a component unit of the State of New Jersey, as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. Management is also responsible for 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.

PKF O'CONNOR DAVIES, LLP
20 Commerce Drive, Suite 301, Cranford, NJ 07016 I Tel: 908.272.6200 I Fax: 908.272.2416 I www.pkfod.com

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and fiduciary funds of the Authority as of December 31, 2019 and 2018, and the respective changes in its financial position, and, where applicable their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Emphasis of Matter – Change in Accounting Principle
As discussed in Note 2 to the financial statements, during the year ended December 31, 2019, the Authority adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities.* Our opinion is not modified with respect to this matter.

Emphasis of Matter – Subsequent Event
As discussed in Note 9 to the financial statements, on March 11, 2020, the World Health Organization declared a global pandemic as a result of the spread of the Coronavirus disease 2019 (“COVID-19”). Our opinion is not modified with respect to that matter.

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that management’s discussion and analysis on pages 5 – 9, the schedule of proportionate share of the net OPEB liability and schedule of Authority OPEB contributions pages 32 and 33, and the schedule of proportionate share of net pension liability and schedule of Authority pensions contributions on pages 34 and 35, 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 36 – 47, 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 13, 2020, 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.

PKF O'Connor Davies, LLP

Cranford, New Jersey
July 13, 2020

Introduction

This section of the New Jersey Educational Facilities Authority's ("NJEFA" or the "Authority") annual financial report presents management's discussion and analysis of the Authority's financial performance during the fiscal year ended December 31, 2019 and the two immediately preceding years. It should be read in conjunction with the Authority's financial statements and accompanying notes.

Background

The New Jersey Educational Facilities Authority ("NJEFA" or "Authority"), is an independent and self- supporting state entity created pursuant to Chapter 271 of the Public Laws of 1966, N.J.S.A. 18A:72A-1 et seq., as amended and supplemented (the "Act"), to provide a means for New Jersey public and private colleges and universities ("Institutions") to construct educational facilities through the financial resources of a public fiduciary empowered to sell tax-exempt and taxable bonds, notes and other obligations. NJFEA is New Jersey's primary issuer of higher education purpose municipal bonds to finance and refinance the construction and development of campus facilities at Institutions throughout the State.

The Authority finances and refinances various types of projects for approximately 50 public and private institutions of higher education in New Jersey. Projects include, but are not limited to, the construction, renovation and acquisition of residential, academic, and research facilities; libraries; technology infrastructures; student life and athletic facilities; parking structures; utilities-related projects; and refinancing of existing debt.

In conjunction with the Office of the Secretary of Higher Education, the Authority also administers the State of New Jersey's higher education capital facilities grant programs and from time to time, issues state-backed bonds under these programs to fund grants for their various purposes. These state- backed bonds are secured by a contract with the State Treasurer to pay principal of and interest on such bonds subject to appropriations being made, from time to time, by the New Jersey State Legislature (the "Legislature").

The obligations issued by the Authority are special and limited obligations of the Authority and are not a debt or liability of the State of New Jersey or of any political subdivision thereof other than the Authority, and are not a pledge of the faith and credit of the State of New Jersey or of any such political subdivision thereof. The Authority has no taxing power. The obligations issued by the Authority are payable solely from amounts received from the borrower's by the Authority under the transaction documents and amounts on deposit in certain funds established under the transaction documents.

The Authority is governed by a seven-member board composed of five public, unsalaried members appointed by the Governor with confirmation by the New Jersey Senate. The State Treasurer and the Secretary of Higher Education serve as ex-officio members and by statute, the Governor has veto authority over all actions of the Authority members.

Business Overview

Today, the NJEFA offers colleges and universities a range of services and products to meet institution's financing objectives, including tax-exempt and taxable bond financings, direct bank placement/ purchase transactions, and tax-exempt equipment leasing. Financing options include new money transactions, refunding transactions or a combination of the two. More than just financing a transaction, NJEFA remains involved with their clients from concept to closing and beyond. NJEFA provides its clients with in-house expertise in the financial markets, tax and securities law, and post-issuance matters, among others. In addition, the Authority assists in the processing of all requisitioning and bond fund accounting for college borrowers; manages the investment and reinvestment of bond funds; and manages all arbitrage compliance.

The Authority's operating revenue is derived from initial and annual fees related to the issuance and administration of stand-alone bond transactions, as well as the issuance and administration of state-backed bonds under the State's higher education capital facilities grant programs.

Stand-Alone Debt Transactions

The Authority's operating revenues primarily result from initial and annual financing fees related to stand-alone financing transactions. Generally, upon the closing of a transaction, higher education institutions pay an initial financing fee to cover the services provided by NJEFA to manage and complete the desired financing. The fee is calculated using a percentage of the total issuance amount. Annual financing fees are calculated using a percentage of the total outstanding par amount on the bonds. The annual financing fee, typically referred to as the annual administrative fee, covers ongoing bond fund administration and post issuance debt compliance, including: investment of bond funds; requisition review and payment; audit support as requested; arbitrage monitoring; real estate matters; and assisting institutions with continuing post-issuance compliance matters.

State Grant Administration

The Authority, in partnership with the Office of the Secretary of Higher Education and the Department of Treasury, administers the New Jersey Higher Education Capital Grant Programs. Through NJEFA's issuance of state-backed bonds and the State's issuance of General Obligation bonds, New Jersey's institutions of higher education are able to increase capacity, modernize facilities and equipment, expand access to and provide state-of-the-art academic opportunity for New Jersey's students.

The Authority is highly involved in every aspect of the grant process and post issuance administration. During the solicitation process, the Authority assists in the development, distribution and review of applications for conformity to solicitation requirements. In consultation with the Office of the Secretary of Higher Education and the Attorney General's Office, the Authority develops grant and lease agreements in accordance with state law and regulations, reviews financing documents, and corresponds with institutions needing assistance throughout the process. The Authority receives and reviews all requisitions for approved projects. Requisitions are reviewed to ensure grant proceeds are expended only for costs of an approved project, that the institution has satisfied any obligation to match grant funding, and that reimbursement is permissible per the grant agreement and applicable IRS rules and regulations.

The Authority assists the Secretary of Higher Education in fulfilling obligations under the post-issuance compliance tax procedures and in addressing any tax issues that may arise when a contract or arrangement might create "private business use" of bond-financed facilities.

The Authority's operating revenues related to the administration of the Higher Education Capital Grant Programs are derived from initial fees on NJEFA issued State-backed bonds and annual fees for ongoing bond fund and grant management and debt compliance. Generally, The Authority collects an initial fee for each completed State-backed financing and annual fees for each grant, funded throughout the term of the bonds. Both the initial fee and the annual fee are based on a contracted amount as defined in the grant or lease agreements.

Overview of Financial Statements

The Authority is a self-supporting, special purpose government entity 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 provide information about the Authority's overall financial condition and operations. The notes provide explanations and more details about the content of the basic financial statements.

This report consists of three parts: management's discussion and analysis, financial statements and the accompanying notes and the required supplementary information. The three financial statements presented are as follows:

Statement of Net Position – The statement of net position presents information reflecting the Authority's assets, deferred outflow of resources, liabilities, deferred inflows of resources and net position. The Authority's net position represents the amount of total assets and deferred outflows of resources less liabilities and deferred inflows of resources and is one way to measure the Authority's financial position and operational solvency.

Statement of Revenues, Expenses and Changes in Net Position – The statement reflects the Authority's operating and nonoperating revenues and expense for the fiscal year. Nonoperating activity primarily relates to investment income.

