

	V	A TENERY FEDERAL CHEST	***	~~~~		
r.		-				
<u>. – </u>						
_						
				_		
- -						
-						
	-					
	· .	(A Component Un	it of the State of Ne	w Iorgan)		
	1	•			* **	
	·	ក្នុន្ធរាជ មាន	ncial Statements an	n .		
•	<u> </u>					

Management's Discussion and Analysis

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

Table of Contract-

	Page
Management's Discussion and Analysis	. 1
Independent Auditors' Report	12
Basic Financial Statements:	
New Jersey City University Statements of Net Assets as of June 30, 2006 and 2005	14
New Jersey City University Foundation, Inc. Statements of Financial Position as of June 30, 2006 and 2005	15
New Jersey City University Statements of Revenues, Expenses, and Changes in Net Assets for the years ended June 30, 2006 and 2005	16
)	

(A Component Unit of the State of New Jersey)

Management Discussion and Analysis

Myster entrance of the Control of th	
	Introduction
, f <sup></sup>	TOUR CONTRACTOR OF STATE OF ST
,	
4	
<u> </u>	
<b>i</b> }	
14	
V2. 1	<del>-</del>
-	
-	

(A Component Unit of the State of New Jersey)

Management Discussion and Analysis June 30, 2006 and 2005

Statement	of Net	Accate
Jacquent	ULITEL	UPPER

	Statement of Net Assets
	The Statement of Net Assets presents the financial position of the University at the end of the fiscal year. Assets,
	_Avoidable control accords are compressive council of automated the second of
-	
_	
	1.0mg
	•
	ara danggaiatad aran thair naar-ti Claic 4

(A Component Unit of the State of New Jersey)

# Management Discussion and Analysis

June 30, 2006 and 2005

		2006	2005	2004
			(In millions)	
Net assets:			· ·	
Invested in capital assets, net of				
related debt	\$	60.2	60.3	51.2
Restricted for expendable:	·			
Renewal and replacement		3.1	2.9	2.7
Debt service reserve		3.7	3.8	3.8
Debt service – principal		2.0	1.7	1.6
Perkins loans		0.2	0.2	0.1
Unrestricted	<u></u>	21.7	21.0	22.7
Total net assets	\$	90.9	89.9	82.1

#### Statement of Net Assets - Financial Highlights

As of June 30, 2006, the University's total assets decreased by \$1.2 million to \$232.4 million from \$233.6 million as of June 30, 2005. This decrease is primarily attributable to decreases in grants receivable and

(A Component Unit of the State of New Jersey)

# Management Discussion and Analysis June 30, 2006 and 2005

As of June 30, 2005, the University's total liabilities increased \$20.9 million to \$143.7 million from \$122.8 million as of June 30, 2004. The major component is an increase to the noncurrent portion of debt from the NIEFA Series 2005 A debt issuance for \$21.6 million. This increase to the noncurrent portion of

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

Management Discussion and Analysis

For the year ended Julie 30,	2006, the Statement of Revenues,	The following is the St	externent of Revenues.
·			
•			
3	<u> </u>	(-	-
			-

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

Management Discussion and Analysis June 30, 2006 and 2005

-					
	Financial Highlights - Revenues				
-	The triming to the manual triangle of the man			• 1	
7					
			'		
<u> </u>			-		
-					
•					
1					
	<u> </u>				
-					
	•				
		 	<u>,</u>	• •	

(A Component Unit of the State of New Jersey)

Management Discussion and Analysis

State of State of Grants & Capital New Jersey Grants & Grants & Other Province New Jersey Grants & Gra	Student New Jersey Grants & Grants & Other Revenue. net Anneanriations Contracts. Ciffe Paramone.	*						
Student New Jersey Grants & Grants & Other Revenue net Annoronriations Contracts Gifts Datamase	Student New Jersey Grants & Grants & Other Revenue not Amoroncistions Confracts Gifts Danamoo	,						
Student New Jersey Grants & Grants & Other Revenue. nel Annronvisitions Contracts. Gifts Danisamor.	Student New Jersey Grants & Grants & Other Revenue. not Annironistions Contracts. Gife Passenue.				2005			
Student New Jersey Grants & Grants & Other Revenue. not Annoronisitions Contracts. Giffs Doutsman.	Student New Jersey Grants & Grants & Other Revenue. not Annironistions Contracts. Gife Passenue.			State of		Capital		-
			Student	New Jersey	Grants &	Grante &	Other	
			Payanya nat	A	Canton de	C'e	Dinei	
			Revenue, ner	Annronrianons	Lontracte	1 Lifte	Vovania	
		•						
			<del>.</del>					
			· <del></del>					
		<del></del>						
						<u>-</u>		
		4. <u></u>	*				<u></u>	
		,	*~					
		7						
		<u> </u>						
<u>}</u>								
					<b>-</b>			
		•						
		<u> </u>						
	• · · · · · · · · · · · · · · · · · · ·							
<i>Y</i>	*							
	·	<u> </u>						
	·	<u> </u>						
	»—————————————————————————————————————	<u></u>						
	*—————————————————————————————————————							
	•	<u> </u>						
	\$	<u></u>						
	*	<u></u>						
	·	<u> </u>						
	*—————————————————————————————————————	<u> </u>						
*	,	<u></u>						
		· · · · · · · · · · · · · · · · · · ·						
		•						

