



THE COLLEGE OF NEW JERSEY FOUNDATION, INC.
(A Component Unit of The College of New Jersey)

Financial Statements and
Management's Discussion and Analysis

June 30, 2005 and 2004

(With Independent Auditors' Report Thereon)

THE COLLEGE OF NEW JERSEY FOUNDATION, INC.
(A Component Unit of The College of New Jersey)

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THE COLLEGE OF NEW JERSEY FOUNDATION, INC.
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Management's Discussion and Analysis

June 30, 2005 and 2004

OVERVIEW OF FINANCIAL STATEMENTS AND FINANCIAL ANALYSIS

This section of The College of New Jersey Foundation, Inc, (the Foundation) annual financial report presents management's discussion and analysis of the Foundation's financial performance during the fiscal years ended June 30, 2005 and 2004. Since the management's discussion and analysis is designed to focus on current activities, resulting change and currently known facts, it should be read in conjunction with the Foundation's financial statements and the related footnote disclosures. The financial statements, footnote disclosures and this discussion are the responsibility of management.

USING THE FINANCIAL STATEMENTS

The Foundation's financial report includes three financial statements, the statement of net assets, the statement of revenues, expenses, and changes in net assets and the statement of cash flows. These financial statements are prepared in accordance with U.S. generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). GASB Statement No. 35 establishes standards for external financial reporting for public colleges and universities, with resources classified for accounting and reporting purposes into four net asset categories. The financial statements presented focus on the financial condition of the Foundation, the result of operations, and cash flows of the Foundation as a whole.

STATEMENT OF NET ASSETS

The statement of net assets presents the financial position of the Foundation as of the end of the fiscal year. The purpose of the statement of net assets is to present to the readers of the financial statements a fiscal snapshot of the Foundation.

Assets that the Foundation holds are primarily measured at fair value. Assets are categorized as either current or noncurrent. Liabilities are what the Foundation owes to others and are also categorized as either current or noncurrent.

The change in net assets - the difference between total assets and total liabilities is one indicator of whether the overall financial condition of the Foundation has improved or worsened during the fiscal year.

The Foundation's net assets are divided into two major categories. Restricted net assets are categorized as either nonexpendable or expendable and are available to the Foundation, but must be used for purposes as determined by donors and/or external entities. Restricted nonexpendable net assets represent the historical gift value, which donors required to be invested in perpetuity. Restricted expendable net assets include amounts committed for such things as scholarships and gift annuity payments. Finally, unrestricted net assets include amounts internally designated or committed to support specific academic and research programs, and unrestricted funds functioning as endowments.

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The following table shows a condensed statement of net assets as of June 30, 2005, 2004 and 2003:

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Assets			
Current assets	\$ 1,456,775	3,627,518	2,027,186
Noncurrent assets	5,843,643	4,271,807	3,945,164
Total assets	<u>7,300,418</u>	<u>7,899,325</u>	<u>5,972,350</u>
Liabilities			
Current liabilities	-	905,270	405,350
Net Assets			
Restricted – nonexpendable	2,262,204	2,200,952	1,301,524
Restricted – expendable	4,014,215	3,755,987	2,697,992
Unrestricted	<u>1,023,999</u>	<u>1,037,116</u>	<u>1,567,484</u>
Total Net Assets	<u>\$ 7,300,418</u>	<u>6,994,055</u>	<u>5,567,000</u>

Endowments

Endowment gifts make it possible to maintain perpetual support for student scholarships and fellowships given by The College of New Jersey (the College). Only a portion of the endowment earnings are expended annually with the balance reinvested to protect the principal.

The Foundation utilizes the pooled investment concept whereby all invested funds are included in various investment pools, except for investments of certain funds that are otherwise restricted. The primary 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. The asset mix is structured to provide both current income and growth of principal with an acceptable level of risk. The asset mix of the pooled investments was 55.6% equity, 11.4% mutual funds, 27.2% fixed income, and 5.8% cash and cash equivalents as of June 30, 2005.

Two new endowments were established during fiscal year 2005, in-addition to two other large gifts that were added to existing endowment funds. Included was a gift of \$26,000, that will be used to provide funding for scholarships for full time students majoring in Health and Exercise Science who are enrolled at the College. To be eligible, a student must demonstrate academic merit as well as a need for financial assistance to continue their education at the College. Of this amount, \$25,000 was designated by the donor as a permanent endowment.

