THE COLLEGE OF NEW JERSEY
(A Component Unit of the State of New Jersey)
Basic Financial Statements,
Management’s Discussion and Analysis and
Required Supplementary Information

June 30, 2015

(With Independent Auditors’ Report Thereon)

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KPMG

KPMG LLP
New Jersey Headquarters
51 John F. Kennedy Parkway
Short Hills, NJ 07078-2702

Independent Auditors' Report

The Board of Trustees
The College of New Jersey:

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of The College of New Jersey (the College), a component unit of the State of New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Independent Auditor's Report

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College, as of and for the year ended June 30, 2015, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

Adoption of New Accounting Pronouncements

As discussed in note 2 to the financial statements, as of July 1, 2014, the College adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 3 through 20 and the Schedules of Proportionate Share of the Net Pension Liability and Schedules of Employer Contributions on pages 51 and 52, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

KPMG LLP

December 18, 2015

Overview of Financial Statements and Financial Analysis

The Management's Discussion and Analysis (MD&A) section provides an analytical overview of The College of New Jersey's (TCNJ or the College) financial performance during the fiscal year ended June 30, 2015. The financial statements have been prepared in accordance with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB), which establishes financial reporting standards for governments, including public colleges and universities. The MD&A section is designed to focus on current activities, resulting changes and currently known facts, and should be read in conjunction with the accompanying financial statements and notes thereto. Responsibility for the accuracy of the information and the completeness and fairness of its presentation, including all disclosures, rests with the management of the College. The College's significant accounting policies are summarized in Note 2 to the financial statements of this report, including further information on the financial reporting entity.

Because the financial statements of The College of New Jersey Foundation Inc., a component unit of TCNJ, are presented discretely from the College, the MD&A focuses only on the College. Information relating to the component unit can be found in its separately issued financial statements.

College Overview

The College of New Jersey is a mid-sized, comprehensive public college that concentrates primarily on the undergraduate experience. The College supports the teacher-scholar model, with teaching being informed by scholarship and scholarship by teaching. TCNJ has an achievement-oriented and diverse student body.

Acknowledged for the quality of its academic offerings, the College has been ranked as one of the best comprehensive colleges in the country since 1993 in *US News & World Report*'s annual survey of "America's Best Colleges." The annual survey for 2015 ranked the College number one among public universities for undergraduate education and tied for number three in the best Regional Universities category for the North region of the country. In *Barron's Profiles of American Colleges*, in 2005, 2007, 2009 and 2011, the College was ranked "Most Competitive," *Barron's* top category. In this ranking, it stated "even superior students will encounter a great deal of competition for admission" to the 85 institutions that garner this ranking. *Barron's Profiles of American Colleges* includes and ranks all four-year institutions that offer bachelor's degrees, if they are fully accredited or are recognized candidates for accreditation. Only five state-supported institutions were included among the 85 schools featured in *Barron's Guide to the Most Competitive Colleges*. In 2015, *Kiplinger's Personal Finance* ranked the College No. 23 in its list of the 100 "Best College Values" in public higher education, the best value institution in New Jersey. Additionally, in 2014, *The Princeton Review* ranked the College as one of the nation's 75 "Best Value" public colleges and universities. The College was the only public college from New Jersey to make the list.

A strong liberal arts core forms the foundation for a wealth of degree programs offered through the College's seven schools. These schools include Arts and Communication; Business; Education; Humanities and Social Science; Science; Nursing, Health, and Exercise Science; and Engineering. The College is enriched by an honors program and extensive opportunities to study abroad; its award-winning First-Year Experience and freshman orientation programs have helped make its retention and graduation rates among the highest in the country.

In the fall of 2014, TCNJ enrolled 6,580 full-time equivalent undergraduate students and 364 full-time graduate students. The College has residential facilities that house more than half of the undergraduate students on campus.

The College is recognized as a public institution of higher education by the State of New Jersey (the State) and, accordingly, the State Legislature appropriates funds annually to support operations and the cost of fringe benefits for state authorized positions. Under the law, the College is an instrumentality of the State with a high degree of autonomy and is subject to all of the laws and regulations applying to the state public colleges.

Governance

The governing board of the College is a Board of Trustees comprised of no more than 15 publicly appointed trustees, two students and the President of the College (ex-officio non-voting). All citizen members are voting members, as is one of the two students. The Board also includes representatives from the staff and the faculty.

Under P.L. 1994, C. 48, the Board of Trustees is responsible for developing an institutional plan; determining academic programs; establishing administrative policies; borrowing money; awarding contracts; setting tuition and fees; granting degrees; appointing, evaluating and determining compensation of the president; appointing, and promoting the faculty and staff; establishing admission standards and requirements and standards for granting diplomas, certificates and degrees; recommending members for appointments to the Board of Trustees by the Governor; having final authority to determine controversies and disputes pertaining to tenure and other personnel matters of employees; investing and reinvesting the funds of the College; retaining legal counsel of the College's choosing; and preparing and making public an annual financial statement.

Academic Profile

Faculty

The College faculty prepares students to excel in their chosen fields and to create, preserve, and transmit knowledge, the arts and wisdom. Committed to their students and their individual disciplines, the College faculty represent an array of scholarly approaches and methodologies. In fall 2014, the College's overall full-time equivalent (FTE) faculty count was 511. Approximately 70% of the total faculty FTE was full time (356) and the remaining 30% (155) included permanent part-time faculty, adjunct and teaching professional staff. During this same period, the total FTE student enrollment was 6,944 and the student to faculty ratio was 13:1. The College does not employ graduate teaching assistants, which increases faculty involvement in the curriculum and enriches student learning.

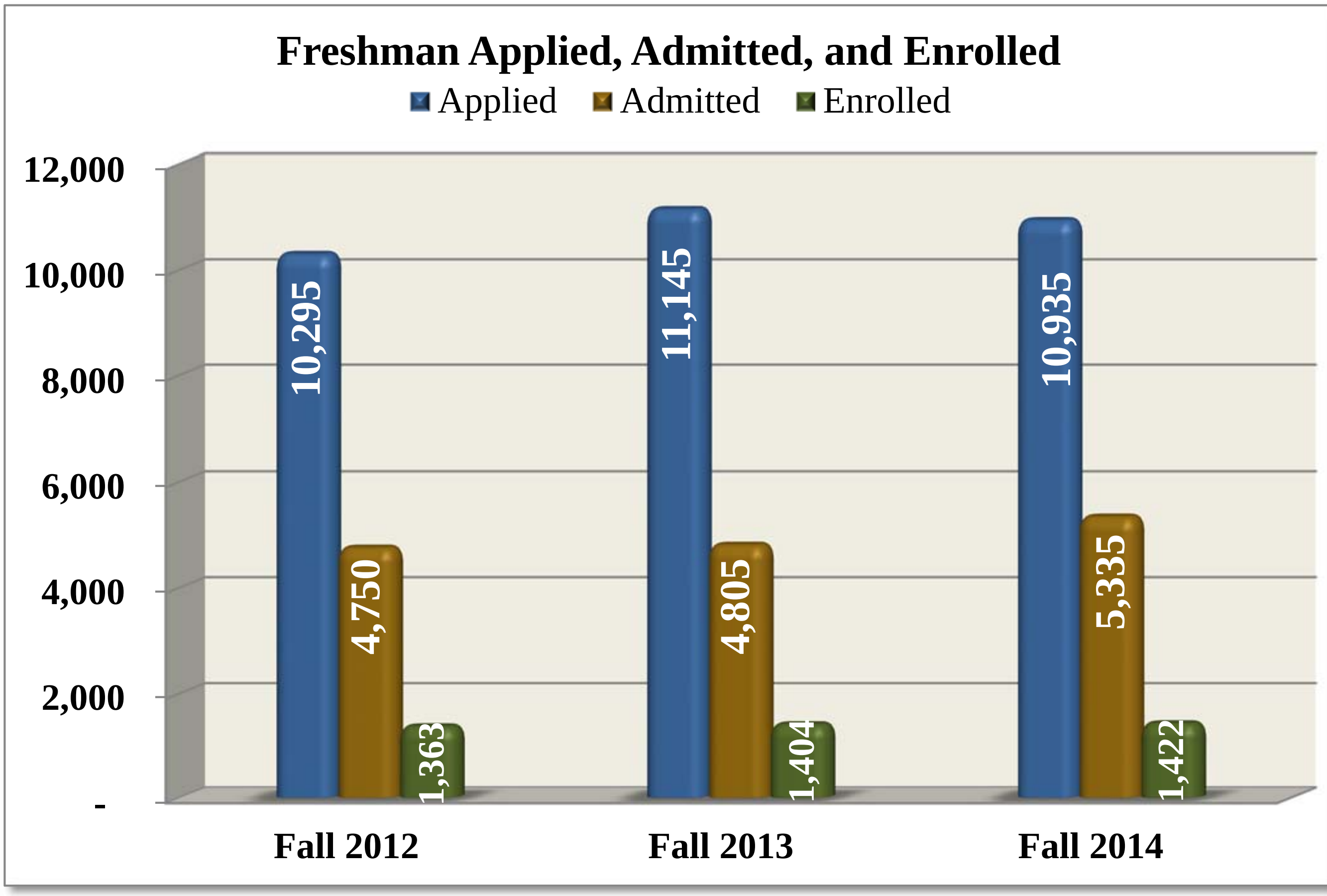
Faculty Data

Academic Year	Full-Time Faculty	Part-Time Faculty*	Tenured Faculty	Faculty with Terminal Degrees	Faculty / Student Ratio
2012 - 2013	349	146	238	307	13:1
2013 - 2014	342	168	284	301	13:1
2014 - 2015	356	155	274	322	13:1

*Part-time includes permanent part-time faculty, adjunct and teaching professional staff full time equivalents.

Student

The College enjoys a healthy student demand and continues to attract academically talented students. As illustrated in the graph below, the fall 2014 full-time freshmen class enrolled 1,422 students yielding a 27% matriculation ratio based upon a 49% acceptance ratio for 10,935 applicants. The 94% freshman to sophomore retention rate demonstrates a high level of student satisfaction. The level of academic engagement is reflected in the high four year and six year graduation rates for the 2008 first time freshman cohort of 74% and 88%, respectively. Currently, 95% of the freshmen class and 58% of all undergraduate students live on campus.



The 2014–2015 academic year concluded with the awarding of 1,510 bachelor's degrees, 361 master's degrees, and 122 pre-/post-master's certifications.

Using the Financial Statements

The basic financial statements present the financial position, the changes in financial position and cash flows of the College, through three primary financial statements and notes to the financial statements. The three financial statements consist of the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows. The Notes to Financial Statements provide additional information that is essential to a full understanding of the financial statements.

One of the most important questions asked about the College's finances is whether the College as a whole is better off or worse off as a result of the year's activities. The key to understanding this question is the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows. Sustained increases or decreases in net position over time is one indicator of the improvement or erosion of an institution's financial health when considered with relevant nonfinancial indicators such as enrollment levels, quality of freshman applicants, student retention and graduation rates and the condition of the facilities.

Some significant aspects of the financial statements are as follows:

- In fiscal year 2015, the College implemented GASB Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, and GASB Statement No. 71 (GASB 71), *Pension Transition for Contributions made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. GASB 68 and 71 require state and local government employers to recognize a net pension liability for defined benefit plans where the entity is a participant. The College pension plans impacted by GASB 68 and 71 are the New Jersey Public Employees' Retirement System (PERS), the New Jersey Police and Firemen's Retirement System (PFRS) and the Teachers' Pension and Annuity Fund (TPAF).

  Historically, the State of New Jersey (the State) provided the contributions to the plan while seeking reimbursement from the College for the College's non-State-authorized positions. The State provides an annual fringe benefit appropriation to the College based on a fully loaded fringe benefit appropriation. The College recorded the fringe benefit revenue (100% of the State-authorized positions) and expense (100% of State-authorized positions plus non-State-authorized positions reimbursed to the State of New Jersey) in its financial statements.

