

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

Basic Financial Statements,
Management's Discussion and Analysis and
Schedules of Expenditures of Federal and
State of New Jersey Awards

June 30, 2016 and 2015

(With Independent Auditors' Reports Thereon)

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

Financial Statements
June 30, 2016 and 2015

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Independent Auditors' Report

**Board of Trustees of
Ramapo College of New Jersey
Mahwah, New Jersey**

Report on the Financial Statements

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, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 the College as of June 30, 2016 and 2015, and the respective changes in financial position and, cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 16, and the schedules be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Expenditures of Federal and State of New Jersey Awards on pages 49 through 50 as required by Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2016 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Ramapo College of New Jersey's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Paramus, New Jersey
September 26, 2016

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

Management's Discussion and Analysis
June 30, 2016 and 2015

Introduction Overview of Financial Statements and Financial Analysis

This section of the annual financial statements for Ramapo College of New Jersey (Ramapo or the College) presents management's discussion and analysis of the College's financial performance for the fiscal years ended on June 30, 2016 and 2015 and comparative amounts for the year ended June 30, 2014. 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

Established in 1969, Ramapo 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, and teacher certification at the elementary and secondary levels. The College also offers eight graduate programs as well as articulated programs with Rutgers, The State University of New Jersey, New York Chiropractic College, New York University College of Dentistry, SUNY State College of Optometry and New York College of Podiatric Medicine.

Ramapo offers a Dual Enrollment Program with Seton Hall University's School of Law for prospective freshmen students wishing to pursue their Juris Doctorate (J.D.) and practice law after finishing their undergraduate coursework.

The College is sometimes viewed as a private college, in part, due to its interdisciplinary academic structure, its size of approximately 6,000 students and its pastoral setting in the foothills of the Ramapo Mountains on the New Jersey/New York border.

Undergraduate students may choose to concentrate their studies in one of five schools with more than 539 course offerings and 36 academic programs. Ramapo boasts an average student/faculty ratio of 18:1 and average class size of 23, affording students the opportunity to develop close ties to the College's exceptional faculty.

The College's curriculum is built on the four "pillars" of a Ramapo education, international, intercultural, interdisciplinary and experiential (hands on), all of which are incorporated throughout the curricula and extracurricular programs and help students push intellectual, personal and professional boundaries. The international mission is further accomplished through a wide range of study abroad and student exchange links with institutions all over the world. Additional experiential programs include internships, co-op and service learning.

Ramapo joins an elite group of institutions with less than five percent of business schools worldwide earning the accreditation distinction of its business degree program by the Board of Directors of the Association to Advance Collegiate Schools of Business (AACSB International). Additional accreditations include: the Social Work Program (Council on Social Work Education), the Chemistry Program (American Chemical Society), the Nursing Program (Accreditation Commission for Education in Nursing), the Teacher Education Program (Teacher Education Accreditation Council), and the Teacher Certification Program, approved by the State of New Jersey.

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The College was recently recognized as the winner of the 2016 Hobsons Education Advances Award for its accomplishments in increasing student retention and establishing a campus-wide "success network." The College has achieved an 88 percent retention rate and 61 percent four-year graduation rate in recent years.

The National Historic Publications and Records Commission (NHPRC), a department of the National Archives, has awarded the Jane Addams Papers Project a one-year grant to support the project's work at the College. The Jane Addams Papers started work at Ramapo in September 2015, with a grant from the NHPRC, with the goal of creating a digital edition of the correspondence and writings of the founding mother of American social work.

During 2016, the College received two grants from the National Collegiate Athletics Association (NCAA). The first grant (CHOICES) provides funding over three years for alcohol and substance abuse prevention activities for student athletes and students who participate in Greek life. The second NCAA grant provides salary and professional development funding for a coaching intern in athletics.

The College was pleased to announce the receipt of an award of \$15 million from the State of New Jersey Higher Education Capital Facilities Programs for the renovation and expansion of the George T. Potter Library. This funding provides much-needed support to transform the Library into a modern learning commons, with updated spaces that respond to the ways 21st century students study and learn.

Ramapo College of New Jersey is one of twelve senior public institutions in the New Jersey system of public higher education. The New Jersey Legislature appropriates funds annually to support the College; however, Ramapo operates autonomously from the State's activity. The Board of Trustees approved the College's Strategic Plan 2014-2018 which provides the College with a blueprint for the immediate future. The Board of Trustees also endorsed a Campus Facilities Master Plan that will guide the College's renewal and replacement of facilities over the next 10-15 years.

Dr. Peter P. Mercer became the College's fourth president on July 1, 2005. The College is governed by a Board of Trustees appointed by the Governor of the State, and the chairman of the board is George C. Ruotolo, Jr.

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Management's Discussion and Analysis
June 30, 2016 and 2015

Financial Highlights

Using the Financial Statements

The basic financial statements consist of the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. These statements focus on the financial condition of the College, the changes in financial position, and cash flows of the College as a whole, and are prepared in accordance with accounting principles generally accepted in the United States of America, as promulgated by the Government Accounting Standards Board (GASB). These statements present the College's operations on a consolidated basis and focus on assets, liabilities, revenues, expenses and cash flows and should be read with the accompanying footnotes.

The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position reports 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 position; and when the reverse occurs, the result is a decrease in net position. The relationship between revenues and expenses may be thought of as Ramapo's operating results.

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. In fiscal year 2015, the College implemented GASB Statement No. 68 (GASB 68), Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27, and GASB Statement No. 71 (GASB 71), Pension Transition for Contributions made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68. GASB 68 and 71 require state and local government employers to recognize a net pension liability for defined benefit plans where the entity is a participant. The College's pension plans impacted by GASB 68 and 71 are New Jersey Public Employees' Retirement System (PERS). In order to highlight the impact of GASB 68 on the College's net position, a reconciliation is shown below:

(dollars in thousands)

	June 30,	
	2016	2015
NET POSITION		
Net investment in capital assets	\$ 78,145	\$ 25,981
Restricted expendable renewal and replacement	747	1,061
Unrestricted		
Capital projects	63,268	114,128
Current operations	13,416	7,588
Total unrestricted prior to GASB 68 impact	76,684	121,716
GASB 68 pension impact	(81,656)	(77,884)
Total Unrestricted	(4,972)	43,832
Total Net Position	\$ 73,920	\$ 70,874

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June 30, 2016 and 2015

Statement of Net Position

The Statement of Net Position is a point of time statement that presents the financial position of the College at the end of the fiscal year. Assets, excluding capital assets, are generally carried at estimated fair market value. Capital assets are carried at cost and are depreciated over their respective useful life. Assets are categorized as current and noncurrent. Current assets are those considered to be convertible to cash within one year, and consist primarily of cash, short-term investments, deposits with bond trustees plus student and other receivables.

Liabilities are categorized as current and noncurrent. Current liabilities are those due and anticipated to be paid within the upcoming fiscal year, and consist primarily of accounts payable, accrued benefits and the current portion of long-term debt.

Net position is the residual interest in the College's assets after liabilities are deducted (the difference between total assets and total liabilities). Net position is one indicator of the financial condition of the College, while the change in net position is an indicator of whether the overall financial condition has improved or worsened during the year. In addition, there are other nonfinancial factors that are relevant to the College's goals and missions, such as the trend and quality of applicants, first year class size, student retention rates, graduation rates, and other statistical data.

Net position is classified into three categories: Net investment in capital assets, Restricted and Unrestricted.

Net investment in capital assets represents the gross expenditure for capital less accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. This provides the College's equity in property, buildings and equipment.

Restricted net position consists of both nonexpendable and expendable categories. Nonexpendable net positions are subject to externally imposed stipulations that may be maintained permanently by the College; whereas expendable net position is subject to externally imposed stipulations that can be fulfilled by actions of the College pursuant to the stipulations or that expires by the passage of time. All of the College's restricted net positions are expendable as only the Ramapo College Foundation has nonexpendable balances.

Unrestricted net positions are not subject to externally imposed stipulations and 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 positions are designated for academic programs and initiatives, debt service and capital.

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The following is a condensed statement of the College's net position:

Condensed Statements of Net Position		
June 30,		
(dollars in thousands)		
	2016	2015
Assets		
Current assets	\$ 94,761	\$ 103,348
Capital assets, net	329,496	323,736
Other assets	724	3,757
Total assets	424,981	430,841
Deferred Outflows of Resources	10,048	3,426
Liabilities		
Current liabilities	27,458	32,873
Noncurrent net pension liability	88,667	78,354
Other noncurrent liabilities	241,947	249,788
Total liabilities	358,072	361,015
Deferred Inflows of Resources	3,037	2,378
Net Position		
Invested in capital assets, net of related debt	78,145	25,981
Expendable restricted	747	1,061
Unrestricted capital projects	63,268	114,128
Unrestricted operating current	13,416	7,588
Unrestricted GASB 68 impact	(81,656)	(77,884)
Total net position	\$ 73,920	\$ 70,874

During fiscal year 2016, Ramapo's total assets decreased \$5.9 million. Current assets decreased by \$8.6 million primarily due to continued investment in capital assets thus shifting assets from current assets to capital assets. Capital assets increased by \$5.8 million due to the ongoing capital projects and renovations on campus.