The other endowment was a memorial fund created for the purpose of providing programmatic support for the Spiritual Center and to establish the naming of the Spiritual Center's Meditation Chapel. An amount of \$20,000 was designated as permanent endowment.

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The Foundation also received three large gifts that were added to existing endowment funds. Included was an amount of \$74,000 representing the remainder of a bequest that was received in the previous fiscal year. This will be used to provide funding for scholarships for full time students from Lawrence Township, New Jersey who are enrolled at the College. To be eligible, a student must demonstrate academic merit as well as a need for financial assistance.

Another gift of approximately \$14,000 will be used in to provide funding for awards for full time students majoring in Music at the College. To be eligible, a student must demonstrate high academic and performance achievement within the discipline of classical music. Finally, a gift of \$14,000 will be used to provide funding for awards that will recognize excellence in expository writing to either full-time or part -time students enrolled at the College.

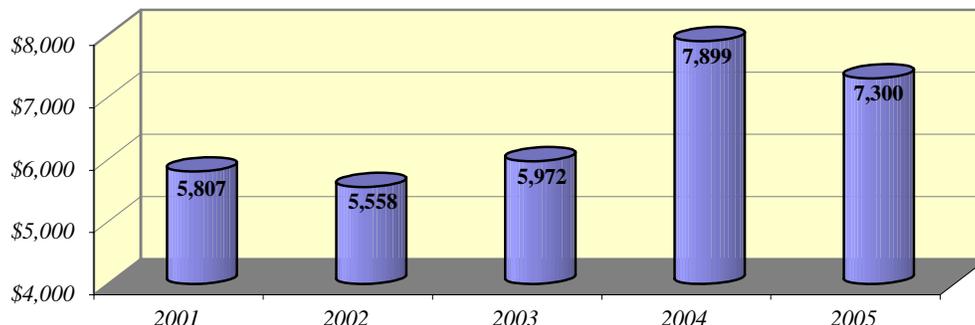
During fiscal year 2004, the Foundation received three major new gifts totaling \$1,277,000. Portions of these gifts were used to establish permanent endowment funds. Included was a bequest of \$510,000 that will be used to provide funding for scholarships for full time students from Lawrence Township, New Jersey who are enrolled at the College. To be eligible, a student must demonstrate academic merit as well as a need for financial assistance. Of this amount, \$385,000 was designated by the donor as a permanent endowment.

Another bequest of approximately \$467,000 will be used in part to provide financial support for an annual academic innovation award for departments and academic programs at the College and annual funding for scholarships. Of this amount, \$200,000 was designated by the donor as a permanent endowment.

Finally, a gift of \$300,000 will be used to provide funding for scholarships for full time nursing students who are enrolled at the College. To be eligible, a student must demonstrate academic merit as well as a need for financial assistance to continue their education at the College. Of this amount, \$250,000 was designated by the donor as a permanent endowment.

As of June 30, 2005, the Foundation's assets, which primarily consist of investments and cash and cash equivalents totaled \$7,300,418. The chart below illustrates the total assets for the five year period ending June 30, 2005.

The College of New Jersey Foundation, Inc. Assets
(amounts in thousands)