  The College's financial statements relating to the reporting of pension liability under GASB 68 reflect its proportionate share, as determined by the Division of Pensions and Benefits (DPB) of the State of New Jersey, of State-wide pension liability under the New Jersey PERS, the New Jersey PFRS and the TPAF as of June 30, 2014 (FY 2014) and June 30, 2013 (FY 2013), respectively. In computing the College's proportionate share for each of FY 2014 and FY 2013, DPB first computed the contributions made for the College for each fiscal year as a percentage of contributions deemed made on behalf of all "employers" in the "State Group" for that fiscal year. Next, DPB multiplied this ratio by the total net pension liability for the entire State Group as of the last day of each fiscal year.

  With respect to TPAF, the State determined they met the "special funding situation" included in GASB 68 and the State recorded the pension liability on its respective financial statements. With respect to PERS and PFRS, the State determined the College was a separate employer. Thus, the College records on its financial statements the net pension liability and related deferred inflows and deferred outflows as determined by DPB. However, the State has communicated that the GASB 68 pension liability "allocations do not impact state laws or past funding arrangements that have been established annually in the State budget". The College recorded a deferred outflow of resources, a net pension liability and a deferred inflow of resources of \$4.6 million, \$117.6 million, and \$3.5 million, respectively. Refer to note 2(l) and note 11 for additional information related to the implementation of GASB 68 and 71.

- Revenues and expenses are categorized as either operating or nonoperating. Significant recurring sources of the College's revenues, including state appropriations and investment income, are considered nonoperating, as defined by GASB Statement No. 35. The net nonoperating revenue totaled \$40.2 million for the year ended June 30, 2015.

- Scholarships applied to student accounts are shown as a reduction of student tuition and residence fee revenue. Tuition waivers are reported as a scholarship expense. For the year ended June 30, 2015, scholarship allowance totaled $26.7 million.
- The College is required to report depreciation on its capital assets. Depreciation expense totaled $20.7 million for the year ended June 30, 2015.
- Unrestricted net position comprised various subcategories of designated and committed funds; however, GASB Statement No. 35 prohibits a breakdown of these designations on the face of the statement of net position. The College has many activities that require a certain level of reserves to be maintained. Examples include working capital reserves for auxiliary operations, educational and general activities, funding for debt service and capital reserves for planned construction efforts.

Statement of Net Position

The statement of net position presents the College's financial position at the end of the fiscal year 2015, including all assets, liabilities and net position using the accrual basis of accounting. Assets and liabilities are generally measured using current values with certain exceptions, such as capital assets which are stated at cost less accumulated depreciation, and long-term debt which is carried at cost.

Assets and liabilities are categorized as current and noncurrent and are shown in order of their relative liquidity. An asset's liquidity is determined by how readily it is expected to be converted to cash or whether restrictions limit the College's ability to use the resources. Current assets are generally considered to be convertible to cash within one year. Deferred outflows of resources are a consumption of net position by the College that is applicable to a future reporting period. A liability's liquidity is based on its maturity or when cash is expected to be used to liquidate it. Current liabilities are amounts becoming due and payable within the next year. Deferred inflows of resources are an acquisition of net position by the College that is applicable to a future reporting period.

The difference between the College's assets, deferred outflows of resources, liabilities and deferred inflows of resources is shown as net position. Net position is one indicator of the financial condition of the College, while the change in net position during the year is a measure of whether the overall condition has improved or worsened during the year.

Net position is classified into three major categories. The first category, net investment in capital assets, provides the College's equity in property, plant, and equipment. The second net position category is restricted expendable net position. These are available to the College but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on their usage.

Finally, unrestricted net position represents those balances from operational activities that have not been restricted by parties external to the College, such as donors or granting agencies. Also included are normal working capital balances maintained for departmental and auxiliary enterprise activities.

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operations of the institution. They are also able to ascertain how much the College owes external parties or employees. A summary of the College's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2015 and 2014 are as follows (2014 amounts have not been restated to reflect the effect of GASB 68):

Condensed Statement of Net Position
(Amounts in thousands)

		2015	2014
Assets:			
Current assets	$	127,811	120,239
Capital assets, net		601,473	587,655
Other noncurrent assets		64,571	65,599
Total assets		793,855	773,493
Deferred outflows of resources		25,893	22,559
Liabilities:			
Current liabilities		55,912	47,537
Noncurrent liabilities		497,877	389,375
Total liabilities		553,789	436,912
Deferred inflows of resources		3,537	—
Net Position:			
Net investment in capital assets		251,027	229,359
Restricted expendable		11,383	11,641
Unrestricted		12	118,140
Total net position	$	262,422	359,140

Statement of Net Position Financial Highlights

Assets

During fiscal year 2015, the College's total assets increased by $20.4 million or 2.6%. At June 30, 2015, the College's working capital, which is current assets less current liabilities, was $71.9 million, a decrease of $0.8 million from the previous year. This change was due to decrease in cash and cash equivalents, offset by an increase accounts payable and accrued expenses.

The working capital is a key financial metric used to measure the College's liquidity for operations. It measures the institution's ability to satisfy its current obligations as they come due. With current assets at 2.3 times above current liabilities in fiscal year 2015, the College had adequate liquidity to satisfy its current obligations.

Summary of Working Capital (Amounts in thousands)			
		2015	2014
Current assets	$	127,811	120,239
Current liabilities		55,912	47,537
Working capital		71,899	72,702
Ratio of current assets to current liabilities		2.29	2.53

Cash and Investments

The College's investment portfolio contains two components: a short duration fixed income approach, which holds high quality fixed income securities generally maturing between one and three years, and a longer-term multi-asset class management portfolio, which entails a broader approach that focuses on the global investment universe.

Despite news-driven market volatility, the College remained focused on providing steady and consistent earnings growth in its portfolio. In aggregate, the College generated over $1.7 million, or approximately 2.5%, in capital appreciation in fiscal year 2015.

The multi-asset class portfolio has been allocated with a 70.0% equity and 30.0% fixed income approach since its inception in February 2012. In fiscal year 2015, the portfolio maintained an overweight to equities as the recovering U.S. economy continues to show positive growth. During the fiscal year, the portfolio generated a gross return of 3.6%.

Despite the interest rate challenges during the fiscal year, the College's Short-Duration Fixed Income portfolio has generated solid returns while adhering to the investment policy mandates of safety, liquidity and yield. Over the past 12 months, the portfolio generated a gross return of 0.7%.

The Short-Duration Fixed Income portfolio is allocated largely towards U.S. government securities, which include U.S. Treasury and federal agency notes and bonds rated AA+. These investments have accounted for approximately 65.0-70.0% of the portfolio. The remainder of the portfolio has been invested in high quality credit investments, including corporate notes, commercial paper, and municipal bonds.

In fiscal year 2015, cash and cash equivalents decreased by $10.2 million, or 20.4%. The net decrease was primarily due to the transfer of $15.0 million of working capital to the investment portfolio, coupled with disbursements for operations including debt service payments. The decrease in cash was offset by cash receipts from operations plus cash reimbursements from deposits held by bond trustees for capital expenses the previous year.

At June 30, 2015, investments totaled $74.2 million, representing an increase of $16.7 million due to the addition of $15.0 million in excess cash to the portfolio, coupled with the strong performance of the portfolio generating $1.7 million in investment income and appreciation.

Cash and Cash Equivalents and Investments (Amounts in thousands)			
		2015	2014
Cash and cash equivalents	$	39,817	50,026
Investments – short term		54,055	36,494
Investments – long term		20,106	20,941
Total cash and cash equivalents and investment	$	113,978	107,461

Restricted Deposits Held With Trustees

Restricted deposits held with trustees decreased by $0.6 million as of June 30, 2015, primarily due to requisitions paid throughout the fiscal year to reimburse TCNJ for bond financed capital expenditures temporarily funded by the operating cash. Debt service payments for July 1, 2015 are reflected in the restricted deposit held with bond trustees balance as of June 30, 2015.

Capital Assets

At June 30, 2015, the College had $601.5 million invested in capital assets, net of accumulated depreciation of $250.5 million. Depreciation charges totaled $20.7 million for the current fiscal year. Gross capital additions totaling $34.5 million were comprised primarily of new construction and renovation of facilities such as the new STEM Complex and the Brower Student Center and Norsworthy residence hall renovations. These additions were funded by capital reserves, capital grants and proceeds from bonds. The following is a breakdown of the net additions (transfers) for fiscal years ended June 30, 2015 and 2014:

Capital Additions (Amounts in thousands)			
		2015	2014
Additions (transfers):			
Buildings and building improvements	$	6,668	26,037
Works of art/historical treasures		—	200
Infrastructure		4,206	4,677
Equipment and other assets		2,414	2,518
Construction in progress		21,233	(21,539)
Net total additions	$	34,521	11,893

Deferred Outflows of Resources

During fiscal year 2015, the deferred outflows of resources consist of deferred amounts from debt refunding and pensions. The debt refunding amounts decreased by $1.2 million due to the amortization of the deferred amounts, while the deferred outflows relating to pensions increased by $4.6 million due to the implementation of GASB 68 and GASB 71.

Liabilities

Current Liabilities

During fiscal year 2015, current liabilities increased by $8.4 million, or 17.6% primarily due to the accrual of construction related invoices that were not paid as of the end of the year and increases in the principal bond payments due July 1 of the next fiscal year.

Noncurrent Liabilities

During fiscal year 2015, noncurrent liabilities increased by $108.5 million, or 27.9% primarily due to the implementation of GASB 68 and GASB 71 which resulted in the recording of $117.5 million in net pension liability. In addition, $3.5 million of unearned revenue related to the New Jersey capital grants was added in 2015. These increases were offset by repayment of principal on various bond issues totaling $10.3 million coupled with $1.3 million amortization of bonds premium.

Long-Term Debt

The use of debt has been a key component in the College's transformation into a highly selective institution that has earned national recognitions for its commitment to academic excellence. The attractiveness of the College's facilities is an important factor in the College's ability to recruit highly qualified students. At June 30, 2015, the College had $375.9 million in outstanding bonds and other long-term obligations. TCNJ's debt burden is a characteristic of many New Jersey state colleges and universities due primarily to the lack of state capital support historically and the TCNJ's strategic choice to invest and reinvest in state-of-the-art facilities.

According to the rating agencies, TCNJ's bond ratings reflect strong student demand and conservative financial management, which have translated into excellent operating performance and significant growth in cash and investments. At June 30, 2015, the College's bond ratings and outlook were as follows:

Bond Rating and Outlook

	Fitch	Moody's Investors Service	Standard & Poor's
Long–term rating	AA	A2	A
Rating outlook	Stable	Stable	Stable

Additional information about the College's existing long-term liabilities is presented in note 9 to the financial statements.

Deferred Inflows of Resources

During fiscal year 2015, the deferred inflows of resources consist of deferred amounts relating to pensions of $3.5 million recognized due to the implementation of GASB 68 and GASB 71.

Net Position

Net position represents the value of the College's assets after considering deferred outflows of resources, deferred inflows of resources and liabilities. The change in net position is one indicator of whether the overall financial condition has improved or worsened during the year. The College's net position increased by $13.8 million, or

5.6% due to fiscal year 2015 positive performance after recording $7.3 million in net pension expense due to the implementation of GASB 68 and 71.

At June 30, 2015, the total net position was reflected in the following three component categories:

- Net investment in capital assets represents the College's capital assets, net of accumulated depreciation and outstanding debt attributable to the acquisition, construction, or improvement of those assets. During fiscal year 2015, this category increased $21.7 million due to net additions to capital assets and payments of outstanding debt.
- Restricted expendable net position contains resources that are subject to externally imposed stipulations regarding their use, but are not required to be maintained in perpetuity. During fiscal year 2015, this category remained relatively flat.
- Unrestricted net position is not subject to externally imposed stipulations although these resources may be designated for specific purposes by the College's management or Board of Trustees. As a result of the implementation of GASB 68, beginning unrestricted net position as of July 1, 2014, was decreased by $110.5 million. In fiscal year 2015, this category had a cumulative decrease of $118.1 million primarily due to the implementation of GASB 68 and GASB 71 which resulted in the recording of $117.5 million in net pension liability as of June 30, 2015.