Statement of Cash Flows – The statement of cash flows is presented using the direct method which reflects cash flows from operating, investing and capital financing activities. Cash collections and payments are reflected in this statement to arrive at the net increase or decrease in cash for each year. The statement also includes a reconciliation between operating income or loss for the period per the Statement of Revenues, Expenses and Changes in Net Position to net cash provided or used from operating activities per the Statement of Cash Flows.

Statement of Fiduciary Net Position – The statement of fiduciary net position presents information reflecting the Authority's trust fund for Other Post Employment Benefit (OPEB) assets, deferred outflow of resources, liabilities, deferred inflows of resources and net position. The Authority's fiduciary net position represents the amount of total assets and deferred outflows of resources less liabilities and deferred inflows of resources and is one way to measure the Authority's financial position and operational solvency for the OPEB plan.

Statement of Changes in Fiduciary Net Position – The statement reflects the Authority's additions and deductions to the OPEB trust during the fiscal year.

Financial Highlights 2019:

- The Authority issued $22 million of conduit debt for educational institutions during 2019.
- Cash and Investments represent approximately 90% of Total Assets at the end of 2019.
- The Authority's 2019 operating margin (net operating income as a percentage of operating revenues) was 0.4%.
- At December 31, 2019, Net Position represents approximately 2 times 2019 total operating expenses.

During 2019, the Authority's volume of financing activity, excluding the state-backed bond programs was approximately $22 million more than 2018. 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.

Condensed Financial Information

The following table represents condensed statement of net position information and changes between December 31, 2018 and December 31, 2019 and between December 31, 2017 and December 31, 2018:

	2019	2018	2017	Increase (Decrease) 2018 to 2019	Increase (Decrease) 2017 to 2018
Current Assets	$ 10,863,450	$ 10,662,151	$ 10,541,445	1.89%	1.15%
Capital Assets, Net	66,142	86,049	104,493	-23.13%	-17.65%
Security Deposit	21,505	21,505	21,505	0.00%	0.00%
Net OPEB Asset	385,851	-	-	100.00%	0.00%
Deferred Outflows of Resources	1,130,156	1,526,382	2,110,999	-25.96%	-27.69%
Total Assets and Def. Outflows	12,467,104	12,296,087	12,778,442	1.39%	-3.77%
Current Liabilities	712,898	645,259	503,583	10.48%	28.13%
Noncurrent Liabilities	3,468,062	3,921,922	5,804,742	-11.57%	-32.44%
Total Liabilities	4,180,960	4,567,181	6,308,325	-8.46%	-27.60%
Deferred Inflows of Resources	3,711,608	3,384,687	2,052,198	9.66%	64.93%
Total Net Position	$ 4,574,536	$ 4,344,219	$ 4,417,919	5.30%	-1.67%

The following table represents condensed information from the Statements of Revenues, Expenses, and Changes in Net Position, and changes between 2018 and 2019 and between 2017 and 2018:

	2019	2018	2017	Increase (Decrease) 2018 to 2019	Increase (Decrease) 2017 to 2018
Operating Revenues:					
Administrative Fees	$ 2,437,351	$ 2,493,007	$ 3,166,792	-2.23%	-21.28%
Total Operating Revenues	2,437,351	2,493,007	3,166,792	-2.23%	-21.28%
Operating Expenses:					
Salaries and Related Expenses	1,855,729	2,076,501	2,396,746	-10.63%	-13.36%
General and Administrative Expenses	511,616	599,007	578,309	-14.59%	3.58%
Professional Fees	59,133	92,427	121,573	-36.02%	-23.97%
Total Operating Expenses	2,426,478	2,767,935	3,096,628	-12.34%	-10.61%
Net Operating Income/(Loss)	10,873	(274,928)	70,164	-103.95%	-491.84%
Nonoperating Revenues (Expenses):					
Loss of Asset Disposal	(129)	(895)	(1,860)	-85.59%	-51.88%
Investment Income	219,573	202,123	69,933	8.63%	189.03%
Change in Net Position	230,317	(73,700)	138,237	-412.51%	-153.31%
Net Position - Beginning of Year	4,344,219	4,417,919	4,279,682	-1.67%	3.23%
Net Position - End of Year	$ 4,574,536	$ 4,344,219	$ 4,417,919	5.30%	-1.67%

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 2019 decreased approximately $56,000 from 2018 and total revenues for 2018 decreased approximately $674,000 from 2017.

Expenses

Operating expenses decreased in 2019 by 12.34% from 2018, and 2018 decreased 10.61% from 2017.

Assets and Liabilities

Net position increased $230,317, or 5.30% from 2018 to 2019 and decreased $73,700, or 1.67% from 2017 to 2018. Net position increased in 2019 as a result of a decrease in operating expenses.

Contacting the Authority's Financial Management

If you have questions about this report or need additional financial information, contact the Office of the Chief Finance 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 NET POSITION
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash	$ 905,527	$ 169,676
Investments, Principally U.S. Government Obligations	9,915,551	10,020,352
Fees Receivable	2,078	419,828
Prepaid Expenses and Other Assets	40,294	52,295
Total Current Assets	10,863,450	10,662,151
NONCURRENT ASSETS		
Capital Assets, at cost, Less Accumulated Depreciation of $377,529 and $350,052 Through 2019 and 2018, Respectively	66,142	86,049
Security Deposit	21,505	21,505
Net OPEB asset	385,851	-
Total Noncurrent Assets	473,498	107,554
DEFERRED OUTFLOWS OF RESOURCES		
Pension deferrals	1,109,809	1,507,147
OPEB deferrals	20,347	19,235
Total Deferred Outflows of Resources	1,130,156	1,526,382
Total Assets and Deferred Outflows of Resources	$ 12,467,104	$ 12,296,087
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	$ 712,898	$ 645,259
NONCURRENT LIABILITIES		
Net Pension Liability	3,461,597	3,675,155
Postemployment Benefits Other than Pension	-	237,069
Project Obligations	6,465	9,698
Total Noncurrent Liabilities	3,468,062	3,921,922
Total Liabilities	4,180,960	4,567,181
DEFERRED INFLOWS OF RESOURCES		
Pension deferrals	1,452,611	1,519,780
OPEB deferrals	2,258,997	1,864,907
Total Deferred Inflows of Resources	3,711,608	3,384,687
NET POSITION		
Investment in Capital Assets	87,647	107,554
Unrestricted	4,486,889	4,236,665
Total Net Position	4,574,536	4,344,219
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 12,467,104	$ 12,296,087

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
STATEMENT OF REVENUES, EXPENSE AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
OPERATING REVENUES		
Administrative Fees	$ 2,437,351	$ 2,493,007
OPERATING EXPENSES		
Salaries and Related Expenses	1,855,729	2,076,501
General and Administrative Expenses	511,616	599,007
Professional Fees	59,133	92,427
Total Operating Expenses	2,426,478	2,767,935
NET OPERATING INCOME (LOSS)	10,873	(274,928)
NONOPERATING REVENUE/(EXPENSES)		
Loss of Asset Disposal	(129)	(895)
Investment Income	219,573	202,123
CHANGES IN NET POSITION	230,317	(73,700)
Net Position - Beginning of Year	4,344,219	4,417,919
NET POSITION - END OF YEAR	$ 4,574,536	$ 4,344,219

