S&P Global Ratings

RatingsDirect®

# New Jersey Educational Facilities Authority College Of New Jersey; Public Coll/Univ - Unlimited Student Fees

**Primary Credit Analyst:**
Shivani Singh, New York (1) 212-438-3120; shivani.singh@spglobal.com

**Secondary Contact:**
America Murillo, Centennial; america.murillo@spglobal.com

## Table Of Contents

# New Jersey Educational Facilities Authority College Of New Jersey; Public Coll/Univ - Unlimited Student Fees

| Credit Profile | | |
|---|---|---|
| **New Jersey Educl Facs Auth, New Jersey** | | |
| College of New Jersey, New Jersey | | |
| New Jersey Educl Facs Auth (College of New Jersey) USF (AGM) (SECMKT) | | |
| *Unenhanced Rating* | A(SPUR)/Stable | Rating Assigned |
| **Coll of NJ series 2008D** | | |
| *Unenhanced Rating* | A(SPUR)/Stable | Affirmed |

## Rationale

S&P Global Ratings affirmed its 'A' long-term rating on the New Jersey Educational Facilities Authority's (NJEFA) series 2008D, 2010B, 2012A, 2013A, 2015G, 2016F, and 2016G revenue bonds issued on behalf of the College of New Jersey (TCNJ or the college). The outlook is stable for all bonds.

We have assessed the college's enterprise profile as very strong, reflecting its stable enrollment, excellent selectivity, robust retention and graduation rates, and a stable and seasoned senior management team. We have assessed the college's financial profile as strong, with healthy full-accrual adjusted operating surpluses (based on S&P Global's calculations) due to growing student-generated revenues, conservative budgeting and financial planning with dedicated revenue streams earmarked for debt service payments and repayments not tied to the college's educational and general operating budget. The college has a high debt load, which has caused dilution in available resources compared with debt and elevated its debt burden. When we combine the enterprise and financial profiles, this leads to an indicative stand-alone credit rating of 'a+'. As our criteria indicate, the final rating can be within one notch of the indicative credit level. In our opinion, the 'A' rating on the college's bonds better reflects its weaker available resources to debt compared with medians and peers, and the challenged state budgetary position.

We currently rate the state of New Jersey 'A-' with a stable outlook. Since TCNJ receives less than 30% of its adjusted operating revenues from state operating appropriations (including employees' fringe benefits paid by the state), we believe the rating on TCNJ reflects a relatively limited dependence on ongoing funding for its operations from the state. However, if the rating on the state were to fall below its present level and TCNJ's state operating appropriation dependence increased to 30% or greater, this could have negative credit implications for our rating on the college.

The 'A' rating reflects our assessment of TCNJ's:

- Healthy full-accrual adjusted financial operations in fiscal years 2016 (audited results) and 2017 (draft audit results provided by management);
- Stable enrollment and a superior admissions profile for a public college, as demonstrated by good student quality

metrics and robust retention and graduation rates for fall 2016 and preliminary fall 2017;
- Stable and proactive senior management team; and
- Excellent adjusted unrestricted net assets (UNA) as a percentage of adjusted operating expenses at 53.7% and 44.7% as of June 30, 2016 (audited results) and June 30, 2017 (draft audit results) respectively.

Offsetting factors, in our view, include TCNJ's:

- Low adjusted UNA relative to debt compared with the rating category median due to a high debt load at 38.9% and 34.5% as of June 30, 2016 (audited results) and June 30, 2017 (unaudited results) respectively;
- Very high maximum annual debt service burden at 12.7% of fiscal 2017 adjusted operating expenses (draft audit results); we note a high debt burden is characteristic of many New Jersey state colleges and universities due primarily to the lack of historical state capital support; and
- Limited fundraising history and relatively small size of the college endowment.

Total debt as of June 30, 2017 (unaudited results) was $355.1 million, which includes $346.1 million of bonds issued by the NJEFA (excluding $37.1 million of crossover debt, which is being double-counted and is reflected under non-current assets and long term debt, until the escrow proceeds are used to redeem the 2010B bonds in 2019), and roughly $9 million of other debt. The long-term debt structure is all fixed-rate and it has no swaps. Although the college indicates it could issue additional debt within the next few years (possibly beyond our two-year outlook period), these plans are preliminary and have not been authorized or approved by its board. At this time, we have not factored in the effects of any additional debt given uncertainty around timing. We will evaluate the effect of any additional debt on college finances at the time of issuance.