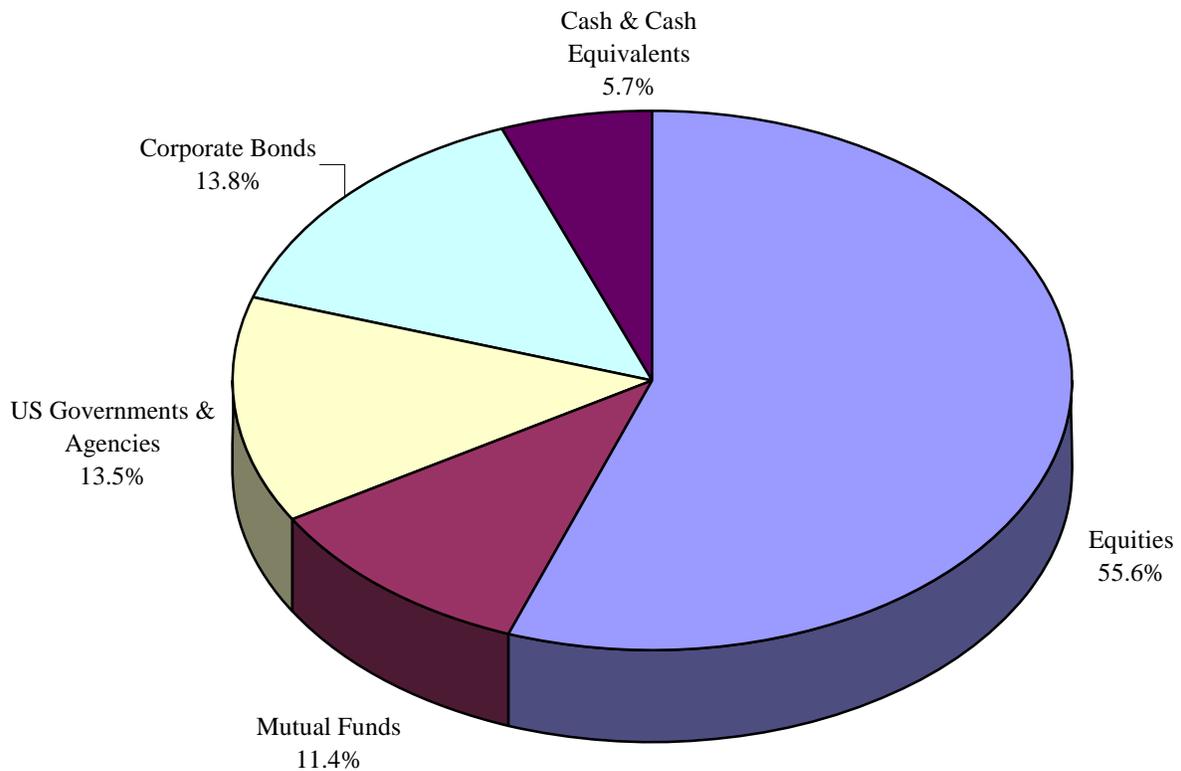


THE COLLEGE OF NEW JERSEY FOUNDATION, INC.
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Management's Discussion and Analysis

June 30, 2005 and 2004

Below is a graphical illustration of investments by asset allocation as of June 30, 2005.



INVESTMENT ALLOCATION

<u>Asset Allocation</u>	<u>Balance</u>	<u>Percentage</u>
Equities	\$ 3,840,092	55.6%
Mutual Funds	785,593	11.4%
US Governments & Agencies	934,629	13.5%
Corporate Bonds	945,214	13.8%
Cash & Cash Equivalents	397,057	5.7%
TOTAL INVESTMENTS	<u>\$ 6,902,585</u>	<u>100.0%</u>

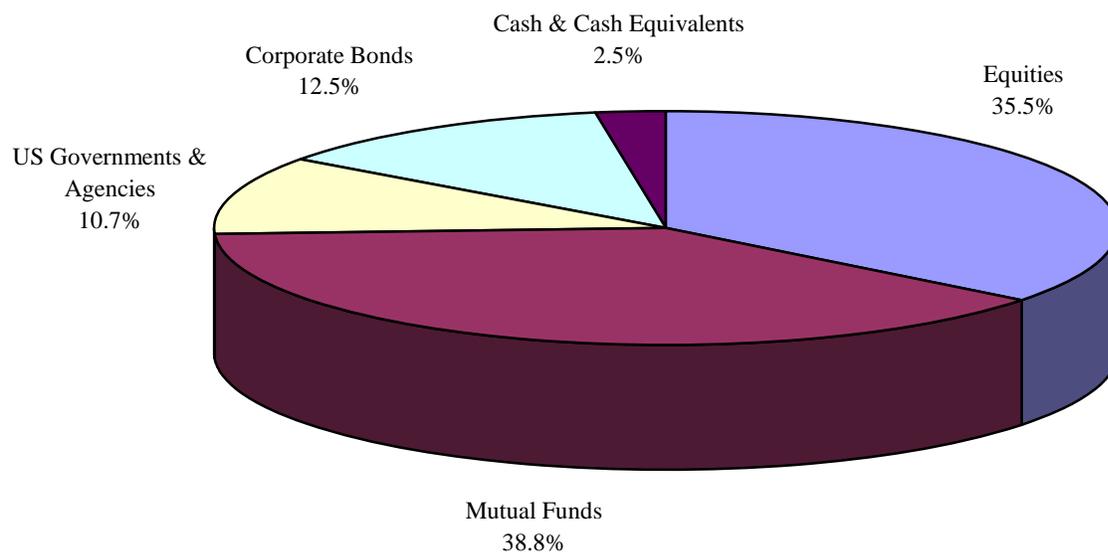
THE COLLEGE OF NEW JERSEY FOUNDATION, INC.

