

103 College Road East • Princeton, New Jersey 08540  
phone 609-987-0880 • fax 609-987-0850 • Eric.Brophy@njefa.nj.gov

Eric D. Brophy, Esq.  
*Executive Director*

**MINUTES OF THE MEETING OF THE  
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
HELD AT 103 COLLEGE ROAD EAST, PRINCETON, NEW JERSEY  
ON TUESDAY, OCTOBER 23, 2018**

The meeting was called to order at 10:06 a.m. by Chair Hodes. The New Jersey Educational Facilities Authority gave notice of the time, place and date of this meeting via fax and email on June 11, 2018, to The Star Ledger, The Times of Trenton and the Secretary of State and by posting the notice at the offices of the Authority in Princeton, New Jersey. Pursuant to the New Jersey Open Public Meetings Act, a resolution must be passed by the New Jersey Educational Facilities Authority in order to hold a session from which the public is excluded.

**AUTHORITY MEMBERS PRESENT:**

Joshua Hodes, Chair (via phone)  
Ridgeley Hutchinson, Vice Chair (via phone)  
Elizabeth Maher Muoio, State Treasurer, Treasurer (represented by Ryan Feeney) (via phone)  
Louis Rodriguez (via phone)  
Zakiya Smith Ellis, Secretary of Higher Education (via phone)

**AUTHORITY MEMBERS ABSENT:**

None

**STAFF PRESENT:**

Eric D. Brophy, Executive Director  
Sheryl A. Stitt, Deputy Executive Director  
Steven Nelson, Director of Project Management (via phone)  
Brian Sootkoos, Director of Finance-Controller (via phone)  
Ellen Yang, Director of Compliance Management  
Zachary Barby, Communications/Special Projects Assistant  
Rebecca Clark, Project Management Assistant  
Matthew Curtis, Information Technology Manager  
Carl MacDonald, Project Manager  
Jamie O'Donnell, Senior Communications Manager

Debra Paterson, Senior Compliance Manager  
Sheila Toles, Exec. Asst./Human Resources Manager

**ALSO PRESENT:**

Melissa Bayly, Esq., Deputy Attorney General  
Craig Ambrose, Esq., Governor's Authorities Unit (via phone)

**ITEMS OF DISCUSSION**

**1. Approval of the Minutes of the Meeting of September 25, 2018**

The minutes of the meeting of September 25, 2018 were hand delivered to Governor Philip Murphy under the date of September 27, 2018. Mr. Rodriguez moved that the minutes of the meeting be approved as presented; the motion was seconded by Mr. Hutchinson and passed unanimously.

**2. Executive Director's Report**

Mr. Brophy provided the Executive Director's report for informational purposes only.

Mr. Brophy reported that the Authority's Employee Policy Manual had been updated to include clerical revisions to the entire manual; add an Appendix for exhibits and forms; and to replace the Plain Language Guide and the Uniform Ethics Code with the versions posted on the State Ethics Commission's website.

Mr. Brophy reported that staff, for the first time, had produced a Procurement Manual which would internally guide document development to ensure that all staff has knowledge of and is in compliance with laws, regulations and best practices.

Mr. Brophy reported that on October 5<sup>th</sup>, the Authority hosted a kickoff meeting with the State Librarian and other officials to continue to move forward with implementation of the library grant program.

Mr. Brophy reported that the Authority's budget discussion in November would include an increase in the fee cap for the Authority's transactions. He reported that the fee cap had not been increased in at least 20 years and needed to be more in line with other competing issuers. He reported that factors considered in staff's fee structure analysis were services offered compared to the Authority's competitors, increased complexities of transactions, increase in the PAR value of the transactions, which are disproportionate to the current fee caps, and the total amount of staff resources being utilized for each transaction. Mr. Brophy explained that the Authority was not raising the fee, only the fee cap.

3. **Project Management Report**

Mr. MacDonald reported that primary market data had shown that national higher education issuance had been increasing to historically average levels in recent months, and that Authority staff were starting discussions with Institutions that were in the planning phase of future new money borrowings.

Mr. MacDonald reported that Authority staff had recent discussions with Institutions, other conduit issuers and banking institutions regarding program development and had been made aware of a need for funding of projects ranging from short-term equipment needs to larger renovations, as well as deferred maintenance. He reported that staff were currently working with the Attorney General's Office on the procurement of bond counsel to present an amended Tax-Exempt Leasing Program to the Members for consideration at the November meeting.

Mr. MacDonald reported that on October 10, 2018, the Authority issued an RFP for Investment Banking Services on behalf of Stevens Institute of Technology. He reported that the Institute intended to borrow up to \$240 million of proceeds to construct a two tower, twenty story student housing facility and an adjacent university center. Mr. MacDonald reported that the transaction was expected to close in the 3rd quarter of 2019 and that the Authority was currently in discussions with two other Institutions with plans to issue new money debt in 2019.

4. **Resolution Authorizing the Modification Agreement and Document Amendments of NJEFA Variable Rate Revenue Bonds, Institute for Defense Analyses Issue, 2000 Series D, In the Outstanding Aggregate Principal Amount of \$7,865,000**

Mr. MacDonald reported that staff were requesting the Members approve a resolution authorizing the execution and delivery of a Modification Agreement and other actions in connection with document amendments of certain Authority bonds previously issued on behalf of the Institute for Defense Analyses.

Mr. MacDonald reported that the Authority had previously issued variable rate revenue bonds, Institute for Defense Analyses Issue, 2000 Series D. He reported that pursuant to a Continuing Covenants Agreement, BB&T Community Holdings, Co. had agreed to purchase and hold the bonds during the bank holder tax rate period and that effective January 1, 2018, the rate declined from 35% to 21% due to tax reform changes and that the BB&T had agreed to reduce the rate.

Charles Toto of Hawkins, Delafield & Wood, Bond Counsel, described the resolution.

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

RESOLUTION AUTHORIZING THE MODIFICATION AGREEMENT  
AND DOCUMENT AMENDMENTS FOR \$7,865,000 OUTSTANDING  
AGGREGATE PRINCIPAL AMOUNT, NEW JERSEY EDUCATIONAL  
FACILITIES AUTHORITY VARIABLE RATE REVENUE BONDS,  
INSTITUTE FOR DEFENSE ANALYSES ISSUE, 2000 SERIES D

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

The adopted resolution is appended as Exhibit I.

**5. Resolution Engaging a Firm to Provide Outside Auditing Services**

Mr. Hutchinson reported that staff, in consultation with the Authority's Evaluation Committee, distributed a RFP for Auditing Services dated September 7, 2018 to a distribution list of 12 firms and posted the RFP on the web sites of the Authority and the State of New Jersey and advertised in The Star Ledger and The Trenton Times. He reported that the Evaluation Committee received responses from five firms and reviewed and evaluated the responses based on the minimum qualifications and selection criteria detailed in E.O. No. 122 and E.O. No. 37.

Mr. Hutchinson reported that the Evaluation Committee comprised of Louis Rodriguez, David Moore and himself delivered a scoring summary to the Authority's Audit Committee consisting also of himself, David Moore and Dini Ajmani and upon review, the Committee recommended PKF O'Connor Davies, be appointed as the Authority's external auditors for a period of five years.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES  
AUTHORITY ENGAGING A FIRM TO PROVIDE OUTSIDE  
AUDITING SERVICES

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

The adopted resolution is appended as Exhibit II.

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

Mr. Sootkoos reviewed the Results of Operations and Budget Variance Analysis and reported on the status of construction funds and related investments for September 2018.

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

The reports are appended as Exhibit III.



7. **Next Meeting Date**

Mr. Hodes reminded everyone that the next meeting is scheduled for Tuesday, November 27<sup>th</sup>. The meeting will begin at 2:00 p.m. at the Authority offices. Mr. Hodes then requested a motion to adjourn.

Mr. Rodriguez moved that the meeting be adjourned at 10:30 a.m. The motion was seconded by Mr. Hutchinson and passed unanimously.

Respectfully submitted,



Eric D. Brophy  
Secretary

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY**

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**RESOLUTION**

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**AUTHORIZING THE MODIFICATION AGREEMENT  
AND DOCUMENT AMENDMENTS FOR:**

**\$7,865,000  
OUTSTANDING AGGREGATE PRINCIPAL AMOUNT  
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
VARIABLE RATE REVENUE BONDS,  
INSTITUTE FOR DEFENSE ANALYSES ISSUE,  
2000 SERIES D**

**Adopted October 23, 2018**

**RESOLUTION AUTHORIZING THE MODIFICATION AGREEMENT  
AND DOCUMENT AMENDMENTS FOR:  
\$7,865,000  
OUTSTANDING AGGREGATE PRINCIPAL AMOUNT  
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
VARIABLE RATE REVENUE BONDS,  
INSTITUTE FOR DEFENSE ANALYSES ISSUE,  
2000 SERIES D**

**WHEREAS**, the New Jersey Educational Facilities Authority (the "Authority") was created as a public body corporate and politic of the State of New Jersey pursuant to the New Jersey Educational Facilities Authority Law (being Chapter 72A of Title 18A of the New Jersey Statutes, as amended and supplemented) (the "Act"); and

**WHEREAS**, the Authority did heretofore adopt and approve a resolution on September 22, 2015 (the "Amended Series 2000 Resolution") authorizing and providing for the interest rate conversion and remarketing of and document amendments for the \$11,070,000 then outstanding aggregate principal amount of New Jersey Educational Facilities Authority Variable Rate Revenue Bonds, Institute for Defense Analyses Issue, 2000 Series D (the "Bonds"); and

**WHEREAS**, the Bonds were issued on November 16, 2000 in an aggregate principal amount of \$16,695,000 for the purpose of, among other things, the acquisition of land and the constructing and equipping of a new research facility in Princeton, New Jersey for Institute for Defense Analyses (the "Borrower" or "IDA"), funding a debt service reserve fund and paying costs of credit enhancement and of issuing the Bonds (the "Original Project"); and

**WHEREAS**, the proceeds of the Bonds were loaned by the Authority to the Borrower pursuant to the Loan Agreement dated as of November 1, 2000, and amended and restated as of November 4, 2015, by and between the Authority and the Borrower (the "Loan Agreement"); and

**WHEREAS**, the Borrower desires to adjust the Tax-Exempt Rate and the Bank Holder Rate under the Trust Agreement dated as of November 1, 2000, as previously amended, as amended and restated as of November 4, 2015 (collectively, the "Trust Agreement") between the Authority and Wells Fargo Bank, National Association (the "Trustee"); and

**WHEREAS**, the herein referenced amendment adjustment will be effected pursuant to the Modification Agreement and Allonge (the "Modification Agreement") dated as of November 1, 2018, by and among IDA, the Trustee, BB&T Community Holdings Co., a Nevada corporation (the "Purchaser") and the Authority, which Modification Agreement constitutes a supplemental Trust Agreement for the purposes of Article XI of the Trust Agreement; and

**WHEREAS**, effective as of the date of the Modification Agreement, the Purchaser has agreed to adjust the Bank Holder Rate and the Tax-Exempt Rate; and

**WHEREAS**, the Authority deems it necessary and in keeping with its authorized purposes to execute the Modification Agreement.

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

**Section 1. Terms Defined in Recitals.** All of the terms defined in the preambles hereof shall have the respective meanings set forth therein for all purposes of this Resolution.

**Section 2. Authority for this Resolution.** This Resolution is adopted pursuant to and in accordance with the provisions of the Act.

**Section 3. Purpose of the Transaction.** The Authority hereby declares the execution of the Modification Agreement to be an authorized undertaking of the Authority and authorizes and directs the Chair, Vice Chair, Executive Director, Treasurer, Director of Project Management, Director of Compliance Management, Secretary, Assistant Treasurer or any Assistant Secretary of the Authority, and any other person authorized by resolution of the Authority, and any of such officers designated as "acting" or "interim" (each an "Authorized Officer") to execute and deliver all documents necessary to enable the Authority, as permitted by the Act, to implement, on behalf of the Borrower, the Bank Holder Rate and Tax-Exempt Rate modification.

**Section 4. Approval of Modification Agreement.** The form of the Modification Agreement presented to this meeting (a copy of which shall be filed with the records of the Authority) is hereby approved. Any Authorized Officer is hereby authorized and directed to execute, acknowledge and deliver, and any other Authorized Officer is hereby authorized and directed to affix and attest the official common seal of the Authority to, the Modification Agreement in substantially such form, with such changes therein and any supplements thereto as such Authorized Officer executing the same may approve, in consultation with Bond Counsel and the Attorney General's Office, such approval to be evidenced conclusively by such Authorized Officer's execution thereof.

The Borrower, by its request for the Authority's assistance in execution and delivery of the Modification Agreement, has agreed to indemnify the Authority and to pay the Authority's fees, including without limitation any applicable administrative, application and discretionary fees. All costs and expenses of the Authority in connection with the Modification Agreement and any other matters contemplated by this Resolution, including the fees and expenses of Bond Counsel, shall be paid by the Borrower. If for any reason the transactions authorized by this Resolution are not consummated, it is understood that all such expenses will be paid by the Borrower and that the Authority will have no responsibility therefor.

**Section 5. Conformance of Documents.** Any Authorized Officer is hereby authorized and directed to approve, as Bond Counsel and the Attorney General's Office may advise, such changes to the forms of the Modification Agreement and such other agreements or documents as may be necessary or appropriate with respect to the Bonds or to conform the same to the requirements of the Purchaser.

**Section 6. Incidental Action.** The Authority hereby approves the execution of the Modification Agreement and the transactions described herein. In connection therewith,

Authorized Officers are hereby authorized and directed to execute and deliver such other documents, agreements, certificates, directions and notices, and to take such other action as may be necessary or appropriate, in order to effect the execution of the Modification Agreement, including without limitation to (i) providing all consents, notices and directions as shall be necessary or desirable under the Trust Agreement to effect the execution of the Modification Agreement, and (ii) maintain the tax-exempt status of the interest on the Bonds (including, without limitation, the execution and delivery of any tax regulatory agreement (including a supplement thereto) and the preparation and filing of any information reports or other documents with respect to the Bonds as may at any time be required under of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder).

**Section 7. Effective Date.** This Resolution shall take effect in accordance with the Act.

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

**AYE:** Joshua Hodes  
Ridgeley Hutchinson  
Louis Rodriguez  
Zakiya Smith Ellis  
Elizabeth Maher Muoio (represented by Ryan Feeney)

**NAY:** None

**ABSTAIN:** None

**ABSENT:** None

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

## MODIFICATION AGREEMENT AND ALLONGE

This Modification Agreement and Allonge (the "Agreement") dated as of \_\_\_\_\_ 1, 2018 (the "Effective Date") is by and among INSTITUTE FOR DEFENSE ANALYSES, a Delaware non-stock corporation (the "Borrower"), WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee (the "Trustee"), BB&T COMMUNITY HOLDINGS CO., a Nevada corporation, as bond purchaser (the "Purchaser") and the NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY (the "Issuer").

### PRELIMINARY STATEMENTS

(A) The Issuer previously issued on behalf of the Borrower the Issuer's Variable Rate Revenue Bonds (Institute for Defense Analyses Issue) 2000 Series D (the "Bonds") pursuant to an Amended and Restated Trust Agreement dated as of November 1, 2000, as further amended by an Amended and Restated Trust Agreement dated as of November 4, 2015 (the "Indenture"), between the Trustee and the Issuer.

(B) The Borrower and the Issuer previously entered into an Amended and Restated Loan Agreement dated as of November 1, 2000, as further amended by an Amended and Restated Loan Agreement dated as of November 4, 2015, under the terms of which the Issuer loaned the proceeds of the sale of the Bonds to the Borrower to finance, refinance or reimburse all or a portion of the Borrower's costs of the Project.

(C) Capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings given them in the Indenture.

(D) As of the effective date of the Indenture, the Bonds bear interest at the Bank Holder Rate pursuant to Section 2.05 of the Indenture.

(E) Pursuant to the terms of the Continuing Covenants Agreement dated as of November 4, 2015, between the Borrower and the Purchaser, the Purchaser agreed to purchase and hold the Bonds during the Bank Holder Rate Period (as defined in the Indenture).

(F) Effective January 1, 2018, the Bank Holder Tax Rate declined from 35% to 21%, and, in accordance with Section 2.05(e)(i) of the Indenture, the Tax-Exempt Rate was adjusted.

(G) Effective as of the Effective Date, the Purchaser has agreed to reduce the Bank Holder Rate.

(H) Upon the execution and delivery of this Agreement by the parties, Hawkins Delafield & Wood LLP is delivering to the Purchaser, the Issuer, the Borrower and the Trustee its opinion dated the date hereof to the effect that the execution and delivery of this Agreement will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes.

(I) This Agreement constitutes a supplemental trust agreement for purposes of Article XI of the Indenture.

## STATEMENT OF AGREEMENT

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, including the agreement of the parties to the adjustment of the Bank Holder Rate by virtue of adjusting the definition of "Spread" as set forth in the definition of Tax-Exempt Rate, and the covenants, terms and conditions hereinafter appearing, the parties hereto agree as follows:

1. Adjustment of Spread. From and after the Effective Date, the term "Spread" shall mean (i) 0.52% per annum, and (ii) during any subsequent Bank Holder Rate Period, the percentage rate per annum determined in accordance with clause (b) of the definition of "Spread" in Exhibit A to the Indenture.

2. Continuation of Corporate Tax Rate Change Multiplier. Effective January 1, 2018, the Bank Holder Tax Rate declined from 35% to 21%, and, in accordance with Section 2.05(e)(i) of the Indenture, the Tax-Exempt Rate was adjusted, effective January 1, 2018, and such adjustment continues to apply following the modification effected hereby, unless and until modified in accordance with Section 1 above.

3. Conforming Changes. To the extent any provision of any Bond Document conflicts with the amendment made in this Agreement, those conflicting provisions shall be deemed amended to conform with the amendment effected by this Agreement.

4. Allonge to Bonds and Note. This Agreement shall constitute an allonge to the Bonds and the Note, and a counterpart hereof shall be attached to the outstanding 2000 Series D Bond R-2 and the related Note, and neither the Bond or the Note shall be transferred unless a counterpart of this Agreement is attached at the time of transfer.

5. Counterparts. This Agreement may be executed and delivered in multiple counterparts, each of which shall be deemed an original.

6. Further Assurances. The parties agree to execute and deliver such additional documents, amendments to Bond Documents and other further assurances as may reasonably be required to implement the amendments identified in this Agreement.

7. Expenses. The Borrower shall pay all the reasonable attorneys' fees incurred by Purchaser in connection with this Agreement.

8. No Adverse Effect Opinion. The effectiveness of this Agreement is subject to the receipt by Purchaser, the Issuer, the Borrower and the Trustee of an opinion of Hawkins Delafield & Wood LLP confirming that the amendment to the Bond Documents contemplated by this Agreement will not have an adverse effect on the tax-exempt status of interest payable on the Bonds.

9. Consent of Borrower. By executing this Agreement, the Borrower consents to the amendment of the Indenture as set forth herein within the meaning of Section 11.03 of the Indenture.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective duly authorized officers as of the day and year first above written.

**INSTITUTE FOR DEFENSE ANALYSES**, a Delaware non-stock corporation

By: \_\_\_\_\_  
C. Dean Graves, Jr.  
Treasurer

**WELLS FARGO BANK, NATIONAL ASSOCIATION**, as Trustee

By: \_\_\_\_\_  
Joseph C. Progar  
Vice President

**BB&T COMMUNITY HOLDINGS CO.**, a Nevada corporation, as Owner of 100% of the Bonds

By: \_\_\_\_\_  
Carolyn Pelton  
Authorized Agent

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY**, as Issuer

By: \_\_\_\_\_  
Name: Eric D. Brophy, Esq.  
Title: Executive Director

(SEAL)  
Attest:

BY: \_\_\_\_\_  
Name:  
Title:



**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
ENGAGING A FIRM TO PROVIDE OUTSIDE AUDITING SERVICES**

**Adopted: October 23, 2018**

- WHEREAS:** The New Jersey Educational Facilities Authority (the "Authority") was duly created and now exists under the New Jersey Educational Facilities Authority Law, Public Laws of 1967, Chapter 271, *N.J.S.A.* 18A:72A-1 et seq., as amended (the "Act") for the purpose of issuing its obligations to obtain funds to finance eligible educational facilities as such may be required for the purposes of public and private institutions of higher education, private colleges and public libraries, and to sell such obligations at public or private sale at a price or prices and in a manner as the Authority shall determine; and
- WHEREAS:** Pursuant to *N.J.S.A.* 18A:72A-21, the Authority is required to cause an audit of its books and accounts to be made at least once a year by certified public accountants; and
- WHEREAS:** The Authority's contract for such audit services has expired and it is necessary for the Authority to enter into a new contract for such services; and
- WHEREAS:** The policies and procedures of the Authority with regard to the selection of professionals including Auditors are governed, *inter alia*, by Executive Order No. 26 (Whitman) ("EO 26") which took effect on January 1, 1995 and which supersedes Executive Orders No. 79 and 92, and Executive Order No. 37 (Corzine) ("EO 37") which took effect on November 25, 2006; and
- WHEREAS:** Article III, Section 12 of the Amended and Restated By-Laws of the Authority (the "By-Laws") creates and establishes an Audit Committee having the responsibility to assist in the financial reporting and audit processes of the Authority, and to provide a recommendation for auditor selection to the Authority's Members and to issue a report to the State Treasurer thereon, all in accordance with Executive Order No. 122 (McGreevey 2004) ("EO 122"); and
- WHEREAS:** Article III, Section 12 of the By-Laws establishes an Evaluation Committee having the responsibility to conduct the solicitation and evaluation of eligible independent auditors, and to provide a recommendation to the Audit Committee, all in accordance with EO 122; and
- WHEREAS:** In accordance with EO 122 and EO 37, prior to the solicitation of the engagement of the Auditor, criteria were established by the Audit Committee for the selection of an Auditor (the "Selection Criteria") which included the following:

(i) proposed fee for services; (ii) the firm's demonstrated ability and qualifications to provide the requested services and the experience of the firm's personnel in doing so, including familiarity with federal laws, rules and regulations relevant to governmental audits; (iii) the firm's general approach and plans and quality of response to meet the requirements of the Request for Proposal for Auditing Services (the "RFP"); (iv) the firm's performance on previous transactions of similar scope and size; (v) the ability of the firm to successfully complete the project within the proposed schedule; and (vi) presence in New Jersey; and

**WHEREAS:** In order to satisfy the requirement in the Authority's various bond documents that the Authority's books and records be audited by a "nationally recognized independent public accountant", the Evaluation Committee established certain "Minimum Requirements" in the RFP for a firm to be selected, i.e.: (i) offices in at least three (3) states; (ii) firm in existence for at least five (5) years; (iii) net revenues in 2017 of at least \$100 million; and (iv) registered with the Public Company Accounting Oversight Board ("PCAOB"); and

**WHEREAS:** On behalf of the Evaluation Committee and in accordance with the terms and provisions of EO 122 and EO 37, the staff of the Authority distributed the RFP on September 7, 2018, (which RFP is attached hereto and made a part hereof as **EXHIBIT A**), to a list of twelve (12) auditing firms, posted the RFP on the Authority's and the State of New Jersey's websites, and advertised the RFP in the *Star-Ledger* and the *Times of Trenton*; and

**WHEREAS:** The Evaluation Committee received a total of five (5) responses to the RFP (the "Responses"); and

**WHEREAS:** The Evaluation Committee reviewed the Responses and evaluated the Responses based upon the criteria set forth in the RFP, including the Minimum Requirements and the Selection Criteria; and in accordance with EO 122, the Evaluation Committee scored the responses and prepared and delivered a written summary to the Audit Committee (the "Evaluation Committee Report"); and

**WHEREAS:** In accordance with EO 122, the Audit Committee reviewed the Evaluation Committee Report and having made a determination to accept the Evaluation Committee's ranking of the Responses, recommended to the Members of the Authority, that it would be in the best interests of the Authority to accept the Response of PKF O'Connor Davies (the "Proposal") and appoint PKF O'Connor Davies (the "Firm") as the Authority's Auditor to provide the outside auditing services described in the RFP under the terms and conditions set forth in this Resolution, the RFP and the Proposal (which Proposal is attached hereto and made a part hereof as **EXHIBIT B**); and

**WHEREAS:** The Authority desires to authorize the engagement of the Firm to provide outside auditing services described in the RFP under the terms and conditions set forth in this Resolution, the RFP and the Proposal, for a period of five (5) years, commencing with the audit period for the Authority's fiscal year ending December 31, 2018, and ending after the audit period for the Authority's fiscal year ending December 31, 2022.

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

**SECTION 1.** The Authority hereby accepts the Proposal and authorizes the engagement of the Firm to provide the outside auditing services described in the RFP under the terms and conditions set forth in this Resolution, the RFP and the Proposal for a period of five (5) years commencing with the audit period for the Authority's fiscal year ending December 31, 2018, and ending after the audit period for the Authority's fiscal year ending December 31, 2022, on the condition that the Authority may terminate the Firm's engagement at any time in its sole discretion.