In our view, given TCNJ's high debt load relative to the size of its available resources, issuance of additional debt must be accompanied by maintenance of available resource ratios to preserve the rating. The overall debt repayment schedule is moderately rapid, in our view, with roughly 44% of debt to be repaid over the next ten years, and almost 75% over 15. The college plans to repay $19.6 million of debt principal in fiscal years 2018 and 2019, which we believe could moderate its debt burden.

Similar to many other public colleges and universities in New Jersey, the revenue bonds are a general obligation of the college payable from any legally available funds available to it. Legally available funds are defined by the college as including all funds of the college, including state appropriations that are not designated for a specific purpose. Although state appropriations are not specifically pledged to the bondholders, they are part of the pool of resources available for payment of debt service on the bonds.

All references to fiscal 2017 financial results are based on draft financial statements provided by management. Management does not expect material differences between its audited and draft financials.

## Outlook

The stable outlook reflects our expectation that over the outlook period, TCNJ's enrollment will remain stable, net adjusted financial operations will be positive on a full-accrual basis, and available resource ratios will be stable around current levels.

### Downside scenario

In our view, the rating could come under pressure if there are consecutive years of enrollment declines, full-accrual operating losses, and deterioration in current available resource ratios. Although we consider it unlikely, a negative rating action on the state and TCNJ's increased state operating appropriation reliance to 30% or greater could have an effect on TCNJ's rating.

### Upside scenario

We do not expect to raise the rating during the two-year outlook period due to TCNJ's weak available resources to debt and potential for additional capital expenditures that could entail debt issuances. We would view growth in available resource ratios, endowment, and positive fundraising trends favorably.

## Enterprise Profile

### Industry risk

Industry risk addresses the higher education sector's overall cyclicality and competitive risk and growth by applying various stress scenarios and evaluating barriers to entry, levels and trends of profitability, substitution risk, and growth trends observed in the industry. We believe the higher education sector represents a low credit risk when compared with other industries and sectors.

### Economic fundamentals

In our view, the college has limited geographic diversity, with 93% of fall 2016 students classified as in-state students, with the rest coming from other states and countries. Geographic diversity is expected to remain comparable for fall 2017. As such, our assessment of the college's economic fundamentals is anchored by the New Jersey GDP per capita.

### Market position and demand

Established in 1855 as a "normal" (teaching) school, TCNJ is on a residential campus about five miles from Trenton, in Ewing. It is a midsize, comprehensive public college that concentrates primarily on the undergraduate experience and offers 43 undergraduate and 12 graduate degree programs in seven schools.

In the past five years, enrollment has been flat-to-slightly growing, which is likely to continue in the next few years. Fall 2016 full-time equivalent (FTE) enrollment was 6,962. For fall 2017, based on enrollment statistics through September 19, 2017, the total FTE enrollment is projected to be 7,155.

Approximately 92% of students are undergraduates, and the college had a very regional student draw, with 93% of its fall 2016 undergraduate students originating from New Jersey. Education officials in New Jersey project the population of graduating high school seniors will remain flat during the next couple of years. The state has also seen large outmigration of graduating high school students over the past few years. In response to these high school demographic trends, the college has taken more targeted approaches to branding and marketing efforts, including ramping up recruitment efforts in states such as Pennsylvania, Connecticut, Massachusetts, New York, and California. It has focused on targeted recruitment for specific programs with available capacity and made a strategic decision to extend the length of the winter term calendar, which is anticipated to increase fall 2017 enrollment.

The college's maximum out-of-state and international enrollment target is 15% per management and while international enrollment is currently small, the college is focusing on this population to meet the targeted out-of-state student growth.

Freshman applications increased by a modest 4.7% to 11,825 in fall 2016 from the previous fall. The freshman selectivity rate at 48.9% remains well above the median for the rating category. Based on trends to date, management is targeting enrolling 1,490 freshman, 50 provisional students, and 240 transfers for fall 2017. Based on near final fall 2017 data, freshman selectivity rate is to remain stable.

Student quality is solid and above the national average, in our view, with the average combined SAT scores for incoming freshman at 1210 (the national average is 1020) for fall 2016. The freshman-to-sophomore student retention rate at 94% and six-year graduation rate at 87% are both robust and well above state and national averages.