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, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Administrative Fees	$ 2,855,101	$ 2,102,155
Payments to Employees	(1,739,118)	(1,987,476)
Payments to Suppliers	(675,688)	(605,604)
Net Cash Provided/(Used) by Operating Activities	440,295	(490,925)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(87,287,466)	(88,053,841)
Sale and Maturity of Investments	87,369,221	87,627,680
Investment Income	222,658	210,060
Net Cash Provided/(Used) by Investing Activities	304,413	(216,101)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Capital Assets	(8,857)	(10,633)
Proceeds from the Sale of Capital Assets	-	1,381
Net Cash Used by Capital and Related Financing Activities	(8,857)	(9,252)
NET INCREASE (DECREASE) IN CASH	735,851	(716,278)
Cash - Beginning of Year	169,676	885,954
CASH - END OF YEAR	$ 905,527	$ 169,676
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES		
Net Operating Income	$ 10,873	$ (274,928)
Adjustments to Reconcile Operating Income to Net Cash Provided/(Used) by Operating Activities:		
Depreciation	28,636	23,469
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:		
Fees Receivable	417,750	(390,852)
Prepaid Expenses and Other Assets	12,001	(24,576)
Accounts Payable and Accrued Expenses	67,639	141,676
Project Obligations	(3,233)	(3,232)
Postemployment Benefits other than Pension and Related Deferred Items	(209,982)	(1,112,390)
Net Pension Liability and Related Deferred Items	116,611	1,149,908
Net Cash Provided/(Used) by Operating Activities	$ 440,295	$ (490,925)
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTMENT ACTIVITIES		
Change in Fair Value of Investments	$ (3,085)	$ (20,123)

See accompanying Notes to Financial Statements.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
STATEMENTS OF FIDUCIARY NET POSITION
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash & Equivalents	$ 2,808,430	$ 101,644
Total Current Assets	2,808,430	101,644
INVESTMENTS AT FAIR VALUE		
U.S. Treasuries	-	2,686,824
Total Noncurrent Assets	-	2,686,824
Total Assets	$ 2,808,430	$ 2,788,468
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
Total Net Position	$ 2,808,430	$ 2,788,468

See accompanying Notes to Financial Statements.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Additions		
Investment Income:		
Net Increase/(Decrease) in Fair Value	$ -	$ 2,443
Interest and Dividend Income	58,024	49,560
Net Investment Income	58,024	52,003
Total Additions	58,024	52,003
Deductions		
Employer Reimbursement	(37,562)	-
Trustee Payment	(500)	(500)
Total Deductions	(38,062)	(500)
CHANGES IN NET POSITION	19,962	51,503
Net Position - Beginning of Year	2,788,468	2,736,965
NET POSITION - END OF YEAR	$ 2,808,430	$ 2,788,468

See accompanying Notes to Financial Statements.

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, 2019 and 2018, the amount of conduit debt outstanding totaled $4,742,324,053 and $4,963,318,355, respectively.

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 and OPEB investments, changes in the Authority's proportion of expenses and liabilities to the pension and OPEB as a whole, differences between the Authority's pension and OPEB contributions and its proportionate share of contributions, and the Authority's pension and OPEB contributions subsequent to the pension and OPEB valuation measurement dates.

New Accounting Standard Adopted

GASB issued GASB Statement No. 84 (GASB No. 84), Fiduciary Activities, which is effective for reporting periods beginning after December 15, 2018. GASB No. 84 addresses criteria for identifying activities of all state and local governments. The focus of the criteria is generally on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units. Activities meeting these criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. In 2019, the Authority applied the GASB No. 84 criteria as it relates to its OPEB plan.

Recent Accounting Standards

In June 2017, the GASB issued Statement No. 87, *Leases*, which is effective for fiscal years beginning after December 15, 2019. The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Authority has not yet completed the process of evaluating the impact of GASB 87 on its financial statements.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent Accounting Standards (continued)

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations, which is effective for fiscal years beginning after December 15, 2020. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The Authority has determined that GASB 91 will not impact its financial statements.

In January 2020, the GASB issued Statement No. 92, Omnibus 2020. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. This Statement addresses a variety of topics and the majority of topics are effective for fiscal years beginning after June 15, 2020. The Authority has not yet completed the process of evaluating the impact of GASB 92 on its financial statements.

NOTE 3 DEPOSITS AND INVESTMENTS

At December 31, 2019 and 2018, the Authority's bank balance excluding payments and deposits in transit was $909,724 and $197,742, respectively. Funds in excess of the Federal Deposit Insurance Corporation (FDIC) insured amounts are protected by the New Jersey Governmental Unit Deposit Protection Act (GUDPA).

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

The types of securities which are permitted investments for Authority funds are established by New Jersey Statutes and the Authority's approved investment policy. 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.

NOTE 3 DEPOSITS AND INVESTMENTS (continued)

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

- U.S. treasuries and agencies are valued at quoted price reported on the active market
- Municipal bonds, corporate bonds, mortgage securities, asset backed securities and other fixed income securities are valued using prices based on bid evaluations or quoted prices in an inactive market.
- Money market accounts are recorded at the quoted price which approximates fair value.

As of December 31, 2019 and 2018, the Authority had the following recurring fair value measurements using current sale prices (Level 1) or sale prices of comparable securities (Level 2 inputs) and using net asset value (NAV) per share valuation for Money Market Mutual Funds for investments and cash equivalents, and maturities:

		2019		
Investment Type	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
U.S. Treasury Bill	$ 653,642	$ 653,642	$ -	$ -
U.S. Treasury Note	2,418,983	2,418,983	-	-
U.S. Agencies	1,003,288	1,003,288	-	-
Corporate Bonds	1,232,857	-	1,232,857	-
Commercial Paper	757,498	-	757,498	-
Certificate of Deposit	2,941,653	-	2,941,653	-
Asset-Backed Security	863,393	-	863,393	-
Money Market Funds	44,237	44,237	-	-
	$ 9,915,551	$ 4,120,150	$ 5,795,401	$ -

		2018		
Investment Type	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
U.S. Treasury Bill	$ 9,857,218	$ 9,857,218	$ -	$ -
Money Market Funds	163,134	163,134	-	-
	$ 10,020,352	$ 10,020,352	$ -	$ -

In 2019 and 2018, the Authority had $44,237 and $163,134, respectively, invested in a money market mutual fund, which invests in short-term and other obligations of the U.S. Treasury.

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

NOTE 3 DEPOSITS AND INVESTMENTS (continued)

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.

At December 31, 2019 and 2018, the Authority's bank balances were not exposed to custodial credit risk since the amounts were covered by either FDIC insurance or New Jersey GUDPA.

As of December 31, 2019 and 2018, the Authority's investments consisted of U.S. Treasury and Agency Obligations in the amount of $4,075,913 and $9,857,218, respectively, Investment Agreements in the amount of $5,795,401 and $0, respectively, and Money Market Mutual Funds in the amount of $44,237 and $163,135, respectively. Since the investments are registered in the Authority's name they are not exposed to custodial credit risk.

(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. At December 31, 2019 and 2018, 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.

Securities must be rated investment grade or better by a nationally recognized credit rating agency at the time of purchase. Split rated credits will be considered to have the lower credit rating. Money market instruments must be rated AAA or better at the time of purchase. In the event that a security is downgraded below these credit quality guidelines, the investment manager(s) shall notify the Authority and provide an evaluation and plan of action.

Temporary cash balances may be invested in a money market instrument (AAAm).

NOTE 3 DEPOSITS AND INVESTMENTS (continued)

The following table summarizes S&P's agency ratings of the University's investments at fair value as of December 31, 2019 and 2018:

Investment Type	Quality Rating	2019	2018
U.S. Treasury Bill	A-1+	$ 653,642	$ 9,857,218
U.S. Treasury Note	AA+	2,418,983	
U.S. Agencies	AA+	1,003,287	
Corporate Bonds	A	610,779	
Corporate Bonds	A-	622,078	
Commercial Paper	A-1	309,152	
Commercial Paper	A-1+	448,346	
Certificate of Deposit	A-1	1,990,780	
Certificate of Deposit	A-1+	950,874	
Asset-Backed Security	AAA	863,393	
Money Market Funds	AAAm	44,237	163,134
		$ 9,915,551	$ 10,020,352

(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, 2019 and 2018, the Authority had the following investments and maturities.