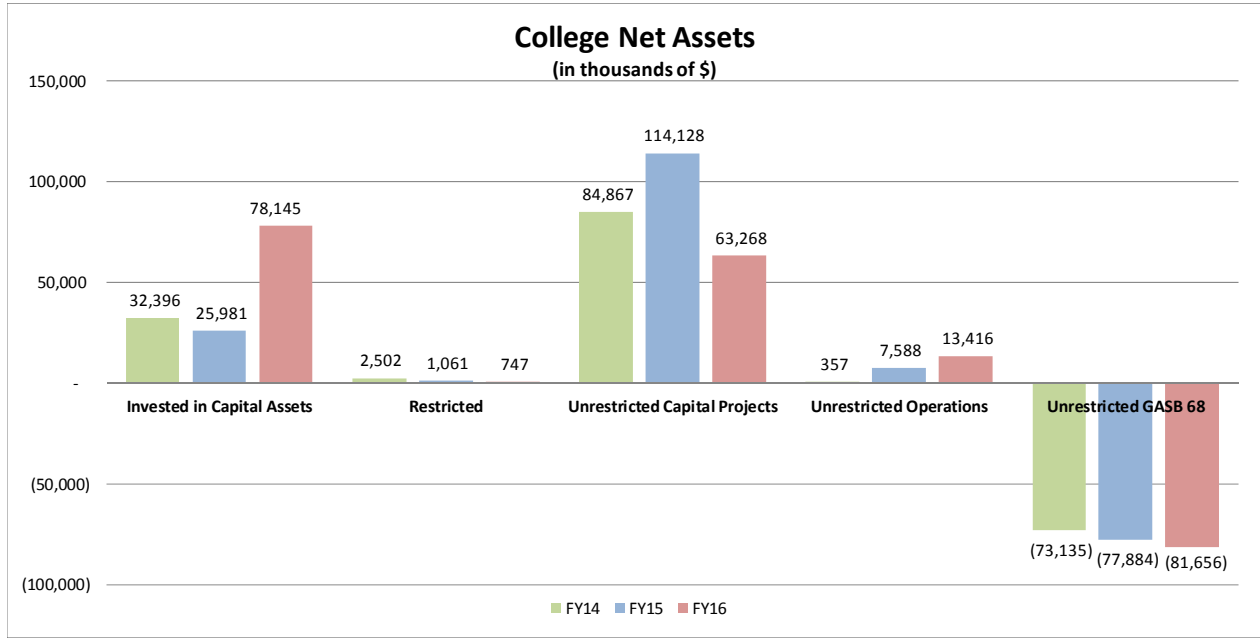
Total liabilities decreased by \$2.9 million. Net pension liability increased \$10.3 million to \$88.7 million and was offset by a reduction of \$5.4 million in current liabilities mostly in accounts payable and accrued expenses and a reduction in long term debt of \$6.9 million.

During fiscal year 2016, total net position increased \$3.0 million. GASB 68 pension expense of \$3.8 million directly affected net position, and excluding this impact the College had a \$6.8 million increase in net position.

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Management's Discussion and Analysis
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Graphically displayed is the comparative net position change for the College by category for the fiscal years shown below:



Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position presents the revenues earned and the expenses incurred during the fiscal year, regardless of when the cash is received or paid. This statement is categorized into three sections: operating revenues, operating expenses and non-operating revenues (expenses). The net difference among these sections results in an increase or decrease in the College's net position.

Revenues

Operating revenues are earned from providing goods and services to the various customers and constituencies of the College. Non-operating revenues are revenues for which goods or services are not directly provided in exchange for the revenue.

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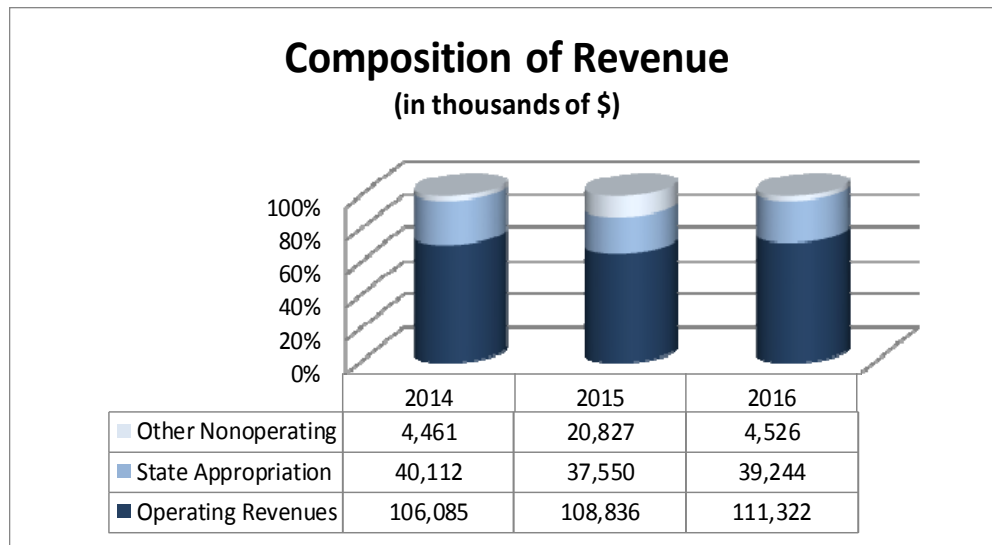
Ramapo receives revenue from a variety of sources, and the College will continue to aggressively seek funding from all possible sources and manage those resources to fund its operating activities. The following is a condensed statement of the College revenues for the last three years:

Condensed Statements of Revenues
For the Fiscal Years Ended June 30,

(dollars in thousands)

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Operating revenues			
Student revenues, net	\$ 95,265	\$ 91,474	\$ 90,808
Grants and contracts	13,815	13,670	13,403
Other	<u>2,242</u>	<u>3,692</u>	<u>1,874</u>
Total operating revenues	<u>111,322</u>	<u>108,836</u>	<u>106,085</u>
Non-operating revenue			
State appropriation	39,244	37,550	40,112
Transactions with affiliates	3,209	3,685	4,118
Investment and other	<u>471</u>	<u>278</u>	<u>343</u>
Total non-operating revenue	<u>42,924</u>	<u>41,513</u>	<u>44,573</u>
Capital grants and gifts	<u>846</u>	<u>16,864</u>	<u>-</u>
Total revenues	<u>\$ 155,092</u>	<u>\$ 167,213</u>	<u>\$ 150,658</u>

The following provides a graphical breakdown of each category's percentage of total revenues for the College for the fiscal years ended June 30, 2016, 2015 and 2014:



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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 (housing rentals and board) and the Student Center (Student Center Fee and bookstore). Student revenues are reflected net of scholarship and auxiliary allowances. These allowances represent scholarships and financial aid 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.

Student revenues increased \$3.8 million in 2016 from 2015, primarily as a result of slightly higher enrollments, specifically in graduate programs. Ramapo applied \$22.8, \$22.7 and \$21.2 million in scholarship allowances for tuition and fees and auxiliary charges directly to student accounts in fiscal years 2016, 2015 and 2014, respectively. The main source of these allowances comes from the College, but also includes federal and state grants. The fiscal year 2016 allowances include \$8.9 million from the College, \$7.3 million federal, and \$6.6 million from the State and others.

Federal, State & Local Grants and Contracts

Federal, state and local grant and contract revenue includes student financial aid. For fiscal year 2016 grant revenue from all sources was \$13.8 million, \$145,000 more than fiscal year 2015, included in this change were federal grants which were down \$390,000, offset by state grants which were up \$535,000.

Non-operating Revenues

New Jersey State Appropriation

Total state appropriation, which includes fringe benefits, increased \$1.7 million in fiscal year 2016, as compared to 2015. The composite fringe benefit rate is based on gross salary, and the increase in the payment for fringe benefits by the State of New Jersey was a direct result of the change in the composite fringe benefit rate to 44.15% in 2016 from 39.06% in 2015. The direct state appropriation to College operations decreased \$1.1 million to \$15.0 million in 2016, as compared to \$16.1 million in 2015. These appropriations are set annually by the State of New Jersey.

Transactions with Affiliates

This category represents funds received from the Ramapo College Foundation to provide support for scholarships, programs and capital expansion. Often payments from the Ramapo College Foundation are based upon the timing of payments from donors, and fluctuate year to year. In fiscal year 2016 there was a decrease of \$476,000 in support payments from the prior year.

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Investment and Other

In 2016 there were earnings of \$471,000, as compared to \$278,000 in 2015, an increase of \$193,000. This is mostly attributable to an increase in bond premium being recognized as income of \$307,000, an increase of \$137,000 over last year and an increase of \$40,000 in interest on the operating funds.

