

**Ramapo College of New Jersey**  
**(A Component Unit of the State of New Jersey)**

Basic Financial Statements

June 30, 2008 and 2007

**Ramapo College of New Jersey**  
(A Component Unit of the State of New Jersey)

Financial Statements

June 30, 2008 and 2007

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**Ramapo College of New Jersey**  
(A Component Unit of the State of New Jersey)

Management's Discussion and Analysis

June 30, 2008 and 2007

**Overview of Financial Statements and Financial Analysis**

This section of the annual financial statements for Ramapo College of New Jersey (RCNJ) presents management's discussion and analysis of the College's financial performance for the fiscal years ended on June 30, 2008 and 2007 and comparative amounts for the year ended June 30, 2006. Since the management's discussion and analysis is designed to focus on current activities and currently known facts, it should be read in conjunction with the College's basic financial statements and related footnote disclosures, which follow this section.

**College Overview**

Ramapo College of New Jersey, located in suburban Mahwah, New Jersey, is a highly selective institution of post-secondary education. RCNJ is one of twelve senior public institutions in the New Jersey system of public higher education. Ramapo offers programs in the liberal arts and sciences as well as in business and other professional studies, within a liberal education context at both the bachelor's and master's level. Organized into schools, which provide thematic learning communities, the College presents a curriculum of traditional majors and innovative programs in an interdisciplinary fashion. Supported by global partnerships, international and intercultural education has become central themes in Ramapo's programming. The College purposely involves students in the cultural diversity of the world and of American society.

As of fall 2007, the College enrolled 4,919 full-time equivalent undergraduate students and 124 full-time equivalent graduate students. Approximately 61% of full-time undergraduates live on campus.

The State of New Jersey recognizes Ramapo as a public institution of higher education. The New Jersey Legislature appropriates funds annually to support the College. However, Ramapo operates autonomously from the State's activity.

The U.S. News & World Report 2008 edition of America's Best Colleges and Universities ranks Ramapo among the top public universities in the region. Also, Ramapo College is one of 222 institutions featured in Princeton Review's, The Best Northeastern Colleges, 2008 edition. In addition, Ramapo College was again listed in Kiplinger's Personal Finance Magazine, February 2008 issue, as among the top 100 public colleges and universities.

**Ramapo College of New Jersey**  
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Management's Discussion and Analysis

June 30, 2008 and 2007

**Using the Financial Statements**

The College's financial report includes three basic financial statements: the Statements of Net Assets, the Statements of Revenues, Expenses, and Changes in Net Assets, and the Statements of Cash Flows. These statements focus on the financial condition of the College as a whole and present a long-term view of the College's finances.

**The Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets**

The Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Net Assets report information on the College as a whole and on its activities. When revenues and other support exceed expenses, the result is an increase in net assets. When the reverse occurs, the result is a decrease in net assets. The relationship between revenues and expenses may be thought of as RCNJ's operating results.

These two statements report RCNJ's net assets and changes in them. You can think of RCNJ's net assets – the difference between assets and liabilities – as one way to measure the College's financial health, or financial position. Over time, increases or decreases in the College's net assets are one indicator of whether its financial health is improving or deteriorating. However, in any given year the change in net assets may result from a unique event (such as receipt of proceeds from a grant or a one time spike in expenditures, e.g. unusually snowy winter). Trends therefore are important to watch. Also, you will need to consider not only the trends of net assets but also many other non-financial factors that reflect on the overall health of the College. These factors include such things as freshman class size, number of applicants, selectivity, strength of demand e.g., percent of first year students noting the College was their first year choice, retention rates, graduation rates, the condition of the buildings and grounds, and the safety of the campus.

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector institutions. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

**Statement of Net Assets**

The Statement of Net Assets presents the financial position of the College at the end of the fiscal year. It includes all assets (current and noncurrent), liabilities (current and noncurrent) and net assets (the difference between total assets and total liabilities). Net assets are one indicator of the financial condition of the College, while the change in net assets is an indicator of whether the overall financial condition has improved or worsened during the year.

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Government Accounting Standards Board (GASB) Statement No. 35 establishes standards for external financial reporting for public colleges and universities and requires that resources be classified for accounting and reporting purposes into the following net asset categories: Invested in capital, net of related debt, Restricted and Unrestricted.

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

Restricted net assets consist of nonexpendable and expendable net assets. Nonexpendable net assets are subject to externally imposed stipulations that may be maintained permanently by the College. Expendable net assets are subject to externally imposed stipulations that can be fulfilled by actions of the College pursuant to the stipulations or that expire by the passage of time. All of the College's restricted net assets are expendable.

Unrestricted net assets are not subject to externally imposed stipulations. They may be designated by specific purposes by action of management to 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 and initiatives and capital programs.

**Summary Comparison of College's Assets, Liabilities and Net Assets**  
**For the Fiscal Years Ended**  
**(dollars in thousands)**

	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Assets			
Current assets	\$ 55,687	\$ 67,620	\$ 75,261
Capital assets, net	278,940	267,326	234,991
Other assets	<u>825</u>	<u>1,159</u>	<u>28,292</u>
Total Assets	<u>335,452</u>	<u>336,105</u>	<u>338,544</u>
Liabilities			
Current liabilities	20,390	24,063	26,791
Noncurrent liabilities	<u>250,650</u>	<u>253,349</u>	<u>254,048</u>
Total Liabilities	<u>271,040</u>	<u>277,412</u>	<u>280,839</u>
Net Assets			
Invested in capital assets, net of related debt	\$ 36,366	\$ 34,593	34,039
Expendable restricted	4,823	5,432	10,201
Unrestricted	<u>23,223</u>	<u>18,668</u>	<u>13,465</u>
Total Net Assets	<u>\$ 64,412</u>	<u>\$ 58,693</u>	<u>\$ 57,705</u>

**Ramapo College of New Jersey**  
(A Component Unit of the State of New Jersey)

Management's Discussion and Analysis

June 30, 2008 and 2007

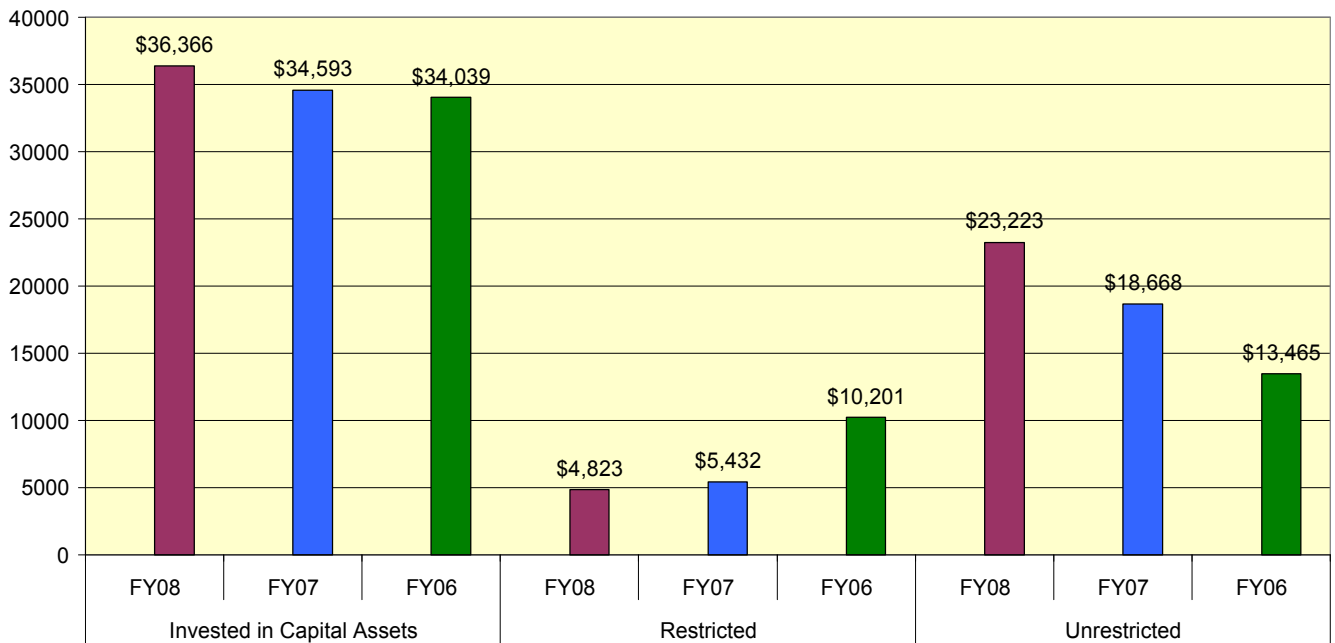
During fiscal year 2008, RCNJ's total assets decreased \$653,000. Current assets decreased by \$11.9 million and other assets decreased by \$334,000. These changes are from the expenditure of investments held by bond trustees for the construction of the Anisfield School of Business, a new academic building, and a new road to handle truck traffic. Plant facilities, net of accumulated depreciation, increased \$11.6 million. This increase is due to the previously mentioned construction.