(A Component Unit of the State of New Jersey)

Management Discussion and Analysis

June 30, 2006 and 2005

For the years ε	ended June 30, 2006 and 2005.	investment income was \$1.4	million and \$1.0 million, r	espectively.
		·	710 11111111	
<u> </u>	<b>_</b>			
_				
		_		
	<b>*</b> ·			
	٠			

(A Component Unit of the State of New Jersey)

Management Discussion and Analysis June 30, 2006 and 2005

			·			2	2006					
		Instruction	Institutional Support	O & M of Plant	Student Services	Academic Support	Depreciation	Student Aid	Auxiliary Enterorises	Public Service and Development	Research and Programs	
3	1	igen										
	Amounts (in thousands) Percent	\$ 44,833 40.2%	18,960 17.0%	11,639 10.5%	12,280 11.0%	10,622 9.5%	7,383 6.6%	2,383 2.2%	3,319 3.0%	5 0.0%	10 0.0%	
			· · · · · · · · · · · · · · · · · · ·			2	005					
7	-											
		-	- i- i - i - i - i - i - i - i - i - i									
<u> </u>			<u>-</u>									
÷ •//	A-C	7			3							
		<b>-</b>							<b>-</b>			
•				-								
		A										
ł												
<b>-</b>												
_,}												
		Instruction	Support	of Plant	Services	Support	Depreciation	Student Aid	Enterprises	Development	Programs	

Amounts (in thousands) \$

Percent

42,181

40.6%

Instruction

17,368

16.7%

Institutional

Support

11,514

11.1%

0 & M

of Plant

11,990

11.5%

Student

10,199

Academic

9.8%

2004

6,331

6.1%

Depreciation Student Aid

2,558

2.5%

1,680

1.6%

Auxiliary

Enterprises

72

0.1%

Public

Service and

8

0.0%

Research

and

(A Component Unit of the State of New Jersey)

Management Discussion and Analysis

Capital additions totaling \$33.2 million in fiscal year 2006 consisted of renovations to the Gilligan	Student Union
Building which houses the University's Cafeteria and Rook Store the construction of the A	erta de Caianna
e.	

Telligier (Landine Landine)	NEW JERSEY CITY UNIVERSITY (A Component Unit of the State of New Jersey)
· ·	Administration and American
-	·
-	
-	
· —- <u></u>	
	Luna 20, 2006 and 2005
	June 30, 2006 and 2005
	Economic Factors that could affect the Future
	With approximately 42.7% and 41.2% of revenues coming from State of New Jersey appropriations in the fiscal
•	*
· <del>'.                                    </del>	
4.5	
<del></del>	
-	•
•	
- Louis	year ending June 30, 2006 and 2005, respectively, the financial condition of the University is closely linked to
Towns I was	that of the State of New Jersey. The state continues to face a budget crisis which may result in potential cuts to
Total Person	that of the State of New Jersey. The state continues to face a budget crisis which may result in potential cuts to
<b>.</b>	that of the State of New Jersey. The state continues to face a budget crisis which may result in potential cuts to
	that of the State of New Jersey. The state continues to face a budget crisis which may result in potential cuts to
<b>.</b>	that of the State of New Jersey. The state continues to face a budget crisis which may result in potential cuts to



KPMG LLP

PO Box 7348 Princeton, NJ 08543-7348

### **Independent Auditors' Report**

The Board of Trustees New Jersey City University:

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of New Jersey City University (the University), a component unit of the State of New Jersey, as of and for the years ended June 30, 2006 and 2005, which collectively comprise the



\$ 10 \$ 10 	The management's discussion and analysis on pages 1 through 11 is not a required part of the basic
	· · · · · · · · · · · · · · · · · · ·
	· · · · · · · · · · · · · · · · · · ·
ge =	
)	
b j	
<u>}</u>	
	And the second s
के - जिल्हा रे के -	£n⊒

Statements of Net Assets

Assets	 2006	2005
Current assets:  Cash and cash equivalents Investments, current portion Student receivables, net of allowance of \$1,025,000 and \$1,358,000 in 2006	\$ 2,239,571 5,427,066	548,980 6,318,629

# NEW JERSEY CITY UNIVERSITY FOUNDATION, INC. (A Component Unit of New Jersey City University)

# Statements of Financial Position

A ccete	2006	2005
Cash and cash equivalents Investments Prepaid expenses Other receivables Unconditional promises to give, net of unamortized discount Contribution receivable, charitable remainder annuity trust Computer equipment, net of accumulated depreciation \$8,870 and \$4,400 in 2006 and 2005, respectively	\$ 2,308,104 3,358,000 7,055 31,197 668,849 1,375,629 22,531	1,887,797 3,144,539 
Total assets	\$ 7,771,365	7,116,550
Liabilities and Net Assets		
The state of the s	\$ <u>1/</u> 2 //10	219 270
1 =		
218		
· ·		
e energy		
Art. 11/2		