Expenses

The following is a condensed statement of the College expenses for the last three years:

Condensed Statements of Expenses
For the Fiscal Years Ended June 30,
(dollars in thousands)

	2016	2015	2014
Operating expenses			
Instruction	\$ 50,631	\$ 48,194	\$ 47,673
Research and Public Service	-	-	32
Academic support	6,983	7,158	6,501
Student services	14,130	13,394	13,319
Institutional support	18,831	19,531	17,682
Student financial aid	435	405	475
Operations and maintenance of plant	17,304	16,229	15,545
Depreciation	13,164	9,978	9,914
Auxiliary	19,849	17,325	16,632
Total operating expenses	<u>141,327</u>	<u>132,214</u>	<u>127,773</u>
Non-operating expenses	<u>10,719</u>	<u>11,112</u>	<u>11,379</u>
Total expenses	<u>\$ 152,046</u>	<u>\$ 143,326</u>	<u>\$ 139,152</u>

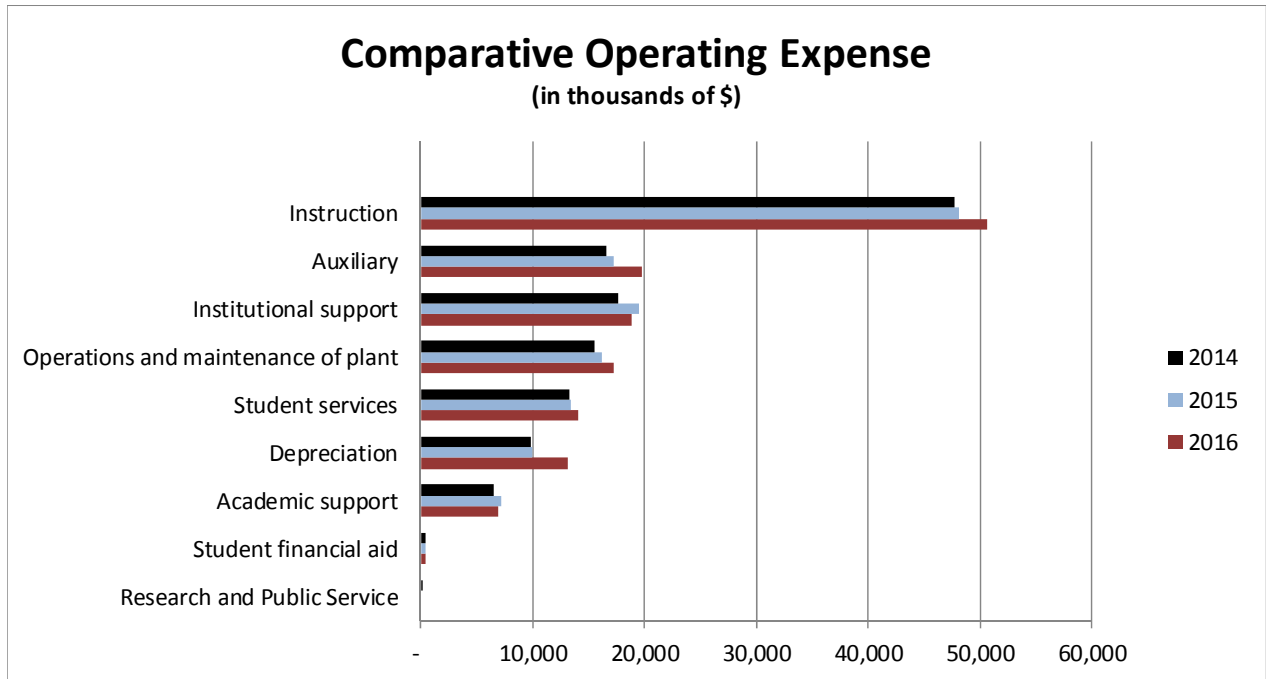
For fiscal year 2016, salaries and benefits comprised approximately 68.2% of the College's total operating expenses, as compared to 70.6% in fiscal 2015. Total operating expenses increased in 2016 by \$9.1 million from 2015. Employee benefits increased \$2.1 million, which was mainly driven by \$3.8 million pension charge.

During 2016, interest on debt service, included in non-operating expenses decreased \$393,000 to \$10.7 million.

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The following graphs the comparative functional operating expense for the years ended June 30, 2016, 2015 and 2014:



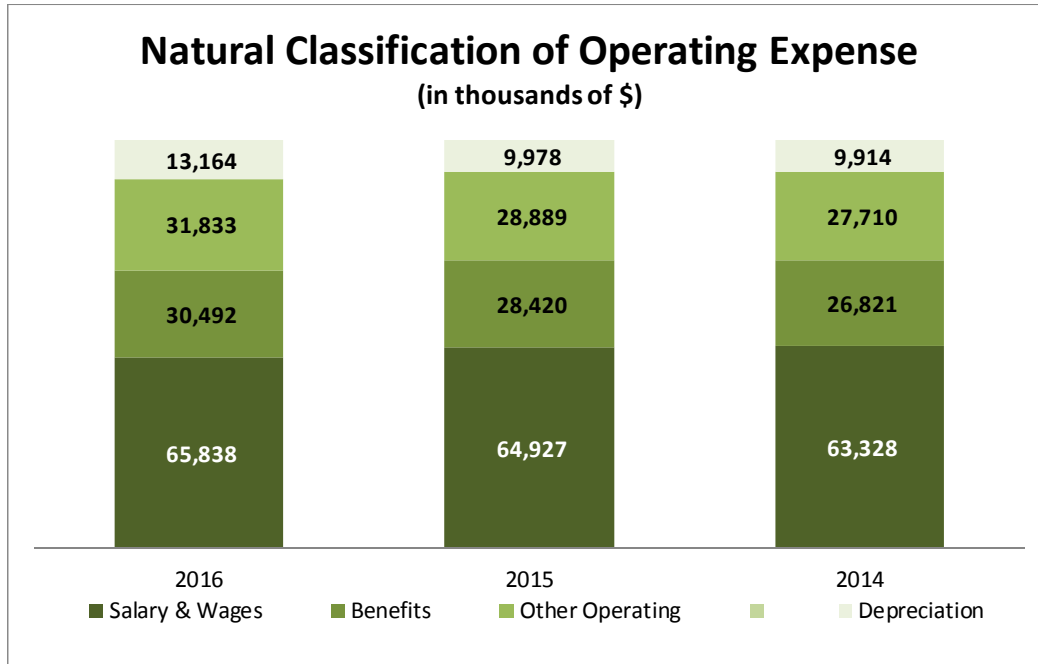
Natural Classification Expenses:

The natural classification of expenses is a way to review expense by their nature, as compared to their function, for example educational program code. Reviewing expenses in their natural classification shows trend in spending, when several years are shown. The following graph illustrates natural expenses from fiscal 2016 as compared to fiscal 2015 show salaries and wages increased slightly from \$64.9 million to \$65.8 million. Benefits increased from \$28.4 million to \$30.5 million, debt service increased from \$16.7 million to \$18.0 million, depreciation increased from \$10.0 million in 2015 to \$13.2 million as a result of the completion of projects and other operating expenses increased from \$12.2 million to \$13.8 million in 2016. Salary and benefits are mostly negotiated by the State therefore the College only controls the number of employees related to the expense. Benefit rates are also set by the State, so the increased costs for benefits are somewhat uncontrollable to the College.

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The following is an illustration of operating expenses by natural classification for the fiscal years ended June 30, 2016, 2015 and 2014:



Statement of Cash Flows

This statement assists 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, which also include gifts and grants. Cash flows from capital financing include all capital related activities and related debt activities, while those from investing activities show the interest on investments.

**Condensed Statements of Cash Flows
for the Fiscal Years Ended**

(dollars in thousands)

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net cash provided (used) by operating activities	\$ (18,751)	\$ (9,671)	\$ (5,988)
Noncapital financing activities	42,453	41,235	44,230
Capital financing activities	(19,222)	(22,932)	(58,436)
Investing activities	<u>471</u>	<u>278</u>	<u>343</u>
Net increase (decrease) in cash	4,951	8,910	(19,851)
Cash – beginning of year	<u>61,708</u>	<u>52,798</u>	<u>72,649</u>
Cash – end of year	<u>\$ 66,659</u>	<u>\$ 61,708</u>	<u>\$ 52,798</u>

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Cash used by operating activities was \$18.8 million in 2016 versus \$9.7 million in 2015 a difference of \$9.1 million. A significant portion of this change resulted from the timing in payments of payables at the end of the year. In addition, during fiscal 2015, the College received a capital grant of \$16.9 million, which also impacted this change. The College has experienced a decrease in its change in net assets over the last few years, which is the result of flat or decreasing state aid, pressure to keep tuition increases to a minimum and modest expense increases in both salary and non-salary. These economic factors will continue to impact the College and its sustained growth in the future.

Capital Assets and Debt

Capital Assets

In order to meet the needs of the College's academic and community activities, the College must continually reinvest resources into its capital assets to maintain adequate facilities for these programs. The College has updated its Campus Master Plan in conjunction with its Strategic Plan (2014-2018) to further identify and prioritize capital needs for the future. At June 30, 2016, the College had \$329.5 million invested in capital assets, net of accumulated depreciation of \$151.0 million. Depreciation expense was \$13.2 million in fiscal year 2016, and \$10.0 million in 2015.