(A Component Unit of The College of New Jersey)

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June 30, 2005 and 2004

Below is a graphical illustration of investments by asset allocation as of June 30, 2004.



INVESTMENT ALLOCATION

<u>Asset Allocation</u>	<u>Balance</u>	<u>Percentage</u>
Equities	\$ 2,536,493	35.5%
Mutual Funds	2,770,546	38.8%
US Governments & Agencies	762,034	10.7%
Corporate Bonds	898,280	12.5%
Cash & Cash Equivalents	179,270	2.5%
TOTAL INVESTMENTS	<u>\$ 7,146,623</u>	<u>100.0%</u>

THE COLLEGE OF NEW JERSEY FOUNDATION, INC.
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Management's Discussion and Analysis

June 30, 2005 and 2004

Assets

Cash and Cash Equivalents

During fiscal year 2005, the Foundation's cash and cash equivalents decreased by \$314,066 or 49.4 % due primarily to transfers totaling \$1.9 million to the College to satisfy the liability as of June 30, 2004 plus the Foundation board approved \$1 million to support the College's scholarship program in fiscal year 2005. This decrease was offset by cash receipts from contributions totaling approximately \$1.6 million.

During fiscal year 2004, cash and cash equivalents decreased \$397,895, or 38.5%. It is the policy of the Foundation to invest any excess cash with its investment managers. In fiscal year 2004, the cash receipts totaled \$2.6 million. Of this amount, \$1.8 million was invested with various investment managers and \$1.2 million was disbursed for scholarships and program services expenses and to satisfy its current liabilities as of June 30, 2003.

Investments

In fiscal year 2005, the Foundation liquidated \$700,000 from its short term investments to satisfy the commitment made by its board of trustees to the College's scholarship program. The net decrease of \$244,038 or 3.4% was offset by investment income and fair value appreciation net of investment manager fees.

During fiscal year 2004, investments increased by \$2.3 million or 47.6%. The increase in investments can be primarily attributed to the appreciation in the fair value coupled with investment income and the \$1.8 million transferred from cash and cash equivalents.

Liabilities

Current Liabilities

In fiscal year 2005, the current liabilities decreased by \$905,270 or 100.0%. This resulted from the Foundation transferring cash to the College to satisfy its commitment to the fiscal year 2004 scholarship program.

During fiscal year 2004, the Foundation's current liabilities increased by \$499,920. The board of trustees of the Foundation approved \$900,000 be transferred to the College to support the College's scholarship program. The increase in current liabilities was due to the fact that as of June 30, 2004, the \$900,000 had not yet been transferred to the College.

Current Ratio

The Foundation's current ratio measures its ability to satisfy current obligations as they come due. As of the end of fiscal year 2005 there were no liabilities and as of June 30, 2004, the current ratio was 4:1. This indicates that the Foundation's current assets of \$3,627,518 were sufficient to cover its current liabilities of \$905,270.

THE COLLEGE OF NEW JERSEY FOUNDATION, INC.

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Net Assets

Nonexpendable Net Assets

During fiscal years 2005 and 2004, nonexpendable net assets increased by \$61,252 or 2.8% and \$899,428, or 69.1%, respectively. These increases can be attributed to some large endowment gifts and bequests received during the years that were earmarked to be permanently restricted.

Expendable Net Assets

Expendable net assets increased by \$258,228 or 6.9% and \$1,057,995 or 39.2%, in fiscal years 2005 and 2004, respectively. The increases were primarily attributed to the Foundation's receipt of more gifts during both fiscal years that were designated as temporarily restricted and therefore classified as expendable.