Total liabilities decreased by \$6.4 million in fiscal year 2008. The primary cause for the decrease was a slow down in construction resulting in less pending invoices in accounts payable.

During fiscal year 2008, total net assets had an increase of \$5.7 million. The increase is due to a refinancing of several bond issues resulting in lower interest cost and increased enrollment.

Graphically displayed is the comparative net asset change for the College by category for the fiscal years shown below (dollars in thousands):

**COLLEGE NET ASSETS**



**Ramapo College of New Jersey**  
(A Component Unit of the State of New Jersey)

Management's Discussion and Analysis

June 30, 2008 and 2007

**Statement of Revenues, Expenses and Changes in Net Assets**

The Statement of Revenues, Expenses and Changes in Net Assets is to present the revenues earned by RCNJ, both operating and nonoperating, and the expenses incurred by RCNJ, both operating and nonoperating.

**Revenues**

Operating revenues are earned from providing goods and services to the various customers and constituencies of the College. Nonoperating revenues are revenues for which goods or services are not directly provided.

**Summary Comparison of College Revenues  
for the Fiscal Years Ended  
(dollars in thousands)**

	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Operating Revenues			
Student revenues, net	\$ 70,910	\$ 62,408	\$ 56,594
Grants and contracts	10,186	9,665	8,847
Other	<u>1,771</u>	<u>1,696</u>	<u>648</u>
Total Operating Revenues	<u>82,867</u>	<u>73,769</u>	<u>66,089</u>
Nonoperating Revenue			
State appropriation	34,836	33,202	33,688
Transactions with affiliates	3,193	2,174	2,124
Investment and other	<u>4,230</u>	<u>2,746</u>	<u>2,891</u>
Total Nonoperating Revenue	<u>42,259</u>	<u>38,122</u>	<u>38,703</u>
Capital grants and gifts	<u>200</u>	<u>106</u>	<u>224</u>
Total Revenues	<u>\$ 125,326</u>	<u>\$ 111,997</u>	<u>\$ 105,016</u>

To achieve its mission, RCNJ receives revenue from a variety of sources. The College will continue to aggressively seek funding from all possible sources and manage those resources to fund its operating activities.

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**Operating Revenues**

***Student Revenues***

Student revenues are comprised of three main sources: tuition, fees and auxiliary enterprises. Auxiliary enterprises are self-funding activities mostly consisting of Residence Life and the Student Center. Student revenues are reflected net of scholarship allowances. Scholarship allowances represent scholarships applied to student accounts for tuition, fees, and room and board. These scholarships are funded through federal and state grant programs, gifts raised by the Ramapo College Foundation and general College revenues. Ramapo applied \$14.3 million in scholarship allowances for tuition and fees and auxiliary charges directly to student accounts in fiscal year 2008. The main source of the allowances comes from federal and state grants. In fiscal year 2008, student revenues increased \$8.5 million due to increased student enrollment and an increase in tuition, fees, and room and board charges.

***Grants and Contracts***

Grant and Contract revenue for fiscal year 2008 increased \$521,000 as more students received financial aid from Federal and State programs.

**Nonoperating Revenues**

***New Jersey State Appropriation***

State appropriations, including fringe benefits, paid directly by the State increased \$1.6 million in fiscal year 2008. The direct appropriation to the College's operations increased \$889,000. This increase was due to the State restoring some of the funds from the cut made in the prior year. The increase in the State payments on behalf of the College for fringe benefits was \$745,000. This is a result of an increase in the number of employees and contractual salary increases.

***Transactions with Affiliates***

Amounts received from the Foundation increased \$1.0 million. This money is used to help fund College programs and capital expansion.



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Management's Discussion and Analysis

June 30, 2008 and 2007

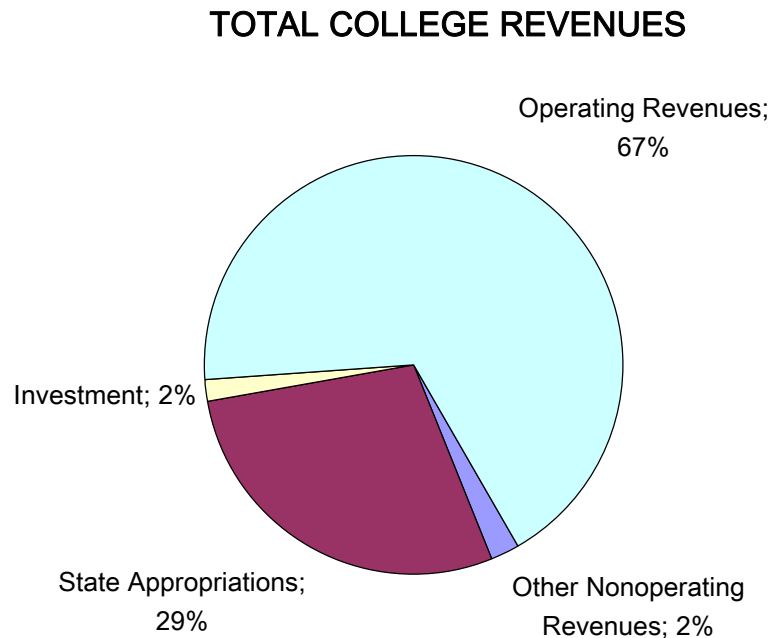
***Investment and Other***

Investment earnings decreased by \$889,000 due to a significant drop in interest rates. Other nonoperating income increased by \$2.4 million as a result of proceeds from an insurance settlement.

***Capital Grants and Gifts***

Capital Grants and Gifts increased by \$94,000 as larger grants from the Federal government were received.

The following provides a graphical breakdown of each category's percentage of total revenues for the College for the fiscal year ended June 30, 2008 (thousand of dollars):



**Ramapo College of New Jersey**  
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**Expenses**

Operating expenses are those expenses incurred to acquire or produce goods and services to carry out the mission of the College. Nonoperating expenses are those for which RCNJ does not receive goods or services in return.

Salaries and benefits comprise about 62.9% of the College's total operating expenses. Wage and benefit increases affected all functional areas of the College. Other increases include additional faculty and staff lines to meet the needs associated with enrolment and residence growth, and increased operating costs.