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

Statements of Revenues, Expenses, and Changes in Net Assets

Business-Type Activities - University Only

Years ended June 30, 2006 and 2005

t control of the cont			2006	2005	
Vocamenta saana	Operating revenues: Student revenue: Tuition and fees Anvillary enterprises	\$	53,161,965 5 356 058	51,576,513 5 246 800	
			-		
نيمرو هـ		<b>57</b>		-	
· 1					
-					
· ·					
:					
•					
		~	- Cat 7 and 4 /m	<u>.</u>	
		1			
	-		<b>1</b> ;		

Statement of Activities and Changes in Net Assets

17. and and Ton-20 2006

	_	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
ipport and revenues: Support from public contributions	\$	392,699	192,896	181,754	767,349

STARRE T

(A Component Unit of the State of New Jersey)

Notes to Financial Statements June 30, 2006 and 2005

## (1) Organization and Summary of Significant Accounting Policies

#### Organization

New Jersey City University (the University), formerly Jersey City State College, is a public institution of higher education in the State of New Jersey (the State). Effective May 29, 1998, the New Jersey Commission on Higher Education approved the name change and university status. Under the law, the University is an instrumentality of the State of New Jersey with a high degree of autonomy. However, under Governmental Accounting Standards Board (GASB) Statement No. 14, the University is considered a component unit of the State of New Jersey for financial reporting purposes. Accordingly, the University's

financial statements are included in the State of New Jersey's Comprehensive Annual Financial Report.

The University, located in Hudson County, is dedicated to urban programs designed to meet the complex economic, social, and educational problems of the "inner" cities of metropolitan New Jersey. The urban mission is unique among the State Colleges and Universities of New Jersey, and in order to strengthen this

1	
<del>-</del>	
t <sub>~</sub>	
Corp.	
·	
i de la companya de	
	<u>,                                      </u>
	,
	<u>,                                      </u>
	,
	,
	,
	<u>,                                      </u>
1 <del> </del>	<u>,                                      </u>
	,
	<u></u>
	,
	<u>,                                      </u>
	<u></u>
	,
	<u></u>
	<u>,                                      </u>
	,
	<u></u>
	,
	<u>,                                      </u>
	<u> </u>
	,
	<u></u>
	,
	<u></u>
	-

(A Component Unit of the State of New Jersey)

Notes to Financial Statements June 30, 2006 and 2005

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.

	following net asset categories.
	• Invested in capital assets, net of related debt: Capital assets, net of accumulated depreciation,
1	1 1' 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
•	<i>-</i>
† F	
<u> </u>	
_	
_	

(A Component Unit of the State of New Jersey)

Notes to Financial Statements

	Investments
	Investments are remarked in the financial atetaments of fair value which in Leanth an exceed we too
•	
	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
	Paracita hald with hand trustone are recorded in the financial extension extension. It is the
1	

(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2006 and 2005

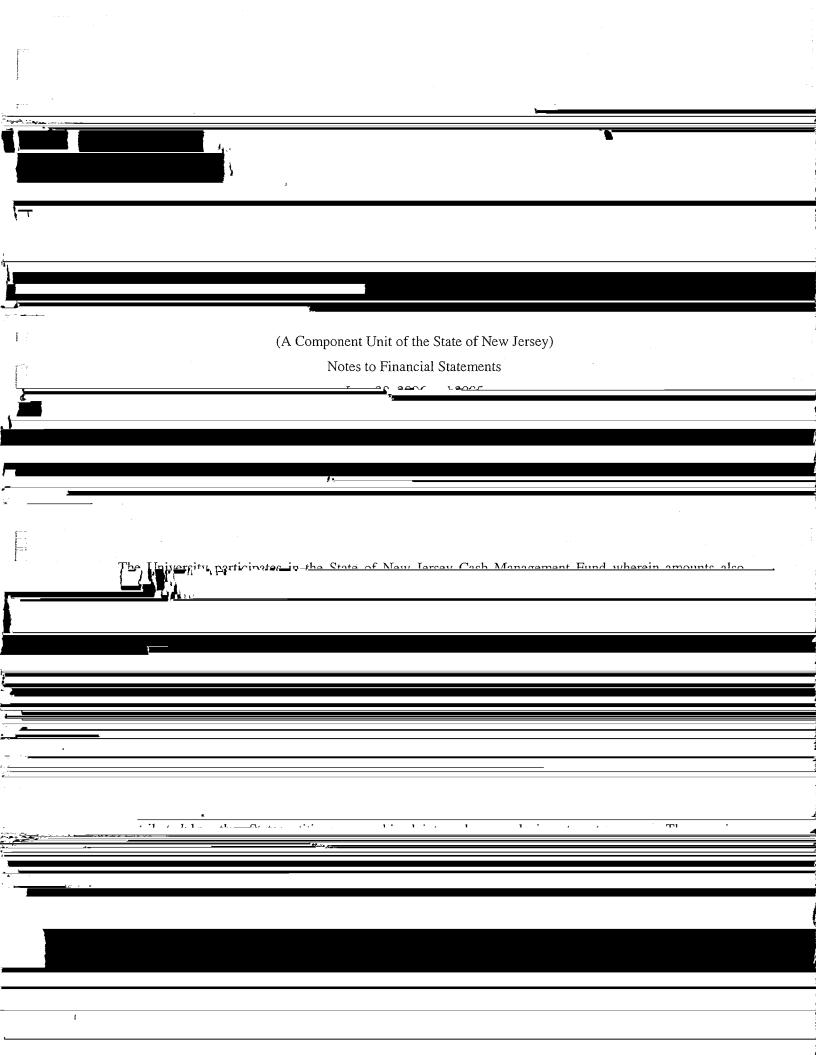
Revenue from State of New Jersey appropriations is recognized in the fiscal year during which the State of New Jersey appropriates the funds to the University.

