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, 2009 and 2008

(With Independent Auditors' Report Thereon)

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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, 2009 and 2008. Since the management's discussion and analysis are designed to focus on current activities, resulting change, and currently known facts, they 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.

Fund-raising Highlights for Fiscal Year 2009

Alumni and friends continue to show their support for The College of New Jersey (TCNJ or the College) through generous gifts, advocacy, and attendance at alumni events. Their financial contribution provides student scholarships, learning opportunities, program enhancements, and more.

During fiscal year 2009, the Foundation's fund-raising activities yielded $3,700,000. The alumni contributions totaling approximately $1,100,000 were up modestly from the previous year, and marked the third consecutive year that alumni dollars either reached or approached the $1 million level.

A few other highlights from this fund-raising year include:

- Gift receipts of $194,000 as a final payment on a $500,000 pledge for the School of Education Scholarship Endowment Fund.
- A contribution of $150,000 was designated as an endowment to support talent scholarships for students in the School of Arts and Communication.
- Another gift of $150,000 was designated as endowment to support travel expenses in connection with scholarly endeavors for students in the School of Business.
- A gift receipt of $250,000 toward a newly acquired $750,000 pledge for the School of Nursing, Heath and Exercise Science Scholarship Endowment Fund for nursing students. This gift, with the first $150,000, established the beginning of a $450,000 endowment for the scholarships. The remaining $100,000 was used to fund scholarships currently.
- A bequest of $113,000 that was added to an existing School of Education Scholarship Endowment Fund.
- A generous pledge of $125,000 established an endowment scholarship fund to provide need-based scholarships to students with strong academic potential.
- Donated artwork collection valued at $270,000 for the School of the Arts & Communication.

(continued)

Endowments

Endowments provide a lasting legacy for TCNJ and the Foundation because these gifts make it possible to maintain perpetual support for student scholarships and provide annual distribution to support a variety of activities of the College. The spending policy of the Foundation is intended to achieve a balance between the need to preserve the purchasing power of the endowment principal in perpetuity and the need to maximize current distribution of endowment earnings. Fulfilling these dual objectives is often referred to as achieving "intergenerational equity," in which no generation of TCNJ students is advantaged or disadvantaged in relation to other generations.

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 endowment portfolio is managed with a philosophy of diversifying investment across asset classes and investment managers to maximize long term performance, reduce volatility, and control risks. The Foundation invests the funds with the confidence that economic cycles will rise and fall but that a diversified portfolio will provide the long-term growth necessary to preserve the value of the endowments over the long term.

During fiscal year 2009, the Foundation had endowment pledges totaling $1,650,000 to be funded over the next one to three years. At the end of the fiscal year, the total receipts on these pledges were $1,047,000 and the outstanding balances of $603,000 have not been included in the accompanying statements of net assets. A pledge in the amount of $750,000 was received for the School of Nursing, Health and Exercise Science Scholarship Endowment. A second pledge in the amount of $500,000 was used to establish an endowed scholarship fund to support students in the School of Education. The third pledge of $250,000 was used to establish a permanent endowment in support of music scholarships within the School of Arts and Communication. Two additional pledges totaling $150,000 were used to establish an endowment scholarship fund to provide need-based scholarships to students with strong academic potential.

A gift of $386,000 was received in fiscal year 2009, of which $300,000 was designated by the donor to establish two new endowment funds to support talent scholarships and students travel expenses for scholarly endeavors. During fiscal year 2009, a bequest in the amount of $113,000 was received to be added to an existing endowment fund. The earnings from this fund will be used to provide funding for scholarships for students at the College.

During fiscal year 2008, the Foundation received a $1,000,000 anonymous gift of which $750,000 was designated by the donor to support scholarships for students from underrepresented groups and the balance of $250,000 earmarked to provide unrestricted funding for the College.

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 changes in financial position, and cash flows of the Foundation as a whole.

(continued)

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 owns 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, which 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. Finally, unrestricted net assets include amounts internally designated or committed to support specific academic and research programs and unrestricted funds functioning as endowments.