For the 2016-2017 academic year, tuition increased by 2.3% for all student categories to $11,124 and $22,301, for in- and out-of-state students, respectively. Including fees and room and board charges, total charges for a full-time in-state student equaled $28,675. TCNJ's in-state and out-of-state tuition and mandatory fees are the highest of its state public peers. Tuition increased 2.25% for the 2017-2018 academic year. Management indicates that, unlike most of its peer public universities in the state, TCNJ primarily competes for applicants with public and private institutions with national draws, including the University of Delaware, Villanova University, Boston College, and New York University, and that its tuition and fees rates are competitive with rates charged by these institutions. As part of its overall pricing strategy, it has been investing more in institutionally funded scholarships and tuition waivers over time, with $15.4 million budgeted in fiscal 2018, a 8% increase from $14.3 million spent on institutional aid in fiscal 2017. Our calculation of the overall tuition discount rate (including federal and state financial aid) was 17% in fiscal 2016, This discount rate is lower than many of TCNJ's private university peers.

### Foundation and fundraising

The college has a separate foundation, which held $34.8 million of net assets as of June 30, 2016, the bulk of which is restricted. The college's development function has historically been limited but it has strengthened in recent years due to a recent restructuring of its college advancement division. Management indicated TCNJ has successfully completed its first ever comprehensive campaign with an initial $40 million goal and $47.5 million actual in gifts and pledges. The college will use campaign proceeds to support student scholarships and academic programs. This campaign concluded in June 2017. TCNJ's undergraduate alumni participation rate at 7.1% remains well below the rates at several private colleges and universities it competes with but is above national average. No new campaigns are expected during the outlook period.

### Management and governance

The governing body of TCNJ has 15 gubernatorial members, plus two students (one voting on all matters except those precluded by state statue, plus a nonvoting alternate student trustee). Gubernatorial trustees typically serve no more than two full six-year terms. We understand the board of trustees remains stable.

The college is currently searching for the sixteenth president after current long-serving president, Dr. R. Barbara Gitenstein, announced her retirement effective June 2018. We understand a search committee has been appointed to fill this position. No additional senior management turnover is expected for the foreseeable future. We consider the college's senior management team seasoned and experienced with a solid record of achieving strategic goals and objectives.

## Financial Profile

### Financial policies

The college has formal policies for endowment funds and other investments, reserves, and debt, which we view favorably. Its 2017-2021 strategic plan outlines specific goals for enrollment, net tuition revenues, and new programs. This plan's key themes include signature experiences, revenue generation, assessment, and achieving a sustainable financial model. Specifically, the plan focuses on developing multiyear operating and capital budgets and will track results through key financial performance indicators. The plan also outlines cost containment and development of an incentive-based budget model. The college implemented a robust enterprise risk management program with the help of a consulting firm, which is a credit positive.

The college's cash and debt management functions are centralized and integrated. There is a board-approved reserves policy that establishes minimum targets for designated unexpendable reserves at six months of the current fiscal year average operating expenses, which the college has complied with historically. A long-term investment policy for managing various investment pools is in place with defined asset allocation ranges. The investment policy specifies prohibited investment types. Asset allocations are in line with target ranges and investments are monitored regularly. The college has a well-defined debt policy revised in February 2016 under which all debt is evaluated and proposed issuances undergo extensive financial reviews and require board approval prior to issuance. We understand no deviations from the policy have occurred. While derivatives and variable-rate debt is allowable under the policy, no derivatives have been used in the last five years and management has no plans to do so. New debt is evaluated using key financial ratios to focus on the college's ability to service additional debt and refundings are undertaken if they meet minimum net present value saving thresholds. We understand the college will conduct a debt capacity assessment to guide future borrowings. New debt is considered for proposed projects if they are determined to be mission-critical, or self-supporting, or critical for risk-reduction purposes. All policies are revised periodically.

The college meets standard annual disclosure requirements. In addition to full-accrual audited financials, the budget office produces unaudited internal monthly and quarterly financial reports. Per management, it can produce quarterly full-accrual financial reports for internal purposes if needed. This is unusual for most public colleges and universities we rate.

The financial policies assessment is neutral, reflecting our opinion that, while there may be some areas of risk, the organization's overall financial policies are not likely to weaken its future ability to pay debt service. Our analysis of financial policies includes a review of the organization's financial reporting and disclosure, investment allocation and liquidity, debt profile, contingent liabilities, and legal structure, and a comparison of these policies to comparable providers.