**SECTION 2.** The Authority hereby authorizes the Executive Director, Deputy Executive Director or Director of Finance/Controller, including any of the foregoing authorized officers serving in an interim or acting capacity ("Authorized Officer"), to take and do any and all acts and things as may be necessary or desirable in connection with engagement of the Firm including without limitation to execute any documents or agreements in the form approved by the Authorized Officer executing same with the advice of the office the Attorney General of New Jersey.

**SECTION 3.** This Resolution shall take effect immediately in accordance with the Act.

\_\_\_\_ Mr. Hutchinson \_\_\_\_ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by \_\_\_\_ Mr. Feeney \_\_\_\_ and upon roll call the following members voted:

**AYE:** Joshua Hodes  
Ridgeley Hutchinson  
Louis Rodriguez  
Zakiya Smith Ellis  
Elizabeth Maher Muoio (represented by Ryan Feeney)

**NAY:** None

**ABSTAIN:** None

**ABSENT:** None

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

### Scoresheet for Auditor for NJEFA

Firm	25% Cost	25% Audit Approach & Plans	25% Firm Qualifications & Experience & NJ Presence	25% Complete Successfully and Timely	Total Score
Baker Tilly	8	12.5	11	15	11.625
CliftonLarsonAllen	10	15	15	14.7	13.675
CohnReznick	15	9	7	8.5	9.875
PKF O'Connor Davies	13	14.5	15	14.8	14.325
RSM	6	13.6	12	14.5	11.525

Score 1-5  
(1 Poor; 5 Excellent)

### Scoresheet for Auditor for NJEFA

Firm	25%		25%		25%		Total Score
	Cost	Audit Approach & Plans	Firm Qualifications & Experience & NJ Presence	Complete Successfully and Timely			
Baker Tilly	4	5	5	5	5	4.75	
CliftonLarsonAllen	4	5	5	5	5	4.75	
CohnReznick	5	4	4	4	5	4.5	
PKF O'Connor Davies	5	5	5	5	5	5	
RSM	4	5	5	5	5	4.75	

Score 1-5  
(1 Poor; 5 Excellent)

Scoresheet for Auditor for NJEFA					
Firm	25% Cost	25% Audit Approach & Plans	25% Firm Qualifications & Experience & NJ Presence	25% Complete Successfully and Timely	Total Score
Baker Tilly	2	3	2	5	3
CliftonLarsonAllen	3	5	5	5	4.5
CohnReznick	5	1	1	1	2
PKF O'Connor Davies	4	4.5	5	5	4.625
RSM	1	4	3	5	3.25

Score 1-5  
(1 Poor, 5 Excellent)

### Scoresheet for Auditor for NJEFA

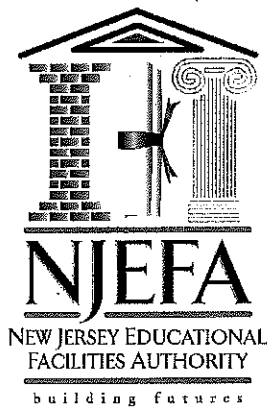
Firm	25% Cost	25% Audit Approach & Plans	25% Firm Qualifications & Experience & NJ Presence	25% Complete Successfully and Timely	Total Score
Baker Tilly	2	4.5	4	5	3.88
CliftonLarsonAllen	3	5	5	4.7	4.43
CohnReznick	5	4	2	2.5	3.38
PKF O'Connor Davies	4	5	5	4.8	4.70
RSM	1	4.6	4	4.5	3.53



New Jersey Educational Facilities Authority

**REQUEST FOR PROPOSALS**

**FOR AUDITING SERVICES**



103 College Road East, 2<sup>nd</sup> Floor  
Princeton, NJ 08540

Date Issued: September 7, 2018

Question & Answer Cut-Off Date: September 21, 2018

Proposals Due: September 28, 2018

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY**  
**REQUEST FOR PROPOSALS FOR AUDITING SERVICES**

**Date Issued: September 10, 2018**

**1.0 BACKGROUND OF THE AUTHORITY**

The New Jersey Educational Facilities Authority (“NJEFA” or “Authority”), an independent and self-supporting state entity, was created as a public body corporate and politic of the State of New Jersey (the “State”) pursuant to the New Jersey Educational Facilities Authority Law (being Chapter 72A of Title 18A of the New Jersey Statutes, as amended and supplemented), *N.J.S.A. 18A:72A-1 et seq.* (the “Act”), to provide a means for New Jersey public and private colleges and universities of higher education (the “Institutions”) to construct educational facilities through the financial resources of a public authority empowered to sell tax-exempt and taxable bonds, notes and other obligations. NJEFA is New Jersey’s primary issuer of municipal bonds to finance and refinance the construction and development of academic facilities at the Institutions.

The Authority finances and refinances various types of projects for 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; energy and utilities-related projects; and refinancing of existing debt. The Authority also, from time to time, issues State-backed bonds to fund the State of New Jersey’s Higher Education Capital Grant Programs and public library facilities.

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 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 by the Authority under the transaction documents and amounts on deposit in certain funds established under the transaction documents. The Authority’s State-backed bond programs for higher education and public library facilities provide that debt service will be paid by the State Treasurer pursuant to a contract between the Authority and the State Treasurer, subject to annual appropriation by the New Jersey State Legislature.

This solicitation of responses is being conducted pursuant to State laws, regulations and executive orders, specifically Executive Order No. 37 (Corzine, 2006) (“EO 37”) and Executive Order No. 122 (McGreevey 2004), (“EO 122”), and the policies and procedures of the Authority with regard to procurement.

## **2.0 PURPOSE AND INTENT OF REQUEST FOR PROPOSALS**

The Authority is seeking proposals in response (“Proposal” or “Proposals”) to this Request for Proposals for Auditing Services (“RFP”) from qualified vendors/bidders to serve as the Authority’s independent Auditor for a five (5) year contract period commencing with the audit of the Authority’s financial statements for the year ending December 31, 2018 and required supplemental disclosure, continuing through the audit of the Year End 2022 financial statements. Nevertheless, NJEFA may terminate the contract at any time in its sole discretion.

## **3.0 MINIMUM REQUIREMENTS**

A vendor/bidder must meet the following minimum requirements:

- Must have offices in at least three (3) states;
- Firm in existence for at least five (5) years;
- Net revenues in 2017 of at least \$100M; and,
- Must be registered with the PCAOB.

Failure of a vendor/bidder to meet minimum requirements will result in immediate rejection of the vendor/bidder’s Proposal.

## **4.0 SCOPE OF SERVICES**

The vendor/bidder selected for this engagement shall provide some or all of the services identified below at the request of the Authority:

4.1 The audit period will be for the Authority’s fiscal year, which ends December 31. The first year to be audited will be the year ending December 31, 2018.

4.2 The auditors shall be available to meet as necessary and required with the staff of the Authority, the Authority’s Audit Committee and members of the Authority’s Board, as necessary to ensure full and proper communications and to satisfy State requirements.

4.3 The audit and opinion will be conducted in conformity with U.S. GAAP and U.S. GAAS accounting standards for all of the Authority’s basic financial statements covering all of the Authority’s funds and accounts, including the Operating Fund and Trustee-held Funds, as required by bond resolutions and certain other authorizing resolutions.

A separate management letter including findings and recommendations shall be provided, if appropriate, based upon a review of internal controls and procedures.

4.4 The auditors will be required to assist in the drafting of relevant disclosures and schedules, particularly around GASB 68 and 74.

- 4.5 The auditors will be tasked with assisting in the implementation of GASB 74 and its ramifications for a self-funded trust.
- 4.6 The auditors shall also be required to certify to the bond Trustees and to the Authority that:
- 4.6.1 Balances in the Reserve Funds and the Renewal and Replacement Accounts meet the requirements of the Bond documents.
  - 4.6.2 The insurance in force meets all requirements of the Bond documents.
  - 4.6.3 In performing the audit, no knowledge of any default in the fulfillment of any of the terms, covenants, or provisions of the Bond documents was obtained, or if knowledge of any such default was obtained, a statement thereof.
- 4.7 The financial statements and auditor's opinions will be incorporated in the Authority's Annual Reports. If there are any additional fees related to publication of the auditor's opinion in the Annual Report, please set forth the fee in the Fee Proposal in EXHIBIT A.
- 4.8 The auditors will be required to meet with the Audit Committee at least two times per year (once prior to start of fieldwork and again after the audit is completed.)
- 4.9 The auditors will be required to present the year end audit and associated findings to the Authority's Board at the board meeting approving the annual financial statements.
- 4.10 All audit work is to be completed by such time to permit distribution of the Financial Statements and Auditor's opinion by March 31 of each year or as soon as practicable thereafter in the event that all required report information is not available.

## **5.0 REQUIRED COMPONENTS OF THE VENDOR/BIDDER'S PROPOSAL IN RESPONSE TO THE REQUEST FOR PROPOSALS**

Each vendor/bidder submitting a Proposal must follow the instructions contained in this RFP. Proposals must be in writing, should be completed in the most concise manner possible, and must contain all of the information requested in the order and format requested. All terms and conditions set forth in this RFP will be deemed to be incorporated by reference in their entirety into any Proposal submitted by each vendor/bidder.

In responding to this RFP, please address the following areas:

### **5.1 Minimum Requirements as detailed in Section 3.1 above.**

### **5.2 Technical Description**

A description of the vendor/bidder's approach and plans for accomplishing the work, outlined in the scope of work stated in sufficient detail to permit a fair evaluation. In addition, the

vendor/bidder should describe the effort in total estimated hours and skills necessary to complete the project.

### **5.3 Organizational Support and Experience**

- 5.3.1 Please provide a brief description of your firm including all pertinent information relating to the vendor/bidder's organization and background that would substantiate the vendor/bidder's qualifications and capabilities to perform the services described above.
- 5.3.2 Identify key personnel to be assigned to the engagement, their contact information, resumes and a brief description of relevant experience.
- 5.3.3 Provide a listing of clients that have a similar scope of services and operations to the Authority that recently underwent an audit that was completed.
- 5.3.4 please provide information regarding the provider and the amount of the vendor//bidder's errors and omissions insurance.
- 5.3.5 Proposals shall also include a description of the Auditor's internal quality control procedures, any material issues raised by peer/governmental/professional quality control reviews, and steps taken to address such issues.
- 5.3.6 Each Proposal shall include an approximation of the number of hours per professional skill level needed to complete the engagement, and the corresponding hourly rates.

### **5.4 Proposed Fees**

Please submit your Fee Proposal on the attached "**EXHIBIT A**."

Each Proposal shall also include a firm, fixed-price base quote for each year of the five (5) year contract period.

The Authority's Annual Report will be posted to the Authority's website and will include a link to the auditor's opinion. As per Section 4.7 above, if applicable, please set forth your fee related to publication of the auditor's opinion on the Authority's website.

In recognition of the additional audit responsibilities related to the sale of new issues by the Authority, vendors/bidders may provide a quoted additional amount for each issue sold in a year.

Proposed fees as stated in the completed "**EXHIBIT A**" shall remain in effect for the duration of the term of the contract. The Authority reserves the right to negotiate final fees with the vendor/bidder selected to provide services.

The Authority places significant reliance on fee proposals and fee caps and expects the vendor/bidder to prepare them with care. Please understand that any deviation from the fee cap established for an engagement based on the scope of services described in this RFP for a specific matter will be considered only as the result of a material or unforeseeable substantial change in the structure or circumstances of the engagement and as agreed upon by the parties. The Authority expects to be consulted promptly if you feel that the most recent fee cap that you have provided is no longer accurate. A request for a proposed fee cap increase must be in writing and the rates to be charged for actual services rendered must be set forth in a schedule of billing rates as provided for in this RFP response.

**5.5 Litigation**

Describe any pending, concluded or threatened litigation and/or investigations, administrative proceedings or federal or state investigations or audits, subpoenas or other information requests of or involving your firm or the owners, principals or employees which might materially affect your ability to serve the Authority. Describe the nature and status of the matter and the resolution, if any.

**5.6 Conflicts of Interest**

Describe any actual or potential conflicts of interest that might arise if your firm is selected to serve as the Auditor to the Authority taking into consideration both the Authority and its college and university clients.

**5.7 Required Documents and Forms**

In addition to all required components of the Proposal as listed above, all documents and forms listed in the RFP Checklist referenced below must be timely submitted in order for your Proposal to be considered responsive to this RFP.

**6.0 SUBMISSION OF THE PROPOSAL**

In order to be considered for appointment, your firm must submit one (1) original and three (3) hard copies of your Proposal addressing the specific requirements outlined herein by no later than **3:00 PM EDT on Friday September 28<sup>th</sup>, 2018** at the following location:

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
Attention: Auditor Evaluation Committee  
103 College Road East  
Princeton, NJ 08540-6612**

Proposals received after **3:00 PM EDT on Friday September 28<sup>th</sup>, 2018** will not be considered. Please note that the Authority's office hours are Monday through Friday between 9:00 am and 5:00 pm. E-mailed and/or faxed Proposals will not be accepted under any circumstances.

If due to delivery service delay, a vendor/bidder's Proposal is received after 3:00 PM EDT on Friday September 28, 2018, the Proposal shall be deemed responsive provided the vendor/bidder submits proof to justify delivery service delay, the vendor/bidder's Proposal would have been received by the Authority prior to the stated deadline.

All inquiries related to this RFP must be received by 3:00 PM Friday September 21st and directed in writing via email or fax to:

Brian Sootkoos  
Director of Finance  
Email: Brian.Sootkoos@njefa.nj.gov  
Facsimile: (609) 987-0850

All inquiries must be received by **3:00 PM EDT on Friday September 21<sup>st</sup>**. No vendor/bidder submitting a Proposal may make any inquiries concerning this RFP, except as expressly set forth herein, to any other NJEFA or Institution employee, Board member, or other State official until final selections have been determined.

If the Authority determines that any answers to such inquiries should be provided to all potential vendors/bidders, the answers will be posted on the Authority's website at [www.njefa.nj.gov](http://www.njefa.nj.gov) on or about **Friday September 21<sup>st</sup>**. It is your responsibility to check the Authority's website for any updates. All answers to inquiries or addenda shall be incorporated into and made part of this RFP.

The Authority assumes no responsibility and bears no liability for costs incurred in the preparation and submission of a Proposal, or attendance of interviews, if any, in response to this RFP. The Authority assumes no responsibility and bears no liability for the disclosure of any information or material received in connection with this solicitation, whether by negligence or otherwise.

All documents and information submitted in response to this RFP will become property of the Authority and shall be open to inspection by members of the general public in accordance with the Open Public Records Act, *N.J.S.A. 47:1A et seq.* once the selection process is complete.

## **7.0 SELECTION PROCESS**

In accordance with EO 37, the factors used to evaluate responsive Proposals shall include, but are not limited to:

- The background, qualifications, skills and experience of the vendor/bidder and its staff;
- The vendor/bidder's degree of expertise;
- The rates or fees to be charged by the vendor/bidder;
- The Authority's prior experience with the vendor/bidder;
- The vendor/bidder's familiarity with the work, requirements, and systems of the Authority;

- The vendor/bidder's capacity to meet the requirements listed in the Scope of Services;
- The vendor/bidder's references; and,
- Geographical location of the vendor/bidder's offices.

All Proposals will be reviewed to determine responsiveness. Non-responsive Proposals will be rejected without evaluation. Responsive Proposals will be reviewed and scored by an evaluation committee pursuant to the grading scale it creates and a recommendation for appointment will be made to the Authority's Board. The Authority reserves the right to request clarifying information subsequent to the submission of the Proposal if necessary.

In making the appointment, strong consideration will be given to the respective price quotations submitted. The Authority reserves the right to establish a fee schedule that is acceptable to the vendor/bidder selected and to the Authority and to negotiate fees when appropriate.

The Authority reserves the right to request additional information if necessary or to request an interview with vendor(s)/bidder(s) in which the evaluation committee will participate. The Authority also reserves the right to reject any and all submitted Proposals with or without cause and waive any irregularities or informalities in the Proposals submitted.

The Authority further reserves the right to make such investigations as it deems necessary as to the qualifications of any and all vendors/bidders submitting Proposals. In the event that all Proposals are rejected, the Authority reserves the right to resolicit Proposals.

## **8.0 ADDITIONAL TERMS AND CONDITIONS**

These additional terms and conditions are required by law as indicated herein. The below forms are hyperlinked in the following RFP Checklist and can be downloaded from the Department of the Treasury website at: <http://www.state.nj.us/treasury/purchase/forms.shtml>.

All statutes, regulations, and Executive Orders can be accessed online by visiting the NJ State Library's website at: [https://www.njstatelib.org/research\\_library/legal\\_resources/](https://www.njstatelib.org/research_library/legal_resources/).

### **8.1 Equal Employment Requirements and Anti-Discrimination Policy**

Vendors/bidders are required to comply with the requirements of *N.J.S.A. 10:5-31 et seq.* and *N.J.A.C. 17:27 et seq.* and the terms set forth in **EXHIBITS B-1 and B-2**.

### **8.2 Ownership Disclosure**

The Ownership Disclosure addresses the requirements of *N.J.S.A. 52:25-24.2*, for any contract or service agreement.

### **8.3 Disclosure of Investigations and Other Actions Involving Vendor/Bidder**

This form requires that the vendor/bidder list all officers and directors and to disclose certain information regarding the individuals.



**8.4 Disclosure of Investment Activities in Iran**

Pursuant to *N.J.S.A.* 52:32-58, vendors/bidders must certify that neither the vendor/bidder, nor any of its parents, subsidiaries, and/or affiliates (as defined in *N.J.S.A.* 52:32 – 56(e)(3)), is listed on the Department of the Treasury’s List of Persons or Entities Engaging in Prohibited Investment Activities in Iran and that neither is involved in any of the investment activities set forth in *N.J.S.A.* 52:32 – 56(f). If the vendor/bidder is unable to so certify, the vendor/bidder shall provide a detailed and precise description of such activities.

**8.5 Affirmative Action Compliance**

*N.J.S.A.* 10:5-31 to -34 and *N.J.A.C.* 17:27.3.1 *et seq.* addresses Affirmative Action Compliance. The vendor/bidder must submit to the Authority one of the following three documents:

- New Jersey Certificate of Employee Information Report
- Federal Letter of Approval Verifying a Federally Approved or Sanctioned Affirmative Action Program (dated within one (1) year of submission)
- Affirmative Action Employee Information Report (AA-302)

**8.6 Two-Year Chapter 51 and Executive Order No. 117 Certification and Disclosure of Political Contributions**

Pursuant to P.L. 2005, c. 51 (“Chapter 51”) and Executive Order No. 117 (Corzine 2008) (“Executive Order 117”), State departments, agencies and independent authorities, such as the Authority, are precluded from awarding contracts exceeding \$17,500 to vendors/bidders who make certain political contributions on and after October 15, 2004, to avoid any appearance that the selection of contracts is based on the contractors’ political contributions. The vendors/bidder(s) selected pursuant to this RFP shall be required to maintain compliance with Chapter 51 and Executive Order 117 during the term of its engagement.

If your firm has questions regarding the requirements of P.L. 2005, c. 51/Executive Order No. 117, please contact Brian Sootkoos, Director of Finance at 609-987-0880.

**8.7 Disclosure Requirement of P.L. 2005, c. 271.**

Pursuant to P.L. 2005, c. 271 (“Chapter 271”), at least ten (10) days prior to entering into any agreement or contract with a value over \$17,500 with the Authority, business entities are required to submit a disclosure of certain political contributions.

Vendors/bidders are also advised of their responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission (ELEC) pursuant to *N.J.S.A.* 19:44A-20.13 (P.L. 2005, c. 271, Section 3) if your firm receives contracts with public entities, such as the Authority, in excess of

\$50,000 or more in the aggregate in a calendar year. It is the vendor/bidder's responsibility to determine if filing is necessary. Failure to so file can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or [www.elec.state.nj.us](http://www.elec.state.nj.us).

**8.8 New Jersey Business Registration**

Pursuant to *N.J.S.A. 52:32-44*, the Authority is prohibited from entering into a contract with any entity providing goods or services to the Authority unless the vendor/bidder/contractor has a valid New Jersey Business Registration Certificate (or interim registration) on file with the Division of Revenue and Enterprise Services within the New Jersey Department of the Treasury.

Pursuant to *N.J.S.A. 54:49-4.1*, a business organization that fails to provide a copy of a business registration as required, or that provides false business registration information, shall be liable for a penalty of \$25 for each day of violation, not to exceed \$50,000, for each proof of business registration not properly provided under a contract with a contracting agency.

To verify the registration status of your business and obtain a Business Registration Certificate visit the Division of Revenue website at: [https://www.state.nj.us/TYTR\\_BRC/jsp/BRCLoginJsp.jsp](https://www.state.nj.us/TYTR_BRC/jsp/BRCLoginJsp.jsp). If your firm is not already registered with the New Jersey Division of Revenue, the form should be completed online at the Division of Revenue website at: [www.state.nj.us/treasury/revenue/index.html](http://www.state.nj.us/treasury/revenue/index.html).

**8.9 Source Disclosure**

In accordance with Executive Order 129 (McGreevey 2004) and *N.J.S.A. 52:34-13.2* (P.L. 2005, c.92), all services performed pursuant to this RFP shall be performed within the United States.

**8.10 New Jersey Conflicts of Interest Law**

The New Jersey Conflicts of Interest Law, *N.J.S.A. 52:13D-12 et seq.* and Executive Order 189 (Kean, 1988), prohibit certain actions by persons or entities which provide goods or services to any State Agency.

**8.11 Obligation to Maintain Records**

The firm shall maintain all records for products and/or services delivered against the contract for a period of five (5) years from the date of final payment under the RFP unless otherwise specified in the RFP. Such records shall be made available to the Authority for audit and review upon request.

**8.12 Set-off for State Taxes**

Pursuant to *N.J.S.A. 54:49-19 et seq.* (P.L. 1995, c.159), and notwithstanding the provision of any other law to the contrary, whenever any taxpayer, partnership or S corporation under contract to provide goods or services or construction projects to the State of New Jersey or its agencies or instrumentalities, including the legislative and judicial branches of State government, is entitled to payment for those goods or services at the same time a taxpayer, partner or shareholder of that entity is indebted for any State tax, the Director of the Division of Taxation shall seek to set off so much of that payment as shall be necessary to satisfy the indebtedness. The amount set-off shall not allow for the deduction of any expense or other deduction which might be attributable to the taxpayer, partner, or shareholder subject to set-off under this Act.

The Director of the Division of Taxation shall give notice of the set-off to the taxpayer, partner or shareholder and provide an opportunity for a hearing within thirty (30) days of such notice under the procedures for protests established under *N.J.S.A. 54:49-19*. No request for conference, protest, or subsequent appeal to the Tax Court from any protest shall stay the collection of the indebtedness.

**8.13 New Jersey State W-9**

No firm shall be paid unless a New Jersey State W-9 has been completed and is on file with the Authority.

**8.14 State of New Jersey SBE/MBE/WBE Certification**

Potential Small Business Vendors/Bidders wishing to participate in the NJ State Set-Aside program may register their company with the New Jersey Division of Revenue and Enterprise Services, Small Business Enterprise Unit at: <https://www.njportal.com/DOR/SBERegistry/>

Firms that wish to become certified as a Minority and/or Women Business Enterprise may apply at: <http://www.nj.gov/njbusiness/documents/contracting/MBE-WBE%20%20Web%20Application.pdf>

**8.15 NJStart Vendor/Bidder Registration**

It is recommended that all vendors/bidders register to use NJStart. It provides access to such information as the status of a vendor/bidder's Chapter 51 Certification, Business Registration, Ownership Disclosure, AA/EEOC Compliance and other required forms. Vendors/bidders can visit [www.njstart.gov](http://www.njstart.gov) and click on "Register" to start the process.

**8.16 Diane B. Allen Equal Pay Act**

Vendors/Bidders are advised that pursuant to the Diane B. Allen Equal Pay Act, L. 2018, c. 9, any State Contractor providing services within the meaning of that Act is required to file the report required therein, with the New Jersey Department of Labor and Workforce Development. Information about the Act and the reporting requirement is available at: <https://nj.gov/labor/equalpay/equalpay.html>

**8.17 Local, State and Federal Laws**

The vendor/bidder must comply with all local, State and federal laws, rules and regulations applicable to this contract and to the services performed hereunder. All contractual arrangements shall be governed and construed and the rights and obligations of the parties hereto shall be determined in accordance with the laws of the State of New Jersey.