#### Classification of Revenue

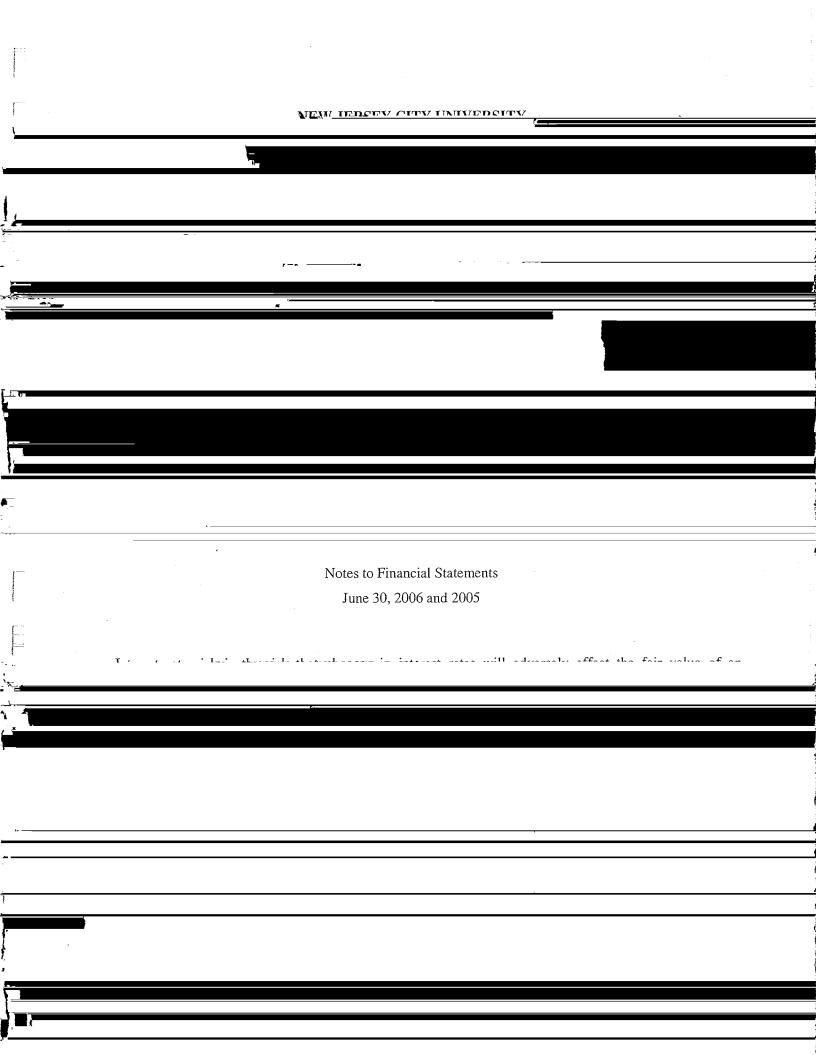
The University's policy for defining operating activities in the statement	~

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

the contraction was a community of the contraction of the contraction



NEW JERSEY CITY UNIVERSITY (A Component Unit of the State of New Jersey) Moter to Einannial Statements June 30, 2006 and 2005 Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. GASB 40 requires that disclosure be made as to the credit rating of all fixed income securities except obligations of the HS government or obligations explicitly guaranteed by the HS government. The credit



(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2006 and 2005

•				
į .	The University's investment securities are a	vaccad to custodial stadi	t rick if the cocurities	c are unincured
	The University's investment convities are a	,		
	are not registered in the name of the U counterparty's trust department or agent but it			terparty or the
	As of June 30, 2006 and 2005, the Univers	ty's deposits held with	bond trustees are inventeed by the U.S. gov	ested in money
		Tr		
<u>.</u>				
			==	
	Interest rate risk is the risk that changes investment. The following table summarize 2006 and 2005:	in interest rates will ad s deposits held with bor	versely affect the fand trustees maturities	as of June 30,
			2006	
			Investment m	aturities
			(in yea	
	Investment type	Fair value	Less than 1	1 to 2