Statement of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses and changes in net position presents the College's results of operations. The statement distinguishes revenues and expenses between operating and nonoperating categories, and provides a view of the College's performance. Generally speaking, operating revenues are received for providing goods and services to the various customers and constituencies of the College. Operating expenses are incurred in the normal operation of the College, including a provision for estimated depreciation on capital assets.

Certain revenue sources that the College relies on for operations, including state appropriations and investment income, are required by GASB to be classified as nonoperating revenues. Nonoperating expenses primarily include interest expense and amortization expense related to the deferred outflows of resources from debt refunding. The College will always report an operating loss due to the types of revenues classified as nonoperating. Therefore, the change in net position is more indicative of the overall financial results for the fiscal year.

A summary of the College's revenues, expenses, and changes in net position for the fiscal years ended June 30, 2015 and 2014 are as follows (2014 amounts have not been restated to reflect the effect of GASB 68):

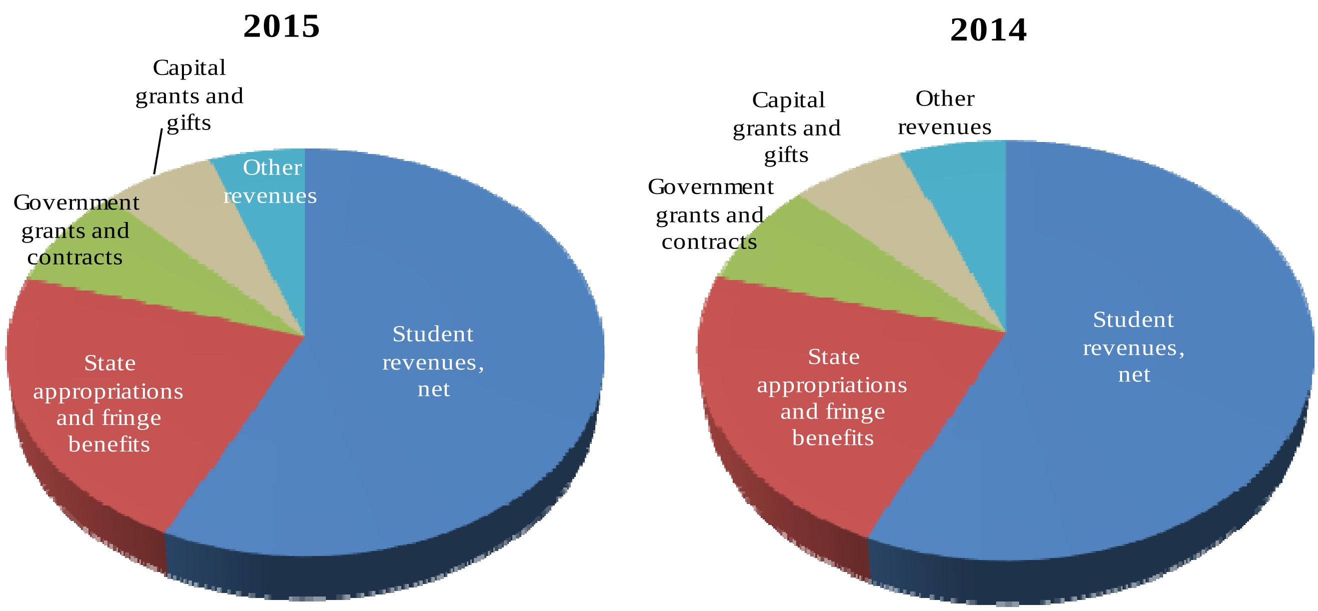
**Condensed Statement of
Revenues, Expenses and Changes in Net Position
(Amounts in thousands)**

		2015	2014
Net student revenues	$	135,614	131,297
Government grants and contracts		18,836	17,636
Auxiliary activities		4,323	5,699
Other		5,404	2,573
Operating revenues		164,177	157,205
Instruction and research		70,741	66,849
Auxiliary activities		31,084	31,494
Institutional support		17,498	13,228
Operation and maintenance of plant		26,390	23,811
Student services		17,407	15,558
Academic support		15,132	14,972
Depreciation		20,703	20,337
Impairment loss on capital assets		—	5,382
Other		7,373	6,550
Operating expenses		206,328	198,181
Operating loss		(42,151)	(40,976)
State appropriations and fringe benefits		53,847	53,079
Other expenses, net		(13,613)	(12,465)
Net nonoperating revenues		40,234	40,614
Capital grants and gifts		15,728	8,616
Increase in net position		13,811	8,254
Net position, beginning of year, as restated July 1, 2014		248,611	350,886
Net position, end of year	$	262,422	359,140

Statement of Revenues, Expenses and Changes in Net Position Financial Highlights

Revenues

The following is an illustration of revenues by source (both operating and nonoperating), that were used to fund the College's activities for the fiscal years ended June 30, 2015 and 2014:



	2015		2014	
	Amount	Percent	Amount	Percent
	(Amounts in thousands)			
Student revenues, net	$ 135,614	58.0%	$ 131,297	60.0%
State appropriations and fringe benefits	53,847	23.0%	53,079	24.2%
Government grants and contracts	18,836	8.1%	17,636	8.1%
Capital grants and gifts	15,728	6.7%	8,616	3.9%
Other revenues	9,727	4.2%	8,272	3.8%
	$ 233,752	**100.0%**	**$ 218,900**	**100.0%**

Operating Revenues

Operating revenues represent resources generated by the College in fulfilling its instruction, research and public service mandate. Total operating revenues increased by $7.0 million or 4.4% in fiscal year 2015.

Tuition and Fees

Tuition and fees revenues increased $3.7 million, or 3.3% in fiscal year 2015 primarily due to the College's continued strategic efforts to keep the cost of education affordable with a modest tuition and fees increase of 2.0% for in-state undergraduate and out-of-state undergraduate students coupled with a cohort of approximately 80 international non-matriculated students.

Student Housing and Fees

In fiscal year 2015, student housing and fees decreased by $0.2 million or 0.3% primarily due to a residence hall of 156 beds being taken off-line for a major renovation during the fiscal year.

Scholarship Allowance

Scholarship allowance decreased by $0.8 million or 2.9% in fiscal year 2015 primarily due to a decrease in institutional scholarships totaling $1.4 million, which was offset by an increase of $0.3 million in State funded scholarships and $0.3 million in Federal scholarships.

Scholarship Allowance (Amounts in thousands)			
		2015	2014
State scholarships	$	7,115	6,787
Federal scholarships		5,747	5,451
Institutional scholarships		13,827	15,257
Total scholarships	$	26,689	27,495

Auxiliary Activities

Auxiliary activities, which are self-supporting activities, accounted for approximately 2.6% of the total operating revenues in fiscal year 2015. Included in auxiliary activities are revenues derived primarily from commissions, student center and conference center operations, and summer camp activities.

Government Grants and Contracts

The College recognizes revenues associated with the direct costs of grants and contracts as the related expenditures are incurred. Government grants and contracts increased by $1.2 million or 6.8%, primarily due to the increase in federal and state grant activities.

Nonoperating Revenues

Nonoperating revenues are those not generated by the College's core mission and include such funding sources as investment income and New Jersey State support, appropriations and funding for fringe benefits.

New Jersey State Appropriations

New Jersey state appropriations represented 23.0% of the total College revenues in fiscal year 2015. The level of state support is therefore a factor influencing the College's overall financial condition. The state appropriations include amounts appropriated by the State Legislature and employees' fringe benefits paid by the state.

The College reimburses the State for the fringe benefit costs for the number of employees who exceed the state authorized position count of 859 for TCNJ. Even though state appropriations are considered nonoperating revenue, the total amount supports operating expenses.

In fiscal year 2015, the gross state support to the College increased by $0.8 million or 1.4%. The base state appropriations remained stable while the fringe benefits funded by the State increased.

The breakdown of the state appropriations at June 30, 2015 and 2014 are as follows:

State Appropriations (Amounts in thousands)			
		2015	2014
State appropriations	$	29,317	29,317
Fringe benefits		24,530	23,762
Gross state support	$	53,847	53,079

Investment Income

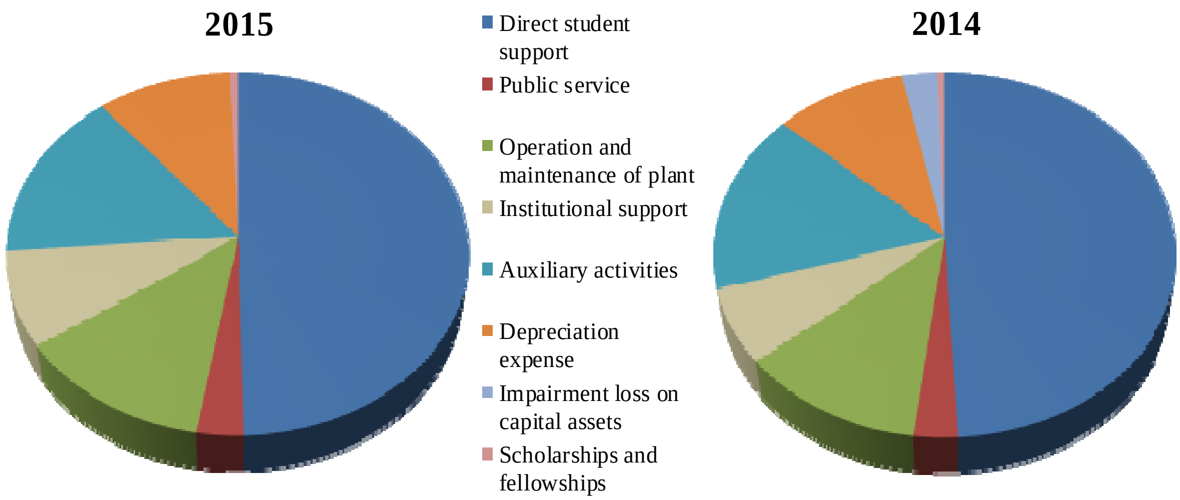
Investment income includes interest and dividend income as well as realized and unrealized gains and losses. During fiscal year 2015, the positive performance of the investment portfolio yielded a total return of $1.8 million, a decrease of $2.7 million over the previous fiscal year total of $4.5 million. This decrease is primarily due to lower investment income and appreciation primarily due to market volatility that impacted the multi-asset segment of the portfolio.

Capital Grants and Gifts

Capital grants and gifts totaled $15.7 million in fiscal year 2015 due to the receipt of a number of New Jersey State grants to fund the acquisition academic equipment, a new Science, Engineering, Technology and Mathematics (STEM) building and various information technology improvements. The revenue for these capital grants is recognized as expenses are incurred. Amounts received from grants for which eligibility requirements have not been met under the terms of the agreements are included in unearned revenue in the statements of net position. In addition, the College received the second payment on a multi-year restricted gift earmarked for a major renovation of the student center. This gift was recognized as revenue as funds are received and in the possession and control of the College.

Expenses

The following is an illustration of operating expenses by function for the fiscal years ended June 30, 2015 and 2014:



	2015		2014	
	Amount	Percent	Amount	Percent
	(Amounts in thousands)			
Instruction and research	$ 70,741	34.3%	$ 66,849	33.7%
Academic support	15,132	7.4%	14,972	7.6%
Student services	17,407	8.4%	15,558	7.8%
Direct student support	103,280	50.1%	97,379	49.1%
Public service	6,080	2.9%	5,511	2.8%
Operation and maintenance of plant	26,390	12.8%	23,811	12.0%
Institutional support	17,498	8.5%	13,228	6.7%
Auxiliary activities	31,084	15.1%	31,494	15.9%
Depreciation expense	20,703	10.0%	20,337	10.3%
Impairment loss on capital assets	—	0.0%	5,382	2.7%
Scholarships and fellowships	1,293	0.6%	1,039	0.5%
	$ 206,328	**100.0%**	**$ 198,181**	**100.0%**

Operating Expenses

The College has consistently demonstrated its commitment to preserving the quality of its academic programs despite the challenging fiscal environment by continuing to allocate a significant portion of its operating expenses to direct student support (instruction, research, academic support and student services) and to the college funded scholarships which is reported as a reduction of operating revenues.