## **9.0 RFP CHECKLIST**

**The following RFP Checklist is to be executed by an authorized signer of your firm, and it is recommended that all required forms and documents listed therein be included and submitted with your Proposal as contract award or authorization to the successful vendor/bidder is contingent upon receipt.**

<b>RFP CHECKLIST – It is recommended that all applicable and required forms and documents below be submitted simultaneously with the written Proposal.</b>			<b>CHECK BOX IF INCLUDED</b>	
<b>PROPOSAL</b>	1	Your written Proposal in response to this Request for Proposals.  Please Note: Written Proposals that do not address all items listed in Section 5.0 above, "Required Components of the Proposal", will not be evaluated and will be rejected as non-responsive.	<input type="checkbox"/>	
	<b>EXHIBITS</b>	2 <b>EXHIBIT A - Fee Proposal to NJEFA</b>	<input type="checkbox"/>	
<b>EXHIBITS</b>	3	<b>EXHIBIT B-1 - Mandatory Equal Employment Opportunity Language - Signed Acceptance and Acknowledgment</b>	<input type="checkbox"/>	
		<b>EXHIBIT B-2 – State Policy Prohibiting Discrimination in the Workplace and Vendor/Bidder Signed Acknowledgment of Receipt</b>	<input type="checkbox"/>	
	4	<b>EXHIBIT C – Certification of No Change (If applicable. See 9b below.)</b>	<input type="checkbox"/>	
<b>DIVISION OF PURCHASE &amp; PROPERTY FORMS</b>	5	<u>Ownership Disclosure Form</u>	<input type="checkbox"/>	
	6	<u>Disclosure of Investigations and Other Actions Involving Vendor/Bidder</u>	<input type="checkbox"/>	
	7	<u>Disclosure of Investment Activities in Iran</u>	<input type="checkbox"/>	
	8	Affirmative Action Compliance (submit <b>one</b> of the following)		
		a.	New Jersey Certificate of Employee Information Report	<input type="checkbox"/>
		b.	Federal Letter of Approval Verifying a Federally Approved or Sanctioned Affirmative Action Program (dated within one (1) year of submission of Proposal)	<input type="checkbox"/>
	9	c. <u>Affirmative Action Employee Information Report (AA-302)</u>		<input type="checkbox"/>
		Disclosure of Political Contributions (submit <b>one</b> of the following) a. <u>Two-Year Chapter 51/Executive Order 117 Vendor/Bidder Certification and Disclosure of Political Contributions</u> b. <u>Certification of No Change and Proof of Two-Year Approval (See EXHIBIT C for the Certification. Only for vendors/bidders who have previously submitted the Two-Year Chapter 51/Executive Order 117 Vendor/Bidder Certification and Disclosure of Political Contributions form.)</u>		<input type="checkbox"/>
	10	<u>Chapter 271 Vendor/Bidder Certification and Political Disclosure Form</u>	<input type="checkbox"/>	
	11	<u>Proof of New Jersey Business Registration</u>	<input type="checkbox"/>	
12	<u>Source Disclosure Form</u>	<input type="checkbox"/>		
13	Small, Minority and/or Women-Owned Business Enterprise Certification or Documentation (if applicable)	<input type="checkbox"/>		

I hereby agree to the Additional Terms and Conditions set forth in Section 8.0 above and understand that all applicable and required documents and forms listed in this RFP Checklist must be provided to the Authority prior to contract award or authorization.

Firm Name: \_\_\_\_\_

Submitted By: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT A**

**REQUEST FOR PROPOSALS FOR AUDITING SERVICES**

**Date Issued: August 17, 2018**

**FEE PROPOSAL TO NJEFA**

**Audit Services**

Fees for Audit Service for the year end financials for 2018, 2019, 2020, 2021 & 2022. Audit fees should be based on the Scope of Services identified in Section 4.0 of the RFP.

**Total fee for 2018** \$ \_\_\_\_\_  
(Including \$ \_\_\_\_\_ fee for publication of auditor's opinion.)

**Total fee for 2019** \$ \_\_\_\_\_  
(Including \$ \_\_\_\_\_ fee for publication of auditor's opinion.)

**Total fee for 2020** \$ \_\_\_\_\_  
(Including \$ \_\_\_\_\_ fee for publication of auditor's opinion.)

**Total fee for 2021** \$ \_\_\_\_\_  
(Including \$ \_\_\_\_\_ fee for publication of auditor's opinion.)

**Total fee for 2022** \$ \_\_\_\_\_  
(Including \$ \_\_\_\_\_ fee for publication of auditor's opinion.)

**Other Professional Service Consulting**

**Hourly Rate** \$ \_\_\_\_\_

(If applicable, please set forth the hourly rate for each professional.)

## **EXHIBIT B-1**

### **MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE**

*N.J.S.A. 10:5-31 et seq. (P.L. 1975, C. 127)*

*N.J.A.C. 17:27*

### **GOODS, PROFESSIONAL SERVICE AND GENERAL SERVICE CONTRACTS**

During the performance of this contract, the contractor agrees as follows:

The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, the contractor will take affirmative action to ensure that such applicants are recruited and employed, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this nondiscrimination clause.

The contractor or subcontractor, where applicable will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex.

The contractor or subcontractor, where applicable, will send to each labor union or representative or workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer advising the labor union or workers' representative of the contractor's commitments under this act and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The contractor or subcontractor, where applicable, agrees to comply with any regulations promulgated by the Treasurer pursuant to *N.J.S.A. 10:5-31 et seq.*, as amended and supplemented from time to time and the Americans with Disabilities Act.

The contractor or subcontractor agrees to make good faith efforts to employ minority and women workers consistent with the applicable county employment goals established in accordance with *N.J.A.C. 17:27-5.2*, or a binding determination of the applicable county employment goals determined by the Division, pursuant to *N.J.A.C. 17:27-5.2*.

The contractor or subcontractor agrees to inform in writing its appropriate recruitment agencies including, but not limited to, employment agencies, placement bureaus, colleges, universities, labor unions, that it does not



discriminate on the basis of age, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.

The contractor or subcontractor agrees to revise any of its testing procedures, if necessary, to assure that all personnel testing conforms with the principles of job-related testing, as established by the statutes and court decisions of the State of New Jersey and as established by applicable Federal law and applicable Federal court decisions.

In conforming with the applicable employment goals, the contractor or subcontractor agrees to review all procedures relating to transfer, upgrading, downgrading and layoff to ensure that all such actions are taken without regard to age, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal law and applicable Federal court decisions.

The contractor shall submit to the public agency, after notification of award but prior to execution of a goods and services contract, one of the following three documents:

Letter of Federal Affirmative Action Plan Approval

Certificate of Employee Information Report

Employee Information Report Form AA302

The contractor and its subcontractors shall furnish such reports or other documents to the Div. of Contract Compliance & EEO as may be requested by the office from time to time in order to carry out the purposes of these regulations, and public agencies shall furnish such information as may be requested by the Div. of Contract Compliance & EEO for conducting a compliance investigation pursuant to **Subchapter 10 of the Administrative Code at N.J.A.C. 17:27.**

**Firm Name:** \_\_\_\_\_

**Submitted By:** \_\_\_\_\_

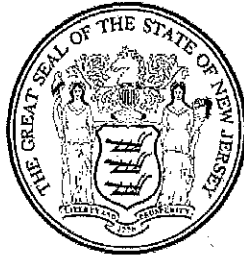
**Signature:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**EXHIBIT B-2**

**NEW JERSEY STATE POLICY PROHIBITING DISCRIMINATION IN THE  
WORKPLACE**



***NEW JERSEY STATE  
POLICY PROHIBITING DISCRIMINATION IN THE WORKPLACE***

**I. POLICY**

a. Protected Categories

The State of New Jersey is committed to providing every State employee and prospective State employee with a work environment free from prohibited discrimination or harassment. Under this policy, forms of employment discrimination or harassment based upon the following protected categories are prohibited and will not be tolerated: race, creed, color, national origin, nationality, ancestry, age, sex/gender (including pregnancy), marital status, civil union status, domestic partnership status, familial status, religion, affectional or sexual orientation, gender identity or expression, atypical hereditary cellular or blood trait, genetic information, liability for service in the Armed Forces of the United States, or disability.

To achieve the goal of maintaining a work environment free from discrimination and harassment, the State of New Jersey strictly prohibits the conduct that is described in this policy. This is a zero tolerance policy. This means that the state and its agencies reserve the right to take either disciplinary action, if appropriate, or other corrective action, to address any unacceptable conduct that violates this policy, regardless of whether the conduct satisfies the legal definition of discrimination or harassment.

b. Applicability

Prohibited discrimination/harassment undermines the integrity of the employment relationship, compromises equal employment opportunity, debilitates morale and interferes with work productivity. Thus, this policy applies to all employees and applicants for employment in State departments, commissions, State colleges or universities, agencies, and authorities (hereafter referred to in this section as "State agencies" or "State agency"). The State of New Jersey will not tolerate harassment or

discrimination by anyone in the workplace including supervisors, co-workers, or persons doing business with the State. This policy also applies to both conduct that occurs in the workplace and conduct that occurs at any location which can be reasonably regarded as an extension of the workplace (any field location, any off-site business-related social function, or any facility where State business is being conducted and discussed).

This policy also applies to third party harassment. Third party harassment is unwelcome behavior involving any of the protected categories referred to in (a) above that is not directed at an individual but exists in the workplace and interferes with an individual's ability to do his or her job. Third party harassment based upon any of the aforementioned protected categories is prohibited by this policy.

## II. PROHIBITED CONDUCT

### a. Defined

It is a violation of this policy to engage in any employment practice or procedure that treats an individual less favorably based upon any of the protected categories referred to in I (a) above. This policy pertains to all employment practices such as recruitment, selection, hiring, training, promotion, transfer, assignment, layoff, return from layoff, termination, demotion, discipline, compensation, fringe benefits, working conditions and career development.

It is also a violation of this policy to use derogatory or demeaning references regarding a person's race, gender, age, religion, disability, affectional or sexual orientation, ethnic background, or any other protected category set forth in I(a) above. A violation of this policy can occur even if there was no intent on the part of an individual to harass or demean another.

Examples of behaviors that may constitute a violation of this policy include, but are not limited to:

- Discriminating against an individual with regard to terms and conditions of employment because of being in one or more of the protected categories referred to in I(a) above;
- Treating an individual differently because of the individual's race, color, national origin or other protected category, or because an individual has the physical, cultural or linguistic characteristics of a racial, religious, or other protected category;

- Treating an individual differently because of marriage to, civil union to, domestic partnership with, or association with persons of a racial, religious or other protected category; or due to the individual's membership in or association with an organization identified with the interests of a certain racial, religious or other protected category; or because an individual's name, domestic partner's name, or spouse's name is associated with a certain racial, religious or other protected category;
- Calling an individual by an unwanted nickname that refers to one or more of the above protected categories, or telling jokes pertaining to one or more protected categories;
- Using derogatory references with regard to any of the protected categories in any communication;
- Engaging in threatening, intimidating, or hostile acts toward another individual in the workplace because that individual belongs to, or is associated with, any of the protected categories; or
- Displaying or distributing material (including electronic communications) in the workplace that contains derogatory or demeaning language or images pertaining to any of the protected categories.

b. Sexual Harassment

It is a violation of this policy to engage in sexual (or gender-based) harassment of any kind, including hostile work environment harassment, quid pro quo harassment, or same-sex harassment. For the purposes of this policy, sexual harassment is defined, as in the Equal Employment Opportunity Commission Guidelines, as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when, for example:

- Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment;
- Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or
- Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

Examples of prohibited behaviors that may constitute sexual harassment and are therefore a violation of this policy include, but are not limited to:

- Generalized gender-based remarks and comments;
- Unwanted physical contact such as intentional touching, grabbing, pinching, brushing against another's body or impeding or blocking movement;
- Verbal, written or electronic sexually suggestive or obscene comments, jokes or propositions including letters, notes, e-mail, text messages, invitations, gestures or inappropriate comments about a person's clothing;
- Visual contact, such as leering or staring at another's body; gesturing; displaying sexually suggestive objects, cartoons, posters, magazines or pictures of scantily-clad individuals; or displaying sexually suggestive material on a bulletin board, on a locker room wall, or on a screen saver;
- Explicit or implicit suggestions of sex by a supervisor or manager in return for a favorable employment action such as hiring, compensation, promotion, or retention;
- Suggesting or implying that failure to accept a request for a date or sex would result in an adverse employment consequence with respect to any employment practice such as performance evaluation or promotional opportunity; or
- Continuing to engage in certain behaviors of a sexual nature after an objection has been raised by the target of such inappropriate behavior.

### **III. EMPLOYEE RESPONSIBILITIES**

Any employee who believes that she or he has been subjected to any form of prohibited discrimination/harassment, or who witnesses others being subjected to such discrimination/harassment is encouraged to promptly report the incident(s) to a supervisor or directly to the State agency's Equal Employment Opportunity/Affirmative Action Officer or to any other persons designated by the State agency to receive workplace discrimination complaints.

All employees are expected to cooperate with investigations undertaken pursuant to VI below. Failure to cooperate in an investigation may result in

administrative and/or disciplinary action, up to and including termination of employment.

#### **IV. SUPERVISOR RESPONSIBILITIES**

Supervisors shall make every effort to maintain a work environment that is free from any form of prohibited discrimination/harassment. Supervisors shall immediately refer allegations of prohibited discrimination/harassment to the State agency's Equal Employment Opportunity/Affirmative Action Officer, or any other individual designated by the State agency to receive complaints of workplace discrimination/harassment. A supervisor's failure to comply with these requirements may result in administrative and/or disciplinary action, up to and including termination of employment. For purposes of this section and in the State of New Jersey Model Procedures for Processing Internal Complaints Alleging Discrimination in the Workplace (Model Procedures), a supervisor is defined broadly to include any manager or other individual who has authority to control the work environment of any other staff member (for example, a project leader).

#### **V. DISSEMINATION**

Each State agency shall annually distribute the policy described in this section, or a summarized notice of it, to all of its employees, including part-time and seasonal employees. The policy, or summarized notice of it, shall also be posted in conspicuous locations throughout the buildings and grounds of each State agency (that is, on bulletin boards or on the State agency's intranet site). The Department of the Treasury shall distribute the policy to State-wide vendors/contractors, whereas each State agency shall distribute the policy to vendors/contractors with whom the State agency has a direct relationship.

#### **VI. COMPLAINT PROCESS**

Each State agency shall follow the Model Procedures with regard to reporting, investigating, and where appropriate, remediating claims of discrimination/harassment. See N.J.A.C. 4A:7-3.2. Each State agency is responsible for designating an individual or individuals to receive complaints of discrimination/harassment, investigating such complaints, and recommending appropriate remediation of such complaints. In addition to the Equal Employment Opportunity/Affirmative Action Officer, each State agency shall designate an alternate person to receive claims of discrimination/harassment.

All investigations of discrimination/harassment claims shall be conducted in a way that respects, to the extent possible, the privacy of all the persons involved. The investigations shall be conducted in a prompt, thorough and

impartial manner. The results of the investigation shall be forwarded to the respective State agency head to make a final decision as to whether a violation of the policy has been substantiated.

Where a violation of this policy is found to have occurred, the State agency shall take prompt and appropriate remedial action to stop the behavior and deter its reoccurrence. The State agency shall also have the authority to take prompt and appropriate remedial action, such as moving two employees apart, before a final determination has been made regarding whether a violation of this policy has occurred.

The remedial action taken may include counseling, training, intervention, mediation, and/or the initiation of disciplinary action up to and including termination of employment.

Each State agency shall maintain a written record of the discrimination/harassment complaints received. Written records shall be maintained as confidential records to the extent practicable and appropriate.

## **VII. PROHIBITION AGAINST RETALIATION**

Retaliation against any employee who alleges that she or he was the victim of discrimination/harassment, provides information in the course of an investigation into claims of discrimination/harassment in the workplace, or opposes a discriminatory practice, is prohibited by this policy. No employee bringing a complaint, providing information for an investigation, or testifying in any proceeding under this policy shall be subjected to adverse employment consequences based upon such involvement or be the subject of other retaliation.

Following are examples of prohibited actions taken against an employee because the employee has engaged in activity protected by this subsection:

- Termination of an employee;
- Failing to promote an employee;
- Altering an employee's work assignment for reasons other than legitimate business reasons;
- Imposing or threatening to impose disciplinary action on an employee for reasons other than legitimate business reasons; or
- Ostracizing an employee (for example, excluding an employee from an activity or privilege offered or provided to all other employees).



## **VIII. FALSE ACCUSATIONS AND INFORMATION**

An employee who knowingly makes a false accusation of prohibited discrimination/harassment or knowingly provides false information in the course of an investigation of a complaint, may be subjected to administrative and/or disciplinary action, up to and including termination of employment. Complaints made in good faith, however, even if found to be unsubstantiated, shall not be considered a false accusation.

## **IX. CONFIDENTIALITY**

All complaints and investigations shall be handled, to the extent possible, in a manner that will protect the privacy interests of those involved. To the extent practical and appropriate under the circumstances, confidentiality shall be maintained throughout the investigatory process. In the course of an investigation, it may be necessary to discuss the claims with the person(s) against whom the complaint was filed and other persons who may have relevant knowledge or who have a legitimate need to know about the matter. All persons interviewed, including witnesses, shall be directed not to discuss any aspect of the investigation with others in light of the important privacy interests of all concerned. Failure to comply with this confidentiality directive may result in administrative and/or disciplinary action, up to and including termination of employment.

## **X. ADMINISTRATIVE AND/OR DISCIPLINARY ACTION**

Any employee found to have violated any portion or portions of this policy may be subject to appropriate administrative and/or disciplinary action which may include, but which shall not be limited to: referral for training, referral for counseling, written or verbal reprimand, suspension, reassignment, demotion or termination of employment. Referral to another appropriate authority for review for possible violation of State and Federal statutes may also be appropriate.

## **XI. TRAINING**

All State agencies shall provide all new employees with training on the policy and procedures set forth in this section within a reasonable period of time after each new employee's appointment date. Refresher training shall be provided to all employees, including supervisors, within a reasonable period of time. All State agencies shall also provide supervisors with training on a regular basis regarding their obligations and duties under the policy and regarding procedures set forth in this section.

Issued: December 16, 1999  
Revised: June 3, 2005  
Revised: September 5, 2013  
See N.J.A.C. 4A:7-3.1

**EXHIBIT B-2**

**VENDOR/BIDDER ACKNOWLEDGMENT OF RECEIPT**

New Jersey Educational Facilities Authority is committed to establishing and maintaining a workplace environment that is free from discrimination or harassment.

Attached for your review is the New Jersey State Policy Prohibiting Discrimination in the Workplace, which must be distributed to all vendors/bidders/contractors with whom New Jersey Educational Facilities Authority has a direct relationship.

Please sign and return this Acknowledgment of Receipt to confirm you have received a copy of the New Jersey State Policy Prohibiting Discrimination in the Workplace.

**Vendor/Bidder Name:** \_\_\_\_\_

**Submitted By:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**EXHIBIT C**

P.L. 2005, c. 51 / Executive Order No. 117  
Certification of No Change

I, \_\_\_\_\_ the \_\_\_\_\_ of \_\_\_\_\_ in connection with the Request for Proposals for Audit Services issued by the New Jersey Educational Facilities Authority (the "Authority") do hereby certify that all information, certifications and disclosure statements previously provided in connection with P.L. 2005, c. 51, which codified Executive Order No. 134 (McGreevey 2004), as amended by Executive Order No. 117 (Corzine 2008), are true and correct as of the date hereof and that all such statements have been made with full knowledge that the Authority and the State of New Jersey shall rely upon the truth of the statements contained therein and herein in connection with the RFP.

IN WITNESS WHEREOF, we have executed this Certification as of this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**Submitted By:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Firm's EIN:** \_\_\_\_\_

ATTENTION: Please attach proof of your firm's two-year approval date.



Proposal for Independent Auditing Services to:  
**New Jersey Educational Facilities Authority**

For the Fiscal Years Ending December 31, 2018,  
2019, 2020, 2021 and 2022

Presented To:  
New Jersey Educational Facilities Authority  
Auditor Evaluation Committee

September 26, 2018

Submitted By:  
David J. Gannon, Partner  
908-967-6855

A large blue circular graphic is positioned on the left side of the page. Inside the circle, the words 'KNOW', 'GREATER', and 'VALUE' are stacked vertically in a bold, blue, sans-serif font.

**KNOW  
GREATER  
VALUE**

RECEIVED  
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NJ ED FAC AUTH

SEP27 10:27A

**Original**



September 26, 2018

New Jersey Educational Facilities Authority  
Attention: Auditor Evaluation Committee  
103 College Road East  
Princeton, New Jersey 08540-6612

Dear Auditor Evaluation Committee:

PKF O'Connor Davies is pleased to present this proposal for providing audit services to the New Jersey Educational Facilities Authority ("the Authority") for the fiscal years ended December 31, 2018, 2019, 2020, 2021 and 2022. We have an understanding of the work to be performed based on our review of the request for proposal. We are confident that our seasoned professionals, experience in the government sector and significant level of partner involvement will exceed your highest expectations.

Our extensive credentials and experience providing accounting, auditing and management advisory services to government entities for more than 60 years equips our specialists to help navigate the regulatory requirements and industry pressures facing the Authority today and deliver the support it takes to stay in compliance with the complex regulatory and accounting standards facing governmental organizations. Combining deep industry knowledge, cross-functional insight and expertise, our specialists are ideally qualified to assist with all aspects of the Authority's financial and management operations.

**We are a firm based in the New Jersey/New York region founded over 125 years ago.** PKF O'Connor Davies has nine offices in the Northeast, including, three offices in New Jersey (Woodcliff Lake, Livingston and Cranford) and has been ranked as the 28<sup>th</sup> largest accounting firm in the United States. Firm-wide, we have 700 professionals, including 200 in New Jersey. If selected as your auditors, we would staff the engagement out of our New Jersey offices.

**We have a proven track record of providing quality service to the public sector.** PKF O'Connor Davies is proud of our record for conducting quality audits in accordance with the auditing requirements of the AICPA and the requirements of the federal and state government. Our peer review reflects that we passed with *no deficiencies*.

PKF O'Connor Davies has a significant public sector practice in New Jersey, New York and Connecticut. We currently serve approximately over 200 governmental organizations. In New Jersey, our professionals have a significant amount of experience serving New Jersey Departments, State Authorities and State Universities. Our professionals have provided services to the following New Jersey departments and component units: **New Jersey Sports and Exposition Authority, New Jersey Casino Reinvestment Development Authority, New Jersey Economic Development Authority, New Jersey Redevelopment Authority, New Jersey Schools Development Authority, New Jersey Transit, New Jersey Tobacco Settlement Financing Corporation, Montclair State University, Kean University, Ramapo College, Stockton University, New Jersey Department of Community Affairs and the New Jersey Department of Transportation.**

We will assign professional staff members that not only possess extensive experience in the government sector, but are considered experts in their field. The members of the Firm that will be assigned to the engagement will be led by David Gannon, Partner from the Government Services Division of PKF O'Connor Davies, and will be assisted by several partners, managers and staff members that specialize in auditing New Jersey public sector organizations. The quality control partner for the engagement, Michael Andriola, served on the audit of the Authority's engagement several years ago during his time working for Ernst & Young. He served on the Authority's engagement for five years. Lastly, the advisory partner, Joseph Centofanti, who will assist the team on this engagement, has experience auditing the Connecticut Health and Educational Facilities Authority.

**Ensuring a smooth transition while changing auditors will be one of our greatest priorities.** We understand that the prospect of changing a professional service provider can be a daunting challenge. We commit to the Authority that PKF O'Connor Davies will work tirelessly to ensure that the transition is orderly, structured and seamless. We have had a significant amount of experience in facilitating smooth transitions of new clients over the past few years.

**Strong communication and coordination is important to us.** We recognize that good communication and coordination are vital for a strong relationship, and we will go to extra lengths to ensure we are exceeding your expectations. Our ability to bring resources responsive to your needs is directly related to how well we listen. Our team commits to continuous and open communication with you so that we can quickly identify and resolve any matters as they arise. Continuous communication means:

- Always being accessible at short notice for face to face meetings;
- Responding quickly to your phone calls and emails;
- Providing answers to your questions immediately;
- Providing the right resources for your specific issues;
- No surprises;
- Talking openly and frankly to short circuit any potential problems;
- Planning through proactive discussion of emerging issues.

**Minimum requirements.** PKF O'Connor Davies meets the Authority's minimum requirements to submit a proposal as follows:

- Our Firm has offices located in four states;
- Our Firm has existed for over 125 years;
- Our Firm's net revenue is over \$140 million;
- Our Firm is registered with the PCAOB.

Additionally, based on our reading of your proposal, we understand that it is important that the Firm engaged by the Authority provide assistance with implementation of GASB Statement No. 74 and continued assistance with GASB 68 accounting and reporting. Our Firm assisted approximately fifteen of our governmental clients implement GASB Statement No. 74 during this past year, as well as, early implement GASB Statement No. 75. Our Firm was engaged during the 2016 and 2017 to provide the State of Connecticut Municipal Employees Retirement System and the State of Connecticut Teachers Retirement System with GASB 68 compliance audit services.

If you have any questions regarding our proposal or any other matter of concern, please do not hesitate to contact David Gannon directly at 908-967-6855 or [dgannon@pkfod.com](mailto:dgannon@pkfod.com).

