



NEW JERSEY CITY UNIVERSITY
(A Component Unit of the State of New Jersey)

Financial Statements and
Management's Discussion and Analysis

June 30, 2004 and 2003

(With Independent Auditors' Report Thereon)

NEW JERSEY CITY UNIVERSITY
(A Component Unit of the State of New Jersey)

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NEW JERSEY CITY UNIVERSITY
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Management Discussion and Analysis

June 30, 2004 and 2003

Introduction

The following section, "Management's Discussion and Analysis of Financial Condition and Results of Operations," provides an overview of the financial position and activities of New Jersey City University (the University) for the years ended June 30, 2004 and 2003. This section should be read in conjunction with the financial statements and the notes which follow this section.

Financial Highlights

Net assets -beginning of year	3.7	6.7	6.3
Net assets -end of year	\$ 8.1	3.7	6.7

The increase in net assets of \$6.4 million for fiscal year 2004 was primarily due to an increase of operating revenues attributable to student tuition, fees, and other operating sources. The increase in net assets of \$9.0 million for fiscal 2003 was primarily attributable to student revenue combined with staff vacancies and

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Management Discussion and Analysis

June 30, 2004 and 2003

Using the Financial Statements

The University's financial report contains 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 Governmental Accounting Standards Board (GASB) principles. During 2002, the University adopted four pronouncements of GASB which are explained in the notes to the financial statements. One of these pronouncements, GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*, establishes standards for external financial reporting for public colleges and universities requiring that financial statements be presented on a basis to focus on the University as a whole. Previously, financial statements focused on the accountability of individual fund groups rather than on the University as a whole.

Financial highlights for the year ended June 30, 2004 are as follows:

- The Organization adopted GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*; this is an amendment of GASB statement No. 14, *The Financial Reporting Entity* as of July 1, 2002. GASB Statement No. 39 establishes additional guidance on the application of the existing standards for the assessment of the potential component units in determining the financial reporting entity.
- Nonoperating revenues, which primarily represent appropriations and investment income, totaled \$42.9 million and \$42.4 million for the years ended June 30, 2004, and 2003, and nonoperating expenses, which primarily represent interest expense, totaled \$1.5 million and \$1.8 million, respectively.
- Scholarships and waivers applied to student accounts are now shown as a reduction of tuition and fee revenues. For the years ended June 30, 2004 and 2003 scholarships and waivers applied to student accounts totaled \$14.5 million and \$13.1 million, respectively.
- Total accumulated depreciation at June 30, 2004, and 2003 were \$50.6 million and \$46.2 million and depreciation expenses were \$5.1 million and \$5.3 million, respectively. The University has adopted a strategy of funding depreciation within its budget process.

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Management Discussion and Analysis

June 30, 2004 and 2003

Statement of Net Assets

The Statement of Net Assets presents the financial position of the University at the end of the fiscal year and includes all assets and liabilities of the University. The difference between total assets and total liabilities – net assets – is one indicator of the current financial condition of the University, while the change in net assets is an indicator of whether the overall financial condition has improved or worsened during the year. A summary comparison of the University's assets, liabilities, and net assets at June 30, 2004 and 2003 and comparative amounts for the year ended June 30, 2002 are as follows:

Current assets consist primarily of cash, short term investments including the State Cash Management Fund, deposits held with the bond trustees, and student and grant receivables. Total current assets increased by \$5.4 million to \$25.2 million at June 30, 2004 due primarily to shifting investments to short term maturities. At June 30, 2003 total current assets decreased by \$0.5 million to \$19.8 million, due primarily to shifting \$10 million in fixed income investments from short to longer term maturities.

Current liabilities consist primarily of trade accounts payable, accrued benefits, deferred revenue, and the current portion of bond obligations. Total current liabilities increased by \$2.0 million to \$18.8 million at June 30, 2004 due primarily to increased vendor payables resulting from major capital construction projects that were in process. At June 30, 2003 total current liabilities increased by \$3.7 million to \$16.8 million at June 30, 2003 due primarily to increased vendor payables resulting from major capital construction projects that were in process.