Cash and cash equivalents

1,725

1,725

\$

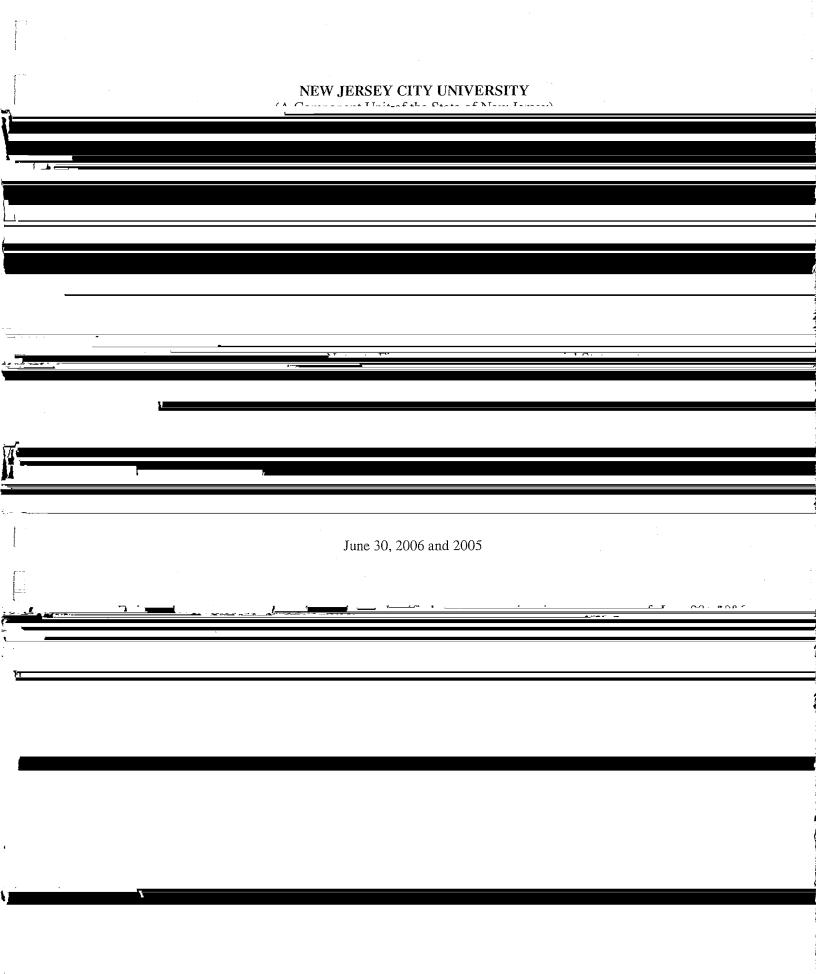
### Notes to Financial Statements

June 30, 2006 and 2005

# (4) Capital Assets

The detail of capital assets activity for the years ended June 30, 2006 and 2005 follows:

		June 30, 2005	Additions	Reductions	June 30, 2006
Depreciable assets:  Land improvements	\$	799,943			799,943
Buildings and building	į.	116,105,104	( )71 70/	<del></del>	100 404 000



June 30, 2006 and 2005

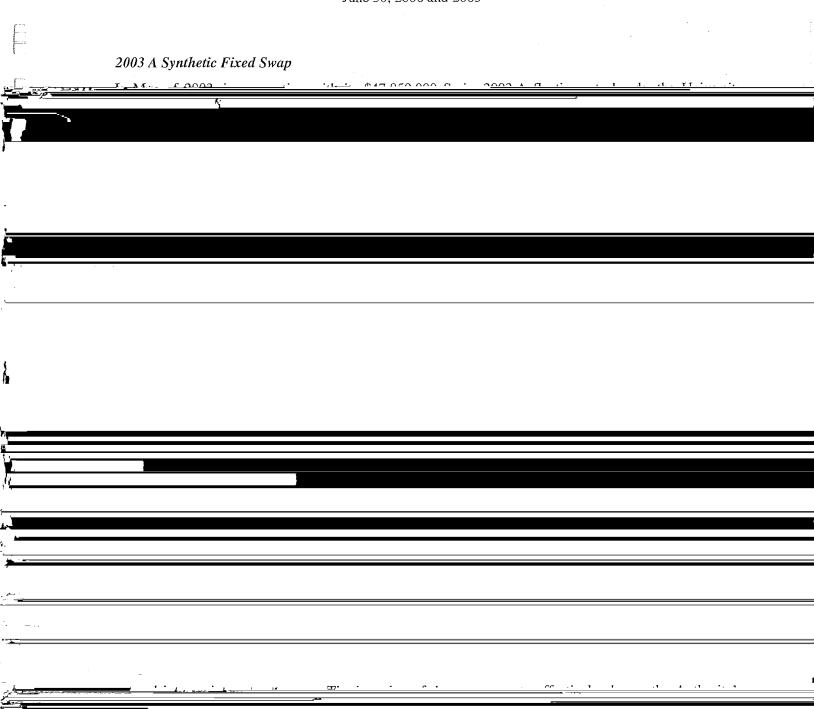
Interest rate 2006 2005

New Jersey Educational Facility

(A Component Unit of the State of New Jersey)