Very truly yours,



David J. Gannon, CPA, RMA  
Engagement Partner



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## Section 1 – Our Firm and Client Base

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## About PKF O'Connor Davies

PKF O'Connor Davies, LLP ("PKF O'Connor Davies") is a new breed of accounting and advisory firm that holds itself to a higher standard: going beyond passive value calculation to active value creation. With roots tracing back to 1891, PKF O'Connor Davies has a proven record of achievement in providing high-quality service and building lasting client relationships.

### Agility, Responsiveness and Expertise

We fulfill this mission by providing resources that match those of larger firms in scope – but with the agility only a firm of our size can demonstrate. With PKF O'Connor Davies working on your behalf, you gain valuable competitive advantages. Count on our professionals to:

- Acquire a comprehensive understanding of your business so that we can advise you on how specific decisions may impact your accounting outlook, financial and tax positions.
- Apply our knowledge of your industry to identify and recommend opportunities for improving your organization's performance.
- Serve as your liaison to an extensive network of full-service support around the globe.
- Fulfill our responsibility as a highly skilled and experienced single source of contact at all times.

### Talented Specialists and Cross-Functional Teams

As a thriving, competitive and successful organization, PKF O'Connor Davies continuously pursues innovation and growth by nurturing it in our team members and celebrating it as a firm.

- Individually, our professionals excel in their areas of specialty as they are equipped to understand thoroughly, respond quickly and deliver precisely the services you need.
- Collectively, they form a potent team, working on your behalf both domestically and abroad to ensure that your business remains competitive, technologically advanced and secure, ready to pursue ongoing growth and success.
- We hire and promote career growth-minded candidates because it benefits our executives, our firm and our clients.
- We've fostered the development of many prominent professionals, including principals key to our senior leadership teams.
- A top priority has been, and will remain, to attract, develop, reward and retain superior talent; the fulfillment of this mission enables us to assure you vital service quality and consistency.

### Partner Involvement. Dedicated Engagement Teams.

Our team approach has equipped us to build strong relationships with our clients by being proactive, thorough and efficient.

- Partners are involved in the day-to-day management of engagements, ensuring a high degree of client service and cost effectiveness.
- The continuity of staffing and attention to detail in all client engagements makes PKF O'Connor Davies stand out among its peer firms.

## Firm Recognition

As a mid-sized firm, we are able to serve our clients with greater responsiveness and agility than larger firms typically can – while still ranking among them.



**Ranked 28 of “2018’s Largest 100 Firms”**

– *Inside Public Accounting, 2018*

**Ranked 28 of “2018’s Top 100 Firms”**

– *Accounting Today, 2018*

**Ranked 7 of the “Top Firms in the Mid-Atlantic”**

– *Accounting Today, 2018*

**Ranked the 12th largest accounting firm in the New York metropolitan area**

– *Crain’s New York Business, 2018*

**Ranked 11 of “New Jersey’s Top Accounting Firms”**

– *NJBIZ, 2018*

**“50 Most Prestigious Accounting Firms Nationwide”**

– *Vault, 2018*

**“50 Best Accounting Employers to Work for in North America”**

– *Vault, 2018*

**“Tax Advice Award”**

– *Family Wealth Report Awards, 2018*

**“Accountancy Advice Award”**

– *Family Wealth Report Awards, 2017*

**“Best Private Client Audit Award”**

– *Private Asset Management Awards, 2018*

**“Best Reporting Solution Award”**

– *Private Asset Management Awards, 2017*

But the reality is, we define ourselves less by the accolades we receive and more by the growth we help our clients achieve. That’s why we’re not the typical accounting firm.



Our clients know greater **service**. They know greater **connections**. They know greater **value**.



## What to Expect from PKF O'Connor Davies

We understand that competing accounting firms may promise similar approaches. However, we believe that no other firm can match PKF O'Connor Davies' experience, energy and enthusiasm for consistently providing the same level of high-quality service to the Authority. The quality of our professional services is the reason for our success in the Governmental community.

- ✓ **Business Focus** – The Authority will benefit from a team that has served a broad base of clients – regionally, nationally and internationally – and can focus on your particular business issues.
- ✓ **Fresh Outlook** – The Authority will derive significant benefit from a fresh look at its processes and procedures, which will add value by bringing a new perspective on your systems and controls.
- ✓ **Proactive Communication** – Our strategy of year-round communication and accessibility will ensure that any other service issues are identified early and addressed promptly, ensuring timely completion of all engagement deliverables.
- ✓ **Public Sector/Governmental Entity Commitment** – We support our clients and professionals with training and communications as well as thought leadership for the Governmental sector on:
  - Risk Management
  - Controls
  - Technology
  - Compliance
- ✓ **Expertise Assisting Clients in an Increasingly Complex Regulatory Climate** – At PKF O'Connor Davies, our senior professionals are recognized in the accounting and financial management fields for their proficiency and detailed knowledge of state and federal regulations. Our specialists often conduct seminars and serve on conference panels covering regulatory subjects for professionals from other accounting firms and institutions. These same specialists have regular contact with various government agencies and they have significant knowledge of the application of relevant requirements.
- ✓ **Communicating with Our Clients** – Our Firm produces a number of publications to assist clients in staying abreast of accounting and regulatory topics and other current issues of interest. Please see the “**Insights**” section of our website for a listing of recent publications. Sign up to receive monthly newsletters by visiting the **Newsletter Subscribe** page on our website [www.pkfod.com](http://www.pkfod.com).

## What Sets PKF O'Connor Davies Apart

### In a Word: Value

It's at the heart of everything we do. Working with PKF O'Connor Davies assures our clients of higher levels of expertise, commitment, service and integrity – at a lower cost than our larger counterparts.

### Greater Service Value

On the following pages, we provide a description of our **Qualifications** for this specific engagement. In the **Other Services** section of this proposal, you will find a listing of the full complement of Assurance, Accounting, Audit, Tax, Business Advisory and Family Office services we offer. Our expertise is profound, diverse and deep and our clients are the beneficiaries of an outstanding breadth of support.

### Greater Business Value

But there's more. At PKF O'Connor Davies, we know it's not only *what* we provide that defines us, it's *how* we provide it and *who* delivers it that make all the difference.

Our services are delivered by seasoned specialists working side-by-side with clients to deliver insights and solve challenges in real time. Our professionals communicate and collaborate with each other and our clients more often. Those deeper connections, combined with up-to-the-minute insights on new business trends and changing regulations, create real business value that goes beyond a list of services. So while, technically, we're providing services, in actuality, we are creating connections, delivering insights and driving value that other firms cannot.

### Greater Interpersonal Value

The value we deliver begins with the values we all share. There is a distinct feeling when you meet a PKF O'Connor Davies professional and a discernible culture when you walk into one of our offices.

It's what you get when you combine equal parts character and capability, when attitude and action come together. These values serve as the foundation for the deep connections we form with our clients and each other. They're the driving force behind our commitment to be better and do more in order to deliver client value in every way, every day.

Our Firm is steadfast in serving you with:

- Agility and responsiveness
- In-depth technical expertise and astute business acumen
- Talented specialists and expert cross-functional teams
- Active partner involvement and dedicated engagement teams
- Top-tier talent and consistent representation
- An extensive national presence
- Comprehensive global solutions and capabilities as lead North American representative of the PKF International Network



## Qualifications

### Organization and Size of Firm

PKF O'Connor Davies is a full service Certified Public Accounting and consulting firm that has a long history of serving clients both domestically and internationally and providing specialized professional services of the highest quality. Our firm is comprised of more than 700 professionals (200 in New Jersey), including over 100 partners and 9 offices located throughout New Jersey, New York, Connecticut and Maryland.

While many public accounting firms venture into the governmental accounting arena, only a few possess a thorough knowledge of its complexities and only one has a concentration of technical resources which is unequaled in the Tri-State and D.C. Metropolitan region. PKF O'Connor Davies is acknowledged as the premier firm in the Metropolitan New York/New Jersey region in governmental accounting, auditing and management advisory services. This distinction has been garnered from many years of service to the public sector. This technical knowledge of Authority accounting is not restricted to the partners, but pervades all levels of the Firm. The dissemination of this knowledge enhances the efficiency and effectiveness of the budget review and audit process.

The partners and professionals of PKF O'Connor Davies are experienced in a full range of services including financial audits, establishment of internal controls, tax compliance and planning, consolidated fiscal reports, internal control reviews, organizational and operational studies, merger and acquisition strategies, due diligence, investment performance evaluations, inventory cost accounting, profit enhancement studies, fraud and forensic accounting, pension plan compliance, portfolio best practices consulting, arrangement of financing, business valuations, business plan development, and information technology audits.

We have built strong relationships with our clients by being proactive, thorough and efficient. Partners take a hands-on role in the day-to-day management of engagements, ensuring a high degree of client service and cost effectiveness. The Firm's seasoned professional staff members apply a team approach to all engagements to provide its clients with the highest quality and most timely services available. The continuity of staffing and attention to client engagements makes the Firm stand out among its competitors.

With its tradition, experience, and an eye toward the future, PKF O'Connor Davies is ready to help its clients meet today's ever-changing economic conditions and manage the growing complexities of the regulatory environment.

### Management Structure and Culture

We value our relationships with our clients and employees. Since its founding in 1891, the Firm has been committed to maintaining a culture where client service comes first. Our clients value our integrity and experience and receive Public Sector/Governmental service expertise, extensive global resources and meaningful business solutions delivered by knowledgeable professionals dedicated to helping their businesses succeed today and prepare for tomorrow.

Our employees value our opportunities for growth and are provided an environment in which they can grow and succeed. Innovation is nurtured, performance is rewarded and our professionals are valued. The Firm also maintains a strong presence in the community. Our professionals partner with the members of our communities through a wide variety of initiatives to make a positive impact in the world in which we live.



The Firm is proud of its professionals' diverse skills, broad knowledge base, significant experience and extensive Public Sector/Governmental expertise. PKF O'Connor Davies continues to grow and yet maintains the same friendly, approachable business style that has been its hallmark for over 125 years.

Our Firm is led by a managing partner, Kevin Keane, who is supported by a five-member Executive Committee. These partners oversee all operational activities of the Firm as well as maintain active service to many clients. Each member of the Executive Committee also heads a sub-committee. Sub-committees focus on areas such as Practice Development, Information Technology and Human Resources. The managing partner and executive committee have been managing the firm for several years. Additionally, the Firm is not now nor in the past been involved in bankruptcy or re-organization proceedings.

PKF O'Connor Davies acknowledges the importance of the personal approach and that is why our client relationships are always led by partners and directors. The most senior members of our team and our Firm are committed to being accessible, ensuring that our team's strengths, experiences, and backgrounds are fully utilized to our clients' advantage. Our low staff to partner ratio allows us to provide the unique benefit of having partners heavily involved in all assignments.

## Governmental Expertise

### PKF O'Connor Davies Government Services Division

PKF O'Connor Davies provides accounting, tax and consulting services to government managers and executives and agencies at the local, State and National levels through our Government Services Division. Within this area of expertise, our clients include governments and agencies at the local and State levels. In addition, we serve a number of entities that receive Federal, State and local contracts and grants, or that participate in cooperative agreements. Such clients include school districts, counties, cities, towns, villages, justice courts, fire districts, hospitals, higher educational institutions, State agencies and public authorities. A listing of our current government clients is included in the **Client Listing** section of this proposal. We believe that our many years of service to this list of clients demonstrate our capacity to understand and fulfill your requirements.

We have in excess of 75 dedicated full-time professionals in our Governmental Services Division who are involved with and dedicated to government audits on a year round basis. The Governmental Services Division is led by 12 partners and principals. Over the years, we have had extensive involvement with New Jersey public sector organizations on emerging issues. We have often been requested to provide our views on planned pronouncements.



**Dedicated to State and Local Government Entities.**

Today's complex business environment necessitates specialization. The accounting and other professions are not immune. Accounting firms have always been organized by such disciplines as audit, tax and management advisory services. The current environment has resulted in the establishment of sub-specialty areas. Governmental accounting and auditing is clearly a specialty area. Its uniqueness is exemplified through the establishment and separate governing Authority, the Governmental Accounting Standards Board ("GASB"). The sole purpose of GASB is the issuance of authoritative accounting principles for government.



## License to Practice in New Jersey

PKF O'Connor Davies is a firm of certified public accountants licensed to practice in the State of New Jersey. All key personnel assigned to the engagement are licensed to practice in the State of New Jersey and have satisfied all continuing professional education ("CPE") requirements as required by the Board of Accountancy, the American Institute of Certified Public Accountants and the Comptroller General of the United States. In order to perform and audit of federal funds, known as the "Single Audit", 24 hours of CPE every two years must be in subjects related to governmental auditing. All supervisory staff assigned to the Authority's audits meet this requirement.

## Single Audit and Uniform Grant Guidance Expertise

Ensuring compliance with Single Audit requirements applicable to the Authority will be a part of our audit. We pride ourselves on our experience performing Single Audits as well as our efficiency in completing these audits in a manner that exceeds our clients' expectations.

The Firm has been performing Single Audits since our inception, serving large governmental entities for over 60 years and annually performs more than 250 of these types of audits. Our partners and staff have extensive knowledge of the requirements to perform these audits thoroughly and efficiently. PKF O'Connor Davies is a member of the Governmental Audit Quality Center, which provides the most current news and changes in auditing and reporting requirements for Yellow Book and Single Audits.

Our audit strategy is to perform a comprehensive audit that combines the standard financial audit simultaneously with the Federal and State Single Audits. All members of our proposed engagement team have extensive Single Audit experience.

Our audit procedures, relevant to verifying your compliance with the requirements of Uniform Grant Guidance, and in conjunction with the financial statement audit, will be developed to support a low level of assessed control risk, and are consistent with the guidance provided in the Single Audit Compliance Supplement. Our procedures are tailored to assess compliance with the requirements applicable to major programs. Our approach focuses on the following areas:

- Planning the Single Audit, performing risk assessment, and identifying major programs
- Documenting and testing internal controls over financial reporting and over compliance
- Compliance testing
- Auditing the Schedule of Expenditures of Federal Awards and related notes
- Auditing the Schedule of Expenditures of State Financial Assistance
- Preparation of the respective Reports of Independent Certified Public Accountants and the Schedule of Findings and Questions Costs
- Preparation of the applicable sections of the Data Collection Form

## Global, National and Local Presence

PKF O'Connor Davies' renowned client service is available on a worldwide scale, thanks to our leadership role in the PKF International Network of accountants and business advisors – ensuring you access to expertise wherever you take your operations and wherever you envision your growth.

Whether you need entry into overseas markets, assistance deciphering foreign tax code or an international business valuation, your engagement team serves as a liaison to 440 member firms located in 150 countries.

With over 100 partners and more than 700 professionals operating out of our 9 office locations in the Tri-State and D.C. Metropolitan areas alone, we possess the resources to deliver the focused personal attention that many larger firms cannot.

The number of PKF O'Connor Davies' staff by level is as follows:

Staff Level	# of Employees
Partner, Principal and Director	139
Senior Manager and Manager	117
Supervisor and Senior	170
Staff	172
Other	102

There are over 280 CPAs working for the Firm.

## Insurance

The Firm's errors and commission insurance is provided through Pace Professional Services and the policy limit is \$10,000,000.



## References

PKF O'Connor Davies is proud of its reputation of providing quality professional services to governments in a cost effective and efficient manner. The quality of a firm is best demonstrated by the satisfaction expressed by the client.

The following are several clients whose engagements are similar to the Authority, and we encourage you to contact them directly to ascertain their level of satisfaction.

Public Sector Clients		
Client	Services	Partner
Trenton Public Schools Ms. Jayne Howard, Business Administrator (609) 656-5460	Audit	David Gannon
Township of Hamilton Mr. John Barrett, Chief Financial Officer (732) 674-3112	Audit	David Gannon
New Jersey Redevelopment Authority Mr. Barry Vankat, Audit Committee Chair (908) 858-4509	Audit	Francis McEnerney David Gannon
Ramapo College of New Jersey Mr. Peter Mercer, President (201) 684-7610	Audit	Brian Flynn David Gannon
Montclair State University Mr. Michael Galvin, Associate VP of Finance (973) 655-4199	Audit	David Gannon

As Certified Public Accountants, we are very sensitive about confidential client information and, accordingly, have not provided our above references' e-mail addresses, as they are not generally made available to the public.



Dedicated to State and Local Government Entities.

## Client Listing

PKF O'Connor Davies has a long history of serving public entities and governmental clients and currently has well over 200 such entities on our client list, some of which we have served for over 30 years. The Firm has provide services to governmental organizations for over 60 years, including over 25 years through our New Jersey offices. The majority of our clients within the firm follow GASB 34. The following partial list provides a sample of these clients with relevance to the Authority:

<b>New Jersey Government Clients</b>	
<b>Municipal:</b>	<b>New Jersey Departments and Authorities:</b>
Borough of Glen Ridge	New Jersey Department of Community Affairs
City of East Orange	New Jersey Redevelopment Authority
City of Newark	
City of Orange	
City of Paterson	
Township of Bloomfield	<b>State Universities and County Colleges:</b>
Township of Franklin	Kean University
Township of Hamilton	Montclair State University
Township of Montclair	Ramapo College
Township of Morristown	Bergen County Community College
Township of North Bergen	Union County College
Township of Parsippany-Troy Hills	
Township of South Orange	<b>Other:</b>
Township of Verona	Bergen County Improvement Authority
Township of West Orange	Lakewood Student Transportation Authority
<b>School Districts:</b>	
Edgewater School District	
Fort Lee School District	
Jersey City Public Schools	
Hasbrouck Heights School District	
Manchester Township School District	
Middlesex County Vocational School	
Parsippany-Troy Hills School District	
Piscataway Township School District	
Somerset Educational Services Commission	
Trenton Public Schools	



### New York and Connecticut Government Clients

#### Colleges and Universities:

Dutchess County Community College, NY  
Westchester County Community College, NY

#### Fire Districts:

Arlington Fire District, NY  
Bedford Hills Fire District, NY  
Bedford Village Fire District, NY  
Brewster- Southeast Joint Fire District, NY  
Greenville Fire District, NY  
Hawthorne Fire District, NY  
Mahopac Fire District, NY  
Pleasantville Fire District, NY  
Somers Fire District, NY  
Thornwood Fire District, NY  
Valhalla Fire District, NY  
Verplanck Fire District, NY  
Yorktown Heights Fire District, NY

#### School Districts:

<p>Ardsey, NY Bayshore, NY Berlin, CT Blind Brook-Rye, NY Brewster, NY Briarcliff Manor, NY Bronxville, NY Byram Hills, NY Carle Place, NY Chappaqua, NY Chester, CT Clarkstown, NY Dobbs Ferry, NY Edgemont, NY Elmsford, NY Garrison, NY Glencove, NY Greenburgh, NY Greenburgh Graham, NY Greenburgh #11, NY Hastings-on-Hudson, NY Hendrick Hudson, NY Lakeland, NY Lisbon, CT Mamaroneck, NY</p>	<p>Marlboro, NY Mount Pleasant, NY Mount Pleasant Cottage, NY Mount Vernon, NY Nanuet, NY New Rochelle, NY North Salem, NY Ossining, NY Pearl River, NY Pelham, NY Pleasantville, NY Putnam Valley, NY Rockville Centre, NY Roslyn, NY Roundout Valley, NY Rye, NY Rye Neck, NY Salem, CT Scarsdale, NY Somers, NY South Orangetown, NY Tuckahoe, NY Valhalla, NY Yonkers, NY</p>
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**New York and Connecticut Government Clients (continued)**

<b>Villages:</b>	<b>Towns:</b>	<b>Cities:</b>
Ardasley, NY	Bedford, NY	New Canaan, CT*
Briarcliff Manor, NY	Berlin, CT*	New Fairfield, CT*
Bronxville, NY	Bethlehem	New Castle, NY
Buchanan, NY	Boro, CT	Orangetown, NY
Croton-on-Hudson, NY	Carmel, NY	Ossining, NY
Dobbs Ferry, NY	Chester, CT*	Philipstown, NY
Elmsford, NY	Eastchester, NY	Pound Ridge, NY
Freeport, NY	Fishers Island Ferry District, CT*	Putnam Valley, NY
Hillburn, NY	Greenburgh, NY	Salem, CT*
Irvington, NY	Griswold, CT*	Somers, NY
Larchmont, NY	Harrison, NY	Sprague, CT*
Mamaroneck, NY	Kent, NY	Stafford, CT*
Monroe, NY	LaGrange, NY	Sterling, CT*
Mount Kisco, NY	Lisbon, CT*	Stonington, CT
New Paltz, NY	Lewisboro, NY	Stony Point, NY
Ossining, NY	Mamaroneck, NY	Torrington, CT*
Pelham Manor, NY	Monroe, NY	Uncas, CT*
Pleasantville, NY	Monroe, CT*	Union, CT*
Rye Brook, NY	Morris, CT*	Wallkill, NY
Scarsdale, NY	Mount Pleasant, NY	Watertown, CT*
Sleepy Hollow, NY		Yorktown, NY
Spring Valley, NY		
Tarrytown, NY		
Tuckahoe, NY		
		<b>Counties:</b>
		Orange, NY
		Putnam, NY
		Ulster, NY
		Westchester, NY

\*The School District/Board of Education is included in the Town's financial reporting structure and is audited as part of the Town's audit process.

**New York and Connecticut Government Clients (continued)**

**Districts:**

First Taxing District Water Department, CT  
 Rowayton (Sixth Taxing District in the City of Norwalk), CT  
 Harrison Volunteer Ambulance Corps, Inc., NY  
 Northern Westchester Joint Water Works, NY  
 Poughkeepsie Public Library District, NY  
 Uncas Health District, CT  
 Weaver Street Tax District, CT  
 Westchester Joint Water Works, NY

**Authorities:**

Orange County Water Authority  
 Stamford Water Control Authority  
 Yonkers Parking Authority

**Other:**

Connecticut Department of Transportation  
 Connecticut Division of Pensions  
 Consulate General of Ireland New York  
 Dobbs Ferry Local Development Corp.  
 Massapequa Public Library  
 Mount Vernon Board of Water Supply, NY  
 Philipstown Depot Theatre Development Corp,  
 Pump Court Tax Chambers  
 Stamford Office of Administration Glenbrook Fire  
 Department  
 Yonkers Police Department

**Commissions:**

Larchmont-Mamaroneck Joint Garbage  
 Commission  
 Tri-Municipal Sewer Commission



## Peer Review and Other Reviews

Our Quality Control Department randomly selects one representative client assignment from each partner's client list and examines all the documentation, work papers and reports associated with it. The detailed written findings are discussed with the respective partner. Our last office inspection was conducted in 2018. No material weaknesses were uncovered.

As a member of the AICPA Center for Audit Quality, the Firm has undergone triennial AICPA Quality Control Reviews covering audits, reviews and compilations conducted by all our offices for many years, which specifically include audits of Government entities. It has passed all such reviews with unmodified reports. Our most recent review that was accepted by the AICPA was conducted in May 2017 for the period ended December 31, 2016. The Firm's peer review report is available on the AICPA website ([www.aicpa.org](http://www.aicpa.org)) and is provided on the following page.

The Firm is a registered public accounting firm with the Public Company Accounting Oversight Board (PCAOB) which requires that our SEC practice be reviewed triennially. The last completed inspection was conducted in 2016. Reports from the PCAOB on their inspections can be found on the PCAOB website ([www.pcaobus.org](http://www.pcaobus.org)).

On October 31, 2016, the Securities and Exchange Commission ("SEC") issued an Administrative Order regarding PKF O'Connor Davies' 2009 through 2014 audits of the Town of Ramapo, New York and its related local development corporation. The Order is based on settlement offers by the Firm and one of its partners. The Firm and the partner neither admitted nor denied the SEC's charges. The Order does not restrict the Firm's ability to perform professional services for any of the Firm's practice areas. As a result, the Firm has greatly strengthened its policies and procedures over the quality control function, adding an engagement quality control review by an independent partner of all work papers related to a high-risk audit, which is in addition to an already required technical review of the report by an independent reviewer. Additionally, all firm personnel received enhanced fraud detection training during 2017. There has been no other disciplinary action taken or pending against PKF O'Connor Davies during the past three (3) years. This matter was concluded two years ago and will have no impact on the Firm's ability to serve the Authority.

## Peer Review Report



### Report on the Firm's System of Quality Control

June 14, 2017

To the Partners of PKF O'Connor Davies, LLP and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of PKF O'Connor Davies, LLP (the firm) in effect for the year ended December 31, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

#### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

#### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, and examinations of service organizations SOC 1 and SOC 2 engagements.

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of PKF O'Connor Davies LLP in effect for the year ended December 31, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. PKF O'Connor Davies LLP has received a peer review rating of *pass*.

*Davie Kaplan, CPA, P.C.*

DAVIE KAPLAN, CPA, P.C.

Davie Kaplan, CPA, P.C.  
Certified Public Accountants



## Other Services

In addition to audit engagements for governmental organizations, we have also performed a wide variety of services to our government entity clients.