The University's current ratios of assets to liabilities were 1.3 and 1.2, at June 30, 2004 and 2003, these changes were primarily due to the changes in investment strategy discussed above.

The ratio of unrestricted financial resources to operations is a key indicator of financial strength and flexibility to cover operating expenses without relying on generating additional resources. The University's unrestricted financial resource ratios were 22% and 25.5% at June 30, 2004 and 2003, which are above the median of 12% for institutions rated A3, according to the most recently published Moody's Investors Service's outlook on higher education article for 2004-2005. The University's unrestricted financial resource ratio increased from 15.9% at June 30, 2002 to 25.5% at June 30, 2003, which is above the median of 11.6% for A3 rated public universities per Moody's Investors Service.

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Management Discussion and Analysis

June 30, 2004 and 2003

Capital and Debt Activities

NEW JERSEY CITY UNIVERSITY
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Management Discussion and Analysis

June 30, 2004 and 2003

Net Assets

Net assets represent the residual interest in the University's assets after liabilities are deducted. The University's net assets at June 30, 2004 and 2003 and comparative amounts for the year ended June 30, 2002 are summarized as follows:

	2004	2003	2002
		<i>(In millions)</i>	
Invested in capital assets, net	\$ 51.2	41.5	39.6
Restricted:			
Expendable	8.2	11.1	10.9
Unrestricted	22.7	23.1	16.2
Total net assets	\$ 82.1	75.7	66.7

Investment in capital assets, net of related debt as of June 30, 2004 and 2003 were \$51.2 million and \$41.5 million, this represents the University's capital assets net of accumulated depreciation and outstanding debt attributable to the acquisition, construction, or improvement of those assets.

Restricted expendable net assets of June 30, 2004 and 2003 were 8.2 million and \$11.1 million; these assets are subject to externally imposed restrictions governing their use including debt service and other bond covenant requirements and capital grant funds. The University's unrestricted net assets of \$22.7 million at June 30, 2004 and \$23.1 million at June 30, 2003 are not subject to externally imposed restrictions.

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Management Discussion and Analysis

June 30, 2004 and 2003

Statement of Revenues, Expenses, and Changes in Net As

NEW JERSEY CITY UNIVERSITY
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Management Discussion and Analysis