The following table shows a condensed statement of net assets as of June 30, 2009, 2008, and 2007:

Assets, Liabilities and Net Assets

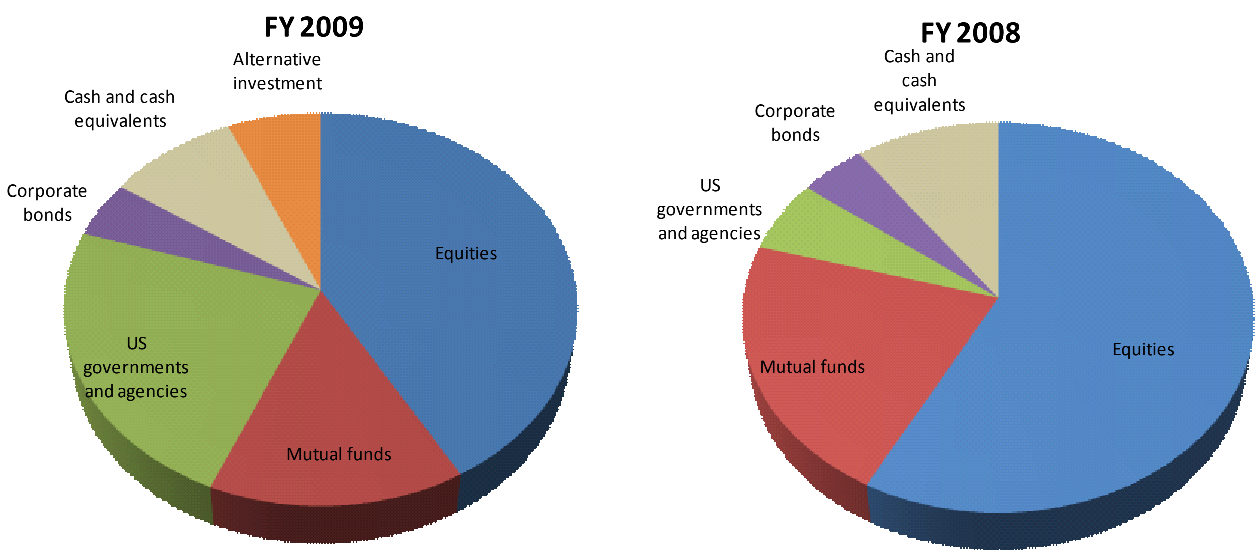
		2009	2008	2007
Assets:				
Current assets	$	3,258,529	5,089,958	5,656,727
Noncurrent assets		14,641,295	13,279,921	10,734,314
Total assets		17,899,824	18,369,879	16,391,041
Liabilities:				
Current liabilities		371,205	370,719	364,253
Noncurrent liabilities		3,021,898	3,059,833	3,162,812
Total liabilities		3,393,103	3,430,552	3,527,065
Net assets:				
Restricted – nonexpendable		6,138,304	5,376,224	3,614,479
Restricted – expendable		5,570,933	7,178,679	7,294,274
Unrestricted		2,797,484	2,384,424	1,955,223
Total net assets	$	14,506,721	14,939,327	12,863,976

Fiscal Year 2009 Investments Highlights

The tumultuous performance of the financial markets during fiscal year 2009 had a significant impact on the Foundation's investment portfolio. For the fiscal year ended June 30, 2009, the average returns for the portfolio was negative 6.92%. This performance, while disappointing in an absolute return context, was significantly better than the negative double-digit returns reported by the major domestic and global equity benchmark indices for the same timeframe. With the guidance of the investment committee, the Foundation has taken numerous actions in the portfolio over the last few years in an attempt to diversify the investment across asset classes, temper market volatility and control risks.