Unrestricted Net Assets

In fiscal year 2005, unrestricted net assets remained relatively stable while in the previous fiscal year it decreased by \$530,368 or 33.8%. This decrease was mainly due to the funding of scholarships and payment of other operating expenses.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

The statement of revenues, expenses, and changes in net assets presents the revenues earned and the expenses incurred by the Foundation during the fiscal year. Activities are reported as either operating or nonoperating. Generally speaking, operating revenues are earned in exchange for providing goods and services and operating expenses are incurred in the normal operation of the Foundation.

The following table shows a condensed statement of revenues, expenses, and changes in net assets for the years ended June 30, 2005, 2004 and 2003:

	2005	2004	2003
Operating revenues	\$ 1,516,864	1,720,797	1,167,810
Operating expenses	708,735	720,266	390,399
Operating income	808,129	1,000,531	777,411
Nonoperating revenues (expenses), net	(501,766)	426,524	(304,446)
Increase in net assets	306,363	1,427,055	472,965
Net assets as of beginning of year	6,994,055	5,567,000	5,094,035
Net assets as of end of year	\$ 7,300,418	6,994,055	5,567,000

THE COLLEGE OF NEW JERSEY FOUNDATION, INC.

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Management's Discussion and Analysis

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Operating Revenues

The Foundation's main source of revenue is contributions. Under GASB 34 and 35, unrestricted and restricted contributions are reflected as operating revenue. Even though the Foundation had a successful fund raising campaign in fiscal year 2005, the total contributions were down when compared to the previous fiscal year. This was primarily due to the fact that some very large bequests were received in fiscal year 2004.

The operating revenue rose significantly during fiscal year 2004. The increase of \$552,987 or 47.4% was primarily due to a successful fund raising campaign, coupled with the receipt of a number of large bequests, portions of which were designated by the donor as restricted.

Operating Expenses

Scholarships and awards remained relatively stable during fiscal year 2005. During fiscal year 2004 scholarships and awards increased by \$106,226 or 53.6% primarily due to the increased support by the Alfred Harcourt Foundation, the Ralston Scholarship Fund and the Carl and Helen Banks Memorial Scholarship Fund.

Program services expense decreased in fiscal year 2005 by \$31,952 and increased by \$223,641 in fiscal year 2004. In fiscal year 2004, the Foundation incurred significant non-recurring expenses in support of the Sesquicentennial activities. Program services also includes fundraising events expense, membership dues plus investment manager fees.

Net Nonoperating Revenues (Expenses)

In fiscal year 2005, nonoperating expenses (net) totaled \$501,766. Of this amount, nonoperating revenues totaled \$557,872, which were comprised of \$41,181 in endowment gifts and \$516,691 of investment income and investment fair value appreciation. The total nonoperating expenses of \$1,059,638 included contributions to College for scholarship support and restricted funds.

During fiscal year 2004, nonoperating revenues (net) totaled \$426,524. Of this amount, nonoperating revenues totaled \$1,405,034, which were comprised of \$899,428 in permanently restricted endowment gifts and \$505,606 of investment income and investment fair value appreciation. The total nonoperating expenses of \$978,510 included contributions of \$900,000 to the College for scholarship support plus \$66,572 to fund private grants expenditures.



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Independent Auditors' Report

The Board of Trustees
The College of New Jersey Foundation, Inc.:

We have audited the accompanying basic financial statements of The College of New Jersey Foundation, Inc. (the Foundation), a component unit of The College of New Jersey, as of and for the years ended June 30, 2005 and 2004, as listed in the table of contents. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The College of New Jersey Foundation, Inc. as of June 30, 2005 and 2004, and the changes in its financial position and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

The management's discussion and analysis on pages 1 through 8 is not a required part of the basic financial statements but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

KPMG LLP

September 16, 2005

THE COLLEGE OF NEW JERSEY FOUNDATION, INC.
(A Component Unit of The College of New Jersey)

Statements of Net Assets

June 30, 2005 and 2004

Assets	2005	2004
Current assets:		
Cash and cash equivalents	\$ 321,766	635,832
Investments (note 3)	1,133,942	2,949,816
Miscellaneous receivables	1,067	41,870
Total current assets	1,456,775	3,627,518
Noncurrent assets:		
Investments (note 3)	5,768,643	4,196,807
Refundable deposits	75,000	75,000
Total noncurrent assets	5,843,643	4,271,807
Total assets	7,300,418	7,899,325
Liabilities		
Current liabilities:		
Due to The College of New Jersey (note 4)	—	905,270
Total liabilities	—	905,270
Net Assets		
Restricted:		
Nonexpendable:		
Scholarships	2,262,204	2,200,952
Expendable:		
Scholarships	3,223,192	3,026,550
Research	157,377	77,133
Gift annuities	229,750	241,244
Other	403,896	411,060
Unrestricted	1,023,999	1,037,116
Total net assets	\$ 7,300,418	6,994,055

See accompanying notes to financial statements.