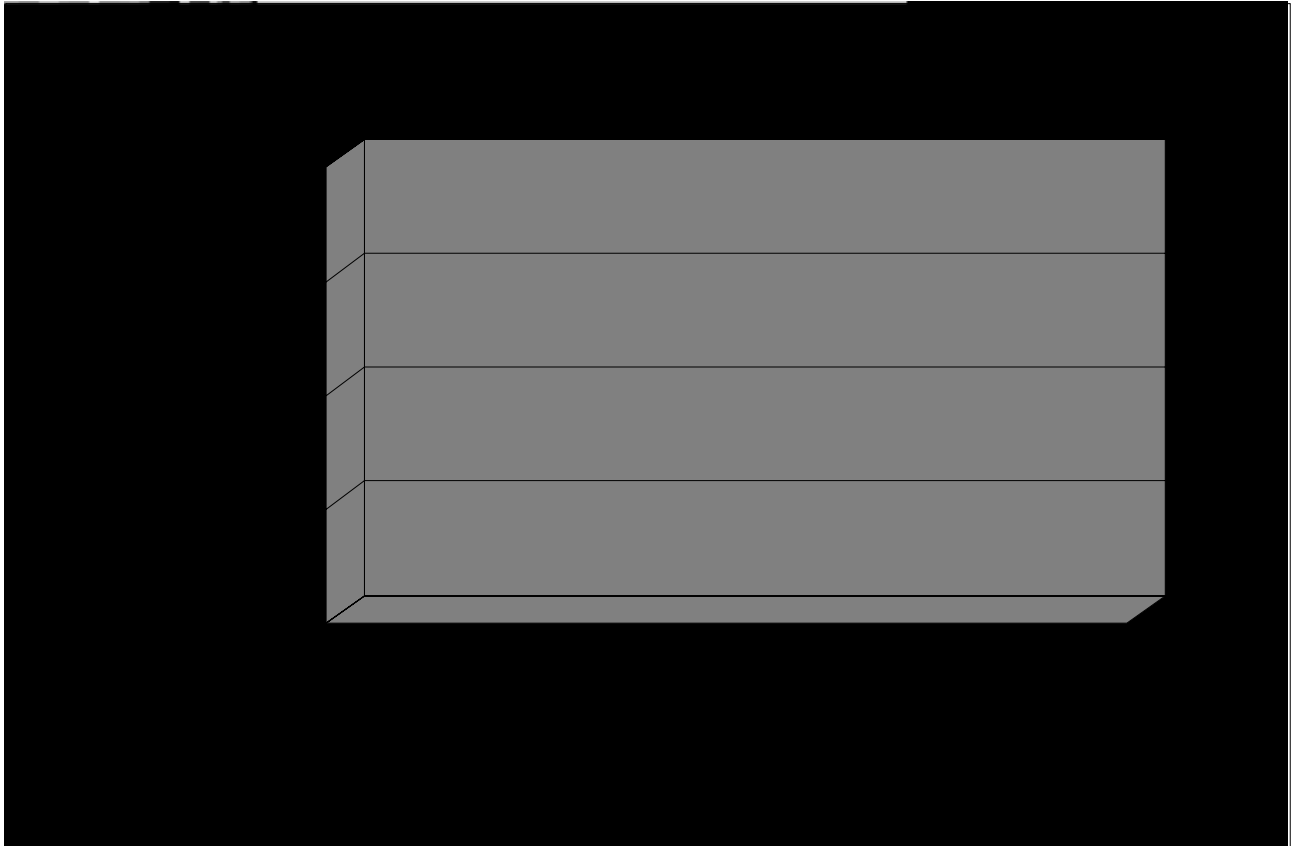
June 30, 2004 and 2003

The University derives its revenue from a variety of sources. The following are graphical illustrations of revenues by source, both operating and non-operating, which are used to fund the University's activities for the years ended June 30, 2004 and 2003 and comparative amounts for the year ended June 30, 2002. A significant portion of the University's revenues, such as state appropriations, are considered nonoperating, as defined by GASB.

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Management Discussion and Analysis

June 30, 2004 and 2003



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The University's operating expenses are primarily incurred for instructional purposes, as well as student services, academic and institutional support, and operations and maintenance of plant. The following is a graphic illustration of expenses by function for t

Independent Auditors' Report

The Board of Trustees
New Jersey City University:

We have audited the accompanying financial statements of New Jersey City University (the University), a component unit of the State of New Jersey, and the discretely presented component unit of the University as of and for the years ended June 30, 2004 and 2003, which collectively comprise the University's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the University's management. Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of New Jersey City University Foundation, Inc., a component unit of New Jersey City University. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinions, insofar as they relate to the amounts included for New Jersey City University Foundation, Inc., are based solely on the report of the other auditors.

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 abo

NEW JERSEY CITY UNIVERSITY
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Statements of Net Assets
June 30, 2004 and 2003