The following is a condensed statement of net capital asset for the last three years:

**Condensed Statements of Capital Assets,
Net of Accumulated Depreciation at June 30,**

(dollars in thousands)

	2016	2015	2014
Land	\$ 3,231	\$ 3,231	\$ 3,231
Land improvements, net	3,029	3,320	3,611
Infrastructure, net	10,056	9,934	10,116
Buildings and improvements, net	288,686	219,132	225,242
Equipment, net	2,721	2,277	2,158
Library collection, net	934	1,191	1,377
Construction in progress	20,839	84,651	53,614
Total	\$ 329,496	\$ 323,736	\$ 299,349

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As a result of the completion of a number of significant projects in 2016, construction in progress decreased \$63.8 million in 2016, to \$20.8 million as of June 30, 2016.

A campus-wide building program during recent years has resulted in the completion of the Anisfield School of Business academic facility; the Bill Bradley Sports and Recreation Center; the Overlook and Laurel residence halls and the Village apartment complex. Construction projects completed in fiscal 2016 include the Adler Center for Nursing Excellence and the renovation of the G-Wing building, which expanded classrooms, research and simulation laboratory space, and connected via an overhead walkway to the College's science/social science building.

Debt

At June 30, 2016, the College had \$245.7 million in debt outstanding versus \$253.0 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, 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. There were no new debt financings during fiscal year 2016, however the College will be reviewing its debt for a potential refinancing opportunity in the coming years.

In April 2015, Standard and Poor's Rating Services (S&P) assigned an 'A' long-term rating to New Jersey Educational Facilities Authority's series 2015B revenue and refunding bonds, issued on behalf of the College. S&P also affirmed the 'A' long-term rating on the other outstanding debt also issued for the College. This rating reflects S&P's view that the College has maintained fiscally prudent financial operations, and has stable enrollment.

At the same time, Moody's Investor Service (Moody's) assigned a negative outlook and a, 'A2' rating to the College's series 2015B revenue and refunding bonds, mainly driven by Moody's concerns over the risk of further decreasing State support.

Economic Factors that Could Affect the Future

The major components of Ramapo's operating revenue have changed over time due to declining State support over the last several years, which is approximately 27% of total revenue. In addition, the College faces limited expense flexibility as salaries and benefits are the largest expenses the College incurs, and the State controls salary and benefit negotiations for a majority of College employees. New Jersey continues to face challenging economic times including the underfunding of the State's pension plan. These economic factors may affect future appropriations to the College, and reduced appropriations may place an increased burden on tuition and fees to fund operating costs.

Despite these changes, the College has been able to consistently increase its net position with solid financial operations and fiscally conservative budgeting and financial planning practices. Ramapo has had tuition growth of only 8.8% total in the last five years (FY12-FY17 tuition rates), as compared to the other New Jersey institutions, which averaged approximately 13% tuition increases for that same time period.

Ramapo College of New Jersey
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The College is also increasing its number of graduate programs and expects enrollment to continue to grow modestly over the next few years. Masters programs such as a Masters in Social Work, Masters in Business Administration, Master of Science in Educational Technology and Masters in Educational Leadership are continuing to enroll significant numbers of students. The College is preparing to offer additional enrollment opportunities such as the Family Nurse Practitioner and the Nursing Administrator tracks in the Masters of Science in Nursing program (fall 2016) and the new Masters of Science in Accounting (fall 2017). As the College looks towards the needs of its students and community, it will continue to expand its graduate programs to meet those needs and build on its undergraduate strengths.

It is important for Ramapo to continue to sustain strong operating cash flows in order to meet its financial obligations with the uncertainty of future State support. However, the College will continue to implement its Strategic Plan and focus on enhancing financial strength and sustainability, as it continues to seek new and enhanced revenue streams and operating efficiencies to maintain its ability to increase total net assets to meet the needs of its students. Ramapo remains committed to its mission of serving the educational needs of New Jersey.

Requests for Information

Questions concerning any of the information contained in this report or request for additional information should be addressed to Controller's Office, Ramapo College of New Jersey, 505 Ramapo Valley Road, Mahwah, New Jersey 07430.

Complete financial statement for the Ramapo College Foundation, the College's component unite can also be obtained from the Controller's Office.

Ramapo College of New Jersey
(A Component Unit of the State of New Jersey)
Statement of Net Position
June 30, 2016
(dollars in thousands)

	Business-Type Activities Ramapo College	Component Unit Ramapo College Foundation	Total
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 66,659	\$ 3,118	\$ 69,777
Short term investments	-	23	23
Receivables			
Students, less allowance of \$720	812	-	812
Loans, less allowance of \$98	164	-	164
Gifts and grants, less allowance of \$204	1,952	402	2,354
Contributions, net	-	2,707	2,707
Due from Ramapo College Foundation (Due to College)	2,341	(2,341)	-
Other	536	205	741
Total Receivables	<u>5,805</u>	<u>973</u>	<u>6,778</u>
Prepaid expenses	58	-	58
Restricted deposits held by Trustees	22,239	-	22,239
Other current assets	-	17	17
Total Current Assets	<u>94,761</u>	<u>4,131</u>	<u>98,892</u>
Noncurrent Assets			
Investments, at fair value	-	16,476	16,476
Student loan receivables, less allowance of \$568	635	-	635
Other assets	89	-	89
Contributions receivable, net	-	731	731
Capital assets, net	329,496	-	329,496
Total Noncurrent Assets	<u>330,220</u>	<u>17,207</u>	<u>347,427</u>
Total Assets	<u>424,981</u>	<u>21,338</u>	<u>446,319</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow of pension resources	<u>10,048</u>	<u>-</u>	<u>10,048</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	11,998	37	12,035
Long-term debt - current portion	7,150	-	7,150
Unearned tuition, fees, and deposits	4,955	76	5,031
Compensated absences - current portion	1,984	-	1,984
Deposits	1,371	36	1,407
Total Current Liabilities	<u>27,458</u>	<u>149</u>	<u>27,607</u>
Noncurrent Liabilities			
Long-term debt - noncurrent portion	238,582	-	238,582
Other liabilities	100	255	355
Unearned revenue from grantors	1,222	-	1,222
Compensated absences - noncurrent portion	1,057	-	1,057
Assets held on behalf of Federal government loan programs	986	-	986
Net pension liability	88,667	-	88,667
Total Noncurrent Liabilities	<u>330,614</u>	<u>255</u>	<u>330,869</u>
Total Liabilities	<u>358,072</u>	<u>404</u>	<u>358,476</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow of pension resources	<u>3,037</u>	<u>-</u>	<u>3,037</u>
NET POSITION			
Net investment in capital assets	78,145	-	78,145
Restricted			
Nonexpendable	-	12,271	12,271
Expendable			
Grants	-	6,959	6,959
Renewal and replacement	747	-	747
Unrestricted			
Capital projects	63,268	-	63,268
Current	(68,240)	1,704	(66,536)
Total Net Position	<u>\$ 73,920</u>	<u>\$ 20,934</u>	<u>\$ 94,854</u>

Ramapo College of New Jersey
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Statement of Net Position
June 30, 2015
(dollars in thousands)

	Business-Type Activities Ramapo College	Component Unit Ramapo College Foundation	Total
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 61,708	\$ 2,236	\$ 63,944
Short term investments	-	8	8
Receivables			
Students, less allowance of \$700	774	-	774
Loans, less allowance of \$108	151	-	151
Gifts and grants, less allowance of \$189	1,030	465	1,495
Contributions, net	-	2,064	2,064
Due from Ramapo College Foundation (Due to College)	1,674	(1,674)	-
Other	886	127	1,013
Total Receivables	<u>4,515</u>	<u>982</u>	<u>5,497</u>
Prepaid expenses	84		84
Restricted deposits held by Trustees	37,041	-	37,041
Other current assets	-	31	31
Total Current Assets	<u>103,348</u>	<u>3,257</u>	<u>106,605</u>
Noncurrent Assets			
Restricted deposits held by Trustees	2,900	-	2,900
Investments, at fair value	-	16,088	16,088
Student loan receivables, less allowance of \$556	755	-	755
Other assets	102	-	102
Contributions receivable, net	-	3,631	3,631
Capital assets, net	<u>323,736</u>	<u>-</u>	<u>323,736</u>
Total Noncurrent Assets	<u>327,493</u>	<u>19,719</u>	<u>347,212</u>
Total Assets	<u>430,841</u>	<u>22,976</u>	<u>453,817</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow of pension resources	<u>3,426</u>	<u>-</u>	<u>3,426</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	17,680	72	17,752
Long-term debt - current portion	7,496	-	7,496
Unearned tuition, fees, and deposits	4,319	100	4,419
Compensated absences - current portion	1,920	-	1,920
Deposits	<u>1,458</u>	<u>94</u>	<u>1,552</u>
Total Current Liabilities	<u>32,873</u>	<u>266</u>	<u>33,139</u>
Noncurrent Liabilities			
Long-term debt - noncurrent portion	245,519	-	245,519
Other liabilities	100	239	339
Unearned revenue from grantors	2,066	-	2,066
Compensated absences - noncurrent portion	1,153	-	1,153
Assets held on behalf of Federal government loan programs	950	-	950
Net pension liability	<u>78,354</u>	<u>-</u>	<u>78,354</u>
Total Noncurrent Liabilities	<u>328,142</u>	<u>239</u>	<u>328,381</u>
Total Liabilities	<u>361,015</u>	<u>505</u>	<u>361,520</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow of pension resources	<u>2,378</u>	<u>-</u>	<u>2,378</u>
NET POSITION			
Net investment in capital assets	25,981	-	25,981
Restricted			
Nonexpendable	-	12,625	12,625
Expendable			
Grants	-	8,287	8,287
Renewal and replacement	1,061	-	1,061
Unrestricted			
Capital projects	114,128	-	114,128
Current	<u>(70,296)</u>	<u>1,559</u>	<u>(68,737)</u>
Total Net Position	<u>\$ 70,874</u>	<u>\$ 22,471</u>	<u>\$ 93,345</u>