### Audit and Tax

- Audits of governmental entities
- Compliance audits – Uniform Guidance (Formerly OMB Circular A-133), NJ OMB Circular 15-08 and Program Specific Audits
- Implementation of GASB standards
- Internal auditing services
- Advisement on payroll and tax matters
- Performance auditing

### Information Technology Consulting

- Feasibility studies for information technology applications
- Design selection and implementation assistance of management information systems
- Post implementation system reviews
- Technology assessments
- Cyber security assessments

### Management Advisory Services

- Budget consulting services including review of annual budgets
- Multi-year budgeting forecasting
- Fund balance projections
- Grant, contract and cost proposal development – Indirect Cost Rate Calculations
- Organizational and operational reviews
- Internal control reviews

### Additional Services

- Review of Official Statements for bond issuances

## Expertise for Every Stage of Your Growth

With a rare breadth and depth of services as well as extensive industry and sector experience, PKF O'Connor Davies is ideally positioned to address the evolving needs of our clients. As our understanding of your business, operations and objectives expands, we would be pleased to provide support in other areas as the need arises.

### Comprehensive Services

#### ACCOUNTING AND ASSURANCE SERVICES

- Accounting Outsourcing
- Agreed-Upon Procedures (AUPs)
- Audits, Reviews and Compilations
- Employee Benefit Plans
- Government Entity Audits and Compliance (under Uniform Grant Guidance)
- International Financial Reporting Standards (IFRS)
- IT Audit and Cybersecurity Reviews
- Public Company Accounting Oversight Board (PCAOB)

#### TAX COMPLIANCE AND PLANNING SERVICES

- Employee Benefit Planning and Tax Compliance
- International Tax
- IRS Representation and Tax Controversies
- Personal Financial Planning
- Private Foundation Services
- State and Local Tax (SALT)
- Tax Compliance and Reporting
- Tax-Exempt Organizations
- Tax Research and Strategic Planning
- Trust and Estate Planning

#### FAMILY OFFICE SERVICES

- Accounting and Reporting
- Advisory
- Charitable Giving
- Investment Monitoring and Oversight
- Lifestyle Support
- Personal Financial Management
- Tax Planning
- Wealth Planning

#### ADVISORY SERVICES

- Bankruptcy and Restructuring
- Management Advisory Services
- Risk Advisory Services
- Specialty Industry Advisory Services
  - Employee Benefit Plan Services
  - Entrepreneurial Business Advisory Solutions
  - Government and Public Sector Advisory Services
  - Healthcare Advisory Services
  - Hospitality Advisory Services
- Transaction and Financial Advisory Services
- Wealth Services

## Focused Industry Expertise

### Industries

- Affordable Housing
- Architecture and Engineering
- Banking
- Construction
- Consumer Products and Retail
- Education
- Employee Benefit Plans
- Entrepreneurial and Family-Owned Businesses
- Family Office
- Financial Institutions
- Government and Public Sector  
Government Contracting
- Health Care
- Hedge Funds
- Hospitality
- Life Sciences
- Manufacturing and Distribution
- Medical Practices
- Not-for-Profit Organizations
- Private Clubs
- Private Equity
- Private Foundations
- Professional Services/Law Firms
- Professional Trade Membership Associations and Societies
- Real Estate
- Shipping and Logistics
- Sports and Entertainment
- Technology Companies



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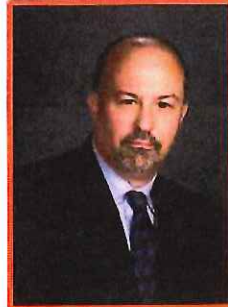
## Section 2 – Our Service Team

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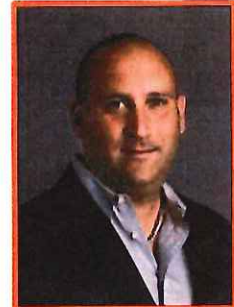
## Your Engagement Team



**David J. Gannon, CPA**  
Engagement Partner  
908-967-6855



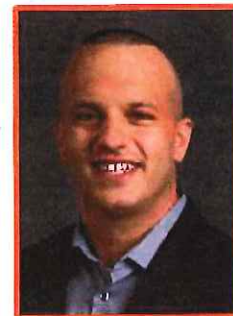
**Joseph Centofanti, CPA**  
Advisory Partner  
860-257-1870



**Michael Andriola, CPA**  
Quality Control Partner  
908-967-6815



**Thomas DeMayo**  
Director of IT Advisory Services  
646-449-6353



**Anthony Branco, CPA**  
Senior Audit Manager  
908-967-6858

For the Authority's engagement, we will use our Firm's best resources to serve you. Our team is composed of the perfect complement of team members based on the deliverables and services requested by the Authority. We already have an understanding of the nature and diversity of the Authority's activities and operations in order to provide solutions and present you with opportunities that can help make your business more competitive.

On the following pages, you will find descriptions of the expertise and career backgrounds of the members of your engagement team, including the specific experiences and capabilities that qualify each to serve the Authority. Your engagement team will be available to you for consultation throughout the year.

## Partner, Supervisory and Staff Assignments

There will be no change in key personnel without the express prior written permission of the Authority through the duration of this engagement. However, engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. In all other circumstances, key personnel will only be changed with the express prior written permission of the Authority. The Authority shall have the right to approve or reject replacements.

Our goal is to maintain the team with as much continuity as possible. Continuity is important to both your organization and PKF O'Connor Davies. You benefit from having an engagement team that knows and understands your organization and your expectations. We benefit from the knowledge gained by understanding your organization.

PKF O'Connor Davies commits to having a significant amount of partner and manager involvement during the engagement. The size and scope of the Authority's operations requires significant involvement of our most senior staff. The percentage of hours assigned to partners and managers is reflected in our engagement segmentation chart which can be found in Section 3 of this proposal.

## Decision Making Process

The decision making process on individual engagements is typically administered by the partners that are in charge of the niche at the local level. If additional consultation is necessary because of the complexity of the issue, the niche leader at the local level will reach out to other partners within the niche across all regions in order to benefit from the Firm's vast expertise in the government arena. Additionally, because governmental accounting is such a specialized area, many of the governmental partners and niche leaders are members of the Quality Control department of the firm, as well as, the Accounting & Auditing Committee of the Firm. This allows for the quick resolution of technical issues or sensitive client matters.

Engagement staffing requirements are all made at the local office level. The Firm has a staffing coordinator within each region. The New Jersey offices have the same staffing coordinator to ensure engagement resources can be deployed to meet a client's time line for engagement completion.

## Continuing Professional Education ("CPE")

PKF O'Connor Davies has established a continuing education program which is designed to exceed the requirements of both the GAO and the State of New Jersey. Each of our professionals receives a minimum of 120 hours of continuing professional education over a three-year period, with a minimum of 24 hours each year. Our continuing education program encompasses the use of seminars provided by various professional organizations. Our continuing professional education program in the government sector consists of attendance at the GFOA annual conference, attendance at the AICPA National Government Training Program or a comparable program sponsored by the GFOA.



We supplement these seminars with in-house programs in which we retain experts in a specific industry or area, as well as utilizing the talents of our own professionals. The Firm provides a variety of specialized courses in the area of governmental accounting. Topics include GASB Statements No. 34, 54, 65, 68, 71, 74 and 75, Uniform Grant Guidance, auditing for compliance, work paper techniques and statistical sampling, and a review of new GASB pronouncements. We can also affirm that all individuals assigned to the Authority have satisfied a continuing professional education requirement of both the State of New Jersey and the GAO for auditors under Generally Accepted Government Auditing Standards (GAGAS).

## Staff Training and Development

Over the years, PKF O'Connor Davies has become a leader among accounting firms in serving Government entities. PKF O'Connor Davies' partners continue to place great emphasis on furthering this special competence through education and specific training. Because of the Firm's long-standing association with many of its clients, and its commitment to continuing professional education, clients are served by a professional team that is deeply experienced in the industry-specific accounting needs of its clients.

PKF O'Connor Davies' senior professionals are actively involved with the New York, New Jersey, Connecticut and Maryland State Societies of Certified Public Accountants' committees oriented to the auditing and accounting issues affecting Government organizations. Due to this participation, the Firm's representatives are closely involved with emerging Governmental issues of importance to our clients.

Delivering the most efficient services to the Authority remains our foremost goal as your professional services firm and business advisor. Our team can do this only if we are experienced and highly trained. That is why PKF O'Connor Davies maintains specific requirements in continuing professional education for each of our team members, combining coursework in industry-specific and technical disciplines.

This is especially true in the Government sector where our Firm has such a large practice. We have selected members for your team who are well trained in governmental accounting and business issues, and continue to meet our requirements for continuing professional education. We monitor team members' training to ensure they stay up to date with our latest initiatives.

## Career Advisor Program

Providing meaningful and timely feedback to our staff members is an important way to help further their professional development and thereby better serve our clients. PKF O'Connor Davies has a formal system for the written evaluation of all our professionals to help them understand the areas in which they excel and those where they may need to focus more attention. On-the-job informal coaching is also very important, and it is emphasized in our Firm as a key component in the development of our people.

Each team member is also assigned a career advisor who will develop an important and ongoing relationship with the advisee in order to provide essential guidance throughout his or her career with the Firm. We are proud of our career advisor program; it is not only valued and respected by our professionals but also highly effective.



## Engagement Team Biographies



### David J. Gannon

#### Engagement Partner

David Gannon is a Partner of the Firm and has over 20 years of experience providing accounting and auditing services to public sector clients. Prior to joining PKF O'Connor Davies, he was a Partner of the Public Sector Group of a regional accounting firm. David specializes in public sector organizations including public school districts, municipalities, counties, local authorities, colleges and universities, New Jersey State authorities and New York City agencies.

As a partner in the Public Sector Practice Group, David focuses his energy on providing outstanding client service and proactive solutions to problems that government organizations face in a heavily regulated atmosphere. His expertise includes performing financial statement audits, performance audits, single audits, internal audits, forensic audits and special advisory engagements. David has also performed numerous single audits in accordance with the Federal Uniform Guidance and NJ OMB Circular 15-08.

David regularly speaks on governmental accounting and auditing topics provided to a number of professional associations throughout the State of New Jersey. He is actively involved in the New Jersey Society of CPA's Government Interest Group, and served as its leader from 2014 through 2016. He was recently included on the A List by the NJCPA recognizing his expertise in the field of governmental accounting and auditing.

In his role with the Firm, David is either the engagement partner or the engagement quality control partner on all governmental audit clients in New Jersey. Additionally, David serves as the engagement quality control partner for a number of our clients in New York and Connecticut.

David has also worked with the following New Jersey Departments and Component Units, including: New Jersey Department of Community Affairs, New Jersey Economic Development Authority, New Jersey Schools Development Authority, Casino Reinvestment Development Authority, New Jersey Sports and Exposition Authority, New Jersey Redevelopment Authority, Kean University, Ramapo College and the Montclair State University. Additionally, David has provided services to the New York City Economic Development Corporation and New York City Housing Development Corporation, which are similar in size and scope to the Authority.

"Providing outstanding client service means always being available to our clients and always helping them to find solutions to their problems."

#### Professional Affiliations & Civic Involvement

- American Institute of Certified Public Accountants (AICPA)
- New Jersey Society of Certified Public Accountings (NJCPA)
  - Member of Government Interest Group
  - Member of NJCPA's Strategic Planning Committee
- New Jersey Registered Municipal Accountants Association
- Serves on the National Review Panel of International ASBO for the Certificate of Excellence in Financial Reporting Program

#### Accreditations

- Certified Public Accountant (New Jersey and New York)
- Registered Municipal Accountant (RMA)
- Public School Accountant (PSA)

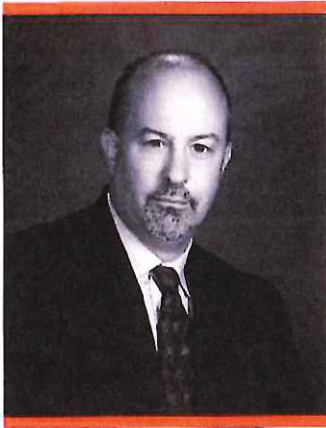
#### Education

- Richard Stockton College of New Jersey, Bachelor of Science degree in Accounting

#### Contact David

908.967.6855  
[dgannon@pkfod.com](mailto:dgannon@pkfod.com)





## Joseph Centofanti

### Partner

Joseph Centofanti is a Partner of PKF O'Connor Davies, LLP and has 30 years of experience providing auditing, accounting and consulting services to State and local governments.

Joe has significant experience performing various types of consulting engagements for governments, not-for-profits and commercial entities, including operational audits, internal control evaluation and design consulting, out sourced internal audit services, fraud risk assessments, and fraud investigations.

Joe is a frequent lecturer on fraud prevention and government accounting and reporting topics and is a source of information for members of local media on fraud-related topics. He also serves as an adjunct professor of governmental accounting and auditing in the University of Connecticut's graduate program.

### Accreditations

- Certified Public Accountant (Connecticut and Massachusetts)
- Certified in Financial Forensics
- Forensic Certified Public Accountant (FCPA)
- Certified Fraud Examiner (CFE)
- Certified Government Financial Manager (CGFM)
- Certified in Risk and Information Systems Control
- Certified Information Technology Professional (CTIP)

### Education

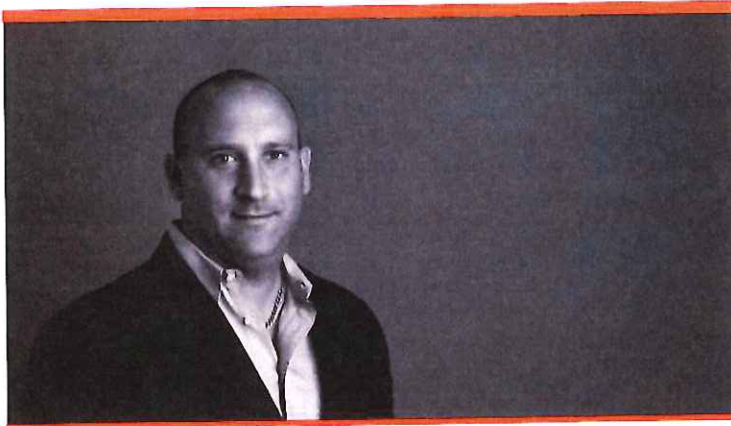
- Bentley College
  - Bachelor of Science degree in Accounting
  - Associate of Science degree in Management

### Professional Affiliations & Civic Involvement

- Town of Haddam
  - Chairman, Board of Finance
- Connecticut Society of Certified Public Accountants (CTCPA)
  - Member, Government Accounting and Audit Committee
- Connecticut Association of Certified Fraud Examiners (CACFA)
  - President and Training Director
- U.S. & Canada Government Finance Officers Association (GFOA)
  - National and Connecticut Chapters
- American Institute of Certified Public Accountants (AICPA)
- Forensic CPA Society
- Association of Government Accountants (AGA)
- Association of Certified Fraud Examiners (ACFE)
- Information Systems Audit & Control Association (ISACA)

### Contact Joseph

**860.257.1870**  
[jcentofanti@pkfod.com](mailto:jcentofanti@pkfod.com)



## Michael J. Andriola

### Partner

Michael Andriola is a Partner at PKF O'Connor Davies with more than 15 years of accounting, auditing and business advisory experience on the executive level. As an engagement partner, he serves clients in a variety of industries including construction, not-for-profit, and governmental entities.

Skilled in generally accepted accounting principles (GAAP) and managerial practices and procedures, Mike plans and executes client engagements, including financial analysis and reporting, auditing, internal controls, budgeting and strategic planning. He approaches each assignment with the goal of maximizing efficiencies.

Mike has performed audits for public sector entities including various state authorities and New Jersey school boards. He also conducted forensic audits and developed risk-based audit strategies.

Examples of clients that Mike has provided services to in the public sector include: New Jersey Educational Facilities Authority, New Jersey Health Care Facilities Financing Authority, New Jersey Turnpike Authority and the New York City Housing Development Corporation.

### Professional Affiliations & Civic Involvement

- American Institute of Certified Public Accountants (AICPA)
- New Jersey Society of Certified Public Accountants (NJSCPA)
- Benevolent and Protective Order of Elks
- Knights of Columbus
- Mensa International

### Accreditations

- Certified Public Accountant (New York and New Jersey)
- Certified Fraud Examiner (CFE)
- Certified Construction Industry Financial Professional (CCIFP)
- Public School Accountant (PSA)

### Education

- The College of New Jersey, Bachelor of Science in Accounting

### Contact Mike

908.967.6815  
mandriola@pkfod.com





## Thomas J. DeMayo

### Director of IT Risk Advisory Services

Thomas DeMayo is the Director of IT Risk Advisory Services with the Firm. He has extensive experience with a wide-range of systems used by commercial, not-for-profit, governmental, healthcare, and higher education entities.

Tom is the Firm's lead IT Auditor and is responsible for the implementation and design of the Firm's IT audit programs and testing procedures. In addition, he assists clients in the evaluation, conversion and implementation of systems and consults in the areas of IT governance, information security and privacy and IT compliance achievement and management. He specializes in the areas of PCI-DSS compliance, SOX 404 IT Controls, HIPPA, COBIT, and ISO 27001. Tom has written several articles on various IT related matters, is a frequent presenter on information technology topics, and is an instructor with the Firm's continuing professional education program. He has also served as an IT expert witness in a court proceeding.

212-286-2600

tdemayo@pkfod.com

### Professional Affiliations

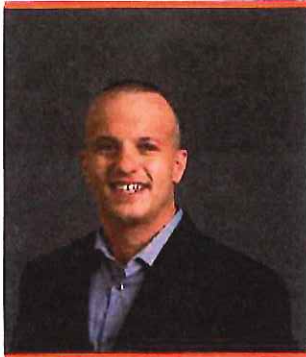
- Information Systems Audit and Control Association
- Information Assurance Certification Review Board
- International Association of Privacy Professionals
- International Council of E-Commerce Consultants (EC-Council)
- International Information Systems Security Certification Consortium (ISC2)
- New York State Society of Certified Public Accountants

### Accreditation

- CISSP – Certified Information Systems Security Professional
- CISA – Certified Information Systems Auditor
- CIPP/US – Certified Information Privacy Professional
- CPT – Certified Penetration Tester
- MCSE – Microsoft Certified Systems Engineer
- CEH – Certified Ethical Hacker
- CCFE – Certified Computer Forensic Examiner
- CHFI – Certified Hacking Forensic Investigator

### Education

- Wagner College, Magna Cum Laude, Bachelor of Science degree in Computer Science with concentrations in Mathematics and Accounting



## Anthony Branco

### Senior Audit Manager

Anthony is a Senior Audit Manager with PKF O'Connor Davies, LLP. He has more than 14 years of experience in auditing and specializes in governmental entities, including: Public School Systems, Colleges, State Authority, Municipal and County engagements. He has also performed numerous single audits under the Uniform Grant Guidance and NJ OMB Circular 15-08.

Anthony currently serves the following clients: Montclair State University, Town of Morristown, City of East Orange, Township of West Orange, Village of South Orange, Township of Franklin, Fort Lee Public Schools, Edgewater Township School District and the Middlesex County Vocational and Technical School.

Additionally, during Anthony's career, he has provided professional services to the following significant public sector organizations: New Jersey Sports and Exposition Authority, New Jersey Casino Reinvestment Development Authority, New Jersey Schools Development Authority, New Jersey Economic Development Authority, New Jersey Transit Corporation, Newark Public Schools, Suffolk County, New York City Department of Education and the New York City Economic Development Corporation

### Professional Affiliations & Civic Involvement

- New Jersey Society of Certified Public Accountants (NJSCPA)
- American Institute of Certified Public Accountants (AICPA)

### Accreditation

- Certified Public Accountant (New Jersey)
- Public School Accountant (PSA)

### Education

- Kean University, Bachelor of Science degree in Accounting, Cum Laude

### Contact Anthony

**908.967.6858**

[abranco@pkfod.com](mailto:abranco@pkfod.com)

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## Section 3 – Our Engagement Plan

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## Engagement Details

The audit of the Authority's financial statements will be managed by the engagement partner along with the manager assigned to the engagement who will provide daily supervision of our staff, as well as, the responsibility for auditing the higher risk areas of the engagement. All key decisions will be made by David Gannon, who will be assigned as the engagement partner. David will ultimately be responsible for all aspects of the services rendered. He will be able to make decisions on the spot and to call upon the resources of the firm in meeting the special needs of the Authority.

## Scope of the Engagement

Based on your RFP and the information provided to us, it is our understanding that you require the following services:

- Meet with Authority staff and the Audit Committee to coordinate the audit fieldwork and discuss audit planning;
- Audit of the financial statements of the Authority, in accordance with generally accepted auditing standards set forth by the AICPA and the standards for financial audits set forth in the U.S. General Accounting Office's *Government Auditing Standards*, for the years ending December 31, 2018, 2019, 2020, 2021 and 2022;
- Issue a separate management letter providing any opportunities for improvement;
- Assist the Authority staff with any disclosures, schedules, or other questions related to Pension and OPEB accounting and reporting;
- Certify required information to the Bond Trustees;
- Permit use of the Auditors' report in the Authority's annual report;
- Meet with Authority staff for an exit conference and meet with the Audit Committee and Board of Directors to discuss required communications with those charged with governance;
- Complete audit to facilitate issuance of the auditors' opinion by March 31<sup>st</sup> or as soon as practical in the event required report information (GASB 68 specifically) is not available.

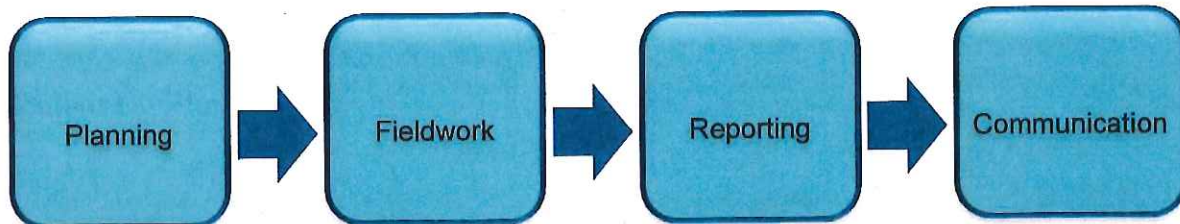
## Audit Approach for the Authority

Our audits will be conducted in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards. The audits of the financial statements will be designed to express an opinion on the basic financial statements in accordance with accounting principles generally accepted in the United State of America.



## **Audit Phases**

We will conduct our audit utilizing a phased approach, which will include planning, fieldwork, final fieldwork, reporting, and communication. A detailed description of these phases follows.



### **Phase I – Planning**

The planning phase will lay the foundation for the direction the audit will take. It will encompass the following steps:

#### **Reviewing the Operating Environment**

Our first step will be to confirm our understanding of your needs, desires, activities, and plans regarding the audit engagement. This will be accomplished through meetings and discussions with management and the Audit Committee. Also, an "Audit Planning Letter" will be thoroughly reviewed with management prior to the audit commencement date.

#### **Assessing Risk**

The risk-based audit approach used by PKF O'Connor Davies is designed to maximize audit efficiencies while addressing all areas of risk that impact the Authority's financial statements. We will focus on the issues that are financially and operationally significant as measured by qualitative and quantitative standards. The risk assessments will be updated from year to year to reflect how change factors are impacting your enterprise controls.

A necessary step toward ensuring the audit approach is both effective and prudent is assessing risk; that is, assessing the risk that a material misstatement of an assertion in the financial statements will occur, and not be detected.

Once risk has been assessed, we will determine the nature and timing of audit procedures required to limit that risk to an acceptable level. To minimize the level of audit effort, we plan to concentrate on those areas where the risk of material misstatement is greatest.

#### **Define Major Audit Objectives**

We will define the audit objectives, concentrating on the identified areas of audit concern. Examples of major audit objectives are:

- Proper revenue recognition;
- Investments measured at fair value;
- Proper recording of loans/leases receivable and debt;
- Proper presentation and recording of pensions and other post-employment benefit obligations.

### **Review Financial and Other Data**

We will review prior year's financial and statistical data, and current financial statements and related data to develop a sense of the Authority's growth and operating results over time.

### **System Review- Review of Internal Controls and Procedures**

PKF O'Connor Davies's external audit is a comprehensive Information Technology systems evaluation. When an IT related risk is identified, we have a member of our Consulting staff with demonstrated management information system experience perform this evaluation and prepare a separate internal memorandum indicating the consultant's observations/findings and recommendations on a wide array of control/security matters. Our evaluation comprehends a thorough, integrated review of internal controls and system security. Our evaluation focuses on:

- Preparing Process flow documenting the major business processes of the Authority and linking the current processes to the Authority's organizational strategy
- Interviews of key management and staff during which time, questions will be posed as to the levels of controls in place regarding routine transaction processing
- Review of Application Controls
- Review of System/Application Access Controls
- Review of Network Administration Procedures
- Physical Security of Server room and related hardware
- Review of Remote Access Control

Our evaluation will cross all departments of the Authority with particular attention given to system controls in the Finance/Accounting areas and the Office of Computer Information Systems. We will review the underlying controls as to the Financial Management System.