In fiscal year 2015, total operating expenses were $206.3 million, representing an overall increase of $8.1 million or 4.1% over the previous fiscal year total of $198.2 million. This increase was primarily due to $7.3 million in net pension expense due to the implementation of GASB 68 and 71. Increases in salaries and other fringe benefits costs were offset by a decrease of $5.4 million in impairment loss on capital assets recorded in fiscal year 2014.

Instruction and Research

The combination of instruction and research represents the College's largest operating expense category. In fiscal year 2015, the change in both functional categories was primarily due to contractual salary and related fringe benefits costs driven by the recording of pension expenses for the defined benefit plans due to the adoption of GASB 68 and 71.

Academic Support

In fiscal year 2015, academic support expenses remained relatively stable. The current year net increase was primarily due to increase in salary and fringe benefits which was offset by capitalization of equipment and software implementation costs.

Public Service

This category increased by $0.6 million or 10.3% in fiscal year 2015 primarily due to an increase in external grant activity. Public services represent grant activities and academic enterprise programs geared toward community involvement and benefit, such as the Bonner Center for Civic and Community Engagement and the New Jersey AmeriCorps grants.

Student Services

In fiscal year 2015, student service expenses increased by $1.8 million or 11.9% due to increases in salary and fringe benefits costs driven by the recording of pension expenses for the defined benefit plans due to the adoption of GASB 68 and 71. In addition, there were investments for commencement activities, athletics activities and disability support services.

Operation and Maintenance of Plant

Operation and maintenance of plant increased by $2.6 million or 10.8% in fiscal year 2015, mainly due to increases in emergency repairs for maintenance projects plus salary and fringe benefits increases driven by the recording of pension expenses for the defined benefit plans due to the adoption of GASB 68 and 71.

Institutional Support

In fiscal year 2015, institutional support increased $4.3 million or 32.3% due to the strategic funding allocations for the institutional priorities within college advancement for fundraising activities and campus-wide staff professional development. In addition, there were increases in administrative computing for hardware and software coupled with increases in salary and related fringe benefits costs driven by the recording of pension expenses for the defined benefit plans due to the adoption of GASB 68 and 71.

Auxiliary Activities

The $0.4 million or 1.3% decrease during fiscal year 2015 in auxiliary activities can be attributed primarily to a large external event that was held on campus in fiscal year 2014, coupled with the lack of summer camp activities in fiscal year 2015. This was offset by increased meal plan costs, salary and fringe benefits.

Depreciation Expense

Depreciation expense increased by $0.4 million or 1.8%, in fiscal year 2015 due to additional capital expenditures in investment in plant which were eligible to be depreciated.

Nonoperating Expenses

Nonoperating expenses are those not incurred by the College's core mission and include such activities as interest on debt and transactions with institutionally affiliated organizations.

Interest Expense

Interest expense is traditionally partially offset by the amount of interest capitalized during the construction phase of major projects. Interest expense decreased by $0.1 million or 0.8% in fiscal year 2015, primarily due to the capitalized interest on the Series 2013A bonds that were issued to finance the construction of a new STEM building.

Transactions with Affiliates

The College's affiliates include the College of New Jersey Foundation and the Trenton State College Corporation. Examples of transactions that are reflected in affiliate transfers include: funds disbursed from the Foundation for institutional scholarship support, restricted funds disbursements and transfer of properties. In fiscal year 2015, transactions with affiliates increased by $0.2 million primarily due to Foundation activity for institutional scholarship support and restricted private grants. This increase was offset by a modest decrease in the Corporation's affiliate transfers.

Other Revenues (Expenses), Net

In fiscal year 2015, other nonoperating expenses decreased $1.2 million, which was mainly due to the activities relating to the bond issuance costs and loan administrative costs and bad debt expense.

Economic Factors that Will Affect the Future

The College has a long tradition of prudent financial planning and resource allocation. This philosophy has allowed it to continue to strengthen its financial position through positive operating results allowing it to respond to unforeseen challenges and opportunities. For the fiscal year ending June 30, 2015, the College finished with an increase of $13.8 million or 5.6% in net position despite the recording of $7.3 million in net pension expense due to the adoption of GASB 68 and 71. The increase in net position is one indicator that the College's financial health continues to improve.

In the last two years, TCNJ's total state appropriations have remained relatively stable. However, because the State continues to face fiscal pressures, it is unlikely that this pattern of flat funding will continue.

Cognizant of our responsibility to allocate resources strategically and keep the cost of education at TCNJ affordable, the College has identified areas for focused review and strategies to ensure the maintenance of the College's long-term financial health. These focused reviews should provide the foundation for improvement in the health of the institution based on sound strategic planning as well as facilities master planning. These planning enhancements will depend on a better understanding of the increasing demand for institutional scholarships, strategic enrollment management and thoughtful investment in academic and student development programs. The strategies include cost containment initiatives, review of the organizational structure to generate financial efficiencies and preserve organizational effectiveness, investment in facilities, expansion of fundraising activities, diversification of revenues, and enhancement of entrepreneurial activity.

The state and national economy will continue to pose budgetary challenges for the College in the future. However, as a result of strategic planning efforts and a campus-wide commitment to prudent fiscal management, TCNJ is poised to make significant strategic investments over the next several years based on our improved financial position. The following strategic budget priorities were established for fiscal year 2016:

- Revenue enhancement initiatives;
- Signature experiences, including integrated curricular and co-curricular activities;
- Academic and operational technology and infrastructure;
- Diversity and inclusion; and
- Facilities.

A healthy student demand and favorable market position as evidenced by steadily increasing enrollment, our sustained ability to attract and retain high-achieving students and our consistently strong operating performance and liquidity, are all factors in the positive outlook for the College of New Jersey. Management believes that the College is well positioned to continue providing excellence in educational programs to our students and service to the State.

STATEMENT OF NET POSITION

June 30, 2015

(Amounts in thousands)

Assets		Business-Type Activities The College of New Jersey	Component Unit The College of New Jersey Foundation, Inc.	Total
Current assets:				
Cash and cash equivalents	$	39,817	1,326	41,143
Receivables:				
Student accounts, net of allowance of doubtful accounts of $427		2,898	—	2,898
Student loans		851	—	851
Grants		3,291	—	3,291
Due from State of New Jersey (note 5)		3,601	—	3,601
Due from affiliates (note 3)		1,377	—	1,377
Other		1,111	1,049	2,160
Total receivables		13,129	1,049	14,178
Investments (notes 4 and 16)		54,055	1,630	55,685
Restricted deposits held with trustees (note 7)		19,840	—	19,840
Prepaid expenses and other assets		970	—	970
Total current assets		127,811	4,005	131,816
Noncurrent assets:				
Student loans receivable, net of allowance of doubtful loans of $514		3,022	—	3,022
Restricted deposits held with trustees (note 7)		38,404	—	38,404
Other assets		—	4	4
Investments (notes 4 and 16)		20,106	—	20,106
Restricted investments (notes 4 and 16)		—	30,609	30,609
Prepaid insurance premium costs, net of accumulated amortization of $1,156		3,039	—	3,039
Capital assets, net (note 6)		601,473	—	601,473
Total noncurrent assets		666,044	30,613	696,657
Total assets		793,855	34,618	828,473
Deferred Outflows of Resources				
Deferred amounts from debt refunding		21,312	—	21,312
Deferred amounts from pensions (note 11)		4,581	—	4,581
Total deferred outflows of resources		25,893	—	25,893
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses (note 8)		37,394	26	37,420
Compensated absences – current portion (note 12)		3,637	—	3,637
Due to affiliates (note 3)		102	1,323	1,425
Unearned revenue and student deposits		2,224	—	2,224
Bonds payable – current portion, including net premium of $1,149 (note 9)		11,884	—	11,884
Other long-term obligations – current portion (note 9)		671	371	1,042
Total current liabilities		55,912	1,720	57,632
Noncurrent liabilities (note 9):				
Compensated absences – noncurrent (note 12)		433	—	433
U.S. and Government grants refundable		4,414	—	4,414
Unearned revenue – noncurrent		12,144	—	12,144
Bonds payable – noncurrent, including net premium of $8,020 (note 9)		356,535	—	356,535
Other long-term obligations (note 9)		6,804	2,570	9,374
Net pension liability (note 11)		117,547	—	117,547
Total noncurrent liabilities		497,877	2,570	500,447
Total liabilities		553,789	4,290	558,079
Deferred Inflows of Resources				
Deferred amounts from pensions (note 11)		3,537	—	3,537
Net Position				
Net investment in capital assets		251,027	—	251,027
Restricted:				
Nonexpendable:				
Scholarships		—	7,829	7,829
Other programs		—	3,117	3,117
Expendable:				
Scholarships		—	12,887	12,887
Research		—	72	72
Debt service and capital		11,082	—	11,082
Other		—	3,046	3,046
Student loans		301	—	301
Unrestricted (note 13)		12	3,378	3,390
Total net position	$	262,422	30,329	292,751

See accompanying notes to financial statements.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Year ended June 30, 2015

(Amounts in thousands)

	Business-Type Activities The College of New Jersey	Component Unit The College of New Jersey Foundation, Inc.	Total
Operating revenues:			
Student revenues:			
Student tuition and fees	$ 115,813	—	115,813
Less tuition scholarship allowances	(20,862)	—	(20,862)
Net student tuition and fees	94,951	—	94,951
Student housing and fees	46,490	—	46,490
Less housing scholarship allowances	(5,827)	—	(5,827)
Net student housing and fees	40,663	—	40,663
Federal grants and contracts	10,041	—	10,041
State of New Jersey grants and contracts	8,795	—	8,795
Auxiliary activities	4,323	—	4,323
Contributions	—	3,361	3,361
Interest on student loans receivable	89	—	89
Other operating revenues	5,315	1,360	6,675
Total operating revenues	164,177	4,721	168,898
Operating expenses:			
Instruction	60,048	—	60,048
Research	10,693	—	10,693
Academic support	15,132	—	15,132
Public service	6,080	—	6,080
Student services	17,407	—	17,407
Operation and maintenance of plant	26,390	—	26,390
Institutional support	17,498	—	17,498
Scholarships and fellowships	1,293	546	1,839
Auxiliary activities	31,084	—	31,084
Fundraising	—	678	678
Depreciation	20,703	—	20,703
Total operating expenses	206,328	1,224	207,552
Operating (loss) income	(42,151)	3,497	(38,654)
Nonoperating revenues (expenses):			
State of New Jersey appropriations	29,317	—	29,317
State of New Jersey fringe benefits	24,530	—	24,530
Investment income	1,782	850	2,632
Interest expense	(16,592)	—	(16,592)
Transactions with affiliates (note 3)	1,980	(3,397)	(1,417)
Other revenues (expenses), net	(783)	(837)	(1,620)
Net nonoperating revenues (expenses)	40,234	(3,384)	36,850
Income (loss) before other revenues	(1,917)	113	(1,804)
Additions to permanent endowments	—	832	832
Capital grants and gifts	15,728	—	15,728
Increase in net position	13,811	945	14,756
Net position as of beginning of year, as restated (note 2)	248,611	29,384	277,995
Net position as of end of year	$ 262,422	30,329	292,751

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS

(Business-Type Activities – College only)

Year ended June 30, 2015

(Amounts in thousands)

		2015
Cash flows from operating activities:		
Student tuition and fees	$	94,256
Federal, State, and local grants and contracts		19,016
Payments to suppliers		(50,171)
Payments to employees		(99,999)
Payments for benefits		(4,400)
Student housing and auxiliary activities		45,918
Other receipts, net		5,609
Net cash provided by operating activities		10,229
Cash flows from noncapital financing activities:		
New Jersey State appropriations		29,317
Other receipts (disbursements), net		1,709
Net cash provided by noncapital financing activities		31,026
Cash flows from capital and related financing activities:		
Purchase of capital assets		(26,310)
Net (deposits to) withdrawals from deposits held with trustees		7,595
Capital grants and gifts		11,293
Principal payments on bonds and other obligations		(9,422)
Interest payments on bonds and other obligations		(19,675)
Net cash used in capital and related financing activities		(36,519)
Cash flows from investing activities:		
Interest on investments		55
Purchases of investments		(15,000)
Net cash used in investing activities		(14,945)
Net change in cash and cash equivalents		(10,209)
Cash and cash equivalents as of beginning of year		50,026
Cash and cash equivalents as of end of year	$	39,817
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	$	(42,151)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation		20,703
State of New Jersey fringe benefits		24,530
Changes in assets and liabilities:		
Receivables, net		45
Prepaid expenses		(266)
Deferred outflows of resources from pensions		(4,581)
Accounts payable and accrued expenses		26
Accrued salaries		609
Other accrued expenses		138
Unearned revenue and student deposits		621
Net pension liability		7,018
Deferred inflows of resources from pensions		3,537
Net cash provided by operating activities	$	10,229

See accompanying notes to financial statements.