See notes to financial statements

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

Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2016
(dollars in thousands)

	Business-Type Activities Ramapo College	Component Unit Ramapo College Foundation	Total
REVENUE			
Operating Revenues			
Student tuition and fees	\$ 77,883	\$ -	\$ 77,883
Less: tuition scholarship allowances	(19,324)	-	(19,324)
Net Student Tuition and Fees	58,559	-	58,559
Auxiliary enterprises	40,143	-	40,143
Less: auxiliary allowances	(3,437)	-	(3,437)
Net Auxiliary Enterprises	36,706	-	36,706
Federal grants and contracts	7,260	-	7,260
State and local grants and contracts	6,555	1,267	7,822
Contributions	-	922	922
Other operating revenues	2,242	707	2,949
Total Operating Revenues	<u>111,322</u>	<u>2,896</u>	<u>114,218</u>
EXPENSES			
Operating Expenses			
Instruction	50,631	-	50,631
Academic support	6,983	-	6,983
Student services	14,130	-	14,130
Institutional support	18,831	1,275	20,106
Student financial aid and scholarships	435	-	435
Operations and maintenance of plant	17,304	-	17,304
Depreciation	13,164	-	13,164
Auxiliary	19,849	-	19,849
Total Operating Expenses	<u>141,327</u>	<u>1,275</u>	<u>142,602</u>
Operating (Loss) Income	<u>(30,005)</u>	<u>1,621</u>	<u>(28,384)</u>
Nonoperating Revenue (Expenses)			
State of New Jersey appropriations	14,953	-	14,953
State of New Jersey paid fringe benefits	24,291	-	24,291
Investment income, net	471	51	522
Interest expense	(10,719)	-	(10,719)
Transactions with affiliates	3,209	(3,209)	-
Net Nonoperating Revenue (Expenses)	<u>32,205</u>	<u>(3,158)</u>	<u>29,047</u>
Capital gifts and grants	846	-	846
Increase (decrease) in Net Position	3,046	(1,537)	1,509
NET POSITION			
Beginning of year	<u>70,874</u>	<u>22,471</u>	<u>93,345</u>
End of year	<u>\$ 73,920</u>	<u>\$ 20,934</u>	<u>\$ 94,854</u>

See accompanying notes to financial statements.

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

Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2015
(dollars in thousands)

	Business-Type Activities Ramapo College	Component Unit Ramapo College Foundation	Total
REVENUE			
Operating Revenues			
Student tuition and fees	\$ 74,976	\$ -	\$ 74,976
Less: tuition scholarship allowances	(19,151)	-	(19,151)
Net Student Tuition and Fees	55,825	-	55,825
Auxiliary enterprises	39,224	-	39,224
Less: auxiliary allowances	(3,575)	-	(3,575)
Net Auxiliary Enterprises	35,649	-	35,649
Federal grants and contracts	7,650	-	7,650
State and local grants and contracts	6,020	1,044	7,064
Contributions	-	2,902	2,902
Other operating revenues	3,692	630	4,322
Total Operating Revenues	108,836	4,576	113,412
EXPENSES			
Operating Expenses			
Instruction	48,194	-	48,194
Academic support	7,158	-	7,158
Student services	13,394	-	13,394
Institutional support	19,531	894	20,425
Student financial aid and scholarships	405	-	405
Operations and maintenance of plant	16,229	-	16,229
Depreciation	9,978	-	9,978
Auxiliary	17,325	-	17,325
Total Operating Expenses	132,214	894	133,108
Operating (Loss) Income	(23,378)	3,682	(19,696)
Nonoperating Revenue (Expenses)			
State of New Jersey appropriations	16,130	-	16,130
State of New Jersey paid fringe benefits	21,420	-	21,420
Investment income, net	278	220	498
Interest expense	(11,112)	-	(11,112)
Transactions with affiliates	3,685	(3,685)	-
Net Nonoperating Revenue (Expenses)	30,401	(3,465)	26,936
Capital gifts and grants	16,864	-	16,864
Increase in Net Position	23,887	217	24,104
NET POSITION			
Beginning of year	120,122	22,254	142,376
Cumulative effect of change in accounting principle	(73,135)	-	(73,135)
End of year	\$ 70,874	\$ 22,471	\$ 93,345

See accompanying 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)

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 59,070	\$ 56,316
Grants and contracts	12,893	13,293
Payments to suppliers	(36,780)	(29,532)
Payments to employees	(65,870)	(64,940)
Payments for employee benefits	(26,720)	(23,671)
Auxiliary enterprise charges	36,706	35,649
Other	1,950	3,214
Net Cash from Operating Activities	(18,751)	(9,671)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	39,244	37,550
Gifts and grants	3,209	3,685
Net Cash from Noncapital Financing Activities	42,453	41,235
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Capital grants and gifts received	2	16,864
Purchases of capital assets	(18,924)	(34,365)
Proceeds from the issuance of long-term debt	-	48,043
Principal paid on capital debt and leases	(7,283)	(64,886)
Interest paid on capital debt and leases	(10,719)	(11,112)
Decrease (Increase) in deposits held by trustees	17,702	22,524
Net Cash from Capital Financing Activities	(19,222)	(22,932)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	471	278
Net Increase in Cash and Cash Equivalents	4,951	8,910
CASH And CASH EQUIVALENTS		
Beginning of year	61,708	52,798
End of year	\$ 66,659	\$ 61,708
RECONCILIATION OF OPERATING LOSS TO NET CASH		
NET CASH FROM OPERATING ACTIVITIES		
Operating loss	\$ (30,005)	\$ (23,378)
Adjustments to reconcile net loss to net cash		
from operating activities		
Depreciation expense	13,164	9,978
Changes in assets and liabilities		
Receivables, net	(1,157)	(308)
Prepaid expenses and other assets	26	(50)
Deferred outflows of resources	(1,136)	(578)
Accounts payable and accrued expenses	(196)	4,327
Unearned tuition, fees, and deposits	636	149
Unearned revenue from grantors	-	48
Deposits	(87)	244
Compensated absences	(32)	(13)
Government grants refundable	36	(90)
Net Cash from Operating Activities	\$ (18,751)	\$ (9,671)

See accompanying notes to financial statements.

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

Notes to Financial Statements
June 30, 2016 and 2015

1. Organization

Established in 1969, Ramapo College of New Jersey (the 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, the College offers courses leading to teacher certification at the elementary and secondary levels. The College also offers five 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 extracurricular. 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.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accounting policies of the College conform to U.S. generally accepted accounting principles as applicable to colleges and universities. The College's reports are based on all applicable GASB pronouncements as well as applicable Financial Accounting Standards Board (FASB) Interpretations, Accounting Principles Board Opinion, and Accounting Review Boards of the Committee on Accounting Procedures.

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.

- *Net investment in capital assets:* Capital assets, net of accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.
- *Restricted:*
 - Nonexpendable* – Net position subject to externally-imposed stipulations that must be maintained permanently by the College.
 - Expendable* – Net position 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.

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

Notes to Financial Statements
June 30, 2016 and 2015

2. Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

- ***Unrestricted:***

Net position 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 position are designated for academic programs and initiatives and capital programs.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the College'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 College reports as a business type activity, as defined by GASB Statement No. 35. 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 U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain 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.

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.

Restricted deposits Held by Trustees

Restricted 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.

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

Notes to Financial Statements
June 30, 2016 and 2015

2. Summary of Significant Accounting Policies (continued)

Fair Value Measurements

The College categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The College has the following recurring fair value measurements for restricted deposits held by trustees as of June 30, 2016:

- Money market funds of \$15.8 million are valued using quoted market prices (Level 1 inputs)
- U.S. Treasury notes and government securities of \$6.4 million are valued using quoted market prices (Level 1 inputs)

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
Library collection	10 Years
Infrastructure	7-50 Years

Deferred Outflows and Deferred Inflows of Resources

Changes in net pension liability not included in pension expense are reported as deferred outflows of resources or deferred inflows of resources. Employer contributions subsequent to the measurement date of the net pension liability are reported as deferred outflows of resources. The changes in assumptions, net differences between projected and actual earnings on pension plan investments and changes in proportionate share may be either deferred outflows of resources or deferred inflow of resources. See note 10 for the College's breakdown of these items.