Asset Allocation

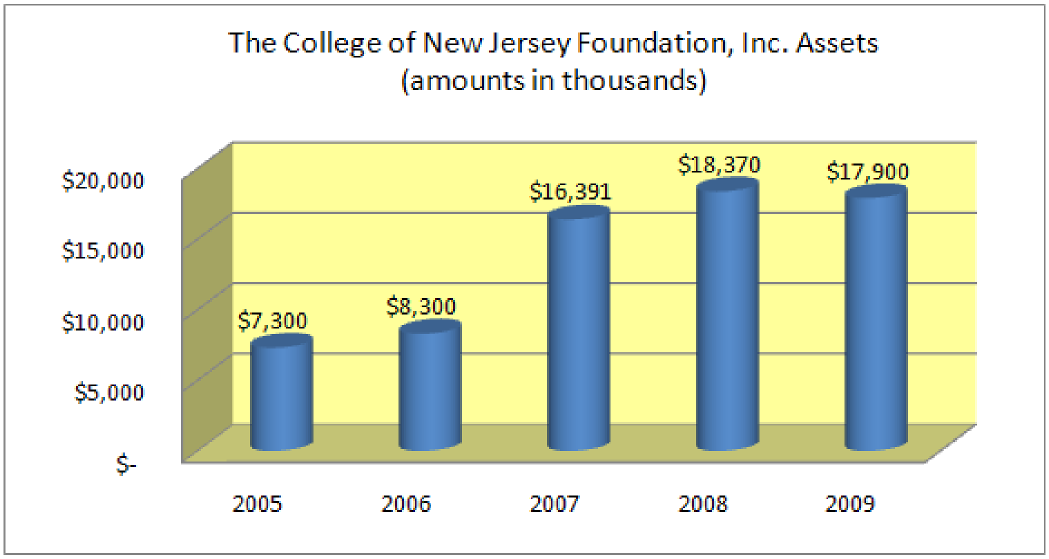
As of June 30, 2009, investments held by the Foundation exceeded $16,000,000, up from $14,500,000 at the previous year end. The portfolio was allocated among various asset classes as shown below:



Asset Allocation	FY09 Balance	FY09 Percentage	FY08 Balance	FY08 Percentage
Equities	$ 6,703,594	41.7%	$ 8,386,356	57.8%
Mutual funds	2,372,680	14.8%	3,131,820	21.6%
US governments and agencies	3,770,885	23.4%	866,795	6.0%
Corporate bonds	751,754	4.7%	665,767	4.6%
Cash and cash equivalents	1,453,097	9.0%	1,458,637	10.0%
Alternative investment	1,038,538	6.5%	—	—%
Total Investments	$ 16,090,548	100.0%	$ 14,509,375	100.0%

Assets

As of June 30, 2009, the Foundation's assets, which primarily consist of investments and cash and cash equivalents totaled $17,900,000. The chart below illustrates the total assets for the five-year period ended June 30, 2009.



Cash and Cash Equivalents

During fiscal year 2009, the Foundation's cash and cash equivalents decreased by $1,614,000 due primarily to the transfer of funds to be invested with the endowment pool. The $3,400,000 in cash receipts from contributions were offset by net transfers of $3,266,000 to the investment portfolio plus operating expenses of $895,000 and restricted funds contributed to the College of $853,000.

During fiscal year 2008, the Foundation's cash and cash equivalents increased by $1,400,000 due primarily to a successful fund-raising campaign. The $4,100,000 in cash receipts from contributions were offset by transfers of $1,500,000 to investment managers plus operating expenses of $773,000 and restricted funds contributed to the College of $576,000.

Investments

In fiscal year 2009, investments had a significant increase primarily due to the transfer of $3,266,000 in excess cash to the money managers coupled with investment income of $673,000. This was offset by net unrealized losses of $2,015,000 due to the poor performance of the global investment markets coupled with disbursements totaling $361,000 in payments to gift annuitants and $111,000 for investment manager fees. For fiscal year 2009, the endowment pool rate of return was negative 6.92%.

In fiscal year 2008, investments had a modest increase primarily due to the transfer of $1,500,000 of excess cash to various money managers coupled with interest income of $903,000. This was offset by net unrealized losses of $1,800,000 due to the investment markets poor performance. For fiscal year 2008, the net rate of return on the endowment pool was negative 3.7%.

Other Assets

In fiscal year 2009, other assets had a significant decrease due to the transfer of donated equipment and artwork to the College.

Liabilities

In fiscal year 2009 total liabilities remained stable. In fiscal year 2008, total liabilities decreased by $97,000 due to the adjustments of the actuarial present value of the gift annuities.

Current Ratio

The Foundation's current ratio measures its ability to satisfy current obligations as they come due. As of June 30, 2009 and 2008, the current liability was $371,000 and $371,000, respectively. This indicates that the Foundation's current assets of $3,259,000 and $5,099,000 as of June 30, 2009 and 2008, respectively, were more than sufficient to cover its current liabilities.

Net Assets

Nonexpendable Net Assets

During fiscal years 2009 and 2008, nonexpendable net assets increased by $800,000 or 14% and $1,800,000 or 49%, respectively. These increases were mainly due to some large endowment gifts received during those years that were designated by donors to be invested in perpetuity.