The decrease in nonoperating expenses represents interest on debt service due to the refinancing of several bond issues.

**Summary Comparison of College Expenses  
for the Fiscal Years Ended  
(dollars in thousands)**

	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Operating Expenses			
Instruction	\$ 36,654	\$ 33,820	\$ 29,934
Research and Public Service	67	-	-
Academic support	5,564	5,620	5,364
Student services	10,219	9,825	9,496
Institutional support	16,592	15,888	15,459
Student financial aid	698	652	379
Operations and maintenance of plant	12,987	11,730	11,048
Depreciation	11,335	9,564	8,879
Auxiliary	<u>17,025</u>	<u>15,355</u>	<u>14,475</u>
Total Operating Expenses	<u>111,141</u>	<u>102,454</u>	<u>95,034</u>
Nonoperating expenses	<u>8,466</u>	<u>8,555</u>	<u>9,658</u>
Total Expenses	<u>\$ 119,607</u>	<u>\$ 111,009</u>	<u>\$ 104,692</u>

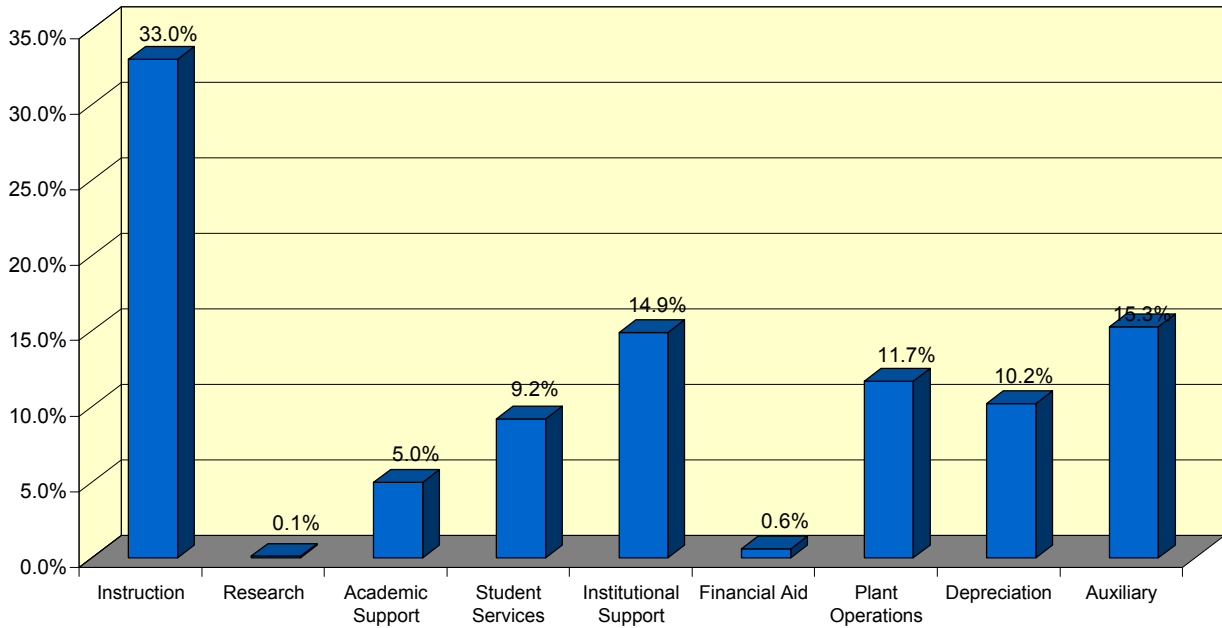
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The following graph shows each College's functional area's percentage of total operating expenses for the fiscal year ended June 30, 2008:

**COLLEGE OPERATING EXPENSES**



**Statement of Cash Flows**

The statement of cash flows provides additional information about RCNJ's financial results, by reporting the major sources and uses of cash.

**Summary Comparison of College Cash Flows  
for the Fiscal Years Ended  
(dollars in thousands)**

	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Net Cash Provided (Used) by			
Operating activities	\$(18,744)	\$(22,522)	\$(12,326)
Noncapital financing activities	39,462	35,072	34,925
Capital financing activities	(14,934)	(92)	(32,365)
Investing activities	<u>1,857</u>	<u>2,746</u>	<u>2,891</u>
Net increase (decrease) in cash	7,641	15,204	(6,875)
Cash – beginning of year	<u>22,785</u>	<u>7,581</u>	<u>14,456</u>
Cash – end of year	<u>\$ 30,426</u>	<u>\$ 22,785</u>	<u>\$ 7,581</u>

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This statement will assist in evaluating the College's ability to generate net cash flows, its ability to meet its obligations as they come due, and its need for external financing. Cash flows from operating activities will be negative since GASB Statement No. 35 requires State appropriations to be reported as cash flows from noncapital financing activities. Cash flows from capital financing include all capital related activities and related debt activities. Cash flows from investing activities show all sources and uses of cash and cash equivalents related to investments.

The fiscal year 2008 increase in cash was due to less construction on campus, so lower bills awaiting reimbursement from bond trustee investments, and the issuance of bond Series 2006I which lowered debt service payments.

***Capital Assets and Debt Administration***

In order to meet the needs of the College's academic and community activities, the College must continually reinvest resources in its capital assets to maintain adequate facilities for these programs. The College is implementing its capital plan that has identified and prioritizes our capital needs.

At June 30, 2008, the College had \$278.9 million invested in capital assets, net of accumulated depreciation of \$93.4 million. Depreciation charges totaled \$11.3 million for fiscal year 2008 compared to \$9.6 million in fiscal year 2007.

**Summary of Capital Assets, Net of Accumulated Depreciation for the  
for the Fiscal Years Ended  
(dollars in thousands)**

	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Land	\$ 3,231	\$ 3,231	\$ 3,231
Land improvements	4,348	2,876	283
Infrastructure	10,961	8,426	4,664
Buildings and improvements	248,392	216,147	165,152
Equipment	8,666	9,183	10,961
Library collection	1,989	1,527	1,615
Construction in progress	<u>1,353</u>	<u>25,936</u>	<u>49,085</u>
Total	<u>\$278,940</u>	<u>\$267,326</u>	<u>\$234,991</u>

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Major capital additions this year and the source of the resources that funded their acquisition included (dollars in thousands):

- Renovation of athletic fields: from bond proceeds \$1,480
- Construction of a new road circling the campus: from bond proceeds \$940
- Renovation of a residence facilities: from bond proceeds \$4,990
- Construction of a new academic building: from bond proceeds \$7,680

At June 30, 2008, the College had \$251.3 million in debt outstanding versus \$255.1 million the previous year. As part of its mission, the College is committed to the expansion and renewal of its capital assets through its capital plan which covers major projects through fiscal year 2009, in order to continue to enhance the quality of its academic and student development programming. In addition to debt financing, the College is aggressively seeking grants and donations.

***Economic Factors That Will Affect the Future***

Management believes that it has the structure in place to have favorable financial results, which will ensure the resources necessary to provide the highest quality educational opportunities. RCNJ has increased the number of its undergraduate and graduate students, as witnessed by the enrollment growth in the past several years. Demand for both instruction and on campus housing continues to be strong. The financial position of RCNJ reflects revenue growth in tuition, housing rentals and board charges. RCNJ continues to demonstrate its ability to generate the necessary funding to maintain and improve in order to meet the increasing academic and social needs of our students.