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

Notes to Financial Statements
June 30, 2016 and 2015

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Student tuition and fees are presented net of scholarships applied to student accounts, while other payments made directly to students are presented as student aid and are recognized in the period earned. Student tuition and fees collected in advance of the academic year are recorded as unearned tuition and fees in the accompanying statement of net position.

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 when all eligibility requirements for revenue recognition are met which is generally the period in which related expenses are incurred. Amounts received from grants for which eligibility requirements have not yet been met under the terms of the agreement are recorded as unearned revenue in the accompanying statement of net position.

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 College.

Classification of Revenue

The College's policy for defining operating activities in the statement of revenues, expenses, and changes in net position 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: student tuition and fees, net of scholarship allowances; sales and services of auxiliary enterprises; and most Federal, State and local grants and contracts. Nonoperating revenues include activities that have the characteristics of non-exchange transactions, such as operating and capital appropriations from the State and investment income.

Financial Dependency

The College is recognized as a public institution of higher education by the State of New Jersey (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.

Tax Status

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

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

Notes to Financial Statements
June 30, 2016 and 2015

2. Summary of Significant Accounting Policies (continued)

Recently Adopted Accounting Standards

The College adopted Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application* (GASB 72) in fiscal year 2016. The Statement addresses accounting and financial reporting issues related to fair value measurements of assets and liabilities. GASB 72 identifies various approaches to measuring fair value and levels of inputs based on the objectivity of the data used to measure fair value.

Cumulative Effect of Change in Accounting Principle

For the year ending June 30, 2015, the College implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension transition for Contributions made subsequent to the Measurement Date* which establish standards of accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts. The result of implementation of GASB No. 68 is the reduction of beginning net position by \$73.1 million for the year ending June 30, 2015.

3. Cash and Cash Equivalents

Cash and cash equivalents are carried in the financial statements at fair value and consist of the following as of June 30, 2016 and 2015 (dollars in thousands):

	2016	2015
Cash and money market accounts	\$ 65,529	\$ 60,581
State of New Jersey Cash Management Fund	1,130	1,127
Total Cash and Cash Equivalents	\$ 66,659	\$ 61,708

In accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, the College has assessed the certain risks related to its cash and cash equivalents and restricted deposits held by trustees.

Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. The College entered into an irrevocable standby letter of Credit agreement with TD Bank N.A. and the Federal Home Loan Bank of Pittsburgh acting as the custodian. This agreement secures payment of uninsured deposits to the College.

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

Notes to Financial Statements
June 30, 2016 and 2015

3. Cash and Cash Equivalents (continued)

As of June 30, 2016 and 2015, cash and money market accounts balances held by depositories amounted to \$68.6 million and \$61.5 million, of which \$0.9 million and \$0.8 million, respectively, were FDIC (Federal Deposit Insurance Corporation) insured. Bank balances in excess of insured amounts of \$67.7 million, and \$60.7 million as of June 30, 2016 and 2015 were collateralized according to the irrevocable standby letter of credit agreement.

The College participates in the State of New Jersey Cash Management Fund wherein amounts contributed by the College are combined with funds from other state institutions 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, 2016 and 2015 was \$1,130,000 and \$1,127,000, respectively. These amounts are collateralized in accordance with Chapter 64 of Title 18A of New Jersey Statutes. The Cash Management Fund is unrated.

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.

Ramapo College of New Jersey
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Notes to Financial Statements
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4. Restricted Deposits Held by Trustees

Restricted deposits held by trustees represent restricted funds held by financial institutions, under the terms of various obligations. Restricted deposits held by trustees under bond indenture agreements are carried in the financial statements at fair value and include the following (dollars in thousands):

	2016	2015
Construction fund	\$ 10,159	\$ 27,227
Debt service fund for principal and interest	11,327	10,907
Capitalized interest	-	723
Cost of issuance	-	23
Renewal and replacement fund	747	1,061
Rental pledge fund	6	-
	22,239	39,941
Less: current portion	22,239	37,041
Noncurrent Deposits Held by Trustees	\$ -	\$ 2,900

The College's restricted deposits held by trustees are subject to various risks. Among these risks are interest risk and credit risk.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The following table summarizes restricted deposits held by trustees maturities as of June 30, 2016 (dollars in thousands):

Investment Type	Fair Value	2016 Investment maturities (in years)		
		Less than 1	1 to 2	More than 2
Money market funds	\$ 15,789	\$ 15,789	\$ -	\$ -
U.S. Treasury notes and government securities	6,450	6,450	-	-
Fixed Income	-	-	-	-
	\$ 22,239	\$ 22,239	\$ -	\$ -

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4. Restricted Deposits Held by Trustees (continued)

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The following table summarizes restricted deposits held by trustees maturities as of June 30, 2015 (dollars in thousands):

Investment Type	Fair Value	2015		
		Investment maturities (in years)		
		Less than 1	1 to 2	More than 2
Money market funds	\$ 34,621	\$ 34,621	\$ -	\$ -
U.S. Treasury notes and government securities	2,420	2,420	-	-
Fixed Income	<u>2,900</u>	<u>-</u>	<u>-</u>	<u>2,900</u>
	<u>\$ 39,941</u>	<u>\$ 37,041</u>	<u>\$ -</u>	<u>\$ 2,900</u>

Assets held under bond indenture agreements are not governed by the College's investment policies, but rather by the investment policies of the New Jersey Educational Facilities Authority. As of June 30, 2016 and 2015, restricted deposits held by trustees were invested in money market funds, U.S. Treasury bills or fixed income securities.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The College's investment policy requires that the overall average quality rating of the portfolio's domestic fixed income holdings will be at least "AA", as rated by the Standard and Poor's or Moody's rating agency.

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5. Capital Assets

Capital assets activity for the year ended June 30, 2016 is comprised of the following (dollars in thousands):

	2016			Ending Balance
	Beginning Balance	Additions	Reductions	
Non Depreciable Capital Assets				
Land	\$ 3,231	\$ -	\$ -	\$ 3,231
Construction in progress	84,651	18,628	(82,440)	20,839
	<u>87,882</u>	<u>18,628</u>	<u>(82,440)</u>	<u>24,070</u>
Depreciable Capital Assets				
Land improvements	7,077	-	-	7,077
Buildings and improvements	329,079	80,992	-	410,071
Equipment	12,586	1,202	(590)	13,198
Library collection	9,490	3	(83)	9,410
Infrastructure	16,153	538	-	16,691
	<u>374,385</u>	<u>82,735</u>	<u>(673)</u>	<u>456,447</u>
Total Capital Assets	<u>462,267</u>	<u>101,363</u>	<u>(83,113)</u>	<u>480,517</u>
Accumulated Depreciation				
Land improvements	3,757	291	-	4,048
Buildings and improvements	109,947	11,438	-	121,385
Equipment	10,309	758	(590)	10,477
Library collection	8,299	260	(83)	8,476
Infrastructure	6,219	416	-	6,635
Total Accumulated Depreciation	<u>138,531</u>	<u>13,163</u>	<u>(673)</u>	<u>151,021</u>
Capital Assets, Net	<u>\$ 323,736</u>	<u>\$ 88,200</u>	<u>\$ (82,440)</u>	<u>\$ 329,496</u>

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5. Capital Assets (continued)

Capital assets activity for the year ended June 30, 2015 is comprised of the following (dollars in thousands):

	2015			Ending Balance
	Beginning Balance	Additions	Reductions	
Non Depreciable Capital Assets				
Land	\$ 3,231	\$ -	\$ -	\$ 3,231
Construction in progress	<u>53,614</u>	<u>33,892</u>	<u>(2,855)</u>	<u>84,651</u>
	<u>56,845</u>	<u>33,892</u>	<u>(2,855)</u>	<u>87,882</u>
Depreciable Capital Assets				
Land improvements	7,077	-	-	7,077
Buildings and improvements	326,832	2,247	-	329,079
Equipment	11,898	720	(32)	12,586
Library collection	9,730	130	(370)	9,490
Infrastructure	<u>15,922</u>	<u>231</u>	<u>-</u>	<u>16,153</u>
	<u>371,459</u>	<u>3,328</u>	<u>(402)</u>	<u>374,385</u>
Total Capital Assets	<u>428,304</u>	<u>37,220</u>	<u>(3,257)</u>	<u>462,267</u>
Accumulated Depreciation				
Land improvements	3,466	291	-	3,757
Buildings	101,590	8,357	-	109,947
Equipment	9,740	601	(32)	10,309
Library collection	8,353	316	(370)	8,299
Infrastructure	<u>5,806</u>	<u>413</u>	<u>-</u>	<u>6,219</u>
Total Accumulated Depreciation	<u>128,955</u>	<u>9,978</u>	<u>(402)</u>	<u>138,531</u>
Capital Assets, Net	<u>\$ 299,349</u>	<u>\$ 27,242</u>	<u>\$ (2,855)</u>	<u>\$ 323,736</u>

As of June 30, 2016 and 2015, estimated costs to complete the projects classified as construction in progress are approximately \$10.6 million and \$23.9 million, respectively, and are expected to be funded primarily from New Jersey Educational Facility Authority Revenue Bonds and unrestricted revenues. During 2016 and 2015, the College capitalized interest expense of \$2.7 million and \$2.4 million, respectively.