Assets	2004	2003
Current assets:		
Cash and cash equivalents	\$ 7,952,703	10,668,799
Investments, current portion	7,398,311	1,384,448
Student receivables, net of allowance in 2004 and 2003 of \$1,094,000 and \$945,000, respectively	1,297,181	907,701
Grants receivables	1,848,694	1,178,267
Other receivables	3,206,095	2,236,742
Deposits held with bond trustees	3,466,708	3,462,272
Other current assets	2,950	7,185
Total current assets	25,172,642	19,845,414
Noncurrent assets:		
Deposits held with bond trustees	47,115,201	67,422,371
Investments, noncurrent portion	9,516,876	9,043,037
Student loans, net of allowance in 2004 and 2003 of \$616,000 and \$631,000, respectively	770,506	783,548
Deferred financing costs, net	1,517,326	1,476,119
Capital assets, net of accumulated depreciation in 2004 and 2003 of \$50,629,000 and \$46,240,000, respectively	120,855,251	93,614,994
Total noncurrent assets	179,775,160	172,340,069
Total assets	204,947,802	192,185,483
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses:		
Vendor	8,172,007	6,729,117
Payroll	3,566,488	3,056,540
Compensated absences, current portion	1,704,800	1,442,190
Accrued interest	1,259,719	1,240,861
Total accounts payable and accrued expenses	14,703,014	12,468,708
Long term debt, current portion	2,123,537	1,819,778
Deferred student tuition and fees	1,561,431	2,136,478
Deferred grant revenue	292,136	154,009
Total current liabilities	18,680,118	16,578,973
Noncurrent liabilities:		
Long term debt, noncurrent portion	102,543,317	98,587,804
Other noncurrent liabilities	1,602,847	1,348,930
Total noncurrent liabilities	104,146,164	99,936,734
Total liabilities	122,826,282	116,515,707
Net Assets		
Invested in capital assets, net of related debt	51,249,331	41,548,355
Restricted for:		
Expendable:		
Renewal and replacement	2,710,770	2,485,000
Capital projects	—	3,036,159
Debt service reserve	3,814,213	3,815,914
Debt service - principal	1,591,767	1,515,000
Perkins loans	63,471	147,245
Unrestricted	22,691,968	23,122,103
Total net assets	\$ 82,121,520	75,669,776

See accompanying notes to financial statements.

NEW JERSEY CITY UNIVERSITY FOUNDATION, INC.

(A Component Unit of the New Jersey City University)

STATEMENTS OF FINANCIAL POSITION

June 30,	2004	2003
ASSETS		
Current assets		
Cash and cash equivalents	\$ 172,253	\$ 232,741
Investments	1,818,476	1,902,299
Prepaid event expenses, net of advance payments of \$25,000 in 2004	11,500	15,000
Reimbursements and other current assets	59,584	91,054
Unconditional promises to give, net of unamortized discount, current	52,665	
Total current assets	<u>2,114,478</u>	<u>2,241,094</u>
Computer equipment	<u>22,000</u>	<u>-</u>
Unconditional promises to give, net of unamortized discount, less current portion	<u>651,956</u>	<u>471,272</u>
Endowment investments		
Cash and cash equivalents	136,456	125,322
Investments	1,436,400	1,031,105
Total endowment investments	<u>1,572,856</u>	<u>1,156,427</u>
Total assets	<u>\$ 4,361,290</u>	<u>\$ 3,868,793</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	<u>\$ 134,284</u>	<u>\$ 49,588</u>
Net assets		
Unrestricted:		
Operating	1,487,218	1,496,006
Board designated	119,638	255,296
Fixed assets	22,000	
Total unrestricted net assets	<u>1,628,856</u>	<u>1,751,302</u>
Donor restricted:		
Temporarily	1,025,294	911,476
Permanently	1,572,856	1,156,427
Total net assets	<u>4,227,006</u>	<u>3,819,205</u>
Total liabilities and net assets	<u>\$ 4,361,290</u>	<u>\$ 3,868,793</u>