December 31, 2019:

		Maturities (in years)		
Investment Type	**Fair Value**	**less than 1**	**1-5**	**greater than 5**
U.S. Treasury Bill	$ 653,642	$ 653,642	$ -	$ -
U.S. Treasury Note	2,418,983	2,418,983	-	-
U.S. Agencies	1,003,288	1,003,288	-	-
Corporate Bonds	1,232,857	1,232,857	-	-
Commercial Paper	757,498	757,498	-	-
Certificate of Deposit	2,941,653	2,941,653	-	-
Asset-Backed Security	863,393	-	863,393	-
Money Market Funds	44,237	44,237		
	$ 9,915,551	$ 9,052,158	$ 863,393	$ -

December 31, 2018:

		Maturities (in years)		
Investment Type	**Fair Value**	**less than 1**	**1-5**	**greater than 5**
U.S. Treasury Bill	$ 9,857,218	$ 9,857,218	$ -	$ -
Money Market Funds	163,134	163,134		
	$ 10,020,352	$ 10,020,352	$ -	$ -

NOTE 3 DEPOSITS AND INVESTMENTS (continued)

For the years ended December 31, 2019 and 2018, investment income comprised the following:

	2019	2018
Interest Earnings	$ 222,658	$ 210,060
Net Increase in Fair Value of Investments	(3,085)	(7,937)
Total Investment Income	$ 219,573	$ 202,123

NOTE 4 EMPLOYEE RETIREMENT SYSTEMS

Description of Plans

The State of New Jersey, Division of Pension and Benefits (the Division) was created and exists pursuant to N.J.S.A. 52:18A to oversee and administer the pension trust and other postemployment benefit plans sponsored by the State of New Jersey (the State). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the plans terminate. Each defined benefit pension plan's designated purpose is to provide retirement, death and disability benefits to its members. The authority to amend the provision of plan rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for the public Employees Retirement System (PERS), once a Target Funded Ratio (TFR) is met, that will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation or final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committee will also have the authority to reactivate the cost of living adjustment (COLA) on pensions.

However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for each of the plans. This report may be accessed via the Division of Pensions and Benefits website, at www.state.nj.us/treasury/pensions, or may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Public Employee Retirement System

The Public Employee Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

Plan Membership and Contributing Employers- Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS,

NOTE 4 EMPLOYEE RETIREMENT SYSTEMS (continued)

provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or other jurisdiction's pension fund.

Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2019 and 2018:

	2019	2018
Inactive plan members or beneficiaries currently receiving benefits	178,748	174,904
Inactive plan members entitled to but not yet receiving benefits	609	589
Active plan members	252,598	254,780
Total	431,955	430,273

Contributing Employers – 1,697

Significant Legislation – Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State Fiscal Year 2009. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of PERS, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PERS.

For the year ended December 31, 2019 and 2018 the Authority's total and covered payroll for all employees was $1,335,909 and $1,366,115. Covered payroll refers to pensionable compensation, rather than total compensation, paid by the Commission to active employees covered by the Plan.

Specific Contribution Requirements and Benefit Provisions – The contribution policy is set by N.J.S.A 43:15 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contributions are based on an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2019, the State's pension contribution was less than the actuarial determined amount.

Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. Authority contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contributions requirements were calculated.

NOTE 4 EMPLOYEE RETIREMENT SYSTEMS (continued)

It is assumed that the Local employers will contribute 100% of their actuarially determined contribution and 100% of their Non-Contributory Group Insurance Premium Fund (NCGIPF) contribution while the State will contribute 70% of its actuarially determined contribution and 100% of its NCGIPF contribution. The 70% contribution rate is the actual total State contribution rate paid in fiscal year ending June 30, 2019 with respect to the actuarially determined contribution for the fiscal year ending June 30, 2019 for all State administered retirement systems.

In accordance with Chapter 98, P.L. 2017, PERS receives 21.02% of the proceeds of the Lottery Enterprise for a period of 30 years. Revenues received from lottery proceeds are assumed to be contributed to the System on a monthly basis.

The Authority's contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contributions requirements were calculated. The Authority's payments to PERS during the years ending December 31, 2019 and 2018 consisted of the following:

	2019	2018
Total Regular Billing	$ 186,870	$ 185,662

The vesting and benefit provisions are set by N.J.S.A. 43:15. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of 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 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.

A service retirement benefit of 1/55th of final average salary for each year of service credit is available to tier 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 tier 1 and 2 members before reaching age 60, to tier 3 and 4 members before age 62 and tier 5 members 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 retirement age of his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

NOTE 4 EMPLOYEE RETIREMENT SYSTEMS (continued)

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.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At June 30, 2019, the PERS reported a net pension liability of $18,143,832,135 for its Non-State Employer Member Group. The Authority's proportionate share of the net pension liability for the Non-State Employer Member Group that is attributable to the Authority was $3,461,597 or 0.0192113659%, which was an increase of 0.0005458059% from its proportion measured as of June 30, 2019.

At June 30, 2018, the PERS reported a net pension liability of $19,689,501,539 for its Non-State Employer Member Group. The Authority's proportionate share of the net pension liability for the Non-State Employer Member Group that is attributable to the Authority was $3,675,155 or 0.0186655583%.

The following presents a summary of the proportionate share of the Authority changes in the collective deferred outflows of resources and deferred inflows of resources attributable to the Authority for the year ended June 30, 2019 and 2018:

	2019	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expended and actual experience	$ 62,131	$ 15,292
Changes of assumptions	345,653	1,201,509
Net difference between projected and actual investment earnings on pension plan investments		54,643
Changes in proportion	608,590	181,167
Authority contributions subsequent to the measurement date	93,435	-
	$ 1,109,809	$ 1,452,611

	2018	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expended and actual experience	$ 70,086	$ 18,950
Changes of assumptions	605,605	1,175,119
Net difference between projected and actual investment earnings on pension plan investments		34,473
Changes in proportion	738,625	291,238
Authority contributions subsequent to the measurement date	92,831	
	$ 1,507,147	$ 1,519,780

NOTE 4 EMPLOYEE RETIREMENT SYSTEMS (continued)

$93,435 is reflected above as deferred outflows of resources related to PERS resulting from Authority contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS will be recognized as a reduction of the net pension liability as follows:

Year ended December 31,	Amount
2020	$ 16,154
2021	(133,629)
2022	(172,089)
2023	(137,026)
2024	(9,647)
Total	$ (436,237)

Actuarial Assumptions- The total pension liability in the June 30, 2019 and June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

June 30, 2019	
Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00% based on years of service
Thereafter	3.00 - 7.00% based on years of service
Investment rate of return	7.00%

June 30, 2018	
Inflation	2.25%
Salary Increases (2012 - 2021)	1.65 - 4.15% based on age
Thereafter	2.65 - 5.15% based on age
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and a 101.4% adjustment for females, with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 97.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and a 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

NOTE 4 EMPLOYEE RETIREMENT SYSTEMS (continued)

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experiences will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 and 2018 are summarized in the following tables:

2019

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
US Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

NOTE 4 EMPLOYEE RETIREMENT SYSTEMS (continued)

2018

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
Absolute Return/Risk Mitigation	5.00%	5.51%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%

Discount Rate – The discount rate used to measure the total pension liability as of June 30, 2018 was 5.66% and as of June 30, 2019 was 6.28%. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of Net Pension Liability – the following presents the net pension liability of PERS calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

June 30, 2019

	At 1% Decrease	At Current Discount Rate	At 1% Increase
PERS	$ 4,372,560	$ 3,461,597	$ 2,693,982

June 30, 2018

	At 1% Decrease	At Current Discount Rate	At 1% Increase
PERS	$ 4,621,084	$ 3,675,155	$ 2,881,581

NOTE 4 EMPLOYEE RETIREMENT SYSTEMS (continued)

Plan Fiduciary Net Position – The plan fiduciary net position for PERS, including the State of New Jersey, at June 30, 2019 and 2018 were $29,847,977,666 and $29,472,374,536, respectively. The portion of the Plan Fiduciary Net Position that was allocable to the Local (Non-State) Group at June 30, 2019 and 2018 was $23,347,631,751 and $22,742,071,972, respectively.