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6. Accounts Payable and Accrued Expenses

As of June 30, 2016 and 2015, accounts payable and accrued expenses consist of the following (dollars in thousands):

	<u>2016</u>	<u>2015</u>
Vendors	\$ 3,223	\$ 4,490
Capital projects	2,303	6,329
Accrued salaries and benefits	1,418	2,596
Interest payable	<u>5,054</u>	<u>4,265</u>
	<u>\$ 11,998</u>	<u>\$ 17,680</u>

7. Noncurrent Liabilities

Activity in noncurrent liabilities for the year ending June 30, 2016 was as follows (dollars in thousands):

	<u>June 30, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2016</u>	<u>Current Portion</u>
Other Liabilities	\$ 937	\$ 593	\$ (444)	\$ 1,086	\$ 986
Compensated absences	3,073	255	(287)	3,041	1,984
U.S. Government grants refundable (Perkins)	950	36		986	-
Long-term debt	<u>253,015</u>	<u>-</u>	<u>(7,283)</u>	<u>245,732</u>	<u>7,150</u>
	<u>\$ 257,975</u>	<u>\$ 884</u>	<u>\$ (8,014)</u>	<u>\$ 250,845</u>	<u>\$ 10,120</u>

Activity in noncurrent liabilities for the year ending June 30, 2015 was as follows (dollars in thousands):

	<u>June 30, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2015</u>	<u>Current Portion</u>
Other Liabilities	\$ 892	\$ 450	\$ (405)	\$ 937	\$ 837
Compensated absences	3,086	218	(231)	3,073	1,920
U.S. Government grants refundable (Perkins)	1,040	-	(90)	950	-
Long-term debt	<u>269,859</u>	<u>48,043</u>	<u>(64,886)</u>	<u>253,015</u>	<u>7,496</u>
	<u>\$ 274,877</u>	<u>\$ 48,711</u>	<u>\$ (65,612)</u>	<u>\$ 257,975</u>	<u>\$ 10,253</u>

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8. 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.

The College transferred cash to the trustee to be used in the defeasance of the \$15.3 million 2003H and \$10.7 million 2004E bonds that took place on July 1, 2014.

The Authority issued Series 2015B for \$45,180,000 the purpose of partially refunding Series 2006D in May 2015. 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. Series 2015B also provided new funds for the renovation of the Robert A. Scott Student Center and certain College Park Apartments.

On May 19, 2015 the College issued \$30,405,000 in General Obligation Bonds with an average interest rate of 4.46 percent. The net proceeds of \$32,231,000 (after payment of \$346,000 in underwriting fees, insurance, and other issuance costs) plus an additional \$841 of Series 2006D sinking fund monies were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the above mentioned bonds. As a result, the Series 2006D is considered to be defeased and the liability for this bond will be fully removed from the government-wide statement of net position on July 1, 2015.

The College completed the advance refunding to reduce its total debt service payment over the next 18 years by \$1,328,000 and to obtain an economic gain (difference between the present value of the old and new debt service payments) of \$1,297,000.

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8. Long-Term Debt (continued)

The following principal payments due the Authority were outstanding at June 30, 2016 and 2015 (dollars in thousands):

NJ Educational Facilities Authority	<u>Interest Rate</u>	<u>2016</u>	<u>2015</u>
Revenue Bonds:			
Series 2005 A, due serially to 2019	3.00% to 5.00%	\$ 879	\$ 1,117
Series 2006 A, due serially to 2022	4.00% to 4.50%	1,201	1,207
Series 2006 D, due serially to 2032	3.75% to 4.50%	-	1,205
Series 2006 I, due serially to 2036	4.00% to 5.00%	103,185	104,755
Series 2011 A, due serially to 2021	3.00% to 5.00%	8,565	11,655
Series 2012 B, due serially to 2042	2.00% to 5.00%	76,810	77,635
Series 2014 A, due serially to 2033	3.00% to 4.00%	270	279
Series 2015 B, due serially to 2040	3.00% to 5.00%	45,180	45,180
Higher Education Dormitory Safety Trust Fund			
Series 2001 A, due serially to 2016	3.50% to 5.00%	-	69
Higher Education Capital Improvement Fund			
Series 2002 A, due serially to 2023	3.00% to 5.25%	15	15
2014 Higher Education Equipment Leasing			
Fund Program 042-01	1.75% to 3.50%	136	151
2014 Higher Education Equipment Leasing			
Fund Program 042-05	3.00% to 3.50%	93	106
Other - Capital Leases	5.10% to 6.50%	217	7
		<u>236,551</u>	<u>243,381</u>
Plus: Bond premiums		9,181	9,634
		<u>245,732</u>	<u>253,015</u>
Less: noncurrent portion		<u>238,582</u>	<u>245,519</u>
Total long-term debt, current portion		<u>\$ 7,150</u>	<u>\$ 7,496</u>

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8. Long-Term Debt (continued)

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, 2016 (dollars in thousands):

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 7,150	\$ 10,373
2018	8,219	9,799
2019	8,495	9,499
2020	10,745	9,131
2021	11,186	8,728
2022-2026	54,418	37,047
2027-2031	67,735	25,084
2032-2036	52,145	11,607
2037-2041	20,264	3,893
2042-2043	5,375	394
	<u>\$ 245,732</u>	<u>\$ 125,555</u>

9. 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, 2016 and 2015, such benefits amounted to approximately \$24.3 million and \$21.4 million respectively, and are included as part of non-operating revenue under State of New Jersey paid fringe benefits and as operating expense in various functional expense categories in the accompanying financial statements.

10. Retirement Plans

The College participates in three retirement plans for its employees - Public Employee's Retirement System (PERS), the Alternate Benefit Program (ABP), and the Defined Contribution Retirement Program (DCRP). 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.

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10. Retirement Plans (continued)

The ABP pension plan is a defined contribution program. Under the provisions of N.J.S.A 18A-96, the ABP allows enrollees to 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 DCRP pension plan is a defined contribution program. Established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010, the DCRP allows enrollees to make contributions to Prudential Retirement Services who administers the plan with a separate Board of Directors.

Public Employees' Retirement System

Plan Descriptions

PERS is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefits

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

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10. Retirement Plans (continued)

Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

PERS members were required to contribute 7.06% and 6.92% of their annual covered salary for the years ended June 30, 2016 and 2015, respectively. This amount changes with negotiations of each new union contract. The State of New Jersey, in accordance with state statutes, makes employer contributions on behalf of the College. The contribution requirements of the plan members and the College are established and may be amended by the State of New Jersey.

Net Pension Liability

At June 30, 2016 and 2015, the College reported a liability in the amount of \$88.7 million and \$78.4 million for its proportionate share of the net pension liability.

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions for the June 30, 2015 and 2014 measurement date:

	2015	2014
Inflation Rate	3.04%	3.01%
Salary increases:		
2012-2021	2.15 - 4.40% based on age	2.15 - 4.40% based on age
Thereafter	3.15 - 5.40% based on age	3.15 - 5.40% based on age

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10. Retirement Plans (continued)

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 and 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return

In accordance with state statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

Asset Class	2015	
	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

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10. Retirement Plans (continued)

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class	2014	
	Target Allocation	Long-Term Expected Real Rate of Return
Cash	6.00%	0.80%
U.S. Treasuries	1.00%	2.49%
Investment Grade Credit	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
Global Debt ex US	0%	0%
REIT	0%	0%

Discount Rate

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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10. Retirement Plans (continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the College, measured as of June 30, 2015, calculated using the discount rate as disclosed above as well as what the College's collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate (dollars in thousands):

	<u>At 1% Decrease (3.9%)</u>	<u>At Current Discount Rate (4.9%)</u>	<u>At 1% Increase (5.90%)</u>
College's proportionate share of the net pension liability	<u>\$ 103,924</u>	<u>\$ 88,673</u>	<u>\$ 75,936</u>

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

For the years ended June 30, 2016 and 2015, the College recognized pension expense in the amount of \$3.8 million and \$4.7 million, respectively. Pension expense is recognized within the functional classifications in the statement of revenues, expenses and changes in net position.

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10. Retirement Plans (continued)

At June 30, 2016 and 2015 the College reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources (dollars in thousands):

	2016	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 6,759	\$ -
Net differences between projected and actual earnings on pension plan investments	1,239	438
Changes in proportion and differences between College contributions and proportionate share of contributions	914	2,599
College contributions subsequent to the measurement date	1,136	-
	\$ 10,048	\$ 3,037
	2015	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 1,728	\$ -
Net differences between projected and actual earnings on pension plan investments	-	2,378
Changes in proportion and differences between College contributions and proportionate share of contributions	1,120	-
College contributions subsequent to the measurement date	578	-
	\$ 3,426	\$ 2,378

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10. Retirement Plans (continued)

College contributions subsequent to the measurement date reported as deferred outflows of resources related to PERS resulting from accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows (dollars in thousands):

Year Ended June 30,	Net Deferred Outflows/ (Inflows)
2017	\$ 1,228
2018	1,228
2019	1,228
2020	1,228
2021	963
	\$ 5,875

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.