NEW JERSEY CITY UNIVERSITY
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Statements of Revenues, Expenses, and Changes in Net Assets
Years ended June 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Operating revenues:		
Student revenue:		
Tuition and fees	\$ 49,191,496	44,053,669
Auxiliary enterprises	4,683,828	4,463,206
Less scholarship allowance	(14,492,685)	(13,074,888)
Total student revenue, net	<u>39,382,639</u>	<u>35,441,987</u>
Federal grants	12,260,582	12,160,704
State of New Jersey grants	8,443,791	8,852,707
Private grants	123,646	17,320
Other operating revenues	1,545,871	798,540
Total operating revenues	<u>61,756,529</u>	<u>57,271,258</u>
Operating expenses:		
Instruction	39,887,068	34,263,438
Research and programs	7,853	239,050
Public service and enterprise development	255,945	456,639
Academic support	9,392,862	9,402,608
Student services	10,259,170	10,204,265
Institutional support	17,007,495	15,546,556
Operation and maintenance of plant	11,431,083	10,328,633
Auxiliary enterprises	2,645,151	2,250,773
Student aid	2,806,002	2,833,593
Depreciation	5,120,077	5,307,129
Total operating expenses	<u>98,812,706</u>	<u>90,832,684</u>
Operating loss	<u>(37,056,177)</u>	<u>(33,561,426)</u>
Nonoperating revenues (expenses):		
State of New Jersey appropriations	30,442,000	30,971,334
State of New Jersey fringe benefit appropriations	13,923,934	12,897,695
Gifts to affiliates	(274,566)	(343,150)
Interest income	261,287	894,666
Interest expense	(1,466,112)	(1,825,166)
Loss on disposal of capital assets	—	(222,354)
Other nonoperating revenues (expenses)	30,628	(12,816)
Net nonoperating revenues	<u>42,917,171</u>	<u>42,360,209</u>
Income before other revenues	5,860,994	8,798,783
Other revenues:		
Capital grants and gifts	590,750	201,338
Increase in net assets	6,451,744	9,000,121
Net assets as of beginning of year	<u>75,669,776</u>	<u>66,669,655</u>
Net assets as of end of year	<u>\$ 82,121,520</u>	<u>75,669,776</u>

See accompanying notes to financial statements.

NEW JERSEY CITY UNIVERSITY FOUNDATION, INC.

(A Component Unit of the New Jersey City University)

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended June 30,	2004			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenues				
Support from public contributions	\$ 213,821	\$ 111,354	\$ 293,082	\$ 618,257
Development grants and contracts	105,513			105,513
Contributed services	274,565			274,565
Interest and dividend income	41,564	21,522	32,659	95,745
Rental income	12,500			12,500
Credit card commissions	10,141			10,141
Events	75,380			75,380
Net assets released from restrictions in satisfaction of program restrictions	83,412	(83,412)		
Appreciation in market value of investments	124,284	64,354	90,688	279,326
Total support and revenues	941,180	113,818	416,429	1,471,427
Expenses				
Program services	801,091			801,091
Management and general	93,366			93,366
Fund-raising	119,000			119,000
Events	50,169			50,169
Total expenses	1,063,626			1,063,626
Change in net assets	(122,446)	113,818	416,429	407,801
Net assets, beginning of year,	1,751,302	911,476	1,156,427	3,819,205
Net assets, end of year	\$ 1,628,856	\$ 1,025,294	\$ 1,572,856	\$ 4,227,006

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STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended June 30,	2003			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenues				
Support from public contributions	\$ 184,968	\$ 109,993	\$ 163,836	\$ 458,797
Development grants and contracts		185,292		185,292
Contributed services	343,151			343,151
Interest and dividend income	67,648	25,273	3,255	96,176
Credit card commissions	13,641			13,641
Events	87,792			87,792
Net assets released from restrictions in satisfaction of program restrictions	257,160	(257,160)		
Appreciation in market value of investments	165,355			165,355
Total support and revenues	1,119,715	63,398	167,091	1,350,204
Expenses				
Program services	593,446			593,446
Management and general	80,782			80,782
Fund-raising	207,881			207,881
Events	43,057			43,057
Depreciation in market value of investments				
Total expenses	925,166			925,166
Change in net assets	194,549	63,398	167,091	425,038
Net assets, beginning of year,	1,556,753	848,078	989,336	3,394,167
Net assets, end of year	\$ 1,751,302	\$ 911,476	\$ 1,156,427	\$ 3,819,205

NEW JERSEY CITY UNIVERSITY

Statements of Cash Flows

(University Only)