### Accounting change

We analyze the materiality, strategy, and funding of pension plans separately from our analysis of a university's long term debt ratios or operating margin. Consequently, we may make certain adjustments to the calculation of debt ratios or operating margin for colleges and universities with substantial multi-employer cost-sharing defined benefit pension plans to separate out the net pension liability or non-cash expense accrual. In our view, these adjustments enhance analytical clarity from a credit perspective and result in more comparable debt and operating metrics across accounting methods.

### Financial performance

TCNJ's financial operations have consistently been positive on a full-accrual basis, reflecting stable demand for its programs, the ability to increase student charges, and management's conservative budgeting and planning practices. Operating revenues—adjusted for institutionally funded financial aid, state operating appropriations, dividend and interest income earned, and endowment spending—totaled roughly $244 million in fiscal 2016 (audited results) and $249.7 million in fiscal 2017 (unaudited results). Operating expenses—adjusted for institutionally funded financial aid, interest expense, differential between GASB 68 pension expenses and actual pension contributions, and noncash impairment loss on capital assets—totaled $236.3 million in fiscal 2016 (audited results) and $240.7 million in fiscal 2017 (draft audit results). This resulted in net adjusted operating surpluses of $7.7 million (3.2% of total adjusted operating expenses) and $8.9 million (3.7% of total adjusted operating expenses) in fiscal 2016 and 2017 respectively. Results on a cash basis in fiscal years 2016 (audited) and 2017 (draft audit) were stronger given depreciation expenses of $21.2 million and $21.9 million respectively. Management expects another full-accrual operating surplus in fiscal 2018.

We consider the college's budgeting, financial policies, and practices conservative. Key practices include payment of debt service from a capital budget that the college funds primarily with the proceeds of a general service fee, rather than from the operating budget. The general service/capital fee is a per-credit fee charged to all students and is exclusively dedicated to the funding of TCNJ's debt service and capital needs related to academic, administrative, and student recreational facilities. The fee per year for a full time student was approximately $2,840 in fiscal 2016 and $2,904 in fiscal 2017. Housing and student center capital projects undertaken by the college are primarily funded through annual transfers from the housing and student center operating budgets. We understand the college does not budget for depreciation per se, but uses a proxy for depreciation in funding its asset renewal and replacement program while preparing its budgets and interim financial statements.

The college's revenue diversity, while not classified as concentrated per our criteria definition, is relatively limited, in our view, and its student-derived revenues (net tuition and auxiliary revenues) has been growing over time as a percentage of adjusted operating revenues. Student-derived revenues constituted 67.9% of fiscal 2017 adjusted operating revenues (draft audit results), followed by state operating appropriations at 20.8% and state and federal grants and contracts at 7.5%.

### State appropriations

In general, New Jersey public colleges and universities receive two types of appropriations—operating appropriations and employees' fringe benefits paid by the state. Fiscal 2016 operating appropriations were $27.2 million, and fringe benefits appropriations were $24.8 million, for a total of $52.4 million. Fiscal 2017 fringe benefit appropriations (draft audit results) declined by roughly $460,000 while operating state appropriations remained flat at $27.2 million, yielding total at roughly $52 million compared with $52.4 million received in fiscal 2016.

The fiscal 2018 state budget kept operating appropriations flat for TCNJ and management indicates it is budgeting for flat appropriations for the foreseeable future. In the past three years, despite state budgetary challenges, the college has never experienced delays in the receipt of state funds.

New Jersey, unlike many other states, has historically not provided annual capital funding to its state colleges and universities for renewal and maintenance of facilities. As such, universities funded new capital projects and deferred maintenance through debt or internal reserves. On Aug. 7, 2012, the New Jersey governor signed the "Building Our Future Bond Act," authorizing the first GO bonds dedicated to capital improvement for higher education since 1988. In November 2012, New Jersey voters approved a $750 million public referendum, which authorized the state to issue bonds for capital improvements to its higher education sector. In addition to the $750 million funding available under the Building Our Future Bond Act, four additional state capital funding pools are available for New Jersey higher education institutions, including TCNJ. TCNJ issued $57 million in 2013 and 2015, an additional $8 million was issued for Armstrong Hall renewal, totaling over $65 million in funds of which the majority are earmarked for the new STEM building. Management indicates TCNJ typically sets aside $10 million to $13 million annually (strictly funded from internal reserves) to fund continuing renewal and replacement of facilities.