We will identify and document the applicable internal controls and systems over the Authority's most significant processes, including: revenue/cash receipts, cash disbursements/accounts payable/purchasing and payroll. We then "walk" selected transactions through the system to confirm that it is functioning as described. At this point, we document the system through the use of flow charts and narrative descriptions. Our next step is to make a tentative evaluation of the effectiveness of the system of internal control to determine the degree of reliance which may be placed upon the system. The final phase is to test the system for the purpose of confirming, modifying or rejecting our initial evaluation. Our samples are selected both judgmentally and statistically and encompass all major operations and funds. Our experience in the governmental field enables us to focus on specific areas so that we can perform a cost-effective audit. This will enable us to tailor our audit procedures for the audit of the Authority.

### **Develop a Tailored Audit Program**

Based upon our review of the current year's operations as well as the internal controls, we will tailor our audit program for the Authority to obtain maximum audit efficiency. Specific procedures will be designed both from a compliance and substantive test point of view and will assist in determining the nature timing and extent of our substantive tests.



## **Phase II – Fieldwork**

The fieldwork phase will lay the foundation for the basis of our opinion on the financial statements. To accomplish our goals, our audit team and engagement partner will have scheduled meetings conducted with the Authority's management. Our approach encompass the following steps:

### **Critical Audit Areas**

Critical audit areas may relate to either financial statement amounts or financial statement disclosures. Factors that are used to determine critical audit areas include:

- Areas involving a high degree of judgment
- Areas requiring specialized skills
- Complex accounting applications
- Materiality

### **Significant Audit Areas**

Significant audit areas typically include those characterized by a large number of transactions, dollar large balance or risk of material misstatement. PKF O'Connor Davies will consider all of the Authority's accounting funds and Federal and State aid/expenditures as significant audit areas.

## **Specific Substantive Tests**

### **Cash and Investments**

Obtain direct confirmation from each financial institution covering account balances, loans and other information at year-end.

Review bank reconciliations to verify the accuracy of reconciling items.

Review the cash cut-off to ensure that items are recorded in the proper periods.

Test and significant fair value assumptions.

Determine that restricted cash, investment balances, mutual funds, etc. are properly classified for GASB risk categories disclosure.

### **Receivables Inclusive of Loans/Leases, Inter-governmental and Other Receivables**

Obtain accounts receivable schedule and agree to the general ledger.

Review supporting documentation for significant new receivables.

Confirm the amounts of receivable balances.

Determine that receivables are properly classified and collectible.

Review reconciliation between general ledger and reports of governmental agencies and determine accuracy of reconciling items.

Test the year's transactions in the account against agencies' reports.

### **Capital Assets**

Test asset additions to supporting documents including classification.

Perform substantive analytics over depreciation expense.

### **Accounts Payable and Accrued Expenses**

Test the accounts payable balance and accruals at year-end by performing subsequent disbursements testing to determine if amounts were recorded in the appropriate year.

Perform analytical review.

### **Bonds/Notes Payable/Early Retirement Incentive Liabilities**

Confirm outstanding balance, interest rates, coverage requirements and escrow funds.

Vouch and re-calculate interest payable amounts.

Review note disclosure.

### **Accrued Salaries and Compensated Absences**

Test the calculation of accrued salaries and wages, payroll withholdings and other accrued payroll liabilities.

Test accrued pension cost liabilities and related GASB pension disclosure information by reference to actuarial valuation reports and audited financial statements of the pension plans.

Perform analytical review.

### **OPEB Liability**

Obtain actuarial valuation.

Review census data.

Evaluate qualifications and independence of the Authority's actuary.

Review footnote disclosure.

### **Net Pension Liability**

Obtain actuarial valuations and reports of the State's independent auditors.

Review census data for active employees of the Authority.

Review quarterly pension ROC reports for the period related to the actuarial valuation

Evaluate qualifications and independence of the State's auditors and actuary.

Review footnote disclosure.

### **Net Position/Fund Balance**

Obtain an analysis of net position/fund balance.

Test changes in net position/fund balance.

### **Revenues and Expenses**

Perform a substantive analytical review and investigate any unusual fluctuations.

Test details of revenues and expenses as appropriate.

### **Minutes**

We will read the minutes of the meetings of the Authority's Board for matters significant to the audit. We will test for compliance with all significant decisions or policies, and for proper authorization of transactions for which such authorization is required.



### **Subsequent Events**

We will perform procedures to determine whether any events occurring subsequent to the balance sheet date would require adjustment of the financial statements or disclosure therein. Our procedures will cover the period up to and including the date of our opinion.

## **Phase III – Reporting**

### **Reporting on Financial Statements**

At the completion of the audit, we will review the financial statements, while in draft form, with the Audit Committee and management. As noted above, the financial statements are the responsibility of the Authority, and management must make the final decisions concerning disclosures. Nevertheless, we must be satisfied with the classification of amounts, the fairness of the overall presentation, and the completeness of disclosures.

During this phase, the financial statements and reporting package will be thoroughly reviewed by the engagement partners and audit senior manager. We will provide recommendations to achieve the high standards of reporting that the Authority deserves. Finally, a Quality Review Partner with significant audit experience, who is not associated with the audit, will review the reports.

Specifically, we will issue the following:

- Independent Auditors' Report on the Financial Statements
- Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

### **Improving Controls – Substantive Reports for Management**

Like you, we are committed to the efficient operation of the Authority. As your auditors, we are in a position to help. Since the entire audit is an information gathering process, we will accumulate data about many aspects of your operations, not only your internal accounting and management controls. As a result of analysing your internal controls, business processes, and emerging issues, we will identify opportunities, challenges and any potential concerns and communicate them to you.

Our business-focused management letters will not concentrate on “housekeeping” comments, but rather on matters of managerial significance. PKF O'Connor Davies will first share a draft of our comments with management ensuring no surprises and allowing input to the report. Our comments will direct the Authority's attention to our most significant and relevant findings in such areas as essential improvements to internal accounting controls, revenue enhancement or cost reduction opportunities, and ineffective or inefficient operating controls and policies. We will meet with you to discuss the results of the audit, financial statements, management letter comments, and any other issues we identified during our work. We will keep you informed of developments as they unfold and relate to your business. Our “no surprises” approach will continue to facilitate continuous communication with management. Upon completion of the audit, the management letter is submitted to the Authority.

We commit to:

- Bringing forward-thinking ideas to the Authority;
- Issuing timely and substantive management communications emphasizing key areas for improvement and industry best practices;
- Acting as a resource to management on recommendations; and



- Offering suggested solutions for enhancements to internal controls.

## **Phase IV – Communication**

### **Meetings**

It has been our experience that, the auditors should meet directly with the Authority's Board. For this reason, we welcome the opportunity to present the audit report and management letter to them and would be available to attend additional meetings, should any be required.

We will retain all material relevant to each audit for a minimum of seven years in compliance with our firm policy.

### **Communication**

Communication is the key to success and is one of the most important phases of the audit. This last and very important phase starts at the completion of one audit and continues until the next audit begins.

We view this as the continuous communication phase, which includes the exchange of ideas and advice throughout the year as changes are considered or implemented within the Public Sector/Government entity industry, in the accounting profession or by the regulatory authorities.

## **Sampling Methodology**

### **Sample sizes, statistical sampling and approach to drawing audit samples for purposes of tests of compliance**

#### **Sampling Overview**

Our audit methodology includes procedures to ensure that we comply with the requirements of SAS 39 "Audit Sampling" and SAS No. 107 "Audit Risk and Materiality in Conducting an Audit". In addition, since our audit will be conducted pursuant to Government Auditing Standards, our methodology also includes procedures to ensure compliance with audits under Uniform Grant Guidance and the President's Council on Integrity and Efficiency and the Executive Council on Integrity and Efficiency's (PCIE) "Report on National Single Audit Sampling Project". Audit sampling is the application of an audit procedure to less than 100 percent of the items within an account balance or class of transactions for the purpose of evaluating some characteristic of the balance or class. Prior to evaluating the extent of audit sampling to employ in an audit, we perform an extensive risk assessment over the account balance or class of transactions to determine if audit sampling is an effective or efficient means to test a significant account balance or class of transactions (refer to Phase I for information regarding our risk assessment process).

Generally, the following three conditions must be met to constitute audit sampling:

- Less than 100% of the population must be examined
- The sample results must be projected as population characteristics
- The projected sample results must either be:
  - Compared to an existing client-determined account balance to determine whether to accept or reject the client's balance or
  - Be used to assess control risk

### Sampling Related to Substantive Tests of Balances and Account Transactions

Our audit methodology to determine if audit sampling is necessary follows:

1. Identify individually significant items to be examined.
2. Determine whether the audit evidence gathered in step 1 is sufficient, in which case sampling might not be necessary (generally, audit sampling would not be necessary if individually significant items equals or exceeds two-thirds of the entire population).
3. If the extent of audit evidence gathered in step 1 is not sufficient combined with other audit evidence gathered during our audit, we would apply audit sampling.

Once a decision is made that audit sampling is necessary, our audit methodology provides for a choice between statistical or nonstatistical sampling. Both approaches are acceptable under GAAS and GAGAS. Statistical sampling is the use of mathematical measurement techniques to calculate formal statistical results and is based on probability concepts. Our audit methodology includes many types of sampling techniques, commonly referred to as "Probability-proportionate to size sampling" which includes "Dollar Unit Sampling", Monetary Unit Sampling, Cumulative Monetary Amount Sampling and Combined Attribute-Variables Sampling. We use a combination of electronic templates and software applications to determine sample size and assist in forming conclusions about the sample results.

Our audit methodology provides for the use of the following five broad steps in applying audit sampling to both substantive tests and to test of controls:

1. Plan the sample to make sure that the audit tests are performing in a manner to ensure the desired sampling risk ensures a high confidence level that sampling error risk is kept low (i.e., generally 5% sampling risk is considered acceptable).
2. Determine the sample size which is dependent upon among other things, the amount of errors that we expect in the population and the application of "Assurance Factors" which are dependent upon the assessed level of inherent risk, control risk and the risk that other substantive audit procedures will fail to detect a material misstatement.
3. Select the sample. This step involves deciding how best to select the sample from the population such that each item in the population has a chance of selection.
4. Perform the tests.
5. Evaluate the sample results. This step primarily involves drawing conclusions about the likely effect on the total population based on the audit tests of the sample.

Mathematically, the formula to determine sample size for a substantive test of balances is as follows:

$$\text{Sample Size} = \frac{\text{Population Value} - \text{Individually Significant Items}}{\text{Tolerable Misstatement}} \times \text{Assurance Factor}$$

Once we determine our sample size and complete our tests, our audit methodology includes steps to ensure that we determine the potential misstatement in the population. Mathematically, this formula is as follows:

$$\begin{array}{l} \text{Population Value} \\ \text{Less Individually} \\ \text{Significant Items} \\ \text{Sample Dollars} \end{array} \times \begin{array}{l} \text{Amount of} \\ \text{Misstatement} \\ \text{in the Sample} \end{array} = \begin{array}{l} \text{Projected} \\ \text{Misstatement} \end{array}$$



SAS 107 and our audit methodology requires us to consider the possibility of undetected errors when the projected misstatement is material in relation to the account balance or transaction class. The higher the projected misstatement in relationship to our determination of materiality would result in us performing any combination of the following procedures:

1. Expand our tests.
2. Ask management to perform additional review over this area (for example, if significant errors were found over accounts payable cut-off, we might ask management to expand their review cut-off).
3. Test managements additional procedures performed in 2 above.
4. All of the above.

With respect to tests of controls, our audit methodology generally provides for sample sizes to be determined according to the following matrix:

<u>Planned Assessed Level of Control Risk</u>	<b>Number of Expected or Actual Deviations</b>			
	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>
Low	60	*	*	*
Moderate	25	40	60	60
Slightly Below Maximum	*	25	25	40
Maximum	*	*	*	*

#### **Use of Technology During Audit**

The Firm utilizes paperless audit methodology (ProSystems Fx Engagement "Engagement") which leads to efficiency in workpaper preparation and review. Accordingly, work paper preparation and review can be done without regard to geography. The Firm also utilizes ActiveData and IDEA as our primary data extraction and analysis tools, which are used to automate a full complement of audit processes, including functions that simplify processes, including enhanced data sorting and summarization, population stratification and sampling, duplicate and sequence gap analysis.

We may use ActiveData and IDEA to perform procedures using computer-aided auditing techniques (CAATs). Our teams primarily use these applications for data summarization and sampling. However, they have also been used to plan and evaluate audit sampling and design tests to address specific audit and fraud risks. For example, periodic or trend comparison of vendor summary totals, employee to vendor address matches, exceeded purchase orders, duplicate and gap analysis, and so forth. In addition, all of our audit staff have access to web-based research tools (i.e. Accounting Research Manager) to research unique accounting and audit related issues that may arise during the course of an audit.

## Quality Control and Issue Resolution

Every CPA firm has the responsibility to establish a system of quality control for its accounting and auditing practice as required by the AICPA's Quality Control Standards. PKF O'Connor Davies' system ensures that all differences in view, that is, both those between our client and the engagement team, as well as those among members of the engagement team, are given full consideration. To accomplish this, PKF O'Connor Davies established a formalized, centrally controlled process for consultations, both those that are required by written audit policy and those discretionary in nature. Additionally, we have established a well-thought-out resolution process to resolve differences in professional views among personnel assigned to an audit engagement. In the event differences in professional view among engagement team members do exist, the knowledge, experience, and competence of others within PKF O'Connor Davies are brought to bear to resolve such differences and to develop the firm's final position, while fully involving and respecting the views and input of the engagement partner. PKF O'Connor Davies' culture, structure, and chain of command ensures strict adherence to this process, which results in the highest quality of service for our clients.



## Proposed Time Frame

We will work with the Authority to establish a mutually agreeable audit schedule.

Activities	Dates
<p><b>Detailed Audit Planning</b></p> <ul style="list-style-type: none"> <li>▪ Entrance conference with Executive Director, Director of Finance and other members of the Authority</li> <li>▪ Entrance conference with the Audit Committee</li> <li>▪ Agree upon coordination plan</li> </ul>	December 2018
<p><b>Interim Field Work</b></p> <ul style="list-style-type: none"> <li>▪ Prepare assessment of general control environment</li> <li>▪ Prepare documentation and testing of monitoring/application controls for revenue, cash receipts, purchasing/payable and payroll cycles</li> <li>▪ Select accounts and attorneys for confirmation</li> <li>▪ Preliminary analytics</li> <li>▪ Interim audit of certain financial statement areas</li> <li>▪ Progress conference with management</li> </ul>	December 2018/January 2019
<p><b>Fieldwork/Year-End Audit Procedures</b></p> <ul style="list-style-type: none"> <li>▪ Test selected asset and liability accounts not audited at interim</li> <li>▪ Test net position/fund balance classifications</li> <li>▪ Test revenue and expenses</li> <li>▪ Review financial statements and footnotes</li> </ul>	February 2019
<p><b>Draft Reports/Completion</b></p> <ul style="list-style-type: none"> <li>▪ Review draft financial statements prepared by management</li> <li>▪ Final exit conference with Authority management</li> </ul>	March 2019
<p><b>Deliver Final Audit Reports and Management Letter</b></p> <ul style="list-style-type: none"> <li>▪ Auditors' Report delivered</li> <li>▪ Audit Committee and Board presentation of the audit</li> </ul>	March 2019



## Engagement Segmentation-Anticipated Hours

Segments	Partner	Manager	Senior	Staff	Total
<b>Audit Planning</b>					
▪ Pre-audit management communications	2	2	6	-	10
▪ Audit Committee communications related to audit approach	1	1	1	-	3
▪ Risk assessment procedures and development of detailed audit procedures	4	4	8	4	20
<b>Audit Planning Totals:</b>	<b>7</b>	<b>7</b>	<b>15</b>	<b>4</b>	<b>33</b>
<b>Percentage by Staff Category:</b>	<b>21%</b>	<b>21%</b>	<b>45%</b>	<b>12%</b>	
<b>Interim Audit Procedures</b>					
▪ Preliminary analytical review	1	3	6	-	10
▪ Review, evaluation and testing of internal controls inclusive of comprehensive review and documentation of Information Technology systems and processes	2	12	12	32	58
▪ Communications of findings with management	1	1	4	0	6
<b>Interim Audit Procedures Totals:</b>	<b>4</b>	<b>16</b>	<b>22</b>	<b>32</b>	<b>74</b>
<b>Percentage by Staff Category:</b>	<b>5%</b>	<b>22%</b>	<b>30%</b>	<b>43%</b>	
<b>Year - End Audit Procedures</b>					
▪ Substantive testing	10	25	65	60	160
▪ Final analytical review	1	4	4	3	12
<b>Year - End Audit Procedures Totals:</b>	<b>11</b>	<b>29</b>	<b>69</b>	<b>63</b>	<b>172</b>
<b>Percentage by Staff Category:</b>	<b>6%</b>	<b>17%</b>	<b>40%</b>	<b>37%</b>	
<b>Report Preparation</b>					
▪ Report review	4	8	10	-	22
▪ Quality control	4	-	-	-	4
<b>Report Preparation Totals:</b>	<b>8</b>	<b>8</b>	<b>10</b>	<b>-</b>	<b>26</b>
<b>Percentage by Staff Category:</b>	<b>31%</b>	<b>31%</b>	<b>38%</b>	<b>0%</b>	
<b>Communication</b>					
▪ Management letter	2	2	2	1	7
▪ Meetings with finance team	2	2	2	-	6
▪ Audit Committee and Board meetings	1	1	-	-	2
<b>Communication Totals:</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>1</b>	<b>15</b>
<b>Percentage by Staff Category:</b>	<b>33%</b>	<b>33%</b>	<b>27%</b>	<b>7%</b>	
<b>Entire Engagement</b>					
<b>TOTAL HOURS:</b>	<b>35</b>	<b>65</b>	<b>120</b>	<b>100</b>	<b>320</b>
<b>Percentage by Staff Category:</b>	<b>11%</b>	<b>20%</b>	<b>38%</b>	<b>31%</b>	

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## Section 4 – Fee Proposal

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**EXHIBIT A**

**REQUEST FOR PROPOSALS FOR AUDITING SERVICES**

**Date Issued: August 17, 2018**

**FEE PROPOSAL TO NJEFA**

**Audit Services**

Fees for Audit Service for the year end financials for 2018, 2019, 2020, 2021 & 2022. Audit fees should be based on the Scope of Services identified in Section 4.0 of the RFP.

**Total fee for 2018** \$ 45,625  
(Including \$ NO fee for publication of auditor's opinion.)

**Total fee for 2019** \$ 45,625  
(Including \$ NO fee for publication of auditor's opinion.)

**Total fee for 2020** \$ 46,625  
(Including \$ NO fee for publication of auditor's opinion.)

**Total fee for 2021** \$ 47,625  
(Including \$ NO fee for publication of auditor's opinion.)

**Total fee for 2022** \$ 48,625  
(Including \$ NO fee for publication of auditor's opinion.)

**Other Professional Service Consulting**

**Hourly Rate** \$ See Below.

(If applicable, please set forth the hourly rate for each professional.)

Partner	\$250/hr
Senior Manager/Manager	\$175/hr
Supervisor	\$135/hr
Senior	\$125/hr
Staff	\$105/hr




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## Section 5 – Required Forms

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## Business Registration Certificate



STATE OF NEW JERSEY BUSINESS REGISTRATION CERTIFICATE		DEPARTMENT OF TREASURY DIVISION OF REVENUE P.O. BOX 132 TRENTON, N.J. 08646-0132
TAXPAYER NAME: <b>PKF O'CONNOR DAVIES, LLP</b>	TRADE NAME:	
ADDRESS: <b>15 ESSEX RD          PARAMUS NJ 07652</b>	SEQUENCE NUMBER: <b>1600638</b>	
EFFECTIVE DATE: <b>01/05/11</b>	ISSUANCE DATE: <b>06/09/16</b>	
 Director New Jersey Division of Revenue		
FORM REC		

## Certificate of Employee Information Report

Certification 19606

**CERTIFICATE OF EMPLOYEE INFORMATION REPORT**  
RENEWAL

This is to certify that the contractor listed below has submitted an Employee Information Report pursuant to N.J.A.C. 17:27-1.1 et. seq. and the State Treasurer has approved said report. This approval will remain in effect for the period of **15-AUG-2016** to **15-AUG-2019**

<b>PKF O'CONNOR DAVIES, LLP</b> <b>15 ESSEX ROAD, SUITE 503</b> <b>PARAMUS NJ 07652</b>		 <b>FORD M. SCUDDER</b> Acting State Treasurer
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**STATE OF NEW JERSEY  
DEPARTMENT OF THE TREASURY  
DIVISION OF PURCHASE AND PROPERTY**

**33 WEST STATE STREET, P.O. BOX 0230  
TRENTON, NEW JERSEY 08625-0230**

**VENDOR/BIDDER CERTIFICATION AND POLITICAL CONTRIBUTION DISCLOSURE FORM  
PUBLIC LAW 2005, CHAPTER 271**

**CONTRACT #:** Audit Services

**VENDOR/BIDDER:** PKF O'Connor Davies, LLP

At least ten (10) days prior to entering into the above-referenced Contract, the Vendor/Bidder must complete this Certification and Political Contribution Disclosure Form in accordance with the directions below and submit it to the State contact for the referenced Contract.

**NOTE** that the disclosure requirements under Public Law 2005, Chapter 271 are separate and different from the disclosure requirements under Public Law 2005, Chapter 51 (formerly Executive Order 134). Although no Vendor/Bidder will be precluded from entering into a contract by any information submitted on this form, a Vendor's/Bidder's failure to fully, accurately and truthfully complete this form and submit it to the appropriate State agency may result in the imposition of fines by the New Jersey Election Law Enforcement Commission.

**DISCLOSURE**

The following is the required Vendor/Bidder Disclosure of all Reportable Contributions made in the twelve (12) months prior to and including the date of signing of this Certification and Disclosure to: (i) any State, county, or municipal committee of a political party, legislative leadership committee, candidate committee of a candidate for, or holder of, a State elective office, or (ii) any entity that is also defined as a "continuing political committee" under N.J.S.A. 19:44A-3(n) and N.J.A.C. 19:25-1.

The Vendor/Bidder is required to disclose Reportable Contributions by: the Vendor/Bidder itself; all persons or other business entities owning or controlling more than 10% of the profits of the Vendor/Bidder or more than 10% of the stock of the Vendor/Bidder, if the Vendor/Bidder is a corporation for profit; a spouse or child living with a natural person that is a Vendor/Bidder; all of the principals, partners, officers or directors of the Vendor/Contractor and all of their spouses; any subsidiaries directly or indirectly controlled by the Vendor/Bidder; and any political organization organized under section 527 of the Internal Revenue Code that is directly or indirectly controlled by the Vendor/Bidder, other than a candidate committee, election fund, or political party committee.

"Reportable Contributions" are those contributions that are required to be reported by the recipient under the "New Jersey Campaign Contributions and Expenditures Reporting Act," P.L. 1973, c.83 (C.19:44A-1 et seq.), and implementing regulations set forth at N.J.A.C. 19:25-10.1 et seq. As of January 1, 2005, contributions in excess of \$300 during a reporting period are deemed "reportable."

Name and Address of Committee to which a Reportable Contribution was made	Date of Reportable Contribution	Amount of Reportable Contribution	Contributor's Name
<i>Indicate "NONE" if no Reportable Contribution was made.</i>			
NONE		\$	
		\$	
		\$	
		\$	

*Attach additional sheets if necessary*

**CERTIFICATION**

I, the undersigned, certify that I am authorized to execute this certification on behalf of the Vendor/Bidder, that the foregoing information and any attachments hereto, to the best of my knowledge are true and complete. I acknowledge that the State of New Jersey is relying on the information contained herein, and that the Vendor/Bidder is under a continuing obligation from the date of this certification through the completion of any contract(s) with the State to notify the State in writing of any changes to the information contained herein; that I am aware that it is a criminal offense to make a false statement or misrepresentation in this certification. If I do so, I will be subject to criminal prosecution under the law, and it will constitute a material breach of my agreement(s) with the State, permitting the State to declare any contract(s) resulting from this certification void and unenforceable.

David J. Gannon  
Signature  
**David J. Gannon, Partner**  
Print Name and Title

9/26/2018  
Date





State of New Jersey  
Department of the Treasury

Division of Purchase and Property

Two-Year Chapter 51/Executive Order 117 Vendor Certification and  
Disclosure of Political Contributions

**FOR STATE AGENCY USE ONLY**

Solicitation, RFP, or Contract No. \_\_\_\_\_ Award Amount \_\_\_\_\_

Description of Services \_\_\_\_\_

State Agency Name \_\_\_\_\_ Contact Person \_\_\_\_\_

Phone Number \_\_\_\_\_ Contact Email \_\_\_\_\_

Check if the Contract / Agreement is Being Funded Using FHWA Funds

**Please check if requesting  
recertification**

**Part 1: Business Entity Information**

Full Legal Business Name PKF O'Connor Davies, LLP  
(Including trade name if applicable)

Address 20 Commerce Drive, Suite 301

City Cranford State NJ Zip 07016 Phone 908-272-6200

Vendor Email dgannon@pkfod.com Vendor FEIN (SS# if sole proprietor/natural person) 27-1728945

**Check off the business type and list below the required information for the type of business selected.  
MUST BE COMPLETED IN FULL**

- Corporation: LIST ALL OFFICERS and any 10% and greater shareholder
- Professional Corporation: LIST ALL OFFICERS and ALL SHAREHOLDERS
- Partnership: LIST ALL PARTNERS with any equity interest
- Limited Liability Company: LIST ALL MEMBERS with any equity interest
- Sole Proprietor

Note: "Officers" means President, Vice President with senior management responsibility, Secretary, Treasurer, Chief Executive Officer or Chief Financial Officer of a corporation, or any person routinely performing such functions for a corporation.