Years ended June 30, 2004 and 2003

	2004	2003
Cash flows from operating activities:		
Student receipts	\$ 32,615,909	28,098,476
Grants and contracts	20,295,719	21,304,727
Payments for salaries and benefits	(62,506,309)	(57,810,261)
Payments to suppliers	(11,920,330)	(9,748,155)
Payments for utilities	(3,021,244)	(2,095,738)
Payments to students	(2,891,453)	(2,833,593)
Loans issued to students	(135,074)	(148,925)
Collection of loans to students	163,141	166,099
Auxiliary enterprises	3,759,768	2,202,907
Other receipts	2,071,611	798,540
Net cash used by operating activities	(21,568,262)	(20,065,923)
Cash flows from noncapital financing activities:		

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Notes to Financial Statements

June 30, 2004 and 2003

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

- *Invested in capital assets, net of related debt:* Capital assets, net of accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.
- *Restricted – expendable:* Net assets whose use by the University is subject to externally-imposed stipulations that can be fulfilled by actions of the University pursuant to the stipulations or that expire by the passage of time.
- *Unrestricted:* Net assets not subject to externally-imposed stipulations that may be designated for specific purposes by action of management or the board of trustees or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net assets are designated for academic programs, initiatives, and capital programs.

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

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 University reports as a business type activity, as defined by GASB Statement No. 34. Business type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

Use of Estimates

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Notes to Financial Statements

June 30, 2004 and 2003

Investments

Investments are recorded in the financial statements 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. Realized and unrealized gains and losses are reported in investment income.

Deposits Held with Bond Trustees

Deposits held with bond trustees as of June 30, 2004 are \$405,313,715 and \$562,109,800 for 2004 and 2003, respectively. Deposits held with bond trustees as of June 30, 2003 are \$10,985,048,875 and \$3,562,109,800 for 2003 and 2002, respectively.

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Notes to Financial Statements

June 30, 2004 and 2003

Classification of Revenue

The University's policy for defining operating activities in the statements of revenues, expenses, and changes in net assets are those that serve the University's principal purpose and generally result from exchange transactions such as the payment received for services. Examples include (1) student tuition and fees, net of scholarship allowances, (2) auxiliary enterprises, and (3) most Federal and State grants. Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as operating appropriations from the State, net investment income, and gifts and capital grants and gifts.

Income Taxes

The University is exempt from Federal income taxes under Internal Revenue Code Section 115.

Financial Dependency

Appropriations from the State of New Jersey are the University's largest sources of nonoperating revenue. The University is economically dependent on these appropriations to carry on its operations.

(2) Cash and Cash Equivalents and Investments

Cash and Cash Equivalents

The carrying amount of cash as of June 30, 2004 and 2003 was \$282,917 and \$4,558,722, respectively, while the amount on deposit with banks was \$2,538,368 and \$5,079,616, respectively. The University's bank deposits as of June 30, 2004 and 2003 were partially insured by Federal Depository Insurance in the amount of \$100,000. Bank balances in excess of insured amounts totaling \$2,438,368 in 2004 and \$4,979,616 in 2003, are collateralized in accordance with Chapter 64 of Title 18A of New Jersey Statutes.

The University 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 carrying amount and fair value as of June 30, 2004 and 2003 were \$7,669,786 and \$6,110,077, respectively.

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

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Notes to Financial Statements

June 30, 2004 and 2003

GASB No. 3 requires disclosure of the level of custodial credit risk assumed by the University as of June 30, 2004 and June 30, 2003. Category 3 includes uncollateralized deposits, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the University's name. As of June 30, 2004 and 2003 all cash and cash equivalents are classified as Category 3.