Additional information

Collective Local Group balances at June 30, 2019 are as follows:

Collective deferred outflows of resources	$	3,149,522,616
Collective deferred inflows of resources		7,645,087,574
Collective net pension liability		18,143,832,135
Authority's Proportion		0.0192113659%

Collective Local Group pension expense for the Local Group for the measurement period ended June 30, 2019 and 2018 was $974,471,686 and $1,099,708,157, respectively. The average of the expected remaining service lives of all plan members is 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for the 2019, 2018, 2017, 2016, 2015, and 2014 amounts, respectively.

State Contribution Payable Dates

Prior to July 1, 2018 valuation, it is assumed the State will make pension contributions the June 30th following the valuation date. Effective with the July 1, 2018 valuation Chapter 83 P.L. 2017 requires the State to make pension contributions on a quarterly basis at least 25% by September 30, at least 50% by December 31, at least 75% by March 31, and at least 100% by June 30.

Receivable Contributions

The Fiduciary Net Position (FNP), includes Local employers' contributions receivable as reported in the financial statements provided by the Division of Pensions and Benefits. In determining the discount rate, the FNP at the beginning of each year does not reflect receivable contributions as those amounts are not available at the beginning of the year to pay benefits. The receivable contributions for the years ended June 30, 2019 and June 30, 2018 are $1,038,092,124 and $1,073,054,740, respectively.

NOTE 5 POST-RETIREMENT HEALTH CARE BENEFITS

The New Jersey Educational Facilities Authority provides healthcare to its employees and retirees through its participation in the State Health Benefits Program (SHBP), a cost sharing multiple employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions;* therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions

NOTE 5 POST-RETIREMENT HEALTH CARE BENEFITS (continued)

and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at https://www.state.nj.us./treasury/pensions/financial-reports.shtml.

In April 2008, the Authority established and funded an irrevocable trust in the amount of $2,000,000 to pay for the employee postretirement medical benefits. The Authority established the trust for its OPEB obligations (OPEB Trust) for the exclusive benefit of the OPEB Trust beneficiaries and not of the Authority. The ownership of the OPEB Trust assets are not considered funds or assets of the Authority for any purpose. All of the OPEB Trust assets are irrevocably dedicated to, and are used for the exclusive purpose of, making payments of benefits to or for the benefit of the Authority OPEB Plan beneficiaries and for paying administrative expenses of the Authority OPEB Plan and the OPEB Trust and will not be available to any creditors of the Authority. The OPEB Trust does not issue a stand-alone financial report and its financial statements are reported as a fiduciary fund in the Authority's financial report. At December 31, 2019 and 2018, the fair value of this trust fund was $2,808,430 and $2,788,468.

At June 30, 2019 and 2018, Eighteen (18) and Twenty (20) plan members (active and retiree) were receiving postretirement health care benefits in which the Authority was billed $354,930 and $361,349, respectively. Participating employers are contractually required to provide for their contributions based on the amount of premiums attributable to the retirees.

Benefits Provided

The Plan provides medical and prescription drug coverage to retirees and their dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees.

Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

Contributions

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

NOTE 5 POST-RETIREMENT HEALTH CARE BENEFITS (continued)

Nonspecial Funding Situation - The State of New Jersey's Total OPEB Liability for nonspecial funding situation was $8,020,352,361 and $9,452,773,649 at June 30, 2019 and 2018, respectively.

The amounts of the State's Non-employer OPEB Liability that are attributable to employees and retirees of the New Jersey Educational Facilities Authority was $2,422,579 and $3,025,537 at June 30, 2019 and 2018, respectively. These allocated liabilities represent 0.017884% and 0.019312% of the State's Total Non-employer OPEB Liability for June 30, 2019 and 2018, respectively.

Components of Net OPEB Liability – The components of the collective net OPEB liability for PERS, including the State of New Jersey, is as follows:

	June 30, 2019	June 30, 2018
Total OPEB Liability	$ 13,819,244,582	$ 15,981,103,227
Plan Fiduciary Net Position	273,173,482	314,485,086
Net OPEB Liability	$ 13,546,071,100	$ 15,666,618,141
Plan fiduciary net position as a percentage of the total OPEB liability	1.98%	1.97%

Actuarial Assumptions and Other Inputs - The total OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary Increases*:	
Public Employees' Retirement Systems (PERS)	
Initial fiscal year applied	
Rate through 2026	2.00 - 6.00%
Rate thereafter	3.00 - 7.00%
Mortality:	
PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019

*Salary increases are based on years of service within the respective plan.

Actuarial assumptions used in the July 1, 2018 valuation were based on the results of the PERS experience study prepared for July 1, 2014 to June 30, 2018.

100% of active members are considered to participate in the Plan upon retirement.

NOTE 5 POST-RETIREMENT HEALTH CARE BENEFITS (continued)

Healthcare Trend Assumptions – For pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years.

Discount Rate - The discount rate for June 30, 2019 and 2018 was 3.50% and 3.87%, respectively. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of the State's Net OPEB Liability to Changes in the Discount Rate:

The following presents the collective net OPEB liability of the participating employers as of June 30, 2019 and 2018, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage- point higher than the current rate:

	June 30, 2019		
	1% Decrease (2.50%)	At Discount Rate (3.50%)	1% Increase (4.50%)
Total Net OPEB Liability	$ 15,662,704,137	$ 13,546,071,100	$ 11,826,026,995
Authority's Share	$ 3,498,290	$ 2,422,579	$ 2,641,362

	June 30, 2018		
	1% Decrease (2.87%)	At Discount Rate (3.87%)	1% Increase (4.87%)
Total Net OPEB Liability	$ 18,381,085,096	$ 15,666,618,141	$ 13,498,373,388
Authority's Share	$ 3,549,755	$ 3,025,537	$ 2,606,806

NOTE 5 POST-RETIREMENT HEALTH CARE BENEFITS (continued)

Sensitivity of the State's Net OPEB Liability to Changes in the Healthcare Cost Trend Rates:

The following presents the net OPEB liability as of June 30, 2019 and 2018, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2019		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total Net OPEB Liability	$ 11,431,214,644	$ 13,546,071,100	$ 16,243,926,531
Authority's Share	$ 2,553,180	$ 2,422,579	$ 3,628,107

	June 30, 2018		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total Net OPEB Liability	$ 13,068,471,450	$ 15,666,618,141	$ 19,029,006,023
Authority's Share	$ 2,523,783	$ 3,025,537	$ 3,674,881

At June 30, 2019 and 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	June 30, 2019	
	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Changes between expected and actual experience		$ 708,457
Changes of assumptions		858,508
Changes in proportion		692,032
Net difference between projected and actual investment earnings on OPEB plan investments	$ 1,996	
Authority contributions subsequent to the measurement date	18,351	
	$ 20,347	$ 2,258,997

	June 30, 2018	
	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Changes between expected and actual experience		$ 614,292
Changes of assumptions		767,467
Changes in proportion		483,148
Net difference between projected and actual investment earnings on OPEB plan investments	$ 1,599	
Authority contributions subsequent to the measurement date	17,636	
	$ 19,235	$ 1,864,907

NOTE 5 POST-RETIREMENT HEALTH CARE BENEFITS (continued)

Collective Deferred Outflows of Resources and Deferred Inflows of Resources – Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending	Amount
2019	$ (374,812)
2020	(374,812)
2021	(374,989)
2022	(375,255)
2023	(375,466)
Thereafter	(381,667)
Total	$ (2,257,001)

Changes in Proportion - The previous amounts do not include employer specific deferred outflows of resources and deferred inflow of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which is 8.05, 8.14, and 8.04 years for the 2019, 2018, and 2017 amounts, respectively.