However, as New Jersey's Public Liberal Arts College, the appropriation from the State is a very important part of the College's funding. There is a direct relationship between the growth of State support and the College's ability to control tuition growth. Declines in State appropriations generally result in increased tuition levels. The level of State support, the impact of collectively bargained wage increases and the ability of student fee supported activities to meet inflationary pressures determine the limits of program expansion, new initiatives and strategic investments.

The College addressed these funding challenges through various means such as reducing costs, increasing tuition and fee charges, fundraising and the use of debt financing. The College continues to monitor the increasing costs of instructional and administrative technology, the increasing demand for institutional scholarships, and the administrative structure to effect financial efficiencies and preserve administrative effectiveness. College leadership will intensify our examination of budget and expenditure strategies to assure allocation of finances to institutional priorities.



## Independent Auditors' Report

### To the Board of Trustees of Ramapo College of New Jersey

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Ramapo College of New Jersey (the College), a component unit of the State of New Jersey, as of and for the years ended June 30, 2008 and 2007, which collectively comprise the College's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 College'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 respective financial position of the business-type activities and the discretely presented component unit of Ramapo College of New Jersey as of June 30, 2008 and 2007, and the respective changes in 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 11 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.

Paramus, New Jersey  
September 2, 2008

**Ramapo College of New Jersey**  
(A Component Unit of the State of New Jersey)  
Statements of Net Assets  
June 30, 2008  
(dollars in thousands)

	<b>Business-Type Activities Ramapo College</b>	<b>Component Unit Ramapo College Foundation</b>	<b>Total</b>
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	\$ 30,426	\$ 166	\$ 30,592
Short term investments	-	125	125
Receivables			
Students, less allowance of \$549 in 2008	342	-	342
Loans, less allowance of \$53 in 2008	92	-	92
Gifts and grants	1,809	1,358	3,167
Contributions, net	-	3,159	3,159
Due from Ramapo College Foundation (due to College)	403	(403)	-
Other	916	59	975
Total Receivables	<u>3,562</u>	<u>4,173</u>	<u>7,735</u>
Deposits held by Trustees	21,282	-	21,282
Other current assets	417	7	424
Total Current Assets	<u>55,687</u>	<u>4,471</u>	<u>60,158</u>
Noncurrent Assets			
Investments, at fair value	-	7,354	7,354
Student loan receivables, less allowance of \$479 in 2008	825	-	825
Contributions receivable, net	-	2,778	2,778
Plant facilities, net	278,940	-	278,940
Total Assets	<u>\$ 335,452</u>	<u>\$ 14,603</u>	<u>\$ 350,055</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable and accrued expenses	\$ 10,441	\$ 77	\$ 10,518
Deferred revenue	2,306	75	2,381
Compensated absences, current portion	1,593	-	1,593
Deposits	750	85	835
Long-term liabilities, current portion	5,300	-	5,300
Total Current Liabilities	<u>20,390</u>	<u>237</u>	<u>20,627</u>
Noncurrent Liabilities			
Other liabilities	2,658	30	2,688
Compensated absences	1,035	-	1,035
U.S. Government Grants refundable	937	-	937
Long-term debt	246,020	-	246,020
Total Liabilities	<u>\$ 271,040</u>	<u>\$ 267</u>	<u>\$ 271,307</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	\$ 36,366	\$ -	\$ 36,366
Restricted			
Nonexpendable	-	5,223	5,223
Expendable			
Grants	-	7,779	7,779
Debt service	1,149	-	1,149
Renewal and replacement	3,868	-	3,868
Capital projects	(194)	-	(194)
Unrestricted			
Capital projects	7,354	-	7,354
Current	15,869	1,334	17,203
Total Net Assets	<u>\$ 64,412</u>	<u>\$ 14,336</u>	<u>\$ 78,748</u>

See notes to financial statements

**Ramapo College of New Jersey**  
(A Component Unit of the State of New Jersey)  
Statements of Net Assets  
June 30, 2007  
(dollars in thousands)

	<b>Business-Type Activities Ramapo College</b>	<b>Component Unit Ramapo College Foundation</b>	<b>Total</b>
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	\$ 22,785	\$ 516	\$ 23,301
Short term investment	-	730	730
Receivables			
Students, less allowance of \$363 in 2007	155	-	155
Loans, less allowance of \$51 in 2007	83	-	83
Gifts and grants	2,385	1,200	3,585
Contributions, net		530	530
Due from Ramapo College Foundation (due to College)	653	(653)	-
Other	810	63	873
Total Receivables	<u>4,086</u>	<u>1,140</u>	<u>5,226</u>
Deposits held by trustees	40,312	-	40,312
Other current assets	437	23	460
Total Current Assets	<u>67,620</u>	<u>2,409</u>	<u>70,029</u>
Noncurrent Assets			
Investments, at fair value	-	7,312	7,312
Student loan receivables, less allowance of \$462 in 2007	742	-	742
Contributions receivable, net	-	1,008	1,008
Deferred financing costs, net	417	-	417
Plant facilities, net	267,326	-	267,326
Total Assets	<u>\$ 336,105</u>	<u>\$ 10,729</u>	<u>\$ 346,834</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable and accrued expenses	\$ 15,349	\$ 118	\$ 15,467
Deferred revenue	2,478	113	2,591
Compensated absences, current portion	1,517	-	1,517
Deposits	750	36	786
Long-term liabilities, current portion	3,969	-	3,969
Total Current Liabilities	<u>24,063</u>	<u>267</u>	<u>24,330</u>
Noncurrent Liabilities			
Other liabilities	327	7	334
Compensated absences	964	-	964
U.S. Government Grants refundable	938	-	938
Long-term debt	251,120	-	251,120
Total Liabilities	<u>\$ 277,412</u>	<u>\$ 274</u>	<u>\$ 277,686</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	\$ 34,593	\$ -	\$ 34,593
Restricted			
Nonexpendable	-	4,841	4,841
Expendable			
Grants	-	4,552	4,552
Debt service	1,416	-	1,416
Renewal and replacement	3,564	-	3,564
Capital projects	452	-	452
Unrestricted			
Capital projects	5,148	-	5,148
Current	13,520	1,062	14,582
Total Net Assets	<u>\$ 58,693</u>	<u>\$ 10,455</u>	<u>\$ 69,148</u>

See notes to financial statements



**Ramapo College of New Jersey**  
(A Component Unit of the State of New Jersey)  
Statements of Revenues, Expenses and Changes in Net Assets  
Year Ended June 30, 2008  
(dollars in thousands)