### Available resources

Roughly $37.1 million of the series 2016F bonds were issued to crossover refund the college's series 2010B bonds which are callable on July 1, 2019 at par. These crossover bonds were sized to fund an escrow which will pay interest on the series 2016 bonds associated with the series 2010B refunding through July 1, 2019, and the redemption price on the series 2010B bonds (at par in an amount equal to $37.1 million). We understand the escrow is invested in either State or Local Government Series, or qualified securities such as U.S. Treasuries. On the crossover date, the crossover bonds will be used to redeem the series 2010B bonds and the funds in the escrow will, at that point, be depleted. In our available resource and debt calculations, we have excluded the crossover debt to represent the college's true debt load.

The college's UNA was materially affected by the recognition of a $124.8 million and $138.6 million net pension liability recognized for GASB 68 as of June 30, 2016 (audited results) and June 30, 2017 (draft audit results) respectively. Adjusting for UNA of the foundation and include DSRFs, adjusted UNA for expenses totaled $126.8 million and $107.5 million for 2016 and 2017, while adjusted UNA for debt equaled $139 million and $124 million as of June 30, 2016 (audited results) and June 30, 2017 (draft audit results) respectively. This equaled an excellent 53.7% of adjusted operating expenses and 38.9% of debt as of June 30, 2016, and 44.7% of adjusted operating expenses and 34.5% of total debt (excluding crossover bonds) for June 30, 2017 (draft audit). Cash and investments (which we view as a less conservative measure of balance-sheet strength as it includes restricted funds) equaled 46.8% and 43.7% of total adjusted operating expenses, and 31% and 29.6% as of June 30, 2016 (audited results) and June 30, 2017 (draft audit results), respectively.

### Contingent liabilities: Campus Town Project

TCNJ has completed the Campus Town Project which involved roughly $120 million in a public private partnership. The project was financed through private equity and a traditional bank loan. The costs of planning, construction and operation were borne by the PRC Group. The college did not subsidize any portion of the debt service. Management has reported occupancy levels of 100% for fall 2016 and projects the same results for fall 2017.

## Pensions and other postemployment benefits

TCNJ participates in four retirement plans covering its employees. Three of these pension plans are cost-sharing, multiemployer defined-benefit pension plans administered by the state of New Jersey, and one is a defined-contribution pension plan which is fully funded by definition.

Due to the implementation of GASB 68 effective fiscal 2015, the college recognized a $124.8 million net pension liability on its balance sheet (factoring in the differential between pension deferred inflows and outflows) for its proportionate share of the net pension liability for pension benefits to its employees through the state defined-benefit pension plans. This liability recognition materially reduced its UNA (an equity-based measure) as of June 2015, 2016, and 2017 (draft audit results). We understand these state pension liabilities, although not legally required to be funded by the state, have historically been--and are expected to continue being--funded through the state. Therefore, in our analysis of college finances, we have credited the $124.8 million and $138.6 million net pension liability to the college's adjusted UNA calculations as of June 30, 2016 (audited results) and June 30, 2017 (draft audit results) respectively, and made appropriate operating income adjustments to reflect the differential between pension expense and pension contributions made by the state on the college's behalf. We believe these adjustments enhance analytical clarity from a credit perspective and result in more comparable financial metrics as long as the state remains able and willing to fund these pension liabilities. In our view, given the significantly underfunded state defined-benefit pension plans, this is a long-term credit risk for New Jersey public colleges and universities if broader pension reform occurs and results in the state shifting all or a portion of these liabilities to state entities such as TCNJ.

Other postemployment benefits, primarily retiree health care, are also managed through the state systems, and the liability and associated expense is recorded at the state level, although the implementation of GASB 75 (Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions) in fiscal 2018 could result in a different accounting treatment of these liabilities.