THE COLLEGE OF NEW JERSEY FOUNDATION, INC.

(A Component Unit of The College of New Jersey)

Statements of Revenues, Expenses, and Changes in Net Assets

Years ended June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Operating revenues:		
Contributions	\$ 1,516,864	1,720,797
Total operating revenues	<u>1,516,864</u>	<u>1,720,797</u>
Operating expenses:		
Scholarships and awards	324,775	304,354
Program services	383,960	415,912
Total operating expenses	<u>708,735</u>	<u>720,266</u>
Operating income	<u>808,129</u>	<u>1,000,531</u>
Nonoperating revenues (expenses):		
Contributions	41,181	899,428
Investment income	256,926	157,516
Increase in fair value of investments	259,765	348,090
Payments to annuitants	(11,712)	(11,938)
Scholarships and restricted funds contributed to The College of New Jersey (note 4)	<u>(1,047,926)</u>	<u>(966,572)</u>
Net nonoperating revenues (expenses), net	<u>(501,766)</u>	<u>426,524</u>
Increase in net assets	306,363	1,427,055
Net assets as of beginning of year	<u>6,994,055</u>	<u>5,567,000</u>
Net assets as of end of year	<u>\$ 7,300,418</u>	<u>6,994,055</u>

See accompanying notes to financial statements.

THE COLLEGE OF NEW JERSEY FOUNDATION, INC.
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Statements of Cash Flows

Years ended June 30, 2005 and 2004

	2005	2004
Cash flows from operating activities:		
Contributions	\$ 1,557,667	1,699,190
Scholarships and awards	(324,775)	(304,354)
Program services	(383,960)	(415,912)
Net cash provided by operating activities	848,932	978,924
Cash flows from noncapital financing activities:		
Contributions	41,181	899,428
Scholarships and restricted funds contributed to The College of New Jersey	(1,952,851)	(471,922)
Net cash provided (used) by noncapital financing activities	(1,911,670)	427,506
Cash flows from investing activities:		
Interest income	4,952	6,576
Purchases of securities	(1,063,583)	(3,486,485)
Proceeds from sale of securities	1,819,015	1,687,522
Payments to annuitants	(11,712)	(11,938)
Net cash provided (used) by investing activities	748,672	(1,804,325)
Net decrease in cash and cash equivalents	(314,066)	(397,895)
Cash and cash equivalents as of beginning of year	635,832	1,033,727
Cash and cash equivalents as of end of year	\$ 321,766	635,832
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 808,129	1,000,531
Adjustments to reconcile operating income to net cash provided by operating activities:		
Changes in assets:		
Miscellaneous receivables	40,803	(21,607)
Net cash provided by operating activities	\$ 848,932	978,924

See accompanying notes to financial statements.

THE COLLEGE OF NEW JERSEY FOUNDATION, INC.
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Notes to Financial Statements

June 30, 2005 and 2004

(1) Organization

The College of New Jersey Foundation, Inc. (the Foundation) is a not-for-profit organization exempt from income tax under IRS Code 501(c)(3). The Foundation's objective is to obtain private funding to enhance the educational goals of The College of New Jersey (the College).

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accounting policies of the Foundation conform to accounting principles generally accepted in the United States of America as applicable to colleges and universities. The Foundation financial statements are based on all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as applicable Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Review Board of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

GASB Statement No. 35 establishes standards for external financial reporting for public colleges and universities and requires that a statement of cash flows be prepared using the direct method and that resources be classified for accounting and reporting purposes into the following net asset categories:

• **Restricted:**

Nonexpendable – Net assets subject to externally imposed stipulations that must be maintained permanently by the Foundation.