	<b>Business-Type Activities Ramapo College</b>	<b>Component Unit Ramapo College Foundation</b>	<b>Total</b>
<b>REVENUE</b>			
Operating Revenues			
Student tuition and fees	\$ 52,657	\$ -	\$ 52,657
Less: tuition scholarship allowances	<u>(12,576)</u>	<u>-</u>	<u>(12,576)</u>
Net Student Tuition and Fees	40,081	-	40,081
Auxiliary enterprises	32,516	-	32,516
Less: auxiliary allowances	<u>(1,687)</u>	<u>-</u>	<u>(1,687)</u>
Net Auxiliary Enterprises	30,829	-	30,829
Federal grants and contracts	4,602	-	4,602
State and local grants and contracts	5,584	1,690	7,274
Contributions	-	5,687	5,687
Other operating revenues	<u>1,771</u>	<u>749</u>	<u>2,520</u>
Total Operating Revenues	<u>82,867</u>	<u>8,126</u>	<u>90,993</u>
<b>EXPENSES</b>			
Operating Expenses			
Instruction	36,654	-	36,654
Research and Public Service	67	-	67
Academic support	5,564	-	5,564
Student services	10,219	-	10,219
Institutional support	16,592	-	16,592
Student financial aid and scholarships	698	363	1,061
Operations and maintenance of plant	12,987	-	12,987
Fundraising	-	314	314
Depreciation	11,335	-	11,335
Auxiliary	<u>17,025</u>	<u>-</u>	<u>17,025</u>
Total Operating Expenses	<u>111,141</u>	<u>677</u>	<u>111,818</u>
Operating (Loss) Income	<u>(28,274)</u>	<u>7,449</u>	<u>(20,825)</u>
Nonoperating Revenue (Expenses)			
State of New Jersey appropriations	20,468	-	20,468
State of New Jersey paid fringe benefits	14,368	-	14,368
Investment income, net	1,857	(375)	1,482
Interest expense	(8,466)	-	(8,466)
Transactions with affiliates	3,193	(3,193)	-
Other nonoperating revenues	<u>2,373</u>	<u>-</u>	<u>2,373</u>
Net Nonoperating Revenue (Expenses)	<u>33,793</u>	<u>(3,568)</u>	<u>30,225</u>
Other Revenue			
Capital appropriations	<u>200</u>	<u>-</u>	<u>200</u>
Increase in Net Assets	5,719	3,881	9,600
<b>NET ASSETS</b>			
Beginning of year	<u>58,693</u>	<u>10,455</u>	<u>69,148</u>
End of year	<u>\$ 64,412</u>	<u>\$ 14,336</u>	<u>\$ 78,748</u>

See notes to financial statements

**Ramapo College of New Jersey**  
(A Component Unit of the State of New Jersey)  
Statements of Revenues, Expenses and Changes in Net Assets  
Year Ended June 30, 2007  
(dollars in thousands)

	<b>Business-Type Activities Ramapo College</b>	<b>Component Unit Ramapo College Foundation</b>	<b>Total</b>
<b>REVENUE</b>			
Operating Revenues			
Student tuition and fees	\$ 46,612	\$ -	\$ 46,612
Less: tuition scholarship allowances	<u>(11,954)</u>	<u>-</u>	<u>(11,954)</u>
Net Student Tuition and Fees	34,658	-	34,658
Auxiliary enterprises	29,325	-	29,325
Less: auxiliary allowances	<u>(1,575)</u>	<u>-</u>	<u>(1,575)</u>
Net Auxiliary Enterprises	27,750	-	27,750
Federal grants and contracts	4,388	-	4,388
State and local grants and contracts	5,277	415	5,692
Contributions	-	1,153	1,153
Other operating revenues	<u>1,696</u>	<u>659</u>	<u>2,355</u>
Total Operating Revenues	<u>73,769</u>	<u>2,227</u>	<u>75,996</u>
<b>EXPENSES</b>			
Operating Expenses			
Instruction	33,820	-	33,820
Academic support	5,620	-	5,620
Student services	9,825	-	9,825
Institutional support	15,888	-	15,888
Student financial aid and scholarships	652	318	970
Operations and maintenance of plant	11,730	-	11,730
Fundraising	-	286	286
Depreciation	9,564	-	9,564
Auxiliary	<u>15,355</u>	<u>-</u>	<u>15,355</u>
Total Operating Expenses	<u>102,454</u>	<u>604</u>	<u>103,058</u>
Operating (Loss) Income	<u>(28,685)</u>	<u>1,623</u>	<u>(27,062)</u>
Nonoperating Revenue (Expenses)			
State of New Jersey appropriations	19,579	-	19,579
State of New Jersey paid fringe benefits	13,623	-	13,623
Investment income, net	2,746	909	3,655
Interest expense	(8,555)	-	(8,555)
Transactions with affiliates	<u>2,174</u>	<u>(2,174)</u>	<u>-</u>
Net Nonoperating Revenue (Expenses)	<u>29,567</u>	<u>(1,265)</u>	<u>28,302</u>
Other Revenue			
Capital appropriations	<u>106</u>	<u>-</u>	<u>106</u>
Increase in Net Assets	988	358	1,346
<b>NET ASSETS</b>			
Beginning of year	<u>57,705</u>	<u>10,097</u>	<u>67,802</u>
End of year	<u>\$ 58,693</u>	<u>\$ 10,455</u>	<u>\$ 69,148</u>

See notes to financial statements

**Ramapo College of New Jersey**  
(A Component Unit of the State of New Jersey)  
**Statements of Cash Flows**  
(Business-Type Activities - Ramapo College Only)  
Years Ended June 30,  
(dollars in thousands)

	<u>2008</u>	<u>2007</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Tuition and fees	\$ 39,642	\$ 36,704
Grants and contracts	10,762	8,505
Payments to suppliers	(33,693)	(30,137)
Payments to employees	(51,480)	(49,600)
Payments for employee benefits	(16,575)	(15,662)
Auxiliary enterprise charges	30,829	27,750
Other	1,771	(82)
Net Cash Used by Operating Activities	<u>(18,744)</u>	<u>(22,522)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State appropriations	34,836	33,202
Gifts and grants	2,253	1,870
Insurance Proceeds	2,373	-
Federal family education loan program receipts	24,921	21,508
Federal family education loan program disbursements	<u>(24,921)</u>	<u>(21,508)</u>
Net Cash Provided by Noncapital Financing Activities	<u>39,462</u>	<u>35,072</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Proceeds from capital debt	-	5,288
Capital grants appropriations	1,140	410
Purchases of capital assets	(22,949)	(41,899)
Principal paid on capital debt and leases	(3,689)	(5,959)
Interest paid on capital debt and leases	(8,466)	(8,555)
Increase in deposits held by trustees	<u>19,030</u>	<u>50,623</u>
Net Cash Used by Capital Financing Activities	<u>(14,934)</u>	<u>(92)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investments	<u>1,857</u>	<u>2,746</u>
Net Increase in Cash	7,641	15,204
<b>CASH</b>		
Beginning of year	<u>22,785</u>	<u>7,581</u>
End of year	<u>\$ 30,426</u>	<u>\$ 22,785</u>
<b>RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH USED BY OPERATING ACTIVITIES</b>		
Operating loss	\$ (28,274)	\$ (28,685)
Adjustments to reconcile net loss to net cash used by operating activities		
Depreciation expense	11,335	9,564
Changes in assets and liabilities		
Receivables, net	441	(1,163)
Other assets	437	(1,755)
Accounts payable	(4,908)	(1,891)
Deferred revenue	(252)	1,295
Deposits held for others	-	(304)
Compensated absences	2,478	383
Loans to students and employees	-	34
Government grants refundable	<u>(1)</u>	<u>-</u>
Net Cash Used by Operating Activities	<u>\$ (18,744)</u>	<u>\$ (22,522)</u>

See notes to financial statements and independent auditors' report

**Ramapo College of New Jersey**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements  
(dollars in thousands)

June 30, 2008 and 2007

**1. Organization**

Established in 1969, Ramapo College offers bachelor's degrees in the arts, business, humanities, social sciences and the sciences, as well as in professional studies, which include nursing and social work. In addition, Ramapo College offers courses leading to teacher certification at the elementary and secondary levels. The College also offers three graduate programs as well as articulated programs with the University of Medicine and Dentistry of New Jersey and New York Chiropractic College.

The College's mission is focused on the four "pillars" of a Ramapo education: international, intercultural, interdisciplinary and experiential, all of which are incorporated throughout the curriculum and extracurriculum. The international mission is further accomplished through a wide range of study abroad and student exchange links with institutions all over the world through the New Jersey State Consortium for International Studies (NJSCIS). Additional experiential programs include internships, co-op, and service learning.