(1) Organization

The College of New Jersey (the College) is a mid-sized, comprehensive public college that concentrates primarily on the undergraduate experience. Baccalaureate and master's degrees are offered through the academic programs of the College's seven schools (Arts and Communication; Business; Education; Humanities and Social Science; Science; Nursing, Health, and Exercise Science; and Engineering). In the fall of 2014, the College enrolled 6,580 full-time equated undergraduate students and 364 full-time equated graduate students. The College has residential facilities that house more than half of the students on campus.

The College is recognized as a public institution of higher education by the State of New Jersey (the State) and, accordingly, the State Legislature appropriates funds annually to support the College. Under the law, the College is an instrumentality of the State with a high degree of autonomy. However, pursuant to the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, the College is considered to be a component unit of the State for financial reporting purposes. Accordingly, the financial statements of the College are included in the State's Comprehensive Annual Financial Report.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accounting policies of the College conform to all U.S. generally accepted accounting principles as applicable to public colleges and universities.

GASB Statement No. 35 establishes standards for external financial reporting for public colleges and universities and requires that resources be classified for accounting and reporting purposes into the following net position categories.

- ***Net investment in capital assets:*** Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.
- ***Restricted:***

  Nonexpendable: Net position that is subject to externally imposed stipulations and must be maintained permanently by the College.

  Expendable: Net position that is subject to externally imposed stipulations that can be fulfilled by actions of the College pursuant to the stipulations or that expire by the passage of time.
- ***Unrestricted:*** Net position that is not subject to externally imposed stipulations and may be designated for specific purposes by action of management to the board of trustees.

  When an expense is incurred that can be paid using either restricted or unrestricted resources, the College's policy is to first apply the expense towards restricted resources and then towards unrestricted resources.

(b) Measurement Focus and Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting using the economic resources measurement focus. The College reports as a business-type activity, as defined by GASB Statement No. 35. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

(c) Cash and Cash Equivalents

Cash and cash equivalents consist primarily of investments with the New Jersey State Cash Management Fund that are combined into a large scale investment program with amounts contributed by other state entities. These investments consist primarily of U.S. Treasury issues, commercial paper and certificates of deposit. All highly liquid investments purchased with an original maturity of three months or less are classified as cash equivalents.

(d) Restricted Deposits Held with Trustees

Restricted deposits held with trustees are reflected at fair value, which is based on quoted market prices. Purchases and sales of investments are accounted for on the trade-date basis. Investment income is recorded on an accrual basis.

(e) Investments

Investments are reflected at fair value, which is based on quoted market prices. Purchases and sales of investments are accounted for on the trade-date basis. Investment income is recorded on an accrual basis. Changes in fair value (including both realized and unrealized gains and losses) are reported in investment income.

(f) Capital Assets

Capital assets include buildings, equipment, works of art, and infrastructure assets, such as roads and sidewalks. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Building improvements and infrastructure costing over $5, equipment items with a unit cost of $3 or more, land improvements over $25, and software implementation over $100 are capitalized. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Works of art or historical treasures that are held for public exhibition, education, or research in furtherance of public service are capitalized.

Capital assets of the College are depreciated using the straight line method over the following useful lives:

Capital asset	Useful lives
Buildings	30 to 50 years
Infrastructure	35 years
Land and building improvements	25 years
Equipment and other assets	5 to 10 years

Estimated costs to complete the projects classified as construction in progress are approximately $76,850. Such construction costs are anticipated to be financed by proceeds from long-term debt, capital grants and gifts, and capital reserves.

(g) Deferred Outflows of Resources

Deferred outflows of resources represent unamortized amounts from debt refunding and amounts related to changes in the net pension liability.

(h) Deferred Inflows of Resources

Deferred inflows of resources represent amounts related to changes in the net pension liability.

(i) Revenue Recognition

Revenues from student tuition and fees and auxiliary activities are presented net of scholarships applied to student accounts and are recognized in the period earned. Tuition waivers and other payments made directly to students are presented as scholarships and are included in operating expenses in the period incurred. Student tuition and fees and deposits collected in advance of the fiscal year are recorded as unearned revenue in the accompanying statements of net position.

Grant revenue is comprised mainly of funds received from grants from Federal and State of New Jersey sources and is recognized when all eligibility requirements for revenue recognition are met which is generally the period in which related expenses are incurred. Amounts received from grants for which eligibility requirements have not been met under the terms of the agreements are included in unearned revenue in the accompanying statements of net position.

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

(j) Student Activity Fees

It is the policy of the College to collect the student activity fees for the Student Finance Board. Collections and related remittance of these fees to the Student Finance Board of $1,759 in fiscal year 2015 have not been included in the accompanying financial statements.

(k) Operating Activities

The College's policy for defining operating activities as reported on the statement of revenues, expenses and changes in net position are those that serve the College's principal purpose and generally result from exchange transactions such as the payment received for services and payment made for the purchase of goods and services. Examples include: student tuition and fees, net of scholarship allowances, and most Federal, State and private grants and contracts. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenue, as defined by GASB Statement No. 35, including state appropriations, gifts, and investment income. Interest expense is reported as a nonoperating expense.

(l) Adoption of Accounting Pronouncements

The College adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* (GASB 68) in fiscal year 2015. GASB 68 addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense related to pensions. Note disclosure and required supplementary information requirements about pensions also are addressed. For defined benefit pensions, this statement also identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Certain College employees are provided with defined benefit pensions through the Public Employees' Retirement System (PERS), Police and Firemen's Retirement System (PFRS), and Teachers' Pension and Annuity Fund (TPAF), cost-sharing, multiple-employer defined benefit pension plans administered by the State of New Jersey, Division of Pensions and Benefits. In accordance with the provisions of GASB 68, the College has reported its proportionate share of PERS and PFRS net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense and the employer pension expense and related revenue for TPAF which met the criteria for a special funding situation.

Notes to the Financial Statements ($ in thousands)

The College also adopted GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* (GASB 71). GASB 71 amends paragraph 137 of GASB 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability.

The provisions of GASB 68 and 71 have been applied to the beginning net position of the 2015 fiscal year. The following is a reconciliation of the total net position as previously reported at July 1, 2014 to the total restated net position:

Total net position as previously reported as of July 1, 2014	$	359,140
Restatement to beginning of year net position		(110,529)
Total net position as of July 1, 2014 (restated)	$	248,611

(m) *Accounting Pronouncements Applicable to the College, Issued but Not Yet Effective*

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application* (GASB 72). The statement addresses accounting and financial reporting issues related to fair value measurements of assets and liabilities. GASB 72 identifies various approaches to measuring fair value and levels of inputs based on the objectivity of the data used to measure fair value. GASB 72 will be effective for periods beginning after June 15, 2015. The College is evaluating the impact of this new statement.

In June 2015, the GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* (GASB 73). This Statement establishes requirements for defined benefit pensions and defined contribution pensions that are not within the scope of GASB 68 and amends certain provisions of GASB Statement No. 67, Financial Reporting for Pension Plans, and GASB 68. GASB 73 will be effective for fiscal periods beginning after June 15, 2016. The College is evaluating the impact of this new statement.

In June 2015, the GASB issued Statement No 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). The statement addresses accounting and financial reporting for other postemployment benefits (OPEB) that are provided to the employees of state and local governmental employers. GASB 75 establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses related to OPEB in the basic financial statements, in addition to requiring more extensive note disclosures and required supplementary information. GASB 75 will be effective for fiscal periods beginning after June 15, 2017. The College is evaluating the impact of this new statement.

(n) Income Taxes

The College is exempt from income taxes on related income pursuant to Federal and State tax laws as an instrumentality of the State of New Jersey.

(o) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

(3) Transactions with Affiliates

(a) The College of New Jersey Foundation

The College of New Jersey Foundation, Inc. (the Foundation) has approved payments to the College for restricted private grants and donated capital assets of $3,397 during fiscal year 2015. The College provides certain administrative functions on behalf of the Foundation. The costs of salaries and benefits for administrative functions were not charged to the Foundation in fiscal year 2015. As of June 30, 2015, a receivable of $1,323 was due from the Foundation. Additional information about the Foundation is presented in note 16 to the financial statements.

(b) Trenton State College Corporation

Trenton State College Corporation (TSC Corporation or the Corporation) assists in the development and growth of the College through property acquisitions and facilities management. The accompanying financial statements do not include the activities of the TSC Corporation. The New Jersey Board of Higher Education approved the Corporation on April 15, 1988, in accordance with the Public College Auxiliary Organizations Act, P.L. 1982.

During fiscal year 2015, the College incurred $297 in rent and related expenses paid to the Corporation for usage of space in homes owned by the Corporation. In addition, the College reimbursed the Corporation for expenses associated with the maintenance of College owned properties. As of June 30, 2015, there was outstanding payable of $102 due to the Corporation relating to these expenses.

Additionally, the Corporation pays the College for the portion of salaries and benefits of College employees who perform functions for the Corporation and any expenses applicable to the Corporation. This amounted to $345 as of June 30, 2015, of which $54 was due to the College as of June 30, 2015.

The Corporation had purchased some Transfer Housing facilities in order to provide additional housing for the College's students. During fiscal year 2015, the College reimbursed the Corporation for expenses incurred while maintaining the Transfer Housing facilities plus a management fee. The expenses reimbursed to the Corporation for Transfer Housing during fiscal year 2015 was $233.

(4) Cash, Cash Equivalents and Investments

Cash and cash equivalents was $39,817 as of June 30, 2015, which included $34,196 held in the State of New Jersey Cash Management fund and $5,614 held in various accounts at Wells Fargo Bank. Of the amounts held at Wells Fargo Bank, $250 per account was insured by the Federal Deposit Insurance Corporation (FDIC) and the amounts in excess of FDIC coverage are collateralized pursuant to New Jersey Statute 52:18-16-1.

The College participates in the State of New Jersey Cash Management Fund wherein amounts also contributed by other State entities are combined into a large scale investment program. The operations of the Cash Management Fund are governed by the provisions of the State Investment Council Regulations for the purpose of determining authorized investments. Statutes of the State of New Jersey and Regulations of the State Investment Council authorize the New Jersey Division of Investment to invest in obligations of the U.S. Treasury, agencies, and municipal or political subdivisions of the State, commercial paper, bankers acceptances, revenue obligations of public authorities, debt instruments of banks, collateralized notes, mortgages, certificates of deposit, repurchase agreements, equity, and convertible equity securities, and other common types of investment securities. Investee institutions and organizations are prescribed by the statutes and regulations based on such criteria as minimum capital, dividend paying history, credit history and other evaluation factors. The Cash Management Fund is unrated with a portfolio maturity of less than one year.

The College has an investment policy approved by the Board of Trustees that establishes guidelines for permissible investments. The College may invest in equities, real estate assets, inflation hedge and fixed income assets. The Commonfund is a nonprofit provider of intermediate-term fixed income investment products for nonprofit institutional clients.