Notes to Financial Statements

June 30, 2006 and 2005



(A Component Unit of the State of New Jersey)

Notes to Financial Statements

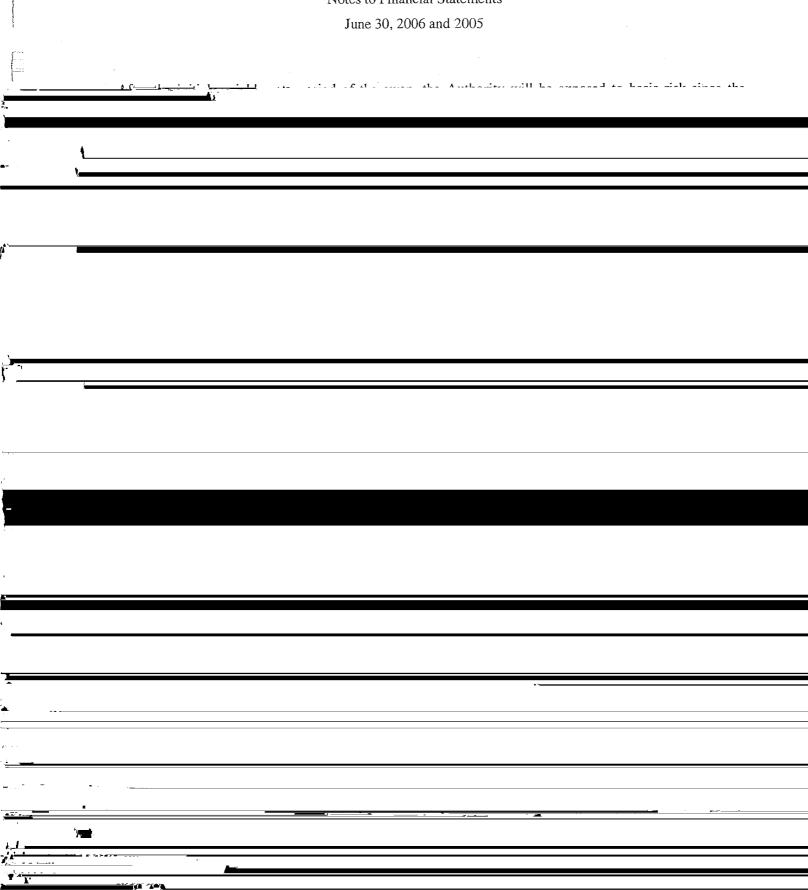
June 30, 2006 and 2005

Using rates as of June 30, 2006, debt service requirements of the swapped portion of variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows. As

	Floating r	ate bonds	Interest rate	
	 Principal	Interest	swap, net	Total
Fiscal year ending June 30:				
2007	\$ 45,000	801,906	(73,399)	773,507
2008	45,000	800.259	(73. <u>248</u> )	772.011

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

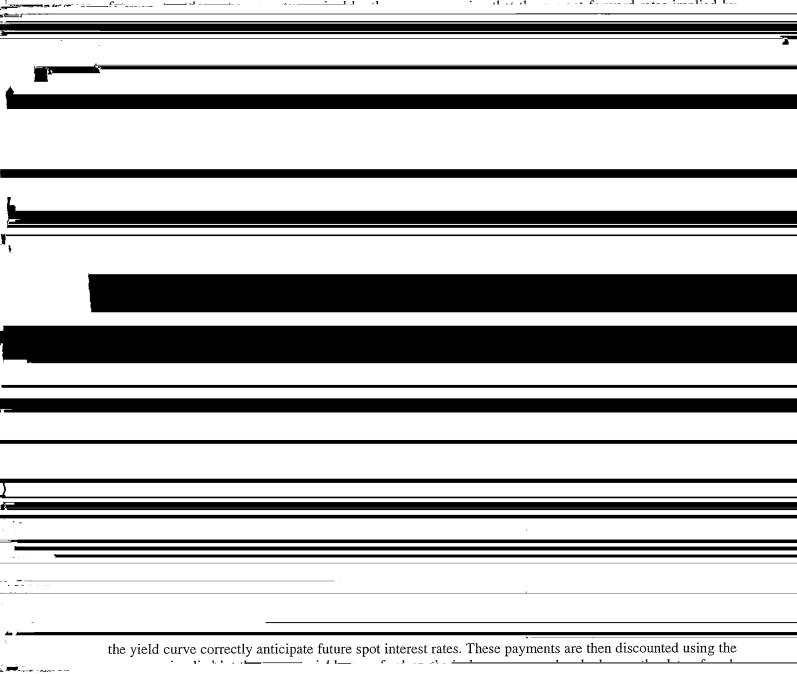
Notes to Financial Statements



(A Component Unit of the State of New Jersey)