The College is recognized as a public institution of higher education by the State of New Jersey. This recognition is supported by an annual appropriation between the College and the State whereby the College agrees to render services of public higher education for the State. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, the College is considered a component unit of the State for financial reporting purposes. Accordingly, the financial statements of the College are included in the State of New Jersey's Comprehensive Annual Financial Report.

GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, establishes criteria for determining whether certain organizations should be reported as component units of the financial reporting entity. In accordance with GASB Statement No. 39 the operations of Ramapo College Foundation are included in the accompanying basic financial statements.

**2. Summary of Significant Accounting Policies**

***Basis of Presentation***

The accounting policies of the College conform to accounting principles generally accepted in the United States of America as applicable to colleges and universities. The College reports are based on all applicable Government Accounting Standards Board (GASB) pronouncements as well as applicable Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Review Boards of the Committee on Accounting Procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The College has not elected to apply FASB Statements and Interpretations issued after November 30, 1989.

**Ramapo College of New Jersey**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements  
(dollars in thousands)

June 30, 2008 and 2007

**2. Summary of Significant Accounting Policies (continued)**

*Net Assets*

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

*Invested in capital assets, net of related debt:* Plant facilities, net of accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

*Restricted:* Nonexpendable – Net assets subject to externally imposed stipulations that they be maintained permanently by the College.

*Restricted:* Expendable – Net assets whose use by the College is subject to externally-imposed stipulations that can be fulfilled by actions of the College pursuant to the stipulations or that expire by the passage of time.

*Unrestricted:* Net assets that are not subject to externally imposed stipulations. Unrestricted net assets may be designated to specific purposes by action of management to 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.

***Measurement Focus and Basis of Accounting***

The accompanying financial statements have been prepared on the accrual basis of accounting using the economic resources measurement focus. The College reports as a business type activity, as defined by GASB Statement No. 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***

The presentation of financial statements in conformity with accounting principles generally accepted 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 reporting period. Actual results could differ from those estimates.

**Ramapo College of New Jersey**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements  
(dollars in thousands)

June 30, 2008 and 2007

**2. Summary of Significant Accounting Policies (continued)**

***Cash and Cash Equivalents***

Cash and cash equivalents consist of cash and highly liquid investments purchased with an original maturity of three months or less. The College maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. Funds in excess of \$100,000 are collateralized in accordance with Chapter 64 Title 18A of New Jersey statutes.

***Deposits Held by Trustees***

Deposits held by trustees are recorded in the financial statements at fair value, which is based on quoted market price and consist of cash and cash equivalents and U.S. Treasury securities. Investment income is recorded on an accrual basis. Realized and unrealized gains and losses are reported in investment income.

***Capital Assets***

Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Expenditures for normal maintenance and repairs are expensed when incurred.

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

	<u>Useful Lives</u>
Land improvements	20 Years
Buildings and improvements	20-50 Years
Equipment	5-10 Years
Infrastructure	7-50 Years

***Deferred Revenue***

Deferred revenue consists primarily of student payments collected in advance of the applicable academic term.

**Ramapo College of New Jersey**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements  
(dollars in thousands)

June 30, 2008 and 2007

**2. Summary of Significant Accounting Policies (continued)**

***Deferred Financing Costs***

The College capitalizes costs incurred in connection with its bonds payable and capital leases and amortizes these costs over the life of the respective obligations. These deferred financing costs are included in noncurrent assets in the accompanying statement of net assets net of accumulated amortization of \$254 and \$131 for June 30, 2008 and 2007, respectively.

***Financial Dependency***

The College is recognized as a public institution of higher education by the State. This recognition is supported by an annual appropriation between the College and the State whereby the College agrees to render services of public higher education for the State. The College is economically dependent on these appropriations to carry on its operations.

***Student Tuition and Fees***

Student tuition and fees are presented net of scholarships applied to student accounts, while other payments made directly to students are presented as scholarships expenses.

***Grants and Contracts***

Federal, State and local grants and contracts revenue is comprised mainly of grant revenues received from the Federal Government and State of New Jersey and are recognized as the related expenses are incurred. Amounts received from grants, which have not yet been earned under the terms of the agreement, are recorded as deferred revenue in the accompanying statement of net assets.

***Classification of Revenue***

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

**Ramapo College of New Jersey**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements  
(dollars in thousands)

June 30, 2008 and 2007

**2. Summary of Significant Accounting Policies (continued)**

***Tax Status***

The College, is exempt from Federal income taxes under Section 115 of Internal Revenue Service code.

***Reclassification***

Certain prior year amounts have been reclassified to conform with current year presentation.

**3. Cash and Cash Equivalents**

Cash and cash equivalents are comprised of the following as of June 30, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Cash and cash equivalents	\$ 24,928	\$ 22,407
State of New Jersey Cash Management Fund	<u>5,498</u>	<u>378</u>
Total Cash and Cash Equivalents	<u>\$ 30,426</u>	<u>\$ 22,785</u>

The College participates in the State of New Jersey Cash Management Fund wherein amounts also contributed by other State entities are combined into a large-scale investment program. The carrying amount of cash and cash equivalents in the State of New Jersey Cash Management Fund as of June 30, 2008 and 2007 was \$5,498 and \$378, respectively. These amounts are collateralized in accordance with Chapter 64 of Title 18A of New Jersey Statutes.

Statutes of the State of New Jersey and Regulations of the State Investment Council authorize the College to invest in obligations of the U.S. Treasury, foreign governments, agencies and municipal or political subdivisions of the State, commercial paper, bankers acceptances, revenue obligations of public authorities, debt instruments of banks, collateralized notes and mortgages, certificates of deposit, repurchase agreements, equity and convertible equity securities, and other common types of investment securities. Investee institutions and organizations are prescribed by the statutes and regulations based on such criteria as minimum capital, dividend paying history, credit history and other evaluation factors.

**4. Deposits Held by Trustees**

Deposits held by trustees represent assets held under the terms of various bond and other long-term debt agreements. These deposits are recorded in the financial statements at fair value, as determined by quoted market prices.



**Ramapo College of New Jersey**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements  
(dollars in thousands)

June 30, 2008 and 2007

**4. Deposits Held by Trustees (continued)**

	2008	2007
Rebate fund	\$ 206	\$ -
Construction fund	6,396	24,516
Debt service fund for principal and interest	9,603	10,803
Debt service reserve funds	175	266
Renewal and replacement fund	3,868	3,564
Rental pledge fund	1,034	1,163
	21,282	40,312
Less: current portion	21,282	40,312
Noncurrent Deposits Held by Trustees	\$ -	\$ -

Assets held under bond indenture agreements are not governed by the College's investment policies, but rather by the policies of the New Jersey Educational Facilities Authority. These investments may be subject to interest rate risk, the risk that changes in market value will adversely affect the fair value of an investment. As of June 30, 2008 and 2007 deposits held by trustees consisted of the following:

	2008		2007	
	Cost	Fair Value	Cost	Fair Value
Cash and cash equivalents				
Cash held by trustee	\$ 11,020	\$ 11,020	\$ 10,817	\$ 10,817
Investments				
U.S. Treasury Bills	10,262	10,262	27,894	27,894
U.S. Treasury Notes	-	-	1,577	1,601
	\$ 21,282	\$ 21,282	\$ 40,288	\$ 40,312

**Ramapo College of New Jersey**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements  
(dollars in thousands)

June 30, 2008 and 2007

**5. Capital Assets**

Capital assets activity for the years ended June 30, 2008 and 2007 consists of the following:

	2008			Ending Balance
	Beginning Balance	Additions	Reductions	
<b>Non Depreciable Capital Assets</b>				
Land	\$ 3,231	\$ -	\$ -	\$ 3,231
Construction in progress	<u>25,936</u>	<u>11,674</u>	<u>(36,257)</u>	<u>1,353</u>
	<u>29,167</u>	<u>11,674</u>	<u>(36,257)</u>	<u>4,584</u>
<b>Depreciable Capital Assets</b>				
Land improvements	4,334	1,741	-	6,075
Buildings and improvements	263,600	39,427	-	303,027
Equipment	32,859	2,464	(207)	35,116
Library collection	8,293	901	-	9,194
Infrastructure	<u>11,340</u>	<u>2,999</u>	<u>-</u>	<u>14,339</u>
	<u>320,426</u>	<u>47,532</u>	<u>(207)</u>	<u>367,751</u>
Total Capital Assets	<u>349,593</u>	<u>59,206</u>	<u>(36,464)</u>	<u>372,335</u>
<b>Accumulated Depreciation</b>				
Land improvements	1,458	269	-	1,727
Buildings and improvements	47,453	7,182	-	54,635
Equipment	23,676	2,981	(207)	26,450
Library collection	6,766	439	-	7,205
Infrastructure	<u>2,914</u>	<u>464</u>	<u>-</u>	<u>3,378</u>
Total Accumulated Depreciation	<u>82,267</u>	<u>11,335</u>	<u>(207)</u>	<u>93,395</u>
Capital Assets, net	<u>\$ 267,326</u>	<u>\$ 47,871</u>	<u>\$ (36,257)</u>	<u>\$ 278,940</u>

**Ramapo College of New Jersey**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements  
(dollars in thousands)

June 30, 2008 and 2007

**5. Capital Assets (continued)**

	2007			Ending Balance
	Beginning Balance	Additions	Reductions	
<b>Non Depreciable Capital Assets</b>				
Land	\$ 3,231	\$ -	\$ -	\$ 3,231
Construction in progress	49,085	36,318	(59,467)	25,936
	<u>52,316</u>	<u>36,318</u>	<u>(59,467)</u>	<u>29,167</u>
<b>Depreciable Capital Assets</b>				
Land improvements	1,557	2,777		4,334
Buildings and improvements	206,392	57,208		263,600
Equipment	31,794	1,065		32,859
Library collection	8,425	162	(294)	8,293
Infrastructure	7,408	5,198	(1,266)	11,340
	<u>255,576</u>	<u>66,410</u>	<u>(1,560)</u>	<u>320,426</u>
<b>Total Capital Assets</b>	<u>307,892</u>	<u>102,728</u>	<u>(61,027)</u>	<u>349,593</u>
<b>Accumulated Depreciation</b>				
Land improvements	1,274	184		1,458
Buildings	41,240	6,213		47,453
Equipment	20,833	2,843		23,676
Library collection	6,810	250	(294)	6,766
Infrastructure	2,744	368	(198)	2,914
	<u>72,901</u>	<u>9,858</u>	<u>(492)</u>	<u>82,267</u>
<b>Total Accumulated Depreciation</b>	<u>72,901</u>	<u>9,858</u>	<u>(492)</u>	<u>82,267</u>
<b>Capital Assets, net</b>	<u>\$ 234,991</u>	<u>\$ 92,870</u>	<u>\$ (60,535)</u>	<u>\$ 267,326</u>

As of June 30, 2008, estimated costs to complete the projects classified as construction in progress are approximately \$1,584 and are expected to be funded primarily from New Jersey Educational Facility Authority Revenue Bonds, unrestricted revenues, residence life and auxiliary enterprises revenue and State of New Jersey appropriations. During 2008, the College capitalized interest expense of \$2,704 as construction in progress in the accompanying statements of net assets.

**Ramapo College of New Jersey**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements  
(dollars in thousands)

June 30, 2008 and 2007

**6. Other Noncurrent Liabilities**

Activity in other noncurrent liabilities for the year ending June 30, 2008 was as follows:

	June 30, 2007	Additions	Reductions	June 30, 2008	Current Portion
Other liabilities	\$ 401	\$ 2,492	\$ (160)	\$ 2,733	\$ 75
Compensated absences	2,481	332	(185)	2,628	1,593
U.S. Government grants refundable	<u>938</u>	<u>-</u>	<u>(1)</u>	<u>937</u>	<u>-</u>
	<u>\$ 3,820</u>	<u>\$ 2,824</u>	<u>\$ (346)</u>	<u>\$ 6,298</u>	<u>\$ 1,668</u>

Activity in other noncurrent liabilities for the year ending June 30, 2007 was as follows:

	June 30, 2006	Additions	Reductions	June 30, 2007	Current Portion
Other liabilities	\$ 82	\$ 390	\$ (71)	\$ 401	\$ 74
Compensated absences	2,343	247	(109)	2,481	1,517
U.S. Government grants refundable	<u>904</u>	<u>34</u>	<u>-</u>	<u>938</u>	<u>-</u>
	<u>\$ 3,329</u>	<u>\$ 671</u>	<u>\$ (180)</u>	<u>\$ 3,820</u>	<u>\$ 1,591</u>

**7. Long-Term Debt**

The Board of Trustees of the College, the New Jersey Board of Higher Education and the New Jersey Educational Facilities Authority (the "Authority") have entered into various agreements whereby the College is given use of buildings, improvements and equipment and the College agrees to make lease payments equal to the related debt and interest payments of the underlying revenue bonds issued by the Authority. The College has pledged all net revenues generated from the operation of the residential facilities, the campus life building and from other legally available funds of the College.

**Ramapo College of New Jersey**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements  
(dollars in thousands)

June 30, 2008 and 2007

**7. Long-Term Debt (continued)**

The Authority issued Series 2006I for the purpose of partially refunding Series 2001D, 2002H, 2002I, 2002J, 2004E and 2006D. The proceeds of this transaction have been irrevocably deposited with the trustee in order to satisfy the scheduled payments of interest and principal and, therefore, are not reflected in the accompanying financial statements.

The following principal payments due the Authority were outstanding at June 30, 2008 and 2007.

NJ Educational Facilities Authority

Revenue Bonds:	<u>Interest Rate</u>	<u>2008</u>	<u>2007</u>
Series 1998 G, due serially to 2028	4.10% to 4.63%	\$ 14,035	\$ 14,420
Series 1998 H, due serially to 2013	4.10% to 4.60%	980	1,120
Series 1998 I, due serially to 2008	4.10% to 4.50%	120	235
Series 1999 E, due serially to 2009	5.25% to 5.60%	890	1,300
Series 2001 D, due serially to 2014	4.10% to 5.00%	6,040	6,040
Series 2001 E, due serially to 2008	3.60% to 4.00%	405	795
Series 2002 H, due serially to 2032	2.70% to 5.00%	18,610	18,610
Series 2002 I, due serially to 2032	2.70% to 5.00%	1,345	1,345
Series 2002 J, due serially to 2032	2.70% to 5.00%	19,495	19,495
Series 2003 F, due serially to 2013	1.50% to 3.50%	1,400	1,615
Series 2003 G, due serially to 2013	2.00% to 3.71%	6,540	7,875
Series 2003 H, due serially to 2029	4.25% to 5.00%	18,915	18,930
Series 2004 E, due serially to 2024	3.00% to 4.38%	13,680	13,680
Series 2006 D, due serially to 2032	3.75% to 4.50%	37,940	37,940
Series 2006 I, due serially to 2036	4.00% to 5.00%	<u>106,820</u>	<u>106,820</u>
		247,215	250,220
Plus: Bond premiums		2,029	2,109
Less: Deferred cost on bond refunding		<u>(3,270)</u>	<u>(3,393)</u>
		<u>\$ 245,974</u>	<u>\$ 248,936</u>