NOTE 6 COMMITMENTS AND CONTINGENCIES

The Authority has an operating lease commitment for its offices at an annual rental of approximately $197,340 through December 31, 2024.

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 7 NET POSITION (continued)

The changes in net position are as follows:

	Net Investment in Capital Investments	Unrestricted	Total
Net Position at December 31, 2017 (as restated)	$ 125,998	$ 4,291,921	$ 4,417,919
Net Position Change	-	(73,700)	(73,700)
Loss on Capital Asset Disposals	(895)	895	
Capital Asset Additions	5,920	(5,920)	-
Depreciation	(23,469)	23,469	-
Net Position at December 31, 2018	107,554	4,236,665	4,344,219
Net Position Change	-	230,317	230,317
Capital Asset Additions	8,858	(8,858)	-
Loss on Capital Asset Disposals	(129)	129	-
Depreciation	(28,636)	28,636	-
Net Position at December 31, 2019	$ 87,647	$ 4,486,889	$ 4,574,536

NOTE 8 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.

NOTE 9 SUBSEQUENT EVENT

The Authority has evaluated subsequent events through the report date and noted a significant event. Subsequent to year end, the COVID-19 (coronavirus) pandemic has resulted in substantial economic volatility on a global scale. As a result, the Authority's economically sensitive revenues (i.e. Annual fee revenue from New Jersey Colleges and Universities and fee revenue from grant programs) might be negatively impacted. Anticipated collection rates of annual fees might be slowed as New Jersey colleges and universities experience potential cash flow issues and may defer payments. In addition, anticipated fees for administration of grant programs may be delayed as implementation of grant programs has stalled. Meanwhile, the Authority's expenditures for pension benefits and other postemployment health benefits (due to stock market declines) could increase sharply. These factors were unforeseen and not taken into consideration in the development of the 2020 adopted budget. Given the uncertainty around the extent and timing of the potential future spread or mitigation of COVID-19 and around the imposition or relaxation of protective measures, management cannot reasonably estimate the actual impact on the Authority's financial position at this time.

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

SCHEDULE OF AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
STATE HEALTH BENEFIT LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN

LAST TEN FISCAL YEARS*

	2019	2018	2017	2016
Authority's proportion of the net OPEB liability (asset)	0.017884%	0.019312%	0.020016%	0.022119%
Authority's proportionate share of the net OPEB liability (asset)	$ 2,422,579	$ 3,025,537	$ 4,086,424	$ 4,803,686
Authority's covered-employee payroll	$ 1,355,909	$ 1,361,404	$ 1,276,233	$ 1,129,567
Authority's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	178.67%	222.24%	320.19%	425.27%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	1.98%	1.97%	1.03%	0.69%

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

* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

Notes to Required Supplementary Information

Benefit Changes
There were none.

Changes of Assumptions
The discount rate changed from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019.

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

SCHEDULE OF AUTHORITY'S CONTRIBUTIONS
STATE HEALTH BENEFIT LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN

LAST TEN FISCAL YEARS*

	2019	2018	2017	2016
Contractually required contribution	$ 354,930	$ 361,349	$ 345,240	$ 231,500
Contributions in relation to the contractually required contribution	(354,930)	(361,349)	(345,240)	(231,500)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Authority's covered-employee payroll	$ 1,355,909	$ 1,361,404	$ 1,276,233	$ 1,129,567
Contributions as a percentage of covered-employee payroll	26%	27%	27%	20%

* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

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

SCHEDULE OF AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEE'S RETIREMENT SYSTEM

LAST TEN FISCAL YEARS*

	2019	2018	2017	2016	2015	2014	2013
Authority's proportion of the net pension liability (asset) - Local Group	0.0192113659%	0.0186655583%	0.0190835813%	0.0141831411%	0.0161515486%	0.0151122246%	0.0158916053%
Authority's proportionate share of the net pension liability (asset)	$ 3,461,597	$ 3,675,155	$ 4,442,353	$ 4,200,640	$ 3,625,699	$ 2,829,422	$ 3,037,202
Authority's covered-employee payroll	$ 1,355,909	$ 1,361,404	$ 1,276,233	$ 1,129,567	Not available	Not available	Not available
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	255.30%	269.95%	348.08%	371.88%	Not available	Not available	Not available
Plan fiduciary net position as a percentage of the total pension liability - Local Group	56.27%	53.60%	48.10%	40.14%	47.93%	48.62%	48.72%

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

* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

Note to Required Supplementary Information

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.66% as of June 30, 2018 to 6.28% as of June 30, 2019.

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

SCHEDULE OF AUTHORITY'S CONTRIBUTIONS
PUBLIC EMPLOYEE'S RETIREMENT SYSTEM

LAST TEN FISCAL YEARS*

	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 186,870	$ 185,662	$ 176,789	$ 126,001	$ 138,860	$ 124,583	$ 119,740
Contributions in relation to the contractually required contribution	(186,870)	(185,662)	(176,789)	(126,001)	(138,860)	(124,583)	(119,740)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered-employee payroll	$ 1,355,909	$ 1,361,404	$ 1,276,233	$ 1,129,567	Not available	Not available	Not available
Contributions as a percentage of covered-employee payroll	13.78%	13.64%	13.85%	11.15%	Not available	Not available	Not available

* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

REQUIRED SUPPLEMENTARY INFORMATION

BALANCE SHEETS – TRUSTEE HELD FUNDS

	2019	2018
ASSETS		
Investments, Principally U.S. Government Obligations	$ 235,663,277	$ 376,414,768
Accrued Interest Receivable	74,115	291,658
Due from Colleges and Universities	2,350,492	2,358,000
Loans and Leases Receivable	4,707,946,553	4,924,145,855
Total Assets	$ 4,946,034,437	$ 5,303,210,281
LIABILITIES		
Accounts Payable and Accrued Expenses	$ 3,328,978	$ 11,177,824
Accrued Interest Payable	89,397,037	94,982,577
Bonds, Notes, and Leases Payable	4,742,324,053	4,963,318,355
Funds Held in Trust	110,984,369	233,731,525
Total Liabilities	$ 4,946,034,437	$ 5,303,210,281

STATEMENTS OF CHANGES IN TRUSTEE HELD FUNDS

	2019	2018
Funds Held in Trust - Beginning of Year	$ 233,731,525	$ 477,778,180
Additions:		
Proceeds from Sale of Bonds and Issuance of Notes:		
Par Amount	88,785,159	5,000,000
Annual Loan and Rental Requirements	499,118,381	477,661,427
College and University Contributions (Returned)	(33,264)	(23,770)
Investment Income	4,669,648	6,776,520
U.S. Government Debt Service Subsidies	1,256,039	1,713,039
Change in Investment Valuation Reserve	407,522	(128,672)
Total Additions	594,203,485	490,998,544
Deductions:		
Debt Service:		
Interest	216,483,040	204,082,039
Principal	283,210,206	249,823,706
Project Costs	192,730,702	278,584,826
Issuance Costs	270,271	61,621
Administrative Fees	2,437,350	2,493,007
Transfers to Escrow Accounts for Defeasance of Refunded Issues	21,819,072	-
Total Deductions	716,950,641	735,045,199
Decrease in Funds Held in Trust	(122,747,156)	(244,046,655)
Funds Held in Trust - End of Year	$ 110,984,369	$ 233,731,525

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, 2019 and 2018:

	2019	2018
Construction Funds	$ 101,391,244	$ 224,046,794
Debt Service Funds	881,136	1,273,014
Debt Service Reserve Funds	7,732,251	7,732,251
Renewal and Replacement Accounts	979,738	679,466
Total Funds Held in Trust	$ 110,984,369	$ 233,731,525

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:

	2019	2018
Investments:		
Collateralized Investment Agreements	$ 2,591,727	$ 34,483,753
U.S. Treasury and Agency Obligations*	233,071,550	341,931,015
Total Investments	$ 235,663,277	$ 376,414,768

* Includes $181,974,977 and $269,632,536 of investments in pooled U.S. Treasury funds at December 31, 2019 and 2018, respectively, which are uncategorized.