### College of New Jersey Financial Statistics

| | --Fiscal year ended June 30-- | | | | | Medians for 'A' rated public colleges and universities |
|---|---|---|---|---|---|---|
| | **2017** | **2016** | **2015** | **2014** | **2013** | **2016** |
| **Enterprise Profile** | | | | | | |
| Full-time equivalent | 6,962 | 6,957 | 6,944 | 6,901 | 6,799 | 11,962 |
| Freshman acceptance rate (%) | 48.9 | 48.7 | 48.8 | 43.1 | 46.1 | 74.4 |
| Freshman matriculation rate (%) | 25.2 | 26.4 | 26.7 | 29.3 | 28.7 | MNR |
| Freshman retention (%) | 94.0 | 94.0 | 94.0 | 94.0 | 94.0 | 77.0 |
| Faculty with terminal degrees (%) | 90.0 | 91.3 | 90.0 | 88.0 | 87.0 | MNR |
| Average SAT scores* | 1,210 | 1,220 | 1,216 | 1,235 | 1,226 | 1,042 |
| Average ACT scores | 27 | 28 | 27 | N.A. | N.A. | 23 |
| Freshman Applications | 11,825 | 11,290 | 10,935 | 11,146 | 10,295 | MNR |
| Annual freshman application percentage change (%) | 4.7 | 3.2 | (1.9) | 8.3 | 1.4 | MNR |
| Graduation rates (six years) (%) | 87.0 | 87.0 | 85.0 | N.A. | N.A. | MNR |
| Undergraduates as a % of total enrollment (%) | 91.8 | 91.3 | 91.0 | 90.6 | 90.0 | 84.5 |

## College of New Jersey Financial Statistics (cont.)

| | --Fiscal year ended June 30-- | | | | | Medians for 'A' rated public colleges and universities |
|---|---|---|---|---|---|---|
| | **2017** | **2016** | **2015** | **2014** | **2013** | **2016** |
| Tuition discount (%) | 16.7 | 17.1 | 18.0 | 18.9 | 19.3 | 22.7 |
| Alumni particpation rates (%) | 7.1 | 6.6 | 6.8 | 6.8 | 6.8 | MNR |
| Endowment per FTE | 4,473 | 3,918 | 3,771 | 3,663 | 2,884 | 13,071 |
| Students from inside of the state (%) | 93.0 | 93.2 | 92.3 | 93.0 | 93.0 | 80.6 |
| Average age of plant (years) | 13.3 | 12.7 | 12.1 | 11.3 | 11.8 | 14.0 |
| **Financial Profile** | | | | | | |
| Net operating margin (%) | 3.71 | 3.25 | 2.34 | 1.68 | 3.56 | -0.72 |
| Student dependence (%) | 67.9 | 67.2 | 66.4 | 67.4 | 65.5 | 53.2 |
| State appropriation dependence (%) | 20.8 | 21.5 | 22.2 | 22.6 | 23.3 | 22.6 |
| Research dependence (%) | 7.5 | 7.9 | 7.8 | 7.5 | 8.5 | MNR |
| Endowment and investment income dependence (%) | 1.3 | 1.1 | 1.4 | 1.3 | 0.7 | 0.4 |
| Endowment spending rate (%) | 4.20 | 3.70 | 4.20 | 4.00 | 3.50 | MNR |
| Current MADS burden (%) | 12.67 | 12.33 | 13.15 | 13.52 | 13.44 | 4.40 |
| Cash and investments ($000s) | 105,238 | 110,616 | 113,978 | 107,461 | 102,974 | MNR |
| Cash and investments to debt, including crossover debt (%) | 26.8 | 31.0 | 31.1 | 28.5 | 28.6 | 96.3 |
| Cash and investments to pro forma debt, excluding crossover debt (%) | 29.6 | N.A. | N.A. | N.A. | N.A. | MNR |
| Adjusted UNA ($000s) | 107,544 | 126,829 | 119,893 | 121,061 | 121,846 | MNR |
| Adjusted UNA to operations (%) | 44.7 | 53.7 | 50.7 | 52.5 | 55.0 | 26.8 |
| Adjusted UNA plus debt service reserve to debt, including crossover debt (%) | 31.2 | 38.9 | 35.7 | 35.1 | 34.4 | 52.0 |
| Adjusted UNA plus debt service reserve to pro forma debt, excluding crossover debt (%) | 34.5 | N.A. | N.A. | N.A. | N.A. | MNR |
| Total adjusted operating expense | 240,738 | 236,300 | 236,689 | 230,757 | 221,360 | MNR |
| Total debt, including crossover debt | 392,240 | 357,179 | 366,725 | 377,022 | 359,797 | 164,127 |
| Total pro forma debt, excluding crossover debt | 355,140 | N.A. | N.A. | N.A. | N.A. | MNR |
| Current debt service | 22,058 | 29,607 | 29,097 | 20,917 | 19,657 | MNR |
| Pension funded status (%) | 37.2 | 37.2 | N.A. | N.A. | N.A. | MNR |
| Pension expense | 17,106 | 10,737 | 7,093 | 0 | 0 | MNR |
| Pct Retired 10 years (%) | 44.0 | 34.2 | 39.0 | N.A. | N.A. | MNR |
| Contingent liabilities | 120,000 | 120,000 | 120,000 | 120,000 | N.A. | MNR |