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10. Retirement Plans (continued)

Participating College employees are required to contribute 5% of their base annual salary and may contribute, on a pretax basis, an additional voluntary contribution of salary up to the maximum Federal statutory limit on a pretax basis. Employer contributions are 8% of base salary. During the years ended June 30, 2016 and 2015, ABP received employer and employee contributions that approximated the following from the College (dollars in thousands):

	2016	2015
Employer contribution	\$ 3,350	\$ 3,265
Employee contribution	4,195	4,245
Basis for contributions		
Participating employee salaries	41,881	40,817

Employer contributions to ABP are paid by the State of New Jersey and are reflected in the accompanying financial statements as nonoperating revenue under New Jersey State appropriations and as operating expenses in various functional expense categories. The maximum compensation to be considered for employer retirement contributions is \$141,000 per New Jersey state law Chapter 31, P.L. 2010. This law was effective as of July 1, 2010. The College created a separate 403(B) plan to fund the 8% employer match above the \$141,000 compensation limit. These contributions are funded by the College.

Defined Contribution Retirement Program

The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit along with life insurance and disability coverage.

DCRP enrollment eligibility criteria includes employees who: (1) earn below a minimum base salary, or (2) do not work a minimum number of hours per week, or (3) are enrolled in PERS and make in excess of established "maximum compensation" limits. Participating eligibility, as well as contributory and noncontributory requirements is established by the State of New Jersey Retirement and Social Security Law.

DCRP has one investment carrier, Prudential, which jointly administers the DCRP investments with the Division of Pensions and Benefits. The College assumes no liability for DCRP members other than payment of contributions. Benefits are determined by the amount of individual accumulations and the retirement option selected. All benefits vest immediately for employees who are enrolled in PERS or after one year for employees not in PERS. Individual owned annuity contracts that provide for full ownership of retirement and survivor benefits are purchased at the time of vesting.

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

Notes to Financial Statements
June 30, 2016 and 2015

10. Retirement Plans (continued)

Participating College employees contribute 5.5% of their eligible wages. Employer contributions are 3% of the each member's eligible wages. During the year ended June 30, 2016 and 2015 Prudential received employee contribution that approximated the following from College (dollars in thousands):

	2016	2015
Employer contribution	\$ 11	\$ 7
Employee contribution	19	13
 Basis for contributions		
Participating employee salaries	369	244

Employer contributions to DCRP are paid by the College and are reflected in the financial statements as expenses.

11. Reconciliation of Net Position

The changes in net position as a result of implementing GASB Statement No. 68 are as follows (dollars in thousands):

	Net position as previously reported at <u>June 30, 2015</u>	Cumulative effect of change in accounting principle	Net position at <u>June 30, 2015</u>	Changes in net position in 2016	Net position at <u>June 30, 2016</u>
Net investment in capital assets	\$ 25,981	\$ -	\$ 25,981	\$ 52,164	\$ 78,145
Restricted	1,061	-	1,061	(314)	747
Unrestricted					
Capital projects	114,128	-	114,128	(50,860)	63,268
Current					
Operating	7,588	-	7,588	5,828	13,416
GASB 68 impact	<u>-</u>	<u>(77,884)</u>	<u>(77,884)</u>	<u>(3,772)</u>	<u>(81,656)</u>
Total Current	<u>7,588</u>	<u>(77,884)</u>	<u>(70,296)</u>	<u>2,056</u>	<u>(68,240)</u>
Total Net Position	<u>\$ 148,758</u>	<u>\$ (77,884)</u>	<u>\$ 70,874</u>	<u>\$ 3,046</u>	<u>\$ 73,920</u>

Ramapo College of New Jersey
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Notes to Financial Statements
June 30, 2016 and 2015

12. Compensated Absences

Vacation, Compensatory and Paid Leave Bank Time

The College's general policy states that employees are entitled, upon termination, to the current year's unused earned vacation, compensatory and paid leave bank time in addition to any unused vacation, compensatory and paid leave bank time carried over from the immediate prior year. The liability for unused vacation, compensatory and paid leave bank time at June 30, 2016 and 2015 amounted to approximately \$3,041,000 and \$3,073,000 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 \$15,000. Employees separating from the College prior to retirement are not eligible for payment. Included in the financial statements is the estimated liability for unused sick time of \$1,057,000 and \$1,153,000 for June 30, 2016 and 2015, respectively. The College has made payments of approximately \$180,000 and \$127,000 for unused sick time in fiscal year 2016 and 2015.

13. Commitments

Encumbrances representing outstanding purchase orders and other commitments for materials or services not received as of June 30, 2016 and 2015, are not included in the financial statements. The College has approved contracts in fiscal 2016 and 2015 of approximately \$8,387,000 and \$12,226,000, respectively, the majority of which are for construction and renovation projects and will be funded by plant fund assets on deposit with the trustee.

14. 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.

The College receives support from Federal and State of New Jersey grant programs, primarily student financial assistance. Entitlement to the resources requires compliance with terms of the grant agreements and applicable regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits. The College estimates that adjustments, if any, as a result of such audits would not have a material adverse effect on the College's financial statements for the years ending June 30, 2016 and 2015.

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

Notes to Financial Statements
June 30, 2016 and 2015

14. Contingencies (continued)

The College is exposed to various risks of loss. The College participates in a consortium with nine other New Jersey colleges and universities to purchase property insurance. Buildings and equipment are fully insured on an all risk replacement basis to the extent that losses exceed \$100,000 per occurrence, with a per occurrence limit of \$1,500 million. Coverage for theft of money and securities provides for the actual loss in excess of \$25,000 with a per loss limit of \$5 million.

15. 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, 2016 and 2015, the Foundation distributed \$3.2 million and \$3.7 million, respectively, 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.

* * * * *

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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

**Schedule of the College's Proportionate Share of the Net Pension Liability
Public Employee's Retirement System
Last 10 Years *
(dollars in thousands)**

	<u>2016</u>	<u>2015</u>
College's proportion of the net pension liability	0.37%	0.39%
College's proportionate share of the net pension liability	\$ 88,668	\$78,354
College's covered-employee payroll (measurement date June 30, 2015)	\$ 15,439	\$15,439
College's proportionate share of the net pension liability as a percentage of its covered-employee payroll	553.60%	507.50%
Plan fiduciary net position as a percentage of the total pension liability	24.96%	30.06%

* Ten year data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions.

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

**Schedule of the College Contributions
Public Employee's Retirement System
Last 10 Years ***
(dollars in thousands)

	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,136	\$ 668
Contributions in relation to the contractually required contribution	<u>1,136</u>	<u>668</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
College's covered-employee payroll (reporting date June 30, 2016)	\$ 16,015	\$ 15,439
Contributions as a percentage of covered-employee payroll	7.09%	4.33%

* Ten year data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions.

Ramapo College of New Jersey
(A Component Unit of the State of New Jersey)
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2016

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through To Subrecipients	Federal Expenditures
Student Financial Assistance Cluster:				
Direct Programs:				
U.S. Department of Education				
Federal Supplemental Educational Opportunity Grant Program (including administrative cost allowance of \$11,238)	84.007		\$ -	\$ 130,811
Federal Direct Student Loans	84.268		-	30,972,744
Federal Work-Study Program (including administrative cost allowance of \$9,907)	84.033		-	243,119
Federal Perkins Loan Program (including administrative cost allowance of \$770)	84.038		-	15,400
Federal Pell Grant Program	84.063		-	6,283,050
Total Student Financial Assistance Cluster			-	<u>37,645,124</u>
Research and Development Cluster:				
Direct Programs:				
National Science Foundation				
Phase II Expansion Project	47.076		-	22,166
Collaborative Research	47.076		-	28,904
Practicing the Process Programming	47.076		-	4,007
Total Research and Development Cluster			-	<u>55,077</u>
Trio Cluster:				
Direct Programs:				
U.S. Department of Education				
Student Support Services Program	84.042A		-	265,656
Upward Bound	84.047M		-	274,711
Total Trio Cluster			-	<u>540,367</u>
Other Federal Awards:				
Direct Programs:				
National Endowment for the Humanities				
The Hudson River in the 19th Century and the Modernization of America	45.163		-	52,780
National Historical Publications and Records Commission				
Jane Addams Papers Project	89.003		-	58,003
Total Other Federal Awards			-	<u>110,783</u>
Total Expenditures of Federal Awards			\$ -	<u>\$ 38,351,351</u>

See independent auditor's report and accompanying notes to schedule of expenditures of Federal and State of New Jersey Awards.

Ramapo College of New Jersey
(A Component Unit of the State of New Jersey)
Schedule of Expenditures of State of New Jersey Awards
Year Ended June 30, 2016

State of New Jersey Grantor/ Pass-Through Grantor/Program or Cluster Title	Grant/Account or Other I.D. Number	Grant Period	Fiscal Year Grant Expenditures	Total Grant Expenditures To Date
Major Programs:				
N.J. Department of Treasury – Office of Student Assistance				
Student Financial Assistance Cluster:				
Tuition Aid Grant	10-100-082-2150-007	July 1, 2015 to June 30, 2016	\$ 5,236,744	\$ 5,236,744
N.J. Department of State				
Student Financial Assistance Cluster:				