NOTE 5 LOANS AND LEASES RECEIVABLE

Since its inception, the Authority has issued obligations of $18,003,453,125 as of December 31, 2019, 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.

NOTE 5 LOANS AND LEASES RECEIVABLE (continued)

	2019	2018
Loans:		
Institute for Advanced Study	$ 35,220,000	$ 38,090,000
New Jersey Institute of Technology	49,300,000	49,790,000
Princeton Theological Seminary	-	627,500
Princeton University	1,698,235,000	1,751,180,000
Mortgages:		
Bloomfield College	28,713,062	29,479,623
Caldwell University (formerly Caldwell College)	17,511,310	17,005,153
College of Saint Elizabeth	20,425,000	20,730,000
Fairleigh Dickinson University	55,926,991	61,020,087
Georgian Court University	25,762,500	26,842,500
Institute for Defense Analyses	7,320,000	7,865,000
Rider University	71,125,000	72,770,000
Saint Peter's University (formerly Saint Peter's College)	22,229,980	24,481,446
Seton Hall University	166,177,500	170,292,500
Stevens Institute of Technology	113,402,500	115,905,000
Leases:		
Kean University	298,112,442	305,024,896
Montclair State University	371,162,500	383,575,000
New Jersey City University	133,200,000	138,190,000
Passaic County Community College	11,627,500	11,925,000
Ramapo College of New Jersey	204,617,500	212,342,500
Rowan University	51,340,000	56,232,500
Thomas Edison State University (formerly Thomas Edison State College)	8,132,777	9,405,849
The College of New Jersey	320,507,500	331,955,000
Stockton University (formerly The Richard Stockton College of New Jersey)	209,672,491	212,831,301
The William Paterson University of New Jersey	158,775,000	166,795,000
Higher Education Capital Improvement Fund	408,950,000	459,445,000
Higher Education Facilities Trust Fund	155,785,000	167,620,000
Higher Education Equipment Leasing Fund	26,665,000	39,140,000
Higher Education Technology Infrastructure Fund	27,675,000	30,090,000
Library Grant Program	10,375,000	13,495,000
Total	$ 4,707,946,553	$ 4,924,145,855

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION
DECEMBER 31, 2019 AND 2018

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, 2019	Amount Outstanding December 31, 2018
Bloomfield College					
2013 Series A	$ 32,267,000	5/13/2043	Variable	$ 28,713,062	$ 29,479,623
Caldwell University (formerly Caldwell College):					
2013 Series E	20,000,000	5/31/2038	3.629%	-	17,005,153
2019 Series A	17,000,000	6/1/2044	3.730%	16,796,151	-
Fairleigh Dickinson University:					
2006 Series G	14,505,000	7/1/2028	4.954%	8,030,000	8,725,000
2006 Series H	2,147,554	7/1/2027	4.954%	521,991	577,587
2014 Series B	51,925,000	2/1/2029	3.678%	39,005,000	41,405,000
2015 Series B	19,675,000	7/1/2045	3.932%	8,735,000	11,045,000
Georgian Court University:					
2017 Series G	13,325,000	7/1/2037	3.818%	13,200,000	13,280,000
2017 Series H	14,095,000	7/1/2033	4.196%	13,110,000	14,095,000
Higher Education Capital Improvement Fund:					
Series 2002 A	194,590,000	9/1/2022	4.599%	1,640,000	1,640,000
Series 2014 A	164,245,000	9/1/2033	3.669%	134,160,000	140,695,000
Series 2014 B	14,345,000	9/1/2033	3.671%	11,715,000	12,285,000
Series 2014 C	21,230,000	9/1/2020	1.696%	4,015,000	7,750,000
Series 2014 D	3,490,000	9/1/2020	1.712%	660,000	1,275,000
Series 2016 A	252,270,000	9/1/2024	2.841%	126,465,000	160,690,000
Series 2016 B	142,715,000	9/1/2036	4.733%	130,295,000	135,110,000
Higher Education Equipment Leasing Fund:					
Series 2014 A	82,235,000	6/1/2023	1.894%	23,705,000	35,380,000
Series 2014 B	7,105,000	6/1/2023	1.894%	2,960,000	3,760,000
Higher Education Facilities Trust Fund:					
Series 2014	199,855,000	6/15/2029	3.246%	155,785,000	167,620,000
Higher Education Technology Infrastructure Fund:					
Series 2014	38,110,000	6/1/2028	3.039%	27,675,000	30,090,000

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION
DECEMBER 31, 2019 AND 2018

NOTE 6 BONDS, NOTES AND LEASES PAYABLE (continued)

Issue	Original Issue Amount	Final Maturity Date	Net Effective Interest Rate	Amount Outstanding December 31, 2019	Amount Outstanding December 31, 2018
Institute for Advanced Study:					
2006 Series B	$ 29,600,000	7/1/2031	3.990%	$ 19,500,000	$ 21,100,000
2006 Series C	20,000,000	7/1/2036	Variable	14,300,000	14,900,000
2008 Series C	11,255,000	7/1/2021	3.619%	1,420,000	2,090,000
Institute for Defense Analysis:					
2000 Series D	16,695,000	10/1/2030	Variable	7,320,000	7,865,000
Kean University:					
Series 2009 A	179,380,000	9/1/2036	6.404%	-	360,000
Series 2015 H	117,175,000	7/1/2039	3.762%	97,995,000	103,340,000
Series 2017 C	184,230,000	9/1/2036	3.626%	184,230,000	184,230,000
Series 2017 D	15,655,000	9/1/2039	3.310%	15,655,000	15,655,000
Library Grant Program:					
Series 2002 A	45,000,000	9/1/2022	4.560%	10,375,000	13,495,000
Montclair State University:					
Series 2006 J	154,110,000	7/1/2034	4.300%	11,460,000	17,695,000
Series 2007 A	6,150,000	7/1/2021	4.022%	1,335,000	1,955,000
Series 2014 A	189,365,000	7/1/2044	4.212%	177,940,000	182,045,000
Series 2015 D	73,770,000	7/1/2036	3.757%	69,520,000	69,520,000
Series 2016 B	118,190,000	7/1/2038	2.875%	117,490,000	118,190,000
New Jersey City University:					
Series 2007 F	17,910,000	7/1/2032	4.337%	12,910,000	13,765,000
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%	13,015,000	14,975,000
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	35,340,000
Series 2016 D	52,075,000	7/1/2035	2.886%	49,990,000	52,075,000
New Jersey Institute of Technology:					
Series 2010 H	50,965,000	7/1/2031	4.280%	29,340,000	29,340,000
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%	11,780,000	12,070,000

NOTE 6 BONDS, NOTES AND LEASES PAYABLE (continued)