Notes to the Financial Statements ($ in thousands)

The College's investments as of June 30, 2015 were as follows:

Investments		
		Amount
Mutual funds:		
Domestic equities	$	28,885
International equities		2,228
Fixed income		10,078
Mutual funds total		41,191
U.S. Treasury bonds and notes		13,054
U.S. Government agencies		9,046
Corporate bonds		8,871
Municipal bonds		533
Commercial paper		500
Money market fund		817
Commonfund – Intermediate-term fund		149
Total	$	74,161

The College's investments are subject to various risks. Among these risks are credit risk and interest rate risk. Each one of these risks is discussed in more detail below.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt instrument is measured by nationally recognized statistical rating agencies such as Moody's Investors Service, Inc. (Moody's). As of June 30, 2015, the College's fixed income investments were rated as follows:

Fixed Income Investments Ratings

Rating		Total	U.S. Treasury bonds and notes	U.S. Government agencies	Corporate bonds	Municipal bonds	Commercial paper	Money market fund
Aaa	$	23,479	13,054	9,046	562	—	—	817
Aa1		—	—	—	—	—	—	—
Aa2		342	—	—	342	—	—	—
Aa3		1,010	—	—	1,010	—	—	—
A1		2,712	—	—	2,712	—	—	—
A2		3,391	—	—	3,391	—	—	—
A3		854	—	—	854	—	—	—
P1		500	—	—	—	—	500	—
NR		533	—	—	—	533	—	—
	$	32,821	13,054	9,046	8,871	533	500	817

The fixed income mutual funds of $10,078 as of June 30, 2015 were not rated.

Notes to the Financial Statements ($ in thousands)

The College's investment policy requires the following limits:

- Corporate notes and bonds – Issuers must have a long-term rating of at least A- by Standard & Poor's or A3 by Moody's. The maximum maturity of any investment in this sector is limited to five years from time of purchase.
- Certificates of deposit – Issuers must have a minimum short-term rating of A-1 by Standard & Poor's or P1 by Moody's or a minimum long-term rating of A- by Standard & Poor's or A3 by Moody's. The maximum maturity of any investment in this sector is limited to five years from time of purchase.
- Commercial paper – Issuers must have a short-term rating of at least A-1 by Standard & Poor's or P1 by Moody's. The maximum maturity of any investment in this sector is limited to 270 days from time of purchase.
- Bankers' acceptances – Issuers must have a short-term rating of at least A-1 by Standard & Poor's and P1 by Moody's. The maximum maturity of any investment in this sector is limited to 180 days from time of purchase.
- No single corporate issuer shall exceed 5% of the College's portfolio.
- Municipal debt obligations – Issuers must have a long-term rating of at least A- by Standard & Poor's or A3 by Moody's. The maximum maturity of any investment in this sector is limited to five years from time of purchase. No single issuer shall exceed 5% of the College's portfolio.
- Repurchase agreements – The maximum maturity of any investment in this sector is limited to 90 days at time of purchase. No single repurchase agreement counterparty shall exceed 15% of the College's portfolio.
- Money market funds – Funds must be rated AAm by Standard & Poor's or Aa-mf by Moody's. No single fund in this category shall exceed 15% of the College's portfolio.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of a debt investment. The College's investment policy provides limitations in the maturities of various types of investments as a means of managing its exposure to fair value losses arising from interest rate fluctuations. As of June 30, 2015, the College's fixed income investments had maturity dates as follows:

Fixed Income Investments Maturity

Maturing in years		Total	U.S. Treasury bonds and notes	U.S. Government agencies	Corporate bonds	Municipal bonds	Commercial paper	Money market fund
Less than 1	$	12,715	6,516	2,822	1,652	408	500	817
1 – 5		19,440	6,538	5,558	7,219	125	—	—
6 – 10		666	—	666	—	—	—	—
	$	32,821	13,054	9,046	8,871	533	500	817

Notes to the Financial Statements ($ in thousands)

(5) Due from State of New Jersey

Due from the State of New Jersey consists of the following as of June 30, 2015:

Due from State of New Jersey		
		Amount
FICA benefit reimbursement	$	1,004
Alternative Benefit Programs (ABP)		791
Capital grants		1,806
Total	$	3,601

(6) Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

Capital Asset Activity		Beginning balance	Additions	Transfers/ retirements	Ending balance
Nondepreciable assets:					
Land	$	22,148	—	—	22,148
Works of art/historical treasures		592	—	—	592
Construction in progress		15,561	32,364	(11,131)	36,794
Total nondepreciable assets		38,301	32,364	(11,131)	59,534
Depreciable assets:					
Land improvements		230	—	—	230
Buildings		535,074	—	129	535,203
Building improvements		112,023	488	6,051	118,562
Infrastructure		55,967	529	3,677	60,173
Equipment and other assets		75,875	1,140	1,274	78,289
Total depreciable assets		779,169	2,157	11,131	792,457
Total capital assets		817,470	34,521	—	851,991
Accumulated depreciation:					
Land improvements		(174)	(9)	—	(183)
Buildings		(134,878)	(10,738)	—	(145,616)
Building improvements		(24,386)	(4,480)	—	(28,866)
Infrastructure		(11,641)	(1,598)	—	(13,239)
Equipment and other assets		(58,736)	(3,878)	—	(62,614)
Total accumulated depreciation		(229,815)	(20,703)	—	(250,518)
Capital assets, net	$	587,655	13,818	—	601,473

Notes to the Financial Statements ($ in thousands)

As of June 30, 2015, the College's bond obligations were collateralized by buildings and equipment with a book value of $508,304. During fiscal year 2015, interest income on bond construction funds for Series 2010 A, 2010 B, and 2013 A bonds was $26. Interest expense on these same bond funds was $1,657 for 2015. Net interest costs of $1,631 for fiscal year 2015 was capitalized and included in construction in progress.

(7) Restricted Deposits Held with Trustees

Deposits held with trustees represent restricted funds held by U.S. Bank and BNY Mellon (the trustees), under the terms of various lease agreements, bond indentures and grant agreements. Restricted deposits held with trustees are carried in the financial statements at fair value and consist of short-term investments and government securities. As of June 30, 2015, deposits held with trustees include the following:

Restricted Deposits Held with Trustees		
		Amount
Construction funds	$	24,174
Grant related deposits		14,230
Debt service (principal and interest)		19,840
	$	58,244

As of June 30, 2015, the College's restricted deposits held with trustees are invested in money market funds or U.S. Treasury notes or government securities guaranteed by the U.S. government. The U.S. Treasury notes, government securities, and money market funds are all rated Aaa. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The following table summarizes restricted deposits held with trustees maturities as of June 30, 2015:

Restricted Deposits Held with Trustees			
			Investment maturities (in years)
Investment type		**Fair value**	**Less than 1**
Money market funds	$	37,166	37,166
U. S. Treasury notes and government securities		21,078	21,078
	$	58,244	58,244

Notes to the Financial Statements ($ in thousands)

(8) Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following as of June 30, 2015:

Accounts Payable and Accrued Expenses		
		Amount
Bond principal and interest	$	19,395
Vendors		6,615
Accrued salaries and benefits		4,328
Accrued expense – construction		7,056
Total	$	37,394

(9) Noncurrent Liabilities

The College is obligated under lease agreements associated with various revenue bonds issued by the New Jersey Educational Facilities Authority (the Authority) to finance the construction and acquisition of dormitories, parking garages, equipment, academic facilities, a co-generation plant, and student recreational facilities.

The following is a breakout of bonds payable and other long-term obligations, as of June 30, 2015:

Bonds Payable and Other Long-Term Obligations		
		Amount
Bonds payable:		
New Jersey Educational Facilities Authority:		
2008 Series D (interest 4.00% to 5.00%, due serially starting on July 1, 2010 to July 1, 2028)	$	147,165
2008 Series D (interest 5.00%, maturing on July 1, 2035)		127,455
2010 Series B (interest 4.878% to 7.395%, maturing on July 1, 2016 through July 1, 2040)		41,090
2012 Series A (interest 2.00% to 5.00%, maturing on July 1, 2019)		18,590
2013 Series A (interest 4.00% to 5.00%, due serially starting on July 1, 2016 to July 1, 2033)		12,320
2013 Series A (interest 5.00%, maturing on July 1, 2038)		5,545
2013 Series A (interest 5.00%, maturing on July 1, 2043)		7,085
Subtotal bonds payable		359,250
Add:		
Bond premium		9,169
Total bonds payable	$	368,419
Other long-term obligations:		
Dormitory Safety Trust Fund (interest 0%, maturing on January 15, 2018)	$	178
Higher Education Capital Improvement Fund (interest 4.52% to 5.25%, maturing on August 15, 2022)		5,910
Higher Education Equipment Leasing Fund (interest 5.00%, maturing on May 1, 2023)		1,387
Total other long-term obligations	$	7,475

Notes to the Financial Statements ($ in thousands)

Aggregate principal and interest repayments required during the next five fiscal years and in five year increments thereafter are as follows as of June 30, 2015:

Principal and Interest Repayments					
		Bond Principal	Other long-term obligations principal	Bond interest	Other long-term obligations interest
Year ending June 30:					
2016	$	10,735	671	18,717	328
2017		11,520	611	18,182	300
2018		12,185	641	17,603	271
2019		13,080	639	17,028	242
2020		13,845	667	16,364	213
2021-2025		78,010	4,246	70,558	356
2026-2030		87,005	—	49,611	—
2031-2035		109,955	—	24,924	—
2036-2040		18,455	—	4,885	—
2041-2043		4,460	—	453	—
	$	359,250	7,475	238,325	1,710

Noncurrent liabilities activity for the year ended June 30, 2015 is as follows:

Noncurrent Liabilities Activity						
		Beginning balance	Additions	Deductions	Ending balance	Current portion
Noncurrent liabilities:						
Compensated absences	$	3,932	905	(767)	4,070	3,637
U.S. and Government grants refundable		4,414	—	—	4,414	—
Unearned revenues and student deposits		10,285	11,908	(7,825)	14,368	2,224
Bonds payable, net		379,360	—	(10,941)	368,419	11,884
Other long-term obligations		8,097	—	(622)	7,475	671
Net pension liability		111,592	10,556	(4,601)	117,547	—
Total noncurrent liabilities	$	517,680	23,369	(24,756)	516,293	18,416

*The beginning balance of the net pension liability is a restatement as a result of the adoption of GASB 68.

(10) Benefits Paid by the State of New Jersey

The State, through separate appropriations, funds certain fringe benefits, principally healthcare costs and FICA taxes, on behalf of College employees and retirees. The costs of these benefits were funded directly by the State on behalf of the College and are included in the accompanying financial statements as part of nonoperating revenues and as operating expenses in various functional expense categories.

(11) Retirement Plans

(a) Introduction

The College participates in three cost-sharing, multiple-employer defined benefit retirement plans administered by the State of New Jersey, Division of Pensions and Benefits. These three plans are within the scope of GASB 68 and are as follows:

- Public Employees' Retirement System (PERS) – The College was determined to be a separate employer within the State Group of the plan. Although the State has historically provided the contribution, the special funding situation criteria was not met and the New Jersey statutes are silent as to the legal obligation. The College has recorded its proportionate share of the net pension liability, pension expense, deferred outflows of resources and deferred inflows of resources related to the PERS plan in the financial statements.

- Police and Firemen's Retirement System (PFRS) – The College was determined to be a separate employer within the State Group of the plan. Although the State has historically provided the contribution, the special funding situation criteria was not met and the New Jersey statutes are silent as to the legal obligation. The College has recorded its proportionate share of the net pension liability, pension expense, deferred outflows of resources and deferred inflows of resources related to the PFRS plan in the financial statements.

- Teachers' Pension and Annuity Fund (TPAF) – TPAF met the GASB 68 special funding situation criteria per the New Jersey State statute and thus the net pension liability is recorded by the State of New Jersey. The College has recorded its proportionate share of the pension expense and related revenue in the statement of revenues, expenses and changes in net position.

Benefit and employer contribution provisions are established by state statute and the provisions of the aforementioned plans can only be amended by new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for PERS, PFRS and TPAF once a Target Funded Ratio (TFR) is met, that will have the discretionary authority to modify certain PERS plan design features, including member contribution rate; formula for calculation of final compensation or final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30 year projection period. Chapter 78, P.L. 2011 also suspended COLA increases for all active and future retirees of all State of New Jersey retirement plans.