Notes to Financial Statements June 30, 2006 and 2005

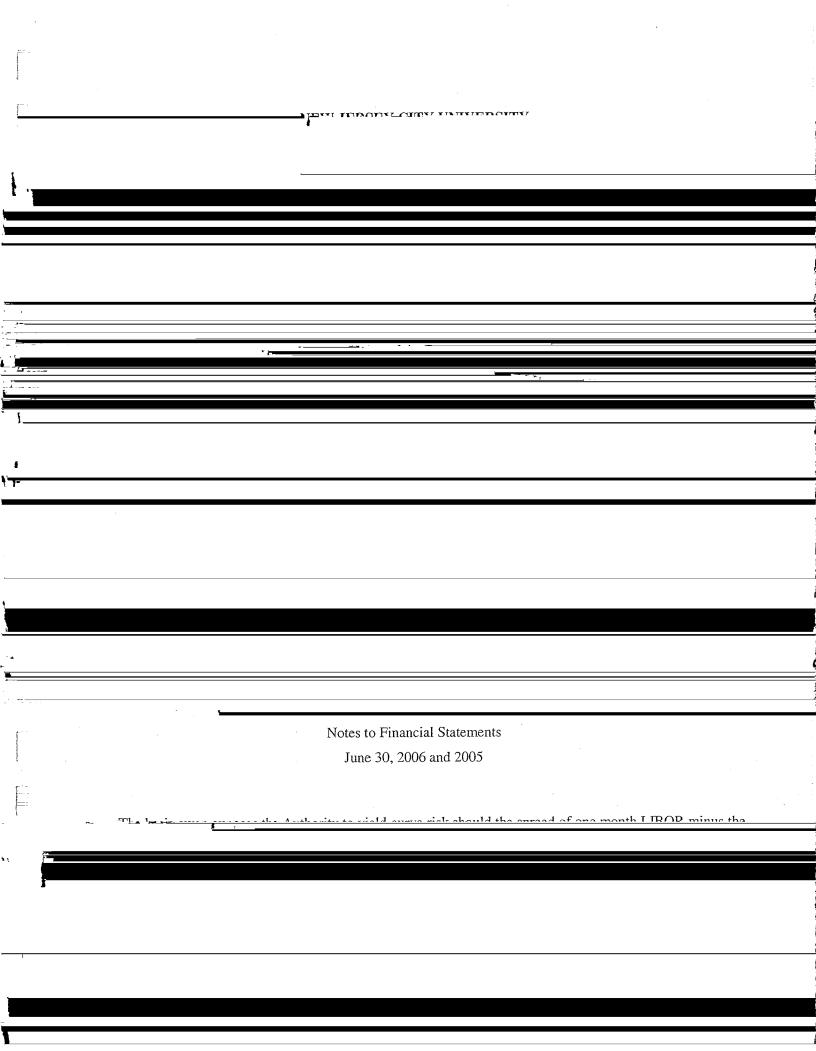
The Basis Swap had a fair value of \$349,675 as of June 30, 2006 and a fair value of (\$501,432) as of June 30, 2005. The fair value was calculated using the zero coupon method. This method calculates the



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

Notes to Financial Statements June 30, 2006 and 2005

•	
·······	
	2006 LIBOR Yield Curve Basis Swaps
	2000 Elbox Tiona Carvo Dasis Swaps
	In June_2006 the Authority entered into three LIROR Yield Curve Basis Swans (Basis Swans) for the
	The Date of the Administration of the Control of th
,	
* -	
<del>-</del>	
<u> </u>	
<u></u>	
· •	
3-	
·	
· .	
·	
·	



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

Notes to Financial Statements

	Line of Credit
	On February 20, 2004 the University entered into a secured commercial revolving credit loan agreement
<u></u>	
. <b>+</b>	
· •	
- v <sub>/</sub> -	
· ·	
~ 3	
, [	
<u></u>	
<u> </u>	
-	
, u	