**Ramapo College of New Jersey**  
(A Component Unit of the State of New Jersey)

Notes to Financial Statements  
(dollars in thousands)

June 30, 2008 and 2007

**7. Long-Term Debt (continued)**

Other long-term obligations:

	<u>Interest Rate</u>	<u>2008</u>	<u>2007</u>
Higher Education Capital Improvement Fund Series 2000 B, due serially to 2021	4.50% to 5.75%	\$ 1,928	\$ 2,030
Higher Education Dormitory Safety Trust Fund Series 2001 A, due serially to 2016		551	619
Higher Education Capital Improvement Fund Series 2002 A, due serially to 2023	3.00% to 5.25%	1,739	1,796
Higher Education Equipment Leasing Fund Series 2003 A, due serially to 2010	2.50% to 5.00%	167	244
Other	5.12% to 10.70%	<u>961</u>	<u>1,464</u>
		<u>5,346</u>	<u>6,153</u>
Total long-term debt		251,320	255,089
Less: noncurrent portion		<u>246,020</u>	<u>251,120</u>
Total long-term debt, current portion		<u>\$ 5,300</u>	<u>\$ 3,969</u>

Payments due on long-term debt, including mandatory sinking fund payments on the revenue bonds, for the next five years and thereafter are as follows as of June 30, 2008:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 5,344	\$ 10,792
2010	6,790	10,600
2011	7,116	10,344
2012	6,625	10,094
2013	7,311	9,853
2014-2018	37,442	44,877
2019-2023	47,208	35,916
2024-2028	56,825	24,717
2029-2033	58,790	11,508
2034-2037	<u>19,110</u>	<u>1,728</u>
	<u>\$ 252,561</u>	<u>\$ 170,429</u>

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**8. Fringe Benefit Appropriation**

The State of New Jersey, through separate appropriations, pays certain fringe benefits (principally health insurance, retirement and FICA taxes) on behalf of College employees. For the years ended June 30, 2008 and 2007, such benefits amounted to approximately \$14,368 and \$13,623, respectively, and are included in appropriations revenue and expenses in the accompanying financial statements.

**9. Retirement Plans**

The College participates in two retirement plans for its employees - Public Employee's Retirement System (PERS), and the Alternate Benefit Program (ABP). Generally, all employees, except certain part-time employees, participate in one of these plans.

The PERS pension plan is a defined benefit program administered by the State of New Jersey Division of Pension and Benefits. PERS was established under the provisions of N.J.S.A. 43:15A to provide coverage, including post retirement health care, to substantially all full time employees of the State or public agency provided the employee is not a member of another State administered retirement system.

The ABP pension plan is a defined contribution program. Under the provisions of N.J.S.A 18A-96, the ABP allows enrollees too make contributions to the following carriers: Teachers Insurance and Annuity Association, College Retirement Equities Fund (TIAA/CREF), ING, Valic, Equitable Life Insurance Company, Hartford, and Metropolitan Life Insurance Company. Each ABP alternative is administered by a separate Board of Directors.

The State of New Jersey issues publicly-available financial reports that include financial statements and required supplementary information for PERS. 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.

As employees of the State of New Jersey, College employees receive certain postretirement benefits other than pensions. In accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the State of New Jersey will be recording the liability for these other postemployment benefits for all its employees on its financial statements. Accordingly the liability for these obligations is not included in financial statements of the College.

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**9. Retirement Plans (continued)**

***PERS Funding Policy***

PERS members were required to contribute 5.5% and 5.0% of their annual covered salary for the years ended June 30, 2008 and 2007. This amount changes with negotiations of each new union contract. The State of New Jersey, in accordance with State statutes, makes employer contributions of behalf of the College. 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 2008 or 2007 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 carriers all of which are privately operated defined contribution retirement plans. The College assumes no liability for ABP members other than payment of contributions. ABP provides retirement and death benefits for or on behalf of these full time professional employees and faculty members electing to participate in this optional retirement program. Participation eligibility, as well as contributory and noncontributory requirements are established by the State of New Jersey Retirement and Social Security Law. Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits vest after the completion of one year of service. All benefits vest after the completion of one year of service. Individually owned annuity contracts that provide for full ownership of retirement and survivor benefits are purchased at the time of vesting.

Participating College employees are required to contribute 5% of their base annual salary and may contribute, on a pre tax basis, an additional voluntary contribution of salary up to the maximum Federal statutory limit on a pre tax basis. Employer contributions are 8% of base salary. During the years ended June 30, 2008 and 2007, ABP received employer and employee contributions that approximated the following from the College.

	2008	2007
Employer contribution	\$ 2,375	\$ 2,177
Employee contribution	1,484	1,361
Basis for contributions		
Participating employee salaries	29,687	27,216

Employer contributions to ABP are paid by the State of New Jersey and are reflected in the accompanying financial statements as appropriations revenue and as expenses.



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**10. Compensated Absences**

*Vacation and Compensatory Time*

The College's general policy states that employees are entitled, upon termination, to the current year's unused earned vacation and compensatory time in addition to any unused vacation and compensatory time carried over from the immediate prior year. The liability for unused vacation and compensatory time at June 30, 2008 and 2007, included in accrued liabilities, amounted to approximately \$1,593 and \$1,517, respectively.

*Accumulated Unpaid Sick Leave*

Cash payments for unused accumulated sick leave are made to eligible employees upon regular retirement. The payment is based on 50% of the employee's sick leave accumulation, at the adjusted hourly pay rate in effect at the time of retirement, up to a maximum of \$15. Employees separating from the College prior to retirement are not eligible for payment. Included in the financial statements is the estimated accrued liability for unused sick time of \$1,035 and \$964 for June 30, 2008 and 2007, respectively. The College has made payments of approximately \$75 and \$109 for unused sick time in fiscal year 2008 and 2007.

**11. Commitments**

Encumbrances representing outstanding purchase orders and other commitments for materials or services not received as of June 30, 2008 and 2007, are not included in the financial statements. The College has approved contracts in fiscal 2008 and 2007 of approximately \$4,167 and \$8,307, respectively, the majority of which are for construction and renovation projects and will be funded by plant fund assets on deposit with the trustee.

At June 30, 2008 Ramapo College of New Jersey has an outstanding letter of credit of \$379,625 to the New Jersey Department of Environmental Protection Escrow.

**12. Contingencies**

The College is involved in various claims and lawsuits arising in the normal course of business. Management believes that any financial responsibility that may be incurred in settlement of such claims and lawsuits would not be material to the College's financial position.

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**13. Component Unit**

Ramapo College Foundation (the Foundation) is a legally separate component unit of Ramapo College of New Jersey, exempt from tax under the Internal Revenue Code Section 501(c)(3). The Foundation acts to stimulate, solicit, secure and promote the receipt of resources from grants, bequests and gifts offered by individuals, corporations and foundations and use such resources to enhance, support and compliment the activities of Ramapo College of New Jersey. Because the resources of the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements.

During the years ended June 30, 2008 and 2007, the Foundation distributed \$3,193 and \$2,174 to the College for both restricted and unrestricted purposes. Complete financial statements for the Ramapo College Foundation can be obtained from Office of Institutional Advancement at 505 Ramapo Valley Road, Mahwah, NJ 07430.

Ramapo College Foundation is a private nonprofit organization that reports under Financial Accounting Board Standards, including FASB 117, Financial Reporting for Not-for-Profit Organizations. These standards provide for certain revenue recognition and presentation features which may be different from GASB criteria. No modifications have been made to the Foundation's financial information as discretely presented in these statements.