A publicly available Comprehensive Annual Financial Report (CAFR) of the State of New Jersey Division of Pensions and Benefits, which includes financial statements, required supplementary information, and detailed information about the PERS, PFRS and TPAF plan's fiduciary net position, can be obtained at www.state.nj.us/treasury/pensions/annrprts.shtml or by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

Notes to the Financial Statements ($ in thousands)

The College also participates in several defined contribution retirement plans, primarily the Alternative Benefit Program (ABP). Generally all employees, except certain part-time employees, participate in one of these plans. Under these plans, participants make annual contributions, and the State, in accordance with annual appropriations, makes employer contributions on behalf of the College for these plans. The College is charged for pension costs through a fringe benefit charge assessed by the State which is included within the state paid fringe benefits in the accompanying financial statements.

(b) Plan Descriptions

Public Employees' Retirement System

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits to substantially all full-time employees of the State or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

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

Police and Firemen's Retirement System

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits to substantially all full-time county and municipal police or firemen and state firemen or officer employees with police powers appointed after June 30, 1944. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

Notes to the Financial Statements ($ in thousands)

The following represents the membership tiers for PFRS:

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Teachers' Pension and Annuity Fund

The vesting and benefit provisions for TPAF are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits to substantially all teachers or members of the professional staff certified by the State Board of Examiners and employees of the State of New Jersey Department of Education, who have titles that are unclassified, professional, and certified. Certain faculty members of the College participate in the TPAF. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

Defined Contribution Plans

The ABP is a defined contribution plan that provides retirement and death benefits for or on behalf of those full-time professional employees and faculty members electing to participate in this optional retirement program. The ABP is an agency fund overseen by the State of New Jersey Division of Pensions and Benefits.

Effective July 1, 2010, the College established two supplemental retirement plans – Supplemental Alternate Benefit Plan and Supplemental Retirement Plan for the benefit of its eligible employees and the eligible employees of certain subsidiaries and affiliates that adopt the plans. The objective of the plans is to help provide for additional security on retirement, by means of employer contributions supplemental to those under the Alternate Benefit Program for the Supplemental Alternate Benefit Plan and supplemental to those under the Alternate Benefit Program and the Supplemental Alternate Benefit Plan for the Supplemental Retirement Plan.

(c) Basis of Accounting and Valuation of Investments

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

(d) Contributions

PERS, PFRS and TPAF covered employees are required by State statute to contribute a certain percentage of their salaries to the plan. The contribution requirements of employees are established and may be amended by the Pension Plan Design Committee of the respective plan. Each member's percentage is based on age determined at the effective date of enrollment. The employee contribution rates as a percentage of salary for the fiscal year ended June 30, 2015 were as follows:

Defined Benefit Retirement Plan Employee Contributions

	Contribution rate
Public Employees' Retirement System	6.78%
Police and Firemen's Retirement System	10.00%
Teachers' Pension and Annuity Fund	6.78%

The required employer contributions are actuarially determined. Chapter 1, P.L. 2010 required the State of New Jersey to resume making actuarially recommended contributions to the defined benefit pension plans on behalf of the employers on a phased-in basis over a seven year period beginning in the fiscal year ended June 30, 2012.

Notes to the Financial Statements ($ in thousands)

The State's contributions made subsequent to the measurement date to the PERS, PFRS and TPAF plans on behalf of the College for the fiscal year ended June 30, 2015 were as follows:

Defined Benefit Retirement Plan Employer Contributions		
		Amount
Public Employees' Retirement System	$	883
Police and Firemen's Retirement System		236
Teachers' Pension and Annuity Fund		—
Total	$	1,119

The above contributions are recognized in the financial statements as deferred outflows of resources.

(e) Pension Amounts

Net pension liability amounts recorded within the College's financial statements are measured as of June 30, 2014. The College's proportion of the respective plans' net pension liability was based on the ratio of the employer contributions made related to the College's employees to the total contributions made by all participating State-group employers for the fiscal year ended June 30, 2014. Pension expense is recognized within the functional classifications in the statement of revenues, expenses and changes in net position.

Summary of Pension Amounts				
		PERS	PFRS	TPAF*
College proportionate share of the net pension liability	$	112,127	5,420	4,666
College proportion of the net pension liability - State group:				
2014		0.557%	0.153%	0.009%
2013		0.555%	0.134%	0.007%
College proportion of the net pension liability - Plan as a whole:				
2014		0.289%	0.031%	—%
2013		0.279%	0.025%	—%
Deferred outflows of resources		3,702	879	N/A
Deferred inflows of resources		3,403	134	N/A
Net pension expense		6,565	528	251

* TPAF meets the special funding situation criteria of GASB 68. The proportionate share of the net pension liability shown here is the portion of the State's net pension liability attributable to the College, and is 100% of the amount attributable to the College. The amount of pension expense disclosed is also recognized as revenue by the College.

Notes to the Financial Statements ($ in thousands)

Deferred Outflows of Resources from Pensions			
		PERS	PFRS
Changes in assumptions	$	2,473	110
Changes in proportion		346	533
Contributions paid to plan subsequent to measurement date**		883	236
Total	$	3,702	879

** The contributions paid to the plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in fiscal year 2016.

Deferred Inflows of Resources from Pensions			
		PERS	PFRS
Net difference between projected and actual investment earnings on pension plan investments	$	3,403	134
Total	$	3,403	134

The following table displays the net deferred outflows of resources and deferred inflows of resources that will be recognized in pension expense or that will be recognized as a reduction of the net pension liability:

Future Recognition of Net Deferred Outflows (Inflows) of Resources			
		PERS	PFRS
2016	$	(332)	91
2017		(332)	91
2018		(332)	91
2019		(332)	91
2020		516	124
Thereafter		228	21
Total deferrals recognized as pension expense		(584)	509
Deferred outflows recognized as a reduction to net pension liability		883	236
Net deferred outflows	$	299	745

Notes to the Financial Statements ($ in thousands)

(f) Defined Benefit Plan Assumptions

The College's net pension liability for each plan was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability for each plan was determined by an actuarial valuation as of July 1, 2013 rolled forward to June 30, 2014. The total pension liability for each plan was determined using the following actuarial assumptions, applied to all periods in the measurement:

Actuarial Methods and Assumptions			
	PERS	**PFRS**	**TPAF**
Valuation date	7/1/2013	7/1/2013	7/1/2013
Measurement date	6/30/2014	6/30/2014	6/30/2014
Inflation rate	3.01%	3.01%	2.50%
Salary increases:			
2012-2021	2.15% - 4.40% based on age	3.95% - 8.62% based on age	Varies based on experience
Thereafter	3.15% - 5.40% based on age	4.95% - 9.62% based on age	Varies based on experience
Investment rate of return	7.90%	7.90%	7.90%
Municipal bond rate:			
2014	4.29%	4.29%	4.29%
2013	4.63%	4.63%	4.63%
Discount rate:			
2014	5.39%	6.32%	4.68%
2013	5.55%	6.45%	4.95%
Experience study dates	7/1/2008 - 6/30/2011	7/1/2007 - 6/30/2010	7/1/2009 - 6/30/2012

Mortality rates for the PERS and PFRS were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one year for females) with adjustments for mortality improvements from the base year of 2012 for PERS and 2011 for PFRS based on Projection Scale AA.

Mortality rates for the TPAF were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus seven years to account for future mortality improvement.

Discount Rate

The discount rates in the above table used to measure the total pension liabilities for PERS, PFRS and TPAF, respectively, are single blended discount rates based on the long-term expected rate of return on investments of 7.90% and the municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively. The municipal bond rate is based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially recommended contributions for PERS and PFRS and based on the average of the last five years' contributions for TPAF. Based on those assumptions, the plans' fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033 for PERS, 2045 for PFRS and 2027 for TPAF. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033 for PERS, 2045 for PFRS and 2027 for TPAF and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability for each plan.

Long-term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and the Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

Notes to the Financial Statements ($ in thousands)

Target Asset Allocation and Long-Term Expected Rate of Return				
	PERS and PFRS		TPAF	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Cash	6.00%	0.80%	6.00%	0.50%
Core fixed income	N/A	N/A	0.00%	2.19%
Core bonds	1.00%	2.49%	1.00%	1.38%
Short-term bonds	N/A	N/A	0.00%	1.00%
Intermediate-term bonds	11.20%	2.26%	11.20%	2.60%
Long-term bonds	N/A	N/A	0.00%	3.23%
Mortgages	2.50%	2.17%	2.50%	2.84%
High yield bonds	5.50%	4.82%	5.50%	4.15%
Non-US fixed income	N/A	N/A	0.00%	1.41%
Inflation-indexed bonds	2.50%	3.51%	2.50%	1.30%
Broad US equities	25.90%	8.22%	25.90%	5.88%
Large cap US equities	N/A	N/A	0.00%	5.62%
Mid cap US equities	N/A	N/A	0.00%	6.39%
Small cap US equities	N/A	N/A	0.00%	7.39%
Developed foreign equities	12.70%	8.12%	12.70%	6.05%
Emerging market equities	6.50%	9.91%	6.50%	8.90%
Private equity	8.25%	13.02%	8.25%	9.15%
Hedge funds/absolute return	12.25%	4.92%	12.25%	3.85%
Real estate (property)	3.20%	5.80%	3.20%	4.43%
Real estate (REITS)	N/A	N/A	0.00%	5.58%
Commodities	2.50%	5.35%	2.50%	3.60%
Long credit bonds	N/A	N/A	0.00%	3.74%

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the College's proportionate share of the collective net pension liability for the PERS and PFRS as of June 30, 2014 calculated using the discount rate as disclosed above for each plan as well as what the College's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

Notes to the Financial Statements ($ in thousands)

Sensitivity of the Net Pension Liability			
Pension Plan	**1.0% decrease in discount rate**	**At current discount rate**	**1.0% increase in discount rate**
PERS	132,435	112,127	95,096
PFRS	6,553	5,420	4,487

(g) Alternate Benefit Program

The ABP currently provides the choice of seven investment carriers: Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA/CREF), VALIC, AXA Financial (Equitable), Met Life, MassMutual (formerly The Hartford), VOYA Financial Services and Prudential Retirement Services. The College assumes no liability for ABP members other than payment of contributions. A separate board of trustees administers ABP alternatives. The State and Social Security Law establishes participation eligibility as well as contributory and noncontributory requirements.

Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits vest after the completion of one year of service. Individually owned annuity contracts that provide for full ownership of retirement and survivor benefits are purchased at the time of vesting. Participating College employees contribute 5% of salary and may contribute a voluntary additional contribution up to the maximum Federal statutory limit, on a pretax basis. Employer contributions for the ABP are 8%. During the year ended June 30, 2015, ABP investment carriers received employer and employee contributions as follows:

ABP Employer and Employee Contributions		
		Amount
Employer contributions	$	4,693
Employee contributions		6,277
Participating employees' salaries		58,665

Employer contributions to the ABP are paid by the State and are reflected in the accompanying financial statements as nonoperating revenue under New Jersey State appropriations and as operating expenses in various functional expense categories.

(h) Supplemental Alternate Benefit Program

The plan is administered by the College. TIAA-CREF is the privately operated investment carrier for this defined contribution retirement plan. All contributions are made by the College with non-State funds. The plan is intended to qualify as a governmental plan that is a tax-sheltered annuity plan under section 403(b) of the Internal Revenue Code of 1986, as amended. It is also intended that the Plan be exempt from the Employee Retiree Income Security Act of 1974, as amended, pursuant to Department of Labor regulations section 2510.3-2(f). Each employee whose compensation exceeds the State limit on contributions for the ABP in a given year shall be eligible to participate in the plan and have employer contributions made on their behalf. The College will contribute 8% of the employee's compensation in excess of the State limit on compensation. The accumulated base salary limit during each calendar year is $141. There were no employee contributions during fiscal year 2015. The employer contributions made during fiscal year 2015 were $98.

(i) Post-employment Benefits Other Than Pension

In addition to providing pension benefits, the State provides certain health care and life insurance benefits for the College's retired employees. Full health coverage is provided to eligible employees retiring with 25 years of service credited on or before June 30, 1997 in one of the State of New Jersey's mandatory pension plans. Employees retiring with 25 years of service credit after June 30, 1997 may share in the cost of health care provided under the State Plan according to the terms specified in the appropriate bargaining unit agreement in effect at the time the employee reaches 25 years of credited service. The rules governing the contribution rate are the same as that for active employees. Since the costs of these programs are the responsibility of the State and the retired employees, the amounts are not available to the College and no expenses or liabilities for benefits are reflected in the College's financial statements.