Investments

During fiscal year 2004 and 2003, the University transferred \$1.4 million and \$10 million, respectively, from the State of New Jersey Cash Management Fund and invested it with Fleet Bank. Investments consist of the following as of June 30, 2004 and 2003:

	2004	2003
Money market	\$ 1,751,149	329,599
U.S. Treasury notes	8,504,712	1,540,230
Corporate notes and bonds	6,659,326	8,557,656
	16,915,187	10,427,485
Less noncurrent portion	(9,516,876)	(9,043,037)
Investments, current portion	\$ 7,398,311	1,384,448

(3) Deposits Held With Bond Trustees

Deposits held with bond trustees include funds held by The Bank of New York, Wachovia Bank, and Trust Company of NJ under the terms of various long term debt agreements. As of June 30, 2004 and 2003, all deposits held with bond trustees are cl

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NEW JERSEY CITY UNIVERSITY
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Notes to Financial Statements

June 30, 2004 and 2003

(5) Long Term Debt

The University has financed capital assets through various revenue bonds issued by the New Jersey Educational Facilities Authority (the Authority). The University has pledged all net revenue derived from the operation of the dormitories, student center, recreation center, academic building and athletic and recreation facilities as security. Estimated costs in connection with these capital assets of approximately \$90.7 million and \$73 million as of June 30, 2004 and 2003, respectively, are included in the accompanying statements of net assets. The following obligations to the Authority were outstanding as of June 30, 2004 and 2003:

	Interest rate	2004	2003
Bonds payable:			
New Jersey Educational Facility Authority Revenue Bonds:			
Series 1977 C Revenue Bonds, duna			

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Notes to Financial Statements

June 30, 2004 and 2003

As of June 30, 2004, the Authority was exposed to credit risk because the swap had a favorable fair value in the amount of the derivative's fair value of \$1,033,128. As of June 30, 2003, the Authority was exposed to reduced credit risk because the swap had a negative fair value. The swap counterparty was rated AA- by Fitch Ratings, A+ by Standard & Poor's and Aa2 by Moody's Investors Service as of June 30, 2004 and 2003. To mitigate the potential for credit risk, if the counterparty's credit quality falls below AA-/Aa3 by at least one rating agency, the fair value of the swap will be fully collateralized by the counterparty with U.S. government securities. Collateral would be posted with a third-party custodian.

The swap exposes the University to basis risk should the relationship between LIBOR and R-FLOATs converge, changing the overall synthetic rate on the bonds. The effect of this difference in basis is indicated by the difference between the intended synthetic rate (3.245 percent) and the overall synthetic rate as of June 30, 2004 (3.234 percent) and 3.495 as of June 30, 2003. Iz048343 486.3009,9.98 85.07965 473.1805 /00

NEW JERSEY CITY UNIVERSITY
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Notes to Financial Statements

June 30, 2004 and 2003

Capital Lease

The University has entered into various capital lease purchase agreements for equipment

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Notes to Financial Statements

June 30, 2004 and 2003

(6) Noncurrent Liabilities

The following table summarizes the changes in noncurrent liabilities during the years ended June 30, 2004

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Notes to Financial Statements

June 30, 2004 and 2003

In addition to the two plans in which the University participates, certain faculty members of the University participate in the Teachers' Pension and Annuity Fund (TPAF) which is a State of New Jersey cost-sharing defined benefit plan. TPAF was established under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full-time public school employees in the State of New Jersey. The State of New Jersey issues a publicly available financial report that includes financial statements and required supplementary information for PERS and TPAF. This report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pension and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

PERS Funding Policy

PERS members are required to contribute 3% of their annual covered salary for the years ended June 30, 2004 and 2003. The State of New Jersey, in accordance with State statutes, makes employer contributions on behalf of the University. The State of New Jersey contribution is based upon annual actuarially determined percentages of total compensation of all active members. The State of New Jersey's annual contribution approximates the actuarially determined pension cost for the year. Employers were not required to contribute in 2004 or 2003 due to legislation enacted in 1997 by the State of New Jersey, which fully funded previously existing unfunded accrued liabilities of PERS through State of New Jersey bonds. The contribution requirements of the plan members and the University are established and may be amended by the State of New Jersey.

Alternate Benefit Program Information

ABP provides the choice of six investment carri

NEW JERSEY CITY UNIVERSITY
(A Component Unit of the State of New Jersey)

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(12) New Jersey City University Foundation, Inc.

The Organization adopted GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, an amendment of GASB Statement No. 14, *The Financial Reporting Entity*, as of July 1, 2002