Issue	Original Issue Amount	Final Maturity Date	Net Effective Interest Rate	Amount Outstanding December 31, 2019	Amount Outstanding December 31, 2018
Princeton Theological Seminary:					
2009 Series B	$ 14,435,000	12/1/2032	2.878%	$ -	$ 1,255,000
Princeton University:					
2003 Series D	114,495,000	7/1/2019	3.727%	-	11,130,000
2010 Series B	250,000,000	7/1/2040	4.034%	-	5,785,000
2011 Series B	250,000,000	7/1/2041	4.087%	215,845,000	221,460,000
2014 Series A	200,000,000	7/1/2044	3.773%	189,030,000	191,935,000
2015 Series A	156,790,000	7/1/2035	2.317%	117,700,000	134,735,000
2015 Series D	150,000,000	7/1/2045	3.403%	144,415,000	144,415,000
2016 Series A	109,500,000	7/1/2035	2.525%	105,610,000	105,610,000
2016 Series B	117,820,000	7/1/2027	1.769%	110,015,000	113,020,000
2017 Series B	342,240,000	7/1/2036	2.911%	307,705,000	325,455,000
2017 Series C	141,095,000	7/1/2047	3.505%	141,095,000	141,095,000
2017 Series I	357,105,000	7/1/2040	2.968%	351,820,000	357,105,000
Ramapo College of New Jersey:					
Series 2011 A	19,090,000	7/1/2021	3.325%	2,220,000	3,890,000
Series 2012 B	80,670,000	7/1/2042	3.689%	73,120,000	74,105,000
Series 2015 B	45,180,000	7/1/2040	3.585%	40,360,000	41,835,000
Series 2017 A	99,450,000	7/1/2047	3.505%	92,845,000	96,310,000
Rider University:					
2012 Series A	52,020,000	7/1/2037	3.741%	30,200,000	31,800,000
2017 Series F	41,770,000	7/1/2047	4.187%	41,770,000	41,770,000
Rowan University:					
Series 2011 C	30,045,000	7/1/2025	3.705%	12,550,000	15,120,000
Series 2016 C	45,300,000	7/1/2031	2.129%	41,595,000	43,200,000
Saint Peter's University (formerly Saint Peter's College):					
2007 Series G	36,053,465	7/1/2027	4.217%	22,229,980	24,481,446

NOTE 6 BONDS, NOTES AND LEASES PAYABLE (continued)

Issue	Original Issue Amount	Final Maturity Date	Net Effective Interest Rate	Amount Outstanding December 31, 2019	Amount Outstanding December 31, 2018
Seton Hall University:					
2011 Series A	$ 35,470,000	7/1/2026	2.997%	$ 5,270,000	$ 5,900,000
2013 Series D	41,910,000	7/1/2043	2.707%	35,800,000	38,510,000
2015 Series C	22,205,000	7/1/2037	3.819%	19,505,000	20,200,000
2016 Series C	36,265,000	7/1/2046	3.198%	36,265,000	36,265,000
2017 Series D	39,520,000	7/1/2047	3.853%	39,520,000	39,520,000
2017 Series E	31,915,000	7/1/2039	3.914%	31,915,000	31,915,000
Stevens Institute of Technology:					
2017 Series A	119,905,000	7/1/2047	3.976%	114,685,000	117,125,000
The College of New Jersey:					
Series 2010 B	41,090,000	7/1/2040	4.748%**	-	1,045,000
Series 2012 A	26,255,000	7/1/2019	1.637%	-	5,145,000
Series 2013 A	24,950,000	7/1/2043	4.561%	23,015,000	23,535,000
Series 2015 G	114,525,000	7/1/2031	3.301%	110,285,000	114,525,000
Series 2016 F	87,925,000	7/1/2040	2.928%	87,925,000	87,925,000
Series 2016 G	105,255,000	7/1/2034	3.323%	105,255,000	105,255,000
The College of Saint Elizabeth:					
2016 Series D	21,435,000	7/1/2046	4.566%	20,580,000	20,880,000
Stockton University (formerly The Richard Stockton College of New Jersey):					
Series 2015 E	18,830,826	7/1/2028	2.830%	13,447,491	14,866,301
Series 2016 A	202,445,000	7/1/2041	3.175%	197,120,000	198,810,000
Thomas Edison State University (formerly Thomas Edison State College):					
Series 2011 D	8,000,000	10/1/2031	3.516%	4,237,005	4,658,058
Series 2014 B	7,000,000	12/1/2024	2.500%	3,685,000	4,370,000
The William Paterson University of New Jersey:					
Series 2008 C	88,670,000	7/1/2038	4.724%	-	5,170,000
Series 2012 C	33,815,000	7/1/2042	2.955%	30,230,000	30,750,000
Series 2012 D	21,860,000	7/1/2028	2.489%	11,840,000	12,985,000
Series 2015 C	45,695,000	7/1/2040	3.538%	30,785,000	34,650,000
Series 2016 E	60,755,000	7/1/2038	2.877%	58,485,000	60,755,000
Series 2017 B	27,065,000	7/1/2047	3.796%	26,255,000	26,710,000
Series 2019 A	5,070,000	7/1/2038	3.450%	5,070,000	-

NOTE 6 BONDS, NOTES AND LEASES PAYABLE (continued)

Issue	Original Issue Amount	Final Maturity Date	Net Effective Interest Rate	Amount Outstanding December 31, 2019	Amount Outstanding December 31, 2018
Notes Payable					
Princeton University:					
Various Commercial Paper	$ 120,000,000 *	N/A	Variable	$ 15,000,000	$ 5,000,000
Leases Payable					
Kean University	10,000,000	7/1/2020	3.140%	750,000	1,750,000
Kean University	15,000,000	2/15/2021	2.820%	1,312,442	2,362,396
Thomas Edison State University	2,700,000	9/28/2022	Variable	210,772	281,029
Thomas Edison State University	948,000	7/1/2019	2.427%	-	96,762
Caldwell	3,000,000	N/A	Variable	715,159	-
				$ 4,742,324,053	$ 4,963,318,355

* Maximum authorized amount.
** Build America Bond

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

2020 - 2023	$ 973,907,775
2024 - 2028	1,230,240,454
2029 - 2033	1,091,723,734
2034 - 2038	851,123,241
2039 - 2043	350,531,545
2044 - 2047	244,797,304
Total	$ 4,742,324,053

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.

Refunded bonds outstanding at December 31, 2019 comprise the following:

Issue	Principal Amount Outstanding December 31, 2019	Refunded Issues: Principal Amount Refunded	Refunded Issues: Call Date	Debt Service Savings	Refunding Issues: Date of Issuance	Refunding Issues: Issue	Refunding Issues: Original Amount of Issue
Stevens Institute of Technology							
1998 Series I	$ 2,310,000	$ 6,050,000	No Call	N/A*	8/2/2007	2007 Series A	$ 71,060,000
Princeton Theological Seminary							
Series 2010 A	45,550,000	49,205,000	7/1/2020	N/A**			
New Jersey Institute of Technology							
Series 2010 H	11,500,000	19,545,000	7/1/2020	N/A**			
Drew University							
Series 2003 C	5,110,000	11,385,000	7/1/2021	N/A**			

* Debt Restructuring
** Not NJEFA Refunding Bonds

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 basic financial statements of the business-type activities and fiduciary funds of the New Jersey Educational Facilities Authority as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated July 13, 2020.

Internal Control Over Financial Reporting

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

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

PKF O'CONNOR DAVIES, LLP
20 Commerce Drive, Suite 301, Cranford, NJ 07016 I Tel: 908.272.6200 I Fax: 908.272.2416 I www.pkfod.com

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on 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 effectiveness of 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.

PKF O'Connor Davies, LLP

Cranford, New Jersey
July 13, 2020