(12) Compensated Absences

Payments for accumulated sick leave balances are made to retiring employees upon regular retirement. The payment is based on 50% of the sick leave accumulation at the pay rate in effect at the time of retirement up to a maximum of $15 per employee. Employees separating from College service prior to retirement are not entitled to payments for accumulated sick leave balances. Accordingly, the College recorded a liability for accumulated sick leave balances in the amount of $433 as of June 30, 2015, which is reflected in compensated absences in the accompanying financial statements.

The College is required to pay non-faculty employees for their accumulated vacation time upon their separation or retirement. The liability was $3,229 as of June 30, 2015, and is reflected in compensated absences in the accompanying financial statements.

The College is required to pay employees for their accumulated bank leave time upon their separation or retirement. As of June 30, 2015 a liability of $408 was included in compensated absences in the accompanying financial statements.

(13) Contingencies

The College is a party to various pending legal actions and other claims in the normal course of business. Management of the College is of the opinion that the outcome thereof will not have a material effect on its financial position based on legal representation letters obtained from outside counsel.

(14) Government Relations and Legal Fees

The New Jersey Higher Education Restructuring Act of 1994 requires the College to disclose the costs incurred associated with government and public relations and legal costs. During the year ended June 30, 2015, the College expended $340 for government and public relations, and $95 for legal fees.

Notes to the Financial Statements ($ in thousands)

(15) The College of New Jersey Foundation, Inc.

Component Unit

The College of New Jersey Foundation, Inc. (the Foundation) is a legally separate, tax-exempt component unit of the organization with a fiscal year end of June 30. The Foundation has received a determination letter from the Internal Revenue Service concluding that it is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation acts primarily as a fundraising entity to supplement the resources that are available to the College in support of its programs. Although the College does not control the timing or amount of receipts from the Foundation, the Foundation's assets are used exclusively for the benefit, support, and promotion of the College and its educational activities. The Foundation meets the criteria to be discretely presented in the College's financial statements. Complete financial statements for the Foundation can be obtained from the College at 2000 Pennington Road, Ewing, NJ 08628.

Investments

The Foundation has an investment policy, which establishes guidelines for permissible investments. The primary investment objective is to preserve and increase the value of endowment funds and maximize the long-term total rate of return on all invested assets while assuming a level of risk consistent with prudent investment practices for such funds. The Foundation may invest in obligations of the U.S. Government, certificates of deposit, money market funds, equities and stock funds, bonds and bond funds and alternative investments. Investments consist of the following as of June 30, 2015:

Foundation Investments

		Amount
Cash and cash equivalents	$	3,927
U.S. Treasury bills and notes and Government agencies		2,414
Corporate bonds		567
Equities		19,303
Mutual funds		4,704
Alternative investments		1,324
	$	32,239

The Foundation's investments are subject to various risks. Among these risks are credit risk and interest rate risk. Each one of these risks is discussed in more detail below.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt instrument is measured by nationally recognized statistical rating agencies such as Moody's Investors Service, Inc. (Moody's).

Notes to the Financial Statements ($ in thousands)

As of June 30, 2015, the Foundation's fixed income investments, which consist of U.S. Treasury bills and notes, U.S. Government agencies and corporate bonds, were rated as follows:

Foundation Fixed Income Investments Ratings

Rating		Total	U.S. Treasury bills and notes	U.S. Government agencies	Corporate bonds
Aaa	$	2,479	1,505	909	65
Aa1		30	—	—	30
Aa2		20	—	—	20
Aa3		23	—	—	23
A1		35	—	—	35
A2		86	—	—	86
A3		119	—	—	119
Baa1		103	—	—	103
Baa2		51	—	—	51
Baa3		24	—	—	24
Ba1		11	—	—	11
	$	2,981	1,505	909	567

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Foundation's investment policy provides limitations in the maturities of various types of investments. As of June 30, 2015, the Foundation's fixed income investments, which consist of U.S. Treasury bills and notes, U.S. Government agencies and corporate bonds, had maturity dates as follows:

Foundation Fixed Income Investments Maturity

Maturing in years		Total	U.S. Treasury bills and notes	U.S. Government agencies	Corporate bonds
Less than 1	$	146	97	49	—
1 – 5		896	551	88	257
6 – 10		923	687	12	224
Greater than 10		1,016	170	760	86
	$	2,981	1,505	909	567

(16) Risk Management

The College is exposed to various risks of loss. The College purchased and funds property and casualty insurances through a joint insurance program with the nine State of New Jersey Public Colleges and Universities. The College's risk management program involves insurance for all property risk in the joint insurance program and all liability risk and employee benefit exposures are self-funded programs maintained and administered by the State of New Jersey (including tort liability, auto liability, trustees and officers liability, workers' compensation, unemployment, temporary and long term disability, unemployment liability, life insurance and employee retirement programs).

Buildings, plants, and equipment and lost revenue are fully insured on an all risk replacement basis to the extent that losses exceed $100 per occurrence with a per occurrence limit of $1,500,000. Commercial crime insurance coverage provides money and securities coverage for an actual loss in excess of $75 with a per loss limit of $5,000. In addition to the insurance purchased and maintained through the consortium, the College maintains two additional policies. The first is a student blanket professional liability insurance policy with a limit of $2,000 per claim and a $5,000 aggregate. The second is a museum collection and temporary loans policy with a $500 limit.

As an instrumentality of the State of New Jersey the liability of the College is subject to all of the provisions of the New Jersey Tort Claims Act (NJSA 59:1-1 et seq.), the New Jersey Contractual Liability Act (NJSA 59:13-1 et seq.), and the availability of appropriations. The Tort Claims Act also creates a fund and provides for payment of claims under the Act against the State of New Jersey or against its employees for which the State of New Jersey is obligated to indemnify against tort claims, which arise out of the performance of their duties.

All insurance policies are renewed on an annual basis. All of the State of New Jersey self-funded programs are statutory with an annual appropriation provided by the legislature. There has been no decrease in insurance coverage during the current year. There have been no settlements in excess of insurance coverage in the past three years.

(17) Campus Town Development

The College is participating in a public-private partnership with a private real estate corporation to develop approximately 13 acres of land adjacent to the College into a mixed use retail/student housing complex. This project, called Campus Town, which is projected to cost approximately $85 million for Phase One, was made possible pursuant to the provisions of the New Jersey Economic Stimulus Act of 2009. In February 2015, the College and the developer agreed to expand the project to include two additional residential buildings in Phase Two of the project. The partnership has been structured to include no direct financial obligation of the College to support the project. Planning, design, construction, operation, preventative maintenance and capital renewal of the project are all borne by the developer.

The Ground Lease for Campus Town was executed by all parties at closing on April 4, 2014. The term of the Ground Lease is 50 years and the Developer agrees to make Basic Rent payments of $400,000 on the rent commencement date (earlier of first day of twenty-fifth calendar month following month in which the initial Certificate of Occupancy date occurs or in which the Outside Completion date occurs) in accordance with the lease agreement, increasing by an Additional Applicable Increase Rent of $25,000 annually for the duration of the Ground Lease term. In addition to the Basic and Applicable Increase Rent, after the seventh year of the lease, the Developer will also pay Supplemental Rent in accordance with the lease agreement. The developer will set rental rates for the student housing units and the College will treat this similarly to other off-campus housing it does not own and manage. There were no rental payments by the developer during fiscal year 2015. The College will not be providing any financial assistance to the developer. Upon expiration of the lease term the premises will revert to the College.

Phase One of the project opened on schedule for student housing in August 2015 for the fall semester of 2015. Phase Two of the project is in the midst of construction, is on schedule and is expected to open for student housing in August 2016 for the fall semester of 2016. Bond rating agencies do not include any Campus Town debt in their calculations of the College's debt burden given the state's legislation prohibiting the College from financing any portion of Campus Town, or being financially obligated.

The College entered into an agreement on April 4, 2014 to lease a space from the Developer to operate a fitness center on the Campus Town premises. The lease term is 10 years beginning August 2015 with two options to renew for an additional five years. The Base Rent for year one is $195,500 annually plus Additional Rent equal to the College's percentage of the cost of expenses as included in the lease agreement. Future years' Base Rent will also increase in accordance with the lease agreement. Rental payments do not begin until either Possession Date or Rent Commencement Date occurs in accordance with the lease agreement. There were no rental payments by the College during fiscal year 2015.

Under the fitness center lease agreement, the College is responsible for the capital tenant improvements to prepare the leased property for its intended use. As of June 30, 2015, $108 of capital construction costs have been incurred and were recorded as construction in progress in the statement of net position. The cost of these leasehold improvements will be depreciated on a straight-line basis over the 10 year term of the lease agreement upon completion.

On July 7, 2015, the College Board of Trustees executed an agreement with the Board of Directors of the Corporation whereby the College will provide $250,000 to the Corporation for reimbursement of the fit-out and tenant improvement costs for the College bookstore in Campus Town. Additionally, the agreement stipulates that the commission payments made by Barnes & Noble to the Corporation, net of certain operating costs and reimbursement of fit-out and tenant improvement costs estimated in the aggregate to be $1,085 during the first five years of the Barnes & Noble agreement will be transferred to the College.

(18) Subsequent Event

In August 2015, the New Jersey Educational Facilities Authority issued tax-exempt Series 2015 G Revenue Refunding Bonds to advance refund a portion of the Series 2008 D bonds and pay certain costs incidental to the issuance and sale of the Series 2015 G bonds. The serial bonds totaling $114,525 carry coupon rates ranging from 3.25% to 5.00% and mature through July 1, 2031. The bonds were issued with a premium of $11,086 and the College incurred $662 in bond issue cost which will be expensed in fiscal year 2016. This advance refunding achieved $3,781 in present value savings on the debt service with no extension of bond maturities.

The College of New Jersey

Schedules of Proportionate Share of the Net Pension Liability

(Unaudited)

June 30, 2015

(In thousands)

Public Employees' Retirement System

		2015
College proportion of the net pension liability - State group		0.557%
College proportion of the net pension liability - Plan as a whole		0.289%
College proportionate share of the net pension liability	$	112,127
College covered-employee payroll (for the year ended as of the measurement date)		25,380
College proportionate share of the net pension liability as a percentage of the employee covered-payroll		441.79%
Plan fiduciary net position as a percentage of the total pension liability		42.74%

Police and Firemen's Retirement System

		2015
College proportion of the net pension liability - State group		0.153%
College proportion of the net pension liability - Plan as a whole		0.031%
College proportionate share of the net pension liability	$	5,420
College covered-employee payroll (for the year ended as of the measurement date)		822
College proportionate share of the net pension liability as a percentage of the employee covered-payroll		659.37%
Plan fiduciary net position as a percentage of the total pension liability		58.86%

Teachers' Pension and Annuity Fund

		2015
College proportion of the net pension liability		0.000%
College proportionate share of the net pension liability	$	—
State's proportionate share of the net pension liability associated with the College		4,666
Total net pension liability		4,666
College covered-employee payroll (for the year ended as of the measurement date)		122
College proportionate share of the net pension liability as a percentage of the employee covered-payroll		3824.59%
Plan fiduciary net position as a percentage of the total pension liability		33.64%

See accompanying independent auditors’ report.

The College of New Jersey

Schedules of Employer Contributions

(Unaudited)

June 30, 2015

(in thousands)

Public Employees' Retirement System

		2015
Contractually required contribution (amount provided by the State of New Jersey)	$	883
Contributions in relation to the contractually required contribution (amount provided by the State of New Jersey)		883
Contribution deficiency (excess)	$	—
College covered-employee payroll (as of the fiscal year end)	$	26,126
Contributions as a percentage of covered-employee payroll		3.38%

Police and Firemen's Retirement System

		2015
Contractually required contribution (amount provided by the State of New Jersey)	$	236
Contributions in relation to the contractually required contribution (amount provided by the State of New Jersey)		236
Contribution deficiency (excess)	$	—
College covered-employee payroll (as of the fiscal year end)	$	598
Contributions as a percentage of employee covered payroll		39.46%

See accompanying independent auditors’ report.