Expendable Net Assets

Expendable net assets had net decreases of $1.6 million or 22% and $116,000 in fiscal years 2009 and 2008, respectively. This was primarily due to the disbursement of payments to gift annuitants coupled with the poor performance of the global investment markets. In addition, donated capital assets totaling $424,000 was transferred to the College during fiscal year 2009. In both fiscal years, the net decreases were offset by gift receipts that were designated as expendable. The actuarial liability is reported as a reduction of the expendable net assets category.

Unrestricted Net Assets

In fiscal years 2009 and 2008, the unrestricted net assets increases of $413,000 or 17% and $429,000 or 21.9% respectively, were primarily due to the receipts of more unrestricted gifts versus the total of operating expenses.

Statement of Revenues, Expenses, and Changes in Net Assets

The Statement of Revenues, Expenses, and Changes in Net Assets present 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.

(continued)

The following table shows a condensed statement of revenues, expenses, and changes in net assets for the years ended June 30, 2009, 2008, and 2007:

Revenues, Expenses and Changes in Net Assets		2009	2008	2007
Operating revenues	$	2,643,938	2,951,694	4,173,040
Operating expenses		895,633	773,434	633,140
Operating income		1,748,305	2,178,260	3,539,900
Nonoperating and other (expenses) revenues, net		(2,180,911)	(102,909)	1,107,088
Increase (decrease) in net assets		(432,606)	2,075,351	4,646,988
Net assets, beginning of year		14,939,327	12,863,976	8,216,988
Net assets, end of year	$	14,506,721	14,939,327	12,863,976

Operating Revenues

The Foundation's main source of revenue is contributions. Under GASB 34 and 35, unrestricted and expendable contributions are reflected as operating revenue. In fiscal years 2009 and 2008, operating revenues decreased by $332,000 and $1,300,000, respectively, primarily due to the receipts of a number of significant contributions in the prior years, portions of which were designated by donors as restricted.

Operating Expenses

Operating expenses include restricted funds disbursements made to the College and fundraising expense. Scholarships and awards increased in fiscal years 2009 and 2008 by $85,000 or 15% and $115,000 or 26%, respectively, due to the increased funding of donor designated scholarships. Program services expense which includes investment manager fees remained relatively stable during fiscal years 2009 and 2008. Fundraising expense also remained stable in fiscal years 2009 and 2008.

Nonoperating and Other (Expenses) Revenues, net

In fiscal year 2009, nonoperating expenses, net totaled $3,203,000. Of this amount, nonoperating revenues totaled $703,000 of interest and dividend income. The total nonoperating expenses of $3,203,000 were comprised of investment loss, contributions to the College for scholarship support, donated capital assets, restricted funds disbursements and an adjustment to the actuarial liability for gift annuities. Other revenues included additions to permanent endowments of $1,022,000.

In fiscal year 2008, nonoperating expenses, net totaled $1,702,000. Of this amount, nonoperating revenues totaled $903,000 of interest and dividend income. The total nonoperating expenses of $2,600,000 were comprised of investment loss, contributions to the College for scholarship support, restricted funds disbursements and an adjustment to the actuarial liability for gift annuities. Other revenues included additions to permanent endowments of $1,600,000.

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Independent Auditors' Report

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

We have audited the accompanying 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, 2009 and 2008, 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 audit 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, 2009 and 2008, 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 7 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

October 28, 2009

STATEMENTS OF NET ASSETS

June 30, 2009 and 2008

Assets		2009	2008
Current assets:			
Cash and cash equivalents	$	1,673,411	3,281,870
Investments (note 3)		1,537,081	1,758,369
Miscellaneous receivables		48,037	49,719
Total current assets		3,258,529	5,089,958
Noncurrent assets:			
Investments (note 3)		14,553,467	12,751,006
Other assets		87,828	528,915
Total noncurrent assets		14,641,295	13,279,921
Total assets		17,899,824	18,369,879
Liabilities			
Current liabilities:			
Accounts payable		185	139
Due to The College of New Jersey (note 4)		7,500	11,883
Annuities payable		363,520	358,697
Total current liabilities		371,205	370,719
Noncurrent liabilities:			
Annuities payable		3,021,898	3,059,833
Total noncurrent liabilities		3,021,898	3,059,833
Total liabilities		3,393,103	3,430,552
Net Assets			
Restricted:			
Nonexpendable:			
Scholarships		4,825,417	4,193,866
Other programs		1,312,887	1,182,358
Expendable:			
Scholarships		3,451,603	3,819,210
Research		142,442	858,232
Other		1,976,888	2,501,237
Unrestricted		2,797,484	2,384,424
Total net assets	$	14,506,721	14,939,327