Expendable – Net assets whose use by the Foundation are subject to externally-imposed stipulations that can be fulfilled by actions of the Foundation pursuant to the stipulations or that expire by the passage of time.

- **Unrestricted:** Net assets that are not subject to externally-imposed stipulations and may be designated for specific purposes by action of the board of trustees or may otherwise be limited by contractual agreements with outside parties.

(b) Measurement Focus and Basis of Accounting

The accompanying financial statements of the Foundation have been prepared on the accrual basis of accounting using the economic resources measurement focus.

(c) Cash and Cash Equivalents

Cash and cash equivalents consist of investments with the New Jersey State Cash Management Fund and Wachovia Bank. The New Jersey State Cash Management Fund is combined into a large-scale investment program with amounts contributed by other state entities. These investments consist primarily of U.S. Treasury securities. All highly liquid investments purchased with an original maturity of three months or less are considered to be cash equivalents.

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Notes to Financial Statements

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(d) Investments

Investments are reflected at fair value, which is based on quoted market price. Purchases and sales of investments are accounted for on the trade date basis. Investment income is recorded on an accrual basis.

Effective July 1, 2004, the Foundation adopted Statement No. 40 of the Governmental Accounting Standards Board (GASB) "Deposit and Investment Risk Disclosures", an amendment of GASB Statement No. 3. This Statement establishes and modifies disclosure requirements related to investment and deposit risks. Comparative information as of June 30, 2004 is not presented in the accompanying notes to the financial statements.

(e) Contributions

Contributions are generally recorded upon their donation to the Foundation. Additions to permanent endowments are recorded upon receipt.

(f) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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) 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 United States Government, certificates of deposit, money market funds, equities and stock funds and bonds and bond funds. Investments consist of the following as of June 30, 2005 and 2004:

	2005	2004
Equities	\$ 3,840,092	2,536,493
Mutual funds	785,593	2,770,546
U.S. Treasury bills and notes and Government agencies	934,629	762,034
Corporate bonds	945,214	898,280
Cash and cash equivalents	397,057	179,270
Total	\$ 6,902,585	7,146,623

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June 30, 2005 and 2004

The Foundation's investments are subject to various risks. Among these risks are credit risk, concentration of credit risk and interest rate risk. Each one of these risks are 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, 2005, 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:

<u>Rating</u>	<u>Total</u>	<u>U.S. Treasury bills and notes</u>	<u>U.S. Government agencies</u>	<u>Corporate bonds</u>
A	\$ 1,056,373	741,457	193,172	121,744
Aa1	70,747	—	—	70,747
Aa2	107,813	—	—	107,813
Aa3	173,315	—	—	173,315
A	13,068	—	—	13,068
A1	220,725	—	—	220,725
A2	142,092	—	—	142,092
A3	25,855	—	—	25,855
Baa2	69,855	—	—	69,855
	<u>\$ 1,879,843</u>	<u>741,457</u>	<u>193,172</u>	<u>945,214</u>

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, 2005, 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:

<u>Maturing in years</u>	<u>Total</u>	<u>U.S. Treasury bills and notes</u>	<u>U.S. Government agencies</u>	<u>Corporate bonds</u>
Less than 1	\$ 122,353	75,850	46,503	—
1 - 5	1,052,724	384,554	125,588	542,582
6 - 10	623,086	212,876	21,081	389,129
Greater than 10	81,680	68,177	—	13,503
Total	<u>\$ 1,879,843</u>	<u>741,457</u>	<u>193,172</u>	<u>945,214</u>

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Notes to Financial Statements

June 30, 2005 and 2004

(4) Transactions with Affiliates

The Foundation has approved net contributions to the College for support of scholarships, restricted funds and library acquisitions of \$1,047,926 and \$966,572 during fiscal years 2005 and 2004, respectively. Annually, the board of trustees of the Foundation approves the amount to be transferred to the College. The following table shows the net contributions to the College for fiscal years 2005 and 2004:

	<u>2005</u>	<u>2004</u>
Scholarship support	\$ 1,000,000	900,000
Restricted funds (net)	<u>47,926</u>	<u>66,572</u>
Net transfers to the College	\$ <u>1,047,926</u>	<u>966,572</u>

As of June 30, 2004 the net payable of \$905,270 was due from the Foundation to the College for items such as those discussed above.