N.A.--Not available. MNR--Median not reported. MADS--Maximum annual debt service. Total adjusted operating revenue = unrestricted revenue less realized and unrealized gains/losses and financial aid. Total adjusted operating expense = unrestricted expense plus financial aid expense. Net operating margin = 100*(net adjusted operating income/adjusted operating expense). Tuition dependence = 100*(gross tuition revenue/adjusted operating revenue). Current debt service burden = 100*(current debt service expense/adjusted operating expenses). Current MADS burden = 100*(maximum annual debt service expense/adjusted operating expenses). Cash and investments = cash + short-term & long-term investments Expendable resources = unrestricted net assets + temp. restricted net assets - (net PPE- outstanding debt). Average age of plant = accumulated depreciation/depreciation and amortization expense. *SAT scores include only reading and math.

## Ratings Detail (As Of October 20, 2017)

| Ratings Detail (As Of October 20, 2017) (cont.) | | |
|---|---|---|
| **New Jersey Educl Facs Auth, New Jersey** | | |
| College of New Jersey, New Jersey | | |
| New Jersey Educl Facs Auth (College of New Jersey) rev rfdg bnds (College of New Jersey) ser 2015G due 07/01/2019-2031 | | |
| *Unenhanced Rating* | A(SPUR)/Stable | Affirmed |
| New Jersey Educl Facs Auth (College of New Jersey) rev rfdg bnds (College of New Jersey) ser 2015G due 07/01/2019-2031 | | |
| *Unenhanced Rating* | A(SPUR)/Stable | Affirmed |
| New Jersey Educl Facs Auth (College of New Jersey) rev rfdg bnds (College of New Jersey) ser 2015G due 07/01/2019-2031 | | |
| *Unenhanced Rating* | A(SPUR)/Stable | Affirmed |
| New Jersey Educl Facs Auth (College of New Jersey) USF | | |
| *Long Term Rating* | A/Stable | Affirmed |
| New Jersey Educl Facs Auth (College of New Jersey) USF (AGM) (SECMKT) | | |
| *Unenhanced Rating* | A(SPUR)/Stable | Affirmed |
| New Jersey Educl Facs Auth (College of New Jersey) USF (BAM) (SECMKT) | | |
| *Unenhanced Rating* | A(SPUR)/Stable | Affirmed |
| New Jersey Educl Facs Auth (College of New Jersey) USF (BAM) (SECMKT) | | |
| *Unenhanced Rating* | A(SPUR)/Stable | Affirmed |
| New Jersey Educl Facs Auth (College of New Jersey) USF (BAM) (SECMKT) | | |
| *Unenhanced Rating* | A(SPUR)/Stable | Affirmed |
| New Jersey Educl Facs Auth (College of New Jersey) USF (BAM) (SECMKT) | | |
| *Unenhanced Rating* | A(SPUR)/Stable | Affirmed |
| New Jersey Educl Facs Auth (College of New Jersey) (AGM) | | |
| *Unenhanced Rating* | A(SPUR)/Stable | Affirmed |
| New Jersey Educl Facs Auth (College of New Jersey) (AGM) | | |
| *Unenhanced Rating* | A(SPUR)/Stable | Affirmed |
| New Jersey Educl Facs Auth (College of New Jersey) (BAM) (SECMKT) | | |
| *Unenhanced Rating* | A(SPUR)/Stable | Affirmed |
| New Jersey Educl Facs Auth (College of New Jersey) (BAM) (SEC MKT) | | |
| *Unenhanced Rating* | A(SPUR)/Stable | Affirmed |
| **Ser 2010 B, 2012 A & 2013 A** | | |
| *Long Term Rating* | A/Stable | Affirmed |

Many issues are enhanced by bond insurance.