See accompanying notes to financial statements.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Years ended June 30, 2009 and 2008

		2009	2008
Operating revenues:			
Contributions	$	2,643,938	2,951,694
Total operating revenues		2,643,938	2,951,694
Operating expenses:			
Scholarships and awards		649,402	564,727
Fundraising events		37,642	36,953
Program services		208,589	171,754
Total operating expenses		895,633	773,434
Operating income		1,748,305	2,178,260
Nonoperating expenses:			
Investment loss		(1,312,340)	(860,664)
Scholarships and restricted funds contributed to The College of New Jersey and Affiliates (note 4)		(1,563,070)	(593,386)
Adjustment to actuarial liability for annuities payable		(327,415)	(248,051)
Nonoperating expenses		(3,202,825)	(1,702,101)
(Loss) income before other revenues		(1,454,520)	476,159
Additions to permanent endowments		1,021,914	1,599,192
(Decrease) increase in net assets		(432,606)	2,075,351
Net assets as of beginning of year		14,939,327	12,863,976
Net assets as of end of year	$	14,506,721	14,939,327

See accompanying notes to financial statements.

STATEMENTS OF CASH FLOW

Years ended June 30, 2009 and 2008

		2009	2008
Cash flows from operating activities:			
Contributions	$	2,354,969	2,526,745
Scholarships and awards		(649,402)	(564,727)
Fundraising		(37,642)	(36,953)
Program services		(213,022)	(159,871)
Net cash provided by operating activities		1,454,903	1,765,194
Cash flows from noncapital financing activities:			
Contributions to annuity funds		—	30,000
Additions to permanent endowments		1,021,914	1,599,192
Scholarships and restricted funds contributed to The College of New Jersey and Affiliates		(853,009)	(588,843)
Payments to annuitants		(360,527)	(357,915)
Net cash (used by) provided by noncapital financing activities		(191,622)	682,434
Cash flows from investing activities:			
Interest income		702,834	902,650
Purchases of securities		(19,353,181)	(5,450,556)
Proceeds from sale of securities		15,778,607	3,546,606
Net cash used by investing activities		(2,871,740)	(1,001,300)
Net (decrease) increase in cash and cash equivalents		(1,608,459)	1,446,328
Cash and cash equivalents as of beginning of year		3,281,870	1,835,542
Cash and cash equivalents as of end of year	$	1,673,411	3,281,870
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	$	1,748,305	2,178,260
Noncash transaction		(290,701)	(424,080)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Changes in assets and liabilities:			
Miscellaneous receivables / payables		1,682	(2,068)
Net due to The College of New Jersey		(4,383)	13,082
Net cash provided by operating activities	$	1,454,903	1,765,194
Noncash transaction:			
Contributions of donated artwork and equipment	$	290,701	424,080

See accompanying notes to financial statements.

(1) Organization

The College of New Jersey Foundation, Inc. (the Foundation) is a not-for-profit organization exempt from income tax under Internal Revenue Service 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 U.S. generally accepted accounting principles. 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 (APB) 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 directors or may otherwise be limited by contractual agreements with outside parties.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the Foundation'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 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 issues, commercial paper and certificates of deposit. All highly liquid investments purchased with an original maturity of three months or less is considered to be cash equivalents.

(d) Investments

Investments are reflected at fair value, which is based on quoted market prices. The estimated fair value of alternative investments is based on valuations provided by the external investment manager. Purchases and sales of investments are accounted for on the trade-date basis. Investment income is recorded on an accrual basis.

(e) Contributions

Contributions are generally recorded upon their communication to the Foundation. Additions to permanent endowments are recorded upon receipt. Pledges related to permanent endowments and term endowments do not meet the recognition criteria of GASB Statement No. 33. These pledges, which were $603,331 and $1,043,702 as of June 30, 2009 and 2008, respectively, have not been included in the accompanying statements of net assets.