Notes to Financial Statements  June 30, 2006 and 2005  (7) Retirement Plans  Plan Descriptions  The University participates in two major retirement plans for its employees – Public Employee Patirement System (PERS) and the Alternate Repetit Program (ARD) Enrollment into the page	Notes to Financial Statements  June 30, 2006 and 2005  (7) Retirement Plans  Plan Descriptions  The University participates in two major retirement plans for its employees – Public Employee		
Notes to Financial Statements  June 30, 2006 and 2005  (7) Retirement Plans  Plan Descriptions  The University participates in two major retirement plans for its employees – Public Employe	Notes to Financial Statements  June 30, 2006 and 2005  (7) Retirement Plans  Plan Descriptions  The University participates in two major retirement plans for its employees – Public Employee	<b>I</b> -	
Notes to Financial Statements  June 30, 2006 and 2005  (7) Retirement Plans  Plan Descriptions  The University participates in two major retirement plans for its employees – Public Employe	Notes to Financial Statements  June 30, 2006 and 2005  (7) Retirement Plans  Plan Descriptions  The University participates in two major retirement plans for its employees – Public Employee		
June 30, 2006 and 2005  (7) Retirement Plans  Plan Descriptions  The University participates in two major retirement plans for its employees – Public Employee	June 30, 2006 and 2005  (7) Retirement Plans  Plan Descriptions  The University participates in two major retirement plans for its employees – Public Employee		
June 30, 2006 and 2005  (7) Retirement Plans  Plan Descriptions  The University participates in two major retirement plans for its employees – Public Employee	June 30, 2006 and 2005  (7) Retirement Plans  Plan Descriptions  The University participates in two major retirement plans for its employees – Public Employee		-
<ul> <li>(7) Retirement Plans</li> <li>Plan Descriptions</li> <li>The University participates in two major retirement plans for its employees – Public Employee</li> </ul>	<ul> <li>(7) Retirement Plans</li> <li>Plan Descriptions</li> <li>The University participates in two major retirement plans for its employees – Public Employee</li> </ul>		Notes to Financial Statements
Plan Descriptions  The University participates in two major retirement plans for its employees – Public Employee	Plan Descriptions  The University participates in two major retirement plans for its employees – Public Employee		June 30, 2006 and 2005
Plan Descriptions  The University participates in two major retirement plans for its employees – Public Employee	Plan Descriptions  The University participates in two major retirement plans for its employees – Public Employee		
Plan Descriptions  The University participates in two major retirement plans for its employees – Public Employee	Plan Descriptions  The University participates in two major retirement plans for its employees – Public Employee	(7)	Detiment Name
The University participates in two major retirement plans for its employees - Public Employe	The University participates in two major retirement plans for its employees - Public Employe	(7)	
			Plan Descriptions
Seminant States Teles Communication and the seminant semi	A STATE OF THE STA		The University participates in two major retirement plans for its employees – Public Employees

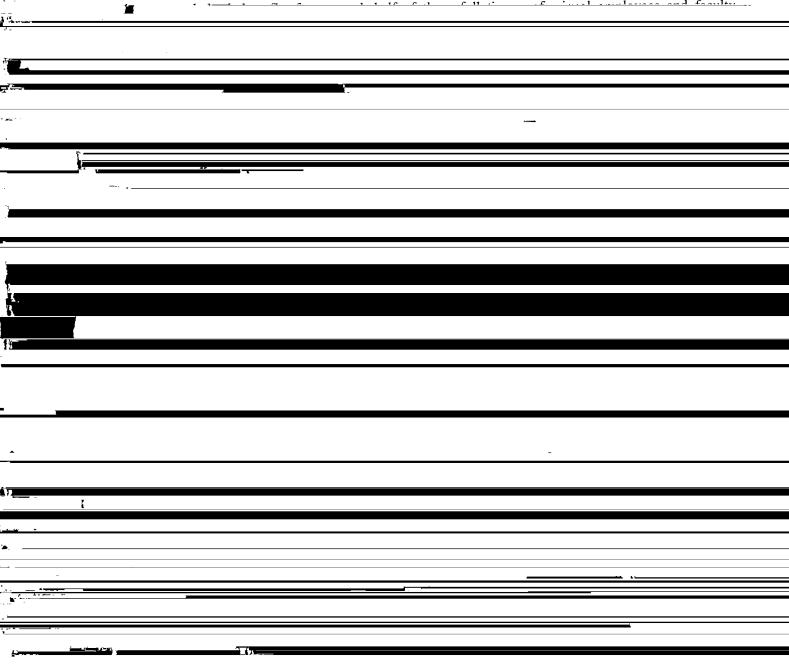
nrogram is mandatory for all employees. Employees who are retired from another state administered

(A Component Unit of the State of New Jersey)

Notes to Financial Statements June 30, 2006 and 2005

## **Alternate Benefit Program Information**

Employees enrolled in the ABP pension program are faculty members, administrators and managers of the University. Enrollment into the pension program begins the first date of hire for all permanent employees. Temporary employees are enrolled after one year of continuous temporary employment. ABP provides the choice of six investment carriers all of which are privately operated defined contribution retirement plans. The University assumes no liability for ABP members other than payment of contributions. ABP provides



(A Component Unit of the State of New Jersey)

Notes to Financial Statements
June 30, 2006 and 2005

	10) Compensated Absences			
<b>.</b>	The Majority accorded to the title for a		in the amount of annual	
<u> </u>				
1				
a				
i				
· 1:	,			
h				
•				
*				
4				
•				
-				
	- 1 #2 261 275 f I 20 2006	1 2005		
ž.	and \$3,361,375 as of June 30, 2006 an	a 2005, respectively,	which is included in ac	of not assets. The
1				
₹ .				

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

Notes to Financial Statements

	During the year ended June 30, 2006 and 2005 the Foundation distributed \$89,107 and \$145,024, respectively, to the University in the form of scholarships. The University contributed \$669,391 and
	9230 221 in 2000 fourther many and 211 20 3002
•	
	,
-	
<u>-</u>	
**≂ Af s >==	
1	
FERRING CO.	
7-	

				•					
ny									
				·					
And Section Control of the Control o									
Jos eliteration and a									
All San Control		e e e							
Service 18									
Property of the second									
Parameter Commence									
And the state of t								4	
	-		_		·		h		
Power of the Control									
on (1)									
attained by the state of the st	,								
or or or (Fo. d.)							-		
Francisco Company									?
-		·							