**All Officers of a Corporation or PC**

**10% and greater shareholders of a corporation  
or all shareholder of a PC**

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**All Equity partners of a Partnership**

**All Equity members of a LLC**

See page \_\_\_\_\_

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If you need additional space for listing of Officers, Shareholders, Partners or Members, please attach separate page.

**IMPORTANT NOTE: You must review the definition of "contribution" and "business entity" on the Information and Instructions form prior to completing Part 2 and Part 3. The Information and Instructions form is available at: <http://www.state.nj.us/treasury/purchase/forms.shtml#eo134>**

**Part 2: Disclosure of Contributions by the business entity or any person or entity whose contributions are attributable to the business entity.**

- 1. Report below all contributions solicited or made during the 4 years immediately preceding the commencement of negotiations or submission of a proposal to any:**

Political organization organized under Section 527 of the Internal Revenue Code and which also meets the definition of a continuing political committee as defined in N.J.S.A. (See Information and Instructions form.)

- 2. Report below all contributions solicited or made during the 5 ½ years immediately preceding the commencement of negotiations or submission of a proposal to any:**

Candidate Committee for or Election Fund of any Governorial or Lieutenant Governorial candidate  
 State Political Party Committee  
 County Political Party Committee

- 3. Report below all contributions solicited or made during the 18 months immediately preceding the commencement of negotiations or submission of a proposal to any:**

Municipal Political Party Committee  
 Legislative Leadership Committee

Full Legal Name of Recipient <u>      NONE      </u> Address of Recipient _____ Date of Contribution _____ Amount of Contribution _____ Type of Contribution (i.e. currency, check, loan, in-kind) _____ Contributor Name _____ Relationship of Contributor to the Vendor _____ <p style="text-align: center; font-size: small;"> <b>If this form is not being completed electronically, please attach additional contributions on separate page.                      Click the "Add a Contribution" tab to enter additional contributions.</b> </p> <div style="text-align: center; border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Remove Contribution</div>
Full Legal Name of Recipient _____ Address of Recipient _____ Date of Contribution _____ Amount of Contribution _____ Type of Contribution (i.e. currency, check, loan, in-kind) _____ Contributor Name _____ Relationship of Contributor to the Vendor _____ <p style="text-align: center; font-size: small;"> <b>If this form is not being completed electronically, please attach additional contributions on separate page.                      Click the "Add a Contribution" tab to enter additional contributions.</b> </p> <div style="text-align: center; border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Remove Contribution</div>
Full Legal Name of Recipient _____ Address of Recipient _____ Date of Contribution _____ Amount of Contribution _____ Type of Contribution (i.e. currency, check, loan, in-kind) _____ Contributor Name _____ Relationship of Contributor to the Vendor _____ <p style="text-align: center; font-size: small;"> <b>If this form is not being completed electronically, please attach additional contributions on separate page.                      Click the "Add a Contribution" tab to enter additional contributions.</b> </p> <div style="text-align: center; border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Remove Contribution</div> <div style="text-align: center; border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Add a Contribution</div>

**Check this box only if no political contributions have been solicited or made by the business entity or any person or entity whose contributions are attributable to the business entity.**



**Part 3: Certification**

- (A)  I am certifying on behalf of the business entity and all individuals and/or entities whose contributions are attributable to the business entity as listed on Page 1 under **Part 1: Vendor Information**.
- (B)  I am certifying on behalf of the business entity and all individuals and/or entities whose contributions are attributable to the business entity as listed on Page 1 under **Part 1: Vendor Information**, except for the individuals and/or entities who are submitting separate Certification and Disclosure forms which are included with this submittal.
- (C)  I am certifying on behalf of the business entity only; any remaining persons or entities whose contributions are attributable to the business entity (as listed on Page 1) have completed separate Certification and Disclosure forms which are included with this submittal.
- (D)  I am certifying as an individual or entity whose contributions are attributable to the business entity.

I hereby certify as follows:

- 1. I have read the Information and Instructions accompanying this form prior to completing the certification on behalf of the business entity.**
- 2. All reportable contributions made by or attributable to the business entity have been listed above.**

## Equity Partner Listing

100% of PKF O'Connor Davies' equity is owned by 46 of the Firm's partners. Equity partner names are listed below:

1. Keith Balla
2. Susan Barossi
3. Thomas Blaney
4. Bruce Blasnik
5. Joseph Bodan
6. Edmond Brady
7. Clare Cella
8. Patricia Ciardullo
9. Robert Cordero
10. Timothy Desmond
11. Joseph Doren
12. Joseph Fazio
13. Brian Flynn
14. Henry Freire
15. Patrick Halloran
16. John Haslbauer
17. Garrett Higgins
18. Kevin Keane
19. John LaPilusa
20. Gemma Leddy
21. Joseph Lee
22. Gabriel Lengua
23. James Madormo
24. Alan Marks
25. David Marks
26. Christopher McCarthy
27. Francis McEnerney
28. Jonathan Moore
29. Linda Murphy
30. Edward O'Connor
31. Scott Oling
32. Mary Parente
33. Leo Parmegiani
34. Christopher Petermann
35. Mark Piszko
36. Christopher Plunkett
37. Marc Rinaldi
38. Thomas Roche
39. Joseph Russell
40. Dorothy Russo
41. Domenick Saglimbeni
42. Thomas Sorrentino
43. Peter Spiess
44. Barbara Van Bergen
45. Brian Varley
46. George Whitehead

**3. The business entity has not knowingly solicited or made any contribution of money, pledge of contribution, including in-kind contributions, that would bar the award of a contract to the business entity unless otherwise disclosed above:**

- a) Within the 18 months immediately preceding the commencement of negotiations or submission of a proposal for the contract or agreement to:
- (i) A candidate committee or election fund of any candidate for the public office of Governor or Lieutenant Governor or to a campaign committee or election fund of holder of public office of Governor or Lieutenant Governor; OR
  - (ii) Any State, County or Municipal political party committee; OR
  - (iii) Any Legislative Leadership committee.
- b) During the term of office of the current Governor or Lieutenant Governor to:
- (i) A candidate committee or election fund of a holder of the public office of Governor or Lieutenant Governor; OR
  - (ii) Any State or County political party committee of the political party that nominated the sitting Governor or Lieutenant Governor in the last gubernatorial election.
- c) Within the 18 months immediately preceding the last day of the sitting Governor or Lieutenant Governor's first term of office to:
- (i) A candidate committee or election fund of the incumbent Governor or Lieutenant Governor; OR
  - (ii) Any State or County political party committee of the political party that nominated the sitting Governor or Lieutenant Governor in the last gubernatorial election.

**4. During the term of the contract/agreement the business entity has a continuing responsibility to report, by submitting a new Certification and Disclosure form, any contribution it solicits or makes to:**

- (a) Any candidate committee or election fund of any candidate or holder of the public office of Governor or Lieutenant Governor; OR
- (b) Any State, County or Municipal political party committee; OR
- (c) Any Legislative Leadership committee.

The business entity further acknowledges that contributions solicited or made during the term of the contract/agreement may be determined to be a material breach of the contract/agreement.

**5. During the two-year certification period the business entity will report any changes in its ownership structure (including the appointment of an officer within a corporation) by submitting a new Certification and Disclosure form indicating the new owner(s) and reporting said owner(s) contributions.**

I certify that the foregoing statements in Parts 1, 2 and 3 are true. I am aware that if any of the statements are willfully false, I may be subject to punishment.

Signed Name David J. Gannon Print Name David J. Gannon  
Title/Position Partner Date 9/26/2018

**Procedure for Submitting Form(s)**

The contracting State Agency should submit this form to the Chapter 51 Review Unit when it has been required as part of a contracting process. The contracting State Agency should submit a copy of the completed and signed form(s), to the Chapter 51 Unit and retain the original for their records.

The business entity should return this form to the contracting State Agency. The business entity can submit this form directly to the Chapter 51 Review Unit only when it -

- Is approaching its two-year certification expiration date and wishes to renew certification;
- Had a change in its ownership structure; OR
- Made any contributions during the period in which its last two-year certification was in effect, or during the term of a contract with a State Agency.

**Forms should be submitted either electronically to: [cd134@treas.nj.gov](mailto:cd134@treas.nj.gov) , or regular mail at: Chapter 51 Review Unit, P.O. Box 230, 33 West State Street, Trenton, NJ 08625.**





**STATE OF NEW JERSEY  
DEPARTMENT OF THE TREASURY  
DIVISION OF PURCHASE AND PROPERTY**

**33 WEST STATE STREET, P.O. BOX 230  
TRENTON, NEW JERSEY 08625-0230**

**DISCLOSURE OF INVESTIGATIONS AND OTHER ACTIONS INVOLVING THE VENDOR {BIDDER} FORM**

**BID SOLICITATION #:** Audit Services

**VENDOR {BIDDER}:** PKF O'Connor Davies, LLP

**PART 1**

**PLEASE LIST ALL OFFICERS/DIRECTORS OF THE VENDOR {BIDDER} BELOW.  
IN PART 2 OF THIS FORM, YOU WILL BE REQUIRED TO ANSWER QUESTIONS REGARDING THESE INDIVIDUALS.**

**OFFICERS/DIRECTORS**

NAME	<u>See attached list.</u>		
TITLE	_____		
ADDRESS 1	_____		
ADDRESS 2	_____		
CITY	STATE	ZIP	_____

NAME	_____		
TITLE	_____		
ADDRESS 1	_____		
ADDRESS 2	_____		
CITY	STATE	ZIP	_____

NAME	_____		
TITLE	_____		
ADDRESS 1	_____		
ADDRESS 2	_____		
CITY	STATE	ZIP	_____

**Attach Additional Sheets If Necessary.**

**PART 2**

**PLEASE COMPLETE THE QUESTIONS BELOW BY CHECKING EITHER "YES" OR "NO".  
PLEASE REFER TO THE PERSONS LISTED ABOVE AND/OR THE PERSONS AND/OR ENTITIES LISTED ON  
YOUR OWNERSHIP DISCLOSURE FORM WHEN ANSWERING THESE QUESTIONS.**

- |    |  | YES                      | NO                                  |
|----|--|--------------------------|-------------------------------------|
| 1. | Has any person or entity listed on this form or its attachments ever been arrested, charged, indicted, or convicted in a criminal or disorderly persons matter by the State of New Jersey (or political subdivision thereof), or by any other state or the U.S. Government?                            | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. | Has any person or entity listed on this form or its attachments ever been suspended, debarred or otherwise declared ineligible by any government agency from bidding or contracting to provide services, labor, materials or supplies?   | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. | Are there currently any pending criminal matters or debarment proceedings in which the firm and/or its officers and/or managers are involved?  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4. | Has any person or entity listed on this form or its attachments been denied any license, permit or similar authorization required to engage in the work applied for herein, or has any such license, permit or similar authorization been revoked by any agency of federal, state or local government? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

**IF ANY OF THE ANSWERS TO QUESTIONS 1-4 ARE "YES", PLEASE PROVIDE THE REQUESTED INFORMATION IN PART 3. IF ALL OF THE ANSWERS TO QUESTIONS 1-4 ARE "NO", NO FURTHER ACTION IS NEEDED; PLEASE SIGN AND DATE THE FORM.**



**PART 3  
PROVIDING ADDITIONAL INFORMATION**

If you answered "YES" to any of questions 1 - 4 above, you must provide a detailed description of any investigation or litigation, including but not limited to administrative complaints or other administrative proceedings, involving public sector clients during the past five (5) years. The description must include the nature and status of the investigation, and for any litigation, the caption of the action, a brief description of the action, the date of inception, current status, and if applicable, disposition.

PERSON OR ENTITY NAME	_____	PHONE NUMBER	_____
CONTACT NAME	_____		
CASE CAPTION	_____		
INCEPTION OF THE INVESTIGATION	_____	CURRENT STATUS	_____
SUMMARY OF INVESTIGATION	_____		
	_____		
	_____		


PERSON OR ENTITY NAME	_____	PHONE NUMBER	_____
CONTACT NAME	_____		
CASE CAPTION	_____		
INCEPTION OF THE INVESTIGATION	_____	CURRENT STATUS	_____
SUMMARY OF INVESTIGATION	_____		
	_____		
	_____		

PERSON OR ENTITY NAME	_____	PHONE NUMBER	_____
CONTACT NAME	_____		
CASE CAPTION	_____		
INCEPTION OF THE INVESTIGATION	_____	CURRENT STATUS	_____
SUMMARY OF INVESTIGATION	_____		
	_____		
	_____		

*Attach Additional Sheets If Necessary.*

**CERTIFICATION**

I, the undersigned, certify that I am authorized to execute this certification on behalf of the Vendor/Bidder, that the foregoing information and any attachments hereto, to the best of my knowledge are true and complete. I acknowledge that the State of New Jersey is relying on the information contained herein, and that the Vendor/Bidder is under a continuing obligation from the date of this certification through the completion of any contract(s) with the State to notify the State in writing of any changes to the information contained herein; that I am aware that it is a criminal offense to make a false statement or misrepresentation in this certification. If I do so, I will be subject to criminal prosecution under the law, and it will constitute a material breach of my agreement(s) with the State, permitting the State to declare any contract(s) resulting from this certification void and unenforceable.

  
 \_\_\_\_\_  
 Signature  
 David J. Gannon, Partner  
 \_\_\_\_\_  
 Print Name and Title

9/26/2018  
 \_\_\_\_\_  
 Date

## PKF O'Connor Davies Partners and Principals

There are people. Then there are PKF O'Connor Davies people. Ours possess the right mix of passion and professionalism, acumen and accountability. They are technical experts, trusted advisors, industry leaders and business strategists. Above all, they are value drivers.

Below is full listing of our Partners and Principals. More information about these individuals can be found on the **"People"** page of our website.

Felix Addeo	Henry Freire	Edward G. O'Connor
Joseph Ali	Jennifer Galasso	Scott Oling
Michael Andriola	David Gannaway	Jerry O'Neil
John Apisa	David Gannon	Michelle O'Reilly-Frost
Leonard Asch	Edward E Granelli	Mary Parente
Keith Balla	Frank J Granger, JR	Samantha Paris
Michael Banker	Stewart Grubman	Bruce Parker
Susan M. Barossi	Laurie Hafner	Leo Parmegiani
Peter Baum	Patrick Halloran	Donald Perl
Lawrence Baye	John Haslbauer	Christopher Petermann
Mark Bednarz	Peter Heuzey	Mark Piszko
Barbara Bel	Garrett Higgins	Christopher Plunkett
Thomas Blaney	Dean Hottle	Christine Pronek
Bruce Blasnik	Joseph A Izzo	Michael Proveni
Joseph R. Bodan	Robert Jeraci	Thomas Riggs
Shelley Brown	Raymond Jones	Marc Rinaldi
Alexander Buchholz	Alan Kassay	Thomas Roche
Ann Buscaglia	Kevin J Keane	Robert Rollmann
Carl Calvanico	Steven Klein	Michael Ruggiero
Christopher W Casini	H. Christian Kopf	Vincent Ruocco
Clare Cella	Alan Kufeld	Joseph Russell
Joseph Centofanti	Michelle LaBruno	Dorothea Russo
Alan Chalfin	Robert E Landry	Douglas Ruttenberg
Emmanuel Chirico	John LaPilusa	Domenick Saglimbeni
Patricia Ciardullo	John Lauria	Gus Saliba
Domenick Consolo	Gemma Leddy	Joseph Scialo
Robert J Cordero	Joseph Lee	Andrew Scott
Matthew J Corona	Gabriel Lengua	Jeffrey Shaver
John Cosgrove	Leonard Levin	David Slemmer
Ciro Cuono	Louis LiBrandi	Sue Soderlund
Robert Daniele	Stephen Machinski	Keith Solomon
Sanders Davies	James P Madormo	Thomas Sorrentino
Henry Dellaratta	Charles Mangiarcina	Peter Spiess
Thomas DeMayo	Thomas Marien	Stuart Stengel
Nicholas DeSantis	David Marks	Scott Stone
Timothy Desmond	Alan Marks	Robin M Strong
Ronald DeSoiza	Cheri Mazza	Marc Tankel
Thomas Dobbins	Chris J McCarthy	Karen Taylor-Burke
Elizabeth Doren	Matthew G McCrosson	Robert Tirado
Joseph Doren	Francis McEnerney	David R Toole
Brian Duffy	Daniel J McMahon	Barbara H Van Bergen
Regina Fath	Kenneth Mersel	Brian Varley
Joseph Fazio	Jonathan Moore	John Vitucci
Alfred Fiore	Robert E Morris, JR	Steven Walters
Peter Floersch	Linda Murphy	Sandy Weinberg
Brian Flynn	Lucille Murray	George Whitehead
		Jonathan Zuckerman





**STATE OF NEW JERSEY  
DEPARTMENT OF THE TREASURY  
DIVISION OF PURCHASE AND PROPERTY**

**33 WEST STATE STREET, P.O. BOX 230  
TRENTON, NEW JERSEY 08625-0230**

**DISCLOSURE OF INVESTMENT ACTIVITIES IN IRAN FORM**

**BID SOLICITATION #:** Audit Services

**VENDOR/BIDDER:** PKF O'Connor Davies, LLP

**PART 1**

**CERTIFICATION**

**VENDOR/BIDDER MUST COMPLETE PART 1 BY CHECKING ONE OF THE BOXES  
FAILURE TO CHECK ONE OF THE BOXES WILL RENDER THE PROPOSAL NON-RESPONSIVE**

Pursuant to Public Law 2012, c. 25, any person or entity that submits a bid or proposal or otherwise proposes to enter into or renew a contract must complete the certification below to attest, under penalty of perjury, that neither the person nor entity, nor any of its parents, subsidiaries, or affiliates, is identified on the Department of the Treasury's Chapter 25 list as a person or entity engaged in investment activities in Iran. The Chapter 25 list is found on the Division's website at <http://www.state.nj.us/treasury/purchase/pdf/Chapter25List.pdf>. Vendors/Bidders must review this list prior to completing the below certification. **Failure to complete the certification will render a Vendor's/Bidder's proposal non-responsive.** If the Director of the Division of Purchase and Property finds a person or entity to be in violation of the law, s/he shall take action as may be appropriate and provided by law, rule or contract, including but not limited to, imposing sanctions, seeking compliance, recovering damages, declaring the party in default and seeking debarment or suspension of the party.

**CHECK THE APPROPRIATE BOX**



A. I certify, pursuant to Public Law 2012, c. 25, that neither the Vendor/Bidder listed above nor any of its parents, subsidiaries, or affiliates is listed on the N.J. Department of the Treasury's list of entities determined to be engaged in prohibited activities in Iran pursuant to P.L. 2012, c. 25 ("Chapter 25 List"). Disregard Part 2 and complete and sign the Certification below.

**OR**



B. I am unable to certify as above because the Vendor/Bidder and/or one or more of its parents, subsidiaries, or affiliates is listed on the Department's Chapter 25 list. I will provide a detailed, accurate and precise description of the activities in Part 2 below and sign and complete the Certification below. Failure to provide such information will result in the proposal being rendered as nonresponsive and appropriate penalties, fines and/or sanctions will be assessed as provided by law.

**PART 2**

**PLEASE PROVIDE ADDITIONAL INFORMATION RELATED TO INVESTMENT ACTIVITIES IN IRAN**

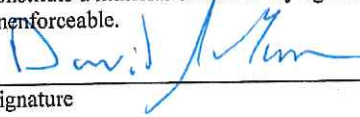
If you checked Box "B" above, provide a detailed, accurate and precise description of the activities of the Vendor/Bidder, or one of its parents, subsidiaries or affiliates, engaged in the investment activities in Iran by completing the boxes below.

**ENTITY NAME:** \_\_\_\_\_  
**RELATIONSHIP TO VENDOR/BIDDER:** \_\_\_\_\_  
**DESCRIPTION OF ACTIVITIES:** \_\_\_\_\_  
**DURATION OF ENGAGEMENT:** \_\_\_\_\_  
**ANTICIPATED CESSATION DATE:** \_\_\_\_\_  
**VENDOR/BIDDER CONTACT NAME:** \_\_\_\_\_  
**VENDOR/BIDDER CONTACT PHONE No.:** \_\_\_\_\_

*Attach Additional Sheets If Necessary.*

**CERTIFICATION**

I, the undersigned, certify that I am authorized to execute this certification on behalf of the Vendor/Bidder, that the foregoing information and any attachments hereto, to the best of my knowledge are true and complete. I acknowledge that the State of New Jersey is relying on the information contained herein, and that the Vendor/Bidder is under a continuing obligation from the date of this certification through the completion of any contract(s) with the State to notify the State in writing of any changes to the information contained herein; that I am aware that it is a criminal offense to make a false statement or misrepresentation in this certification. If I do so, I will be subject to criminal prosecution under the law, and it will constitute a material breach of my agreement(s) with the State, permitting the State to declare any contract(s) resulting from this certification void and unenforceable.

  
 \_\_\_\_\_  
 Signature

9/26/2018

\_\_\_\_\_  
 Date

David J. Gannon, Partner  
 \_\_\_\_\_  
 Print Name and Title



**STATE OF NEW JERSEY  
DEPARTMENT OF THE TREASURY  
DIVISION OF PURCHASE AND PROPERTY**

**33 WEST STATE STREET, P.O. BOX 230  
TRENTON, NEW JERSEY 08625-0230**

**OWNERSHIP DISCLOSURE FORM**

**BID SOLICITATION #:** Audit Services

**VENDOR {BIDDER}:** PKF O'Connor Davies, LLP

**PART 1**

**PLEASE COMPLETE THE QUESTIONS BELOW BY CHECKING EITHER THE "YES" OR THE "NO" BOX. ALL PARTIES ENTERING INTO A CONTRACT WITH THE STATE ARE REQUIRED TO COMPLETE THIS FORM PURSUANT TO N.J.S.A. 52:25-24.2  
PLEASE NOTE THAT IF THE VENDOR/BIDDER IS A NON-PROFIT ENTITY, THIS FORM IS NOT REQUIRED.**

- |   | YES                      | NO                                  |
|---|--------------------------|-------------------------------------|
| 1. Are there any individuals, corporations, partnerships, or limited liability companies owning a <b>10% or greater</b> interest in the Vendor {Bidder}?  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <p><b>IF THE ANSWER TO QUESTION 1 IS "NO", PLEASE SIGN AND DATE THE FORM.<br/>IF THE ANSWER TO QUESTION 1 IS "YES", PLEASE ANSWER QUESTIONS 2 - 4 BELOW.</b></p>                                |                          |                                     |
| 2. Of those parties owning a 10% or greater interest in the Vendor {Bidder}, are any of those parties individuals?  | <input type="checkbox"/> | <input type="checkbox"/>            |
| 3. Of those parties owning a 10% or greater interest in the Vendor {Bidder}, are any of those parties <b>corporations, partnerships, or limited liability companies</b> ?                       | <input type="checkbox"/> | <input type="checkbox"/>            |
| 4. If your answer to Question 3 is "YES", are there any parties owning a <b>10% or greater</b> interest in the corporation, partnership, or limited liability company referenced in Question 3? | <input type="checkbox"/> | <input type="checkbox"/>            |

**IF ANY OF THE ANSWERS TO QUESTIONS 2 - 4 ARE "YES", PLEASE PROVIDE THE REQUESTED INFORMATION IN PART 2 BELOW.**

**PART 2**

**PLEASE PROVIDE FURTHER INFORMATION RELATED TO QUESTIONS 2 - 4 ANSWERED AS "YES".**

If you answered "YES" for questions 2, 3, or 4, you must disclose identifying information related to the individuals, corporations, partnerships, and/or limited liability companies owning a 10% or greater interest in the Vendor {Bidder}. Further, if one or more of these entities is itself a corporation, partnership, or limited liability company, you must also disclose all parties that own a 10% or greater interest in that corporation, partnership, or limited liability company. This information is required by statute.