(f) Operating Activities

The Foundation’s policy for defining operating activities as reported on the statements of revenues, expenses, and changes in net assets are those that serve the Foundation’s principal purpose. Operating activities generally result from contributions received, payments made for scholarships and awards, and expenses associated with fundraising events and investment manager fees. The annual scholarship support to the College is considered a nonoperating expense as defined by GASB Statement No. 34.

(g) Annuities Payable

Annuities payable are created when assets are contributed to the Foundation on condition that the Foundation obligate itself to pay stipulated amounts periodically to designated annuitants. Annuities payable are recorded at the present value of the expected future cash payments to the annuitants. Changes in the life expectancy of the donor or annuitant, amortization of the discount and other changes in the estimates of future payments are reported as an adjustment to actuarial liability for annuities payable in the accompanying statements of revenues, expenses, and changes in net assets.

(h) 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. The current economic environment increases the uncertainty in those estimates.

(i) Reclassifications

Certain 2008 amounts have been reclassified to conform to the 2009 presentation.

(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 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, 2009 and 2008:

Investments

		2009	2008
Equities	$	6,703,594	8,386,356
Mutual funds		2,372,680	3,131,820
U.S. Treasury bills and notes and Government agencies		3,770,885	866,795
Corporate bonds		751,754	665,767
Cash and cash equivalents		1,453,097	1,458,637
Alternative investment		1,038,538	—
Total	$	16,090,548	14,509,375

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 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, 2009, 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:

Fixed Income Investments Ratings 2009

Rating		Total	U.S. Treasury bills and notes	U.S. Government agencies	Corporate bonds
Aaa	$	3,853,754	1,131,163	2,639,722	82,869
Aa2		36,592	—	—	36,592
Aa3		49,386	—	—	49,386
A1		105,503	—	—	105,503
A2		71,942	—	—	71,942
A3		133,679	—	—	133,679
Baa1		137,328	—	—	137,328
Baa2		125,543	—	—	125,543
Ba2		8,912	—	—	8,912
Total	$	4,522,639	1,131,163	2,639,722	751,754

As of June 30, 2008, 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:

Fixed Income Investments Ratings 2008

Rating		Total	U.S. Treasury bills and notes	U.S. Government agencies	Corporate bonds
Aaa	$	944,276	581,225	285,570	77,481
Aa2		118,630	—	—	118,630
Aa3		217,475	—	—	217,475
A1		76,537	—	—	76,537
A2		98,529	—	—	98,529
A3		17,079	—	—	17,079
Baa1		8,861	—	—	8,861
Baa3		51,175	—	—	51,175
Total	$	1,532,562	581,225	285,570	665,767

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, 2009, 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:

Fixed Income Investments Maturity 2009

Maturing in years		Total	U.S. Treasury bills and notes	U.S. Government agencies	Corporate bonds
Less than 1	$	83,984	63,392	—	20,592
1 – 5		1,366,772	817,894	307,873	241,005
6 – 10		609,682	192,281	27,149	390,252
Greater than 10		2,462,201	57,596	2,304,700	99,905
Total	$	4,522,639	1,131,163	2,639,722	751,754

As of June 30, 2008, 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:

Fixed Income Investments Maturity 2008

Maturing in years		Total	U.S. Treasury bills and notes	U.S. Government agencies	Corporate bonds
Less than 1	$	263,529	134,087	29,218	100,224
1 – 5		884,978	279,511	101,751	503,716
6 – 10		176,462	84,129	30,506	61,827
Greater than 10		207,593	83,498	124,095	—
Total	$	1,532,562	581,225	285,570	665,767

(4) Transactions with Affiliates

The Foundation has approved contributions to the College and Alumni Association for support of scholarships, restricted funds, and donated capital assets of $1,563,070 and $593,386 during 2009 and 2008, respectively. The following table shows the contributions for 2009 and 2008:

Transactions with Affliates

		2009	2008
Scholarship support	$	28,893	30,321
Restricted funds – Alumni Association		137,992	—
Restricted funds – College		1,396,185	563,065
Total scholarships	$	1,563,070	593,386

As of June 30, 2009 and 2008, a payable of $7,500 and $11,883, respectively were due from the Foundation to the College.

(5) Funds Held in Trust

Funds held in trust by others and not in the possession of, nor under the control of, the Foundation are not included in the Foundation's cash and cash equivalents and investments. The fair value of such funds approximated $1,026,000 and $1,290,000 as of June 30, 2009 and 2008, respectively.