**INDIVIDUALS**

NAME \_\_\_\_\_  
 ADDRESS 1 \_\_\_\_\_  
 ADDRESS 2 \_\_\_\_\_  
 CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

NAME \_\_\_\_\_  
 ADDRESS 1 \_\_\_\_\_  
 ADDRESS 2 \_\_\_\_\_  
 CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

NAME \_\_\_\_\_  
 ADDRESS 1 \_\_\_\_\_  
 ADDRESS 2 \_\_\_\_\_  
 CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

**Attach Additional Sheets If Necessary.**



**PART 2 continued**  
**PARTNERSHIPS/CORPORATIONS/LIMITED LIABILITY COMPANIES**

ENTITY NAME	_____
PARTNER NAME	_____
ADDRESS 1	_____
ADDRESS 2	_____
CITY	_____ STATE _____ ZIP _____

ENTITY NAME	_____
PARTNER NAME	_____
ADDRESS 1	_____
ADDRESS 2	_____
CITY	_____ STATE _____ ZIP _____

ENTITY NAME	_____
PARTNER NAME	_____
ADDRESS 1	_____
ADDRESS 2	_____
CITY	_____ STATE _____ ZIP _____

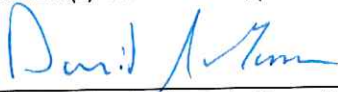
ENTITY NAME	_____
PARTNER NAME	_____
ADDRESS 1	_____
ADDRESS 2	_____
CITY	_____ STATE _____ ZIP _____

*Attach Additional Sheets If Necessary.*

In the alternative, to comply with the ownership disclosure requirement, a Vendor {Bidder} with any direct or indirect parent entity which is publicly traded may submit the name and address of each publicly traded entity and the name and address of each person that holds a 10 percent or greater beneficial interest in the publicly traded entity as of the last annual filing with the federal Securities and Exchange Commission or the foreign equivalent, and, if there is any person that holds a 10 percent or greater beneficial interest, also shall submit links to the websites containing the last annual filings with the federal Securities and Exchange Commission or the foreign equivalent and the relevant page numbers of the filings that contain the information on each person that holds a 10 percent or greater beneficial interest. N.J.S.A. 52:25-24.2.

**CERTIFICATION**

I, the undersigned, certify that I am authorized to execute this certification on behalf of the Vendor {Bidder}, that the foregoing information and any attachments hereto, to the best of my knowledge are true and complete. I acknowledge that the State of New Jersey is relying on the information contained herein, and that the Vendor {Bidder} is under a continuing obligation from the date of this certification through the completion of any contract(s) with the State to notify the State in writing of any changes to the information contained herein; that I am aware that it is a criminal offense to make a false statement or misrepresentation in this certification. If I do so, I will be subject to criminal prosecution under the law, and it will constitute a material breach of my agreement(s) with the State, permitting the State to declare any contract(s) resulting from this certification void and unenforceable.



9/26/2018

Date

Signature (Do not enter vendor ID as a signature)

David J. Gannon, Partner

Print Name and Title

27-1728945

FEIN/SSN

<b>RFP CHECKLIST – It is recommended that all applicable and required forms and documents below be submitted simultaneously with the written Proposal.</b>			<b>CHECK BOX IF INCLUDED</b>
<b>PROPOSAL</b>	<b>1</b>	Your written Proposal in response to this Request for Proposals.  Please Note: Written Proposals that do not address all items listed in Section 5.0 above, "Required Components of the Proposal", will not be evaluated and will be rejected as non-responsive.	<input checked="" type="checkbox"/>
	<b>2</b>	<b>EXHIBIT A - Fee Proposal to NJEFA</b>	<input checked="" type="checkbox"/>
<b>EXHIBITS</b>	<b>3</b>	<b>EXHIBIT B-1 - Mandatory Equal Employment Opportunity Language - Signed Acceptance and Acknowledgment</b>	<input checked="" type="checkbox"/>
	<b>4</b>	<b>EXHIBIT B-2 – State Policy Prohibiting Discrimination in the Workplace and Vendor/Bidder Signed Acknowledgment of Receipt</b>	<input checked="" type="checkbox"/>
<b>DIVISION OF PURCHASE &amp; PROPERTY FORMS</b>	<b>4</b>	<b>EXHIBIT C – Certification of No Change (If applicable. See 9b below.)</b>	<input checked="" type="checkbox"/>
	<b>5</b>	<a href="#">Ownership Disclosure Form</a>	<input checked="" type="checkbox"/>
	<b>6</b>	<a href="#">Disclosure of Investigations and Other Actions Involving Vendor/Bidder</a>	<input checked="" type="checkbox"/>
	<b>7</b>	<a href="#">Disclosure of Investment Activities in Iran</a>	<input checked="" type="checkbox"/>
	<b>8</b>	Affirmative Action Compliance (submit <b>one</b> of the following)	
		a. New Jersey Certificate of Employee Information Report	<input checked="" type="checkbox"/>
		b. Federal Letter of Approval Verifying a Federally Approved or Sanctioned Affirmative Action Program (dated within one (1) year of submission of Proposal)	<input type="checkbox"/>
		c. <a href="#">Affirmative Action Employee Information Report (AA-302)</a>	<input type="checkbox"/>
	<b>9</b>	Disclosure of Political Contributions (submit <b>one</b> of the following)	<input checked="" type="checkbox"/>
		a. <a href="#">Two-Year Chapter 51/Executive Order 117 Vendor/Bidder Certification and Disclosure of Political Contributions</a>	
	b. Certification of No Change and Proof of Two-Year Approval (See EXHIBIT C for the Certification. Only for vendors/bidders who have previously submitted the Two-Year Chapter 51/Executive Order 117 Vendor/Bidder Certification and Disclosure of Political Contributions form.)		
<b>10</b>	<a href="#">Chapter 271 Vendor/Bidder Certification and Political Disclosure Form</a>	<input checked="" type="checkbox"/>	
<b>11</b>	<a href="#">Proof of New Jersey Business Registration</a>	<input checked="" type="checkbox"/>	
<b>12</b>	<a href="#">Source Disclosure Form</a>	<input checked="" type="checkbox"/>	
<b>13</b>	Small, Minority and/or Women-Owned Business Enterprise Certification or Documentation (if applicable)		

I hereby agree to the Additional Terms and Conditions set forth in Section 8.0 above and understand that all applicable and required documents and forms listed in this RFP Checklist must be provided to the Authority prior to contract award or authorization.

**Firm Name:** PKF O'Connor Davies, LLP

**Submitted By:** David J. Gannon

**Signature:** 

**Title:** Partner

**Date:** 9/26/2018

**EXHIBIT B-1**

**MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE**

*N.J.S.A. 10:5-31 et seq. (P.L. 1975, C. 127)*

*N.J.A.C. 17:27*

**GOODS, PROFESSIONAL SERVICE AND GENERAL SERVICE CONTRACTS**

During the performance of this contract, the contractor agrees as follows:

The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, the contractor will take affirmative action to ensure that such applicants are recruited and employed, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this nondiscrimination clause.

The contractor or subcontractor, where applicable will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex.

The contractor or subcontractor, where applicable, will send to each labor union or representative or workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer advising the labor union or workers' representative of the contractor's commitments under this act and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The contractor or subcontractor, where applicable, agrees to comply with any regulations promulgated by the Treasurer pursuant to *N.J.S.A. 10:5-31 et seq.*, as amended and supplemented from time to time and the Americans with Disabilities Act.

The contractor or subcontractor agrees to make good faith efforts to employ minority and women workers consistent with the applicable county employment goals established in accordance with *N.J.A.C. 17:27-5.2*, or a binding determination of the applicable county employment goals determined by the Division, pursuant to *N.J.A.C. 17:27-5.2*.

The contractor or subcontractor agrees to inform in writing its appropriate recruitment agencies including, but not limited to, employment agencies, placement bureaus, colleges, universities, labor unions, that it does not



discriminate on the basis of age, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.

The contractor or subcontractor agrees to revise any of its testing procedures, if necessary, to assure that all personnel testing conforms with the principles of job-related testing, as established by the statutes and court decisions of the State of New Jersey and as established by applicable Federal law and applicable Federal court decisions.

In conforming with the applicable employment goals, the contractor or subcontractor agrees to review all procedures relating to transfer, upgrading, downgrading and layoff to ensure that all such actions are taken without regard to age, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal law and applicable Federal court decisions.

The contractor shall submit to the public agency, after notification of award but prior to execution of a goods and services contract, one of the following three documents:

Letter of Federal Affirmative Action Plan Approval

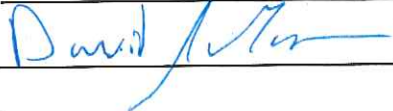
Certificate of Employee Information Report

Employee Information Report Form AA302

The contractor and its subcontractors shall furnish such reports or other documents to the Div. of Contract Compliance & EEO as may be requested by the office from time to time in order to carry out the purposes of these regulations, and public agencies shall furnish such information as may be requested by the Div. of Contract Compliance & EEO for conducting a compliance investigation pursuant to **Subchapter 10 of the Administrative Code at N.J.A.C. 17:27.**

**Firm Name:** PKF O'Connor Davies, LLP

**Submitted By:** David J. Gannon

**Signature:** 

**Title:** Partner

**Date:** 9/26/2018



**EXHIBIT B-2**

**VENDOR/BIDDER ACKNOWLEDGMENT OF RECEIPT**

New Jersey Educational Facilities Authority is committed to establishing and maintaining a workplace environment that is free from discrimination or harassment.

Attached for your review is the New Jersey State Policy Prohibiting Discrimination in the Workplace, which must be distributed to all vendors/bidders/contractors with whom New Jersey Educational Facilities Authority has a direct relationship.

Please sign and return this Acknowledgment of Receipt to confirm you have received a copy of the New Jersey State Policy Prohibiting Discrimination in the Workplace.

**Vendor/Bidder Name:** PKF O'Connor Davies, LLP

**Submitted By:** David J. Gannon

**Signature:** 

**Title:** Partner

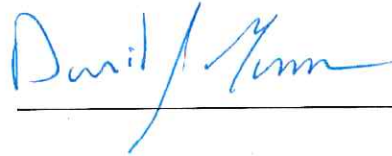
**Date:** 9/26/2018

**EXHIBIT C**

P.L. 2005, c. 51 / Executive Order No. 117  
Certification of No Change

I, David J. Gannon the partner of PKF O'Connor Davies, LLP in connection with the Request for Proposals for Audit Services issued by the New Jersey Educational Facilities Authority (the "Authority") do hereby certify that all information, certifications and disclosure statements previously provided in connection with P.L. 2005, c. 51, which codified Executive Order No. 134 (McGreevey 2004), as amended by Executive Order No. 117 (Corzine 2008), are true and correct as of the date hereof and that all such statements have been made with full knowledge that the Authority and the State of New Jersey shall rely upon the truth of the statements contained therein and herein in connection with the RFP.

IN WITNESS WHEREOF, we have executed this Certification as of this 26<sup>th</sup> day of September, 2018.



\_\_\_\_\_

**Submitted By:** David J. Gannon

**Title:** Partner

**Date:** 9/26/2018

**Firm's EIN:** 27-1728945

**ATTENTION:** Please attach proof of your firm's two-year approval date.



**STATE OF NEW JERSEY  
DEPARTMENT OF THE TREASURY  
DIVISION OF PURCHASE AND PROPERTY**

**33 WEST STATE STREET, P.O. BOX 230  
TRENTON, NEW JERSEY 08625-0230**

**SOURCE DISCLOSURE FORM**

**BID SOLICITATION #:** PKF O'Connor Davies, LLP      **VENDOR {BIDDER}:** PKF O'Connor Davies, LLP

The Vendor {Bidder} submits this form in response to a Bid Solicitation issued by the State of New Jersey, Department of the Treasury, Division of Purchase and Property, in accordance with the requirements of N.J.S.A. 52:34-13.2.

**PART 1**

- All services will be performed by the Contractor and Subcontractors in the United States. Skip Part 2.
- Services will be performed by the Contractor and/or Subcontractors outside of the United States. **Complete Part 2.**

**PART 2**

Where services will be performed outside of the United States, please list every country where services will be performed by the Contractor and all Subcontractors. If any of the services cannot be performed within the United States, the Contractor shall state, with specificity, the reasons why the services cannot be performed in the United States. The Director of the Division of Purchase and Property will review this justification and if deemed sufficient, the Director may seek the Treasurer's approval.

Name of Contractor / Sub-contractor	Performance Location by Country	Description of Service(s) to be Performed Outside of the U.S.	Reason Why the Service(s) Cannot be Performed in the U.S.

Any changes to the information set forth in this form during the term of any Contract awarded under the referenced Bid Solicitation or extension thereof will be immediately reported by the Contractor to the Director of the Division of Purchase and Property.

If during the term of the Contract the Contractor shifts the location of services outside the United States, without a prior written determination by the Director, the Contractor shall be deemed in breach of Contract, and the Contract will be subject to termination for cause pursuant to the State of New Jersey Standard Terms and Conditions.

**CERTIFICATION**

I, the undersigned, certify that I am authorized to execute this certification on behalf of the Vendor {Bidder}, that the foregoing information and any attachments hereto, to the best of my knowledge are true and complete. I acknowledge that the State of New Jersey is relying on the information contained herein, and that the Vendor {Bidder} is under a continuing obligation from the date of this certification through the completion of any contract(s) with the State to notify the State in writing of any changes to the information contained herein; that I am aware that it is a criminal offense to make a false statement or misrepresentation in this certification. If I do so, I will be subject to criminal prosecution under the law, and it will constitute a material breach of my agreement(s) with the State, permitting the State to declare any contract(s) resulting from this certification to be void and unenforceable.

*David J. Gannon*

\_\_\_\_\_  
Signature  
David J. Gannon, Partner  
\_\_\_\_\_  
Print Name and Title

9/26/2018  
Date

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
2018 BUDGET VARIANCE ANALYSIS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018**

**EXECUTIVE SUMMARY**

**Net Operating Income**

The NJEFA concluded September with a year-to-date net operating loss in the amount of \$150,926, based on revenues of \$2,017,293 and expenses of \$2,168,219.

**Revenues**

Year-to-date revenues were \$267,140 less than budgeted due to no transactions closing during the first nine months of the year.

**Expenses**

Operating expenditures for the first nine months of the year were under budget by \$417,279 primarily due to staff vacancies and timing of expenditures.

**Exhibits**

<b><u>Report</u></b>	<b><u>Page</u></b>
Actual vs. Budget Report	1
Operating Account – Vendor Payments	2
Summary of Construction Funds	3



**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY**  
**ACTUAL vs. BUDGET REPORT**  
**SEPTEMBER 2018**

	Month Ended September 30, 2018			Year-To-Date September 30, 2018		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b><u>Operating Revenues</u></b>						
Annual Administrative Fees	\$197,629	\$227,718	\$ (30,089)	\$1,900,123	\$2,003,184	\$ (103,061)
Initial Fees	-	81,250	(81,250)	-	243,750	(243,750)
Investment Income	11,560	4,167	7,393	117,170	37,499	79,671
	<u>\$ 209,189</u>	<u>\$ 313,135</u>	<u>\$ (103,946)</u>	<u>\$2,017,293</u>	<u>\$ 2,284,433</u>	<u>\$ (267,140)</u>
<b><u>Operating Expenses</u></b>						
Salaries	\$108,554	\$120,862	\$ 12,308	\$1,006,818	\$1,148,184	\$ 141,366
Employee Benefits	45,233	72,422	27,189	378,578	615,471	236,893
Provision for Post Ret. Health Benefits	29,167	29,167	-	262,500	262,499	(1)
Office of The Governor	2,072	2,083	11	18,784	18,751	(33)
Office of The Attorney General	6,848	4,667	(2,181)	113,993	41,999	(71,994)
Sponsored Programs & Meetings	-	750	750	1,120	6,750	5,630
Telecom & Data	1,576	2,142	566	15,299	19,274	3,975
Rent	15,903	16,667	764	143,126	149,999	6,873
Utilities	1,978	2,000	22	16,635	18,000	1,365
Office Supplies & Postage Expense	1,943	3,542	1,599	12,463	31,874	19,411
Travel & Expense Reimbursement	1,911	1,042	(869)	3,048	9,374	6,326
Staff Training & Conferences	1,550	3,563	2,013	18,064	32,061	13,997
Insurance	2,344	5,833	3,489	38,677	52,501	13,824
Publications & Public Relations	-	2,187	2,187	-	19,689	19,689
Professional Services	1,642	19,417	17,775	77,851	174,749	96,898
Dues & Subscriptions	2,124	5,458	3,334	22,574	49,126	26,552
Maintenance Expense	2,279	2,546	267	16,892	22,912	6,020
Depreciation	2,422	3,167	745	21,797	28,499	6,702
Contingency	-	-	-	-	-	-
	<u>227,546</u>	<u>297,515</u>	<u>69,969</u>	<u>2,168,219</u>	<u>2,701,712</u>	<u>533,493</u>
<b>Net Operating Income</b>	<u>\$ (18,357)</u>	<u>\$ 15,620</u>	<u>\$ (33,977)</u>	<u>\$ (150,926)</u>	<u>\$ (417,279)</u>	<u>\$ 266,353</u>
Gain/Loss on Disposal of Fixed Assets				\$ (100)		\$ (100)
<b>Net Income</b>				<u>\$ (151,026)</u>		<u>\$ 266,253</u>

**NJEFA**  
**Vendor Payments**  
**September 2018**

4:06 PM

Type	Date	Num	Name	Memo	Account	Accrual Basis Amount
Bill Pmt -Check	09/06/2018	12103	20/20 Business Solutions, Inc.	Inv 497417	Accounts Payable	511.11
Bill Pmt -Check	09/06/2018	12104	AP Technology LLC	Inv IN019761	Accounts Payable	205.00
Bill Pmt -Check	09/06/2018	12105	Arkadin Inc.	Inv 1171365-0818	Accounts Payable	66.38
Bill Pmt -Check	09/06/2018	12106	Curtis, Matthew J.	Expense Reimbursement - SSL Cert 2 Year Term	Accounts Payable	53.00
Bill Pmt -Check	09/06/2018	12107	Government News Network	Inv 81660-G	Accounts Payable	325.00
Bill Pmt -Check	09/06/2018	12108	Lamont Financial Services Inc.	Inv 455-0818Q2	Accounts Payable	8,125.00
Bill Pmt -Check	09/06/2018	12109	Nelson, Steven	Expense Reimbursement - Higher Ed. P3 Conf	Accounts Payable	1,067.39
Bill Pmt -Check	09/06/2018	12110	NJ Advance Media	104586606-08172, 104586604-08172	Accounts Payable	20.72
Bill Pmt -Check	09/06/2018	12111	Polar Inc.	Inv 038107	Accounts Payable	50.15
Bill Pmt -Check	09/06/2018	12112	Thomson Reuters Global Markets Inc.	Inv 95870850	Accounts Payable	735.00
Bill Pmt -Check	09/06/2018	12113	UPS	Inv 2Y687X338	Accounts Payable	27.29
Bill Pmt -Check	09/06/2018	12114	Yang, Ellen	Expense Reimbursement - Travel 9/26/18 - 9/28/18	Accounts Payable	468.53
Bill Pmt -Check	09/10/2018	EFT	NJSHBP	Sept Covg	Employee Benefits	24,908.30
Bill Pmt -Check	09/10/2018	EFT	NJSHBP	Sept Covg	Post Retirement Benefits	2,939.28
Bill Pmt -Check	09/18/2018	12115	100 & RW-CRA, LLC	Inv 003953, 004042, 003982	Accounts Payable	12,427.18
Bill Pmt -Check	09/18/2018	12116	Bank of America - Acct Analysis	Inv 18080004713	Accounts Payable	71.41
Bill Pmt -Check	09/18/2018	12117	Block Line Systems	Inv 66054180915	Accounts Payable	1,138.32
Bill Pmt -Check	09/18/2018	12118	GDW Government, Inc.	PCT6651, PDF4553	Accounts Payable	275.00
Bill Pmt -Check	09/18/2018	12119	DocuSafe	Inv 110933	Accounts Payable	188.55
Bill Pmt -Check	09/18/2018	12120	Lexis Nexis	Inv 1808058822	Accounts Payable	292.00
Bill Pmt -Check	09/18/2018	12121	NJ Advance Media	104590353-08292, 104590355-08292	Accounts Payable	52.30
Bill Pmt -Check	09/18/2018	12122	NJ Economic Development Authority	September Coverage	Accounts Payable	1,680.59
Bill Pmt -Check	09/18/2018	12123	Polar Inc.	Inv 038759	Accounts Payable	36.25
Bill Pmt -Check	09/18/2018	12124	Society for Human Resource Management	SHRM Membership - ST	Accounts Payable	189.00
Bill Pmt -Check	09/18/2018	12125	UPS	Inv 2Y687X368	Accounts Payable	56.44
Bill Pmt -Check	09/18/2018	12126	Verizon Wireless	Inv 9813848408	Accounts Payable	371.05
Bill Pmt -Check	09/18/2018	12127	W.B. Mason Company, Inc.	Inv IS0836198	Accounts Payable	560.59
Bill Pmt -Check	09/28/2018	12128	20/20 Business Solutions, Inc.	Inv 497532	Accounts Payable	511.11
Bill Pmt -Check	09/28/2018	12129	Crown Trophy	Estimate 3256	Accounts Payable	180.00
Bill Pmt -Check	09/28/2018	12130	Dell Marketing L.P.	Inv 10267022928	Accounts Payable	2,229.14
Bill Pmt -Check	09/28/2018	12131	EACUBO	EACUBO 2018 Annual Meeting - SN	Accounts Payable	725.00
Bill Pmt -Check	09/28/2018	12132	Nelson, Steven	Expense Reimb. - P3 Conference 9/11/18 - 9/14/18	Accounts Payable	753.84
Bill Pmt -Check	09/28/2018	12133	Penn Medicine	Inv 4784	Accounts Payable	112.00
Bill Pmt -Check	09/28/2018	12134	SourceMedia-Conferences	Inv 34859017, 34859061, 34859109	Accounts Payable	375.00
Bill Pmt -Check	09/28/2018	12135	UPS	Inv 2Y687X378	Accounts Payable	94.71
Bill Pmt -Check	09/28/2018	12136	Yang, Ellen	Expense Reimbursement - Travel 9/20/18	Accounts Payable	18.62
						61,840.25

New Jersey Educational Facilities Authority  
 Summary of Construction Funds  
 As of September 30, 2018

<u>Institution</u>	<u>Issue</u>	<u>Description</u>	<u>Bond Proceeds</u>	<u>Net Disbursed</u>	<u>Balance</u>	<u>% Complete</u>
<b>Private</b>						
Seton Hall University	2016 Series C	Welcome Center, Bishop Dougherty Univ Center	\$ 38,059,002.20	\$ (33,319,897.00)	\$ 4,739,105.20	88%
Stevens Institute of Technology	2017 Series A	Various Renov & Improvements, Refund 1998 I, 2007 A	76,911,558.14	(33,467,912.22)	43,443,645.92	44%
Princeton University	2017 Series C	Renov, Maint & Partial Refund Commercial Paper	162,455,632.40	(142,582,787.36)	19,872,845.04	88%
Rider University	2017 Series F	Academic & Residential Facilities, Science & Technology Bldg	44,228,160.45	(1,347,729.92)	42,880,430.53	3%
Georgian Court University	2017 Series G&H	Various Capital Improvements & Renovations, Refund 07 D, H	7,874,383.16	(396,448.11)	7,477,935.05	5%
Sub Total			\$ 329,528,736.35	\$ (211,114,774.61)	\$ 118,413,961.74	
<b>Public</b>						
Montclair State University	Series 2014 A	Various Refundings and Capital Projects	\$ 156,675,111.09	\$ (132,379,797.01)	\$ 24,295,314.08	84%
New Jersey City University	Series 2015 A	Various Renovations & Improv, Refund 02 A, 03 E	37,869,656.10	(34,287,677.17)	3,581,978.93	91%
Stockton University	Series 2016 A	Science Center, Academic Bldg, Quad Project	26,207,528.53	(22,520,542.79)	3,686,985.74	86%
Ramapo College of New Jersey	Series 2017 A	Refund 06 I, Renov Library, Learning Center	11,278,830.75	(1,120,707.27)	10,158,123.48	10%
William Paterson University of New Jersey	Series 2017 B	New Residence Hall	30,427,779.25	(18,060,632.20)	12,367,147.05	59%
Sub Total			\$ 262,458,905.72	\$ (208,369,356.44)	\$ 54,089,549.28	
<b>Other Programs</b>						
Equipment Leasing Fund	Series 2014 A&B	Acquisition and Installation of Equipment	\$ 101,266,893.00	\$ (91,961,071.22)	\$ 9,305,821.78	91%
Technology Infrastructure Fund	Series 2014	Development of Technology Infrastructure	41,313,667.00	(37,615,878.25)	3,697,788.75	91%
Capital Improvement Fund	Series 2014 A-D	Capital Improvements	191,905,596.00	(183,662,076.14)	8,243,519.86	96%
Facilities Trust Fund	Series 2014	Construct, Reconstruct, Develop & Improve Facilities	219,977,164.00	(180,331,265.12)	39,645,898.88	82%
Capital Improvement Fund	Series 2016 B	Capital Improvements	146,700,261.19	(74,966,196.57)	71,734,064.62	51%
Sub Total			\$ 701,163,581.19	\$ (568,536,487.30)	\$ 132,627,093.89	
<b>Grand Total</b>			<b>\$1,293,151,223.26</b>	<b>\$ (988,020,618.35)</b>	<b>\$ 305,130,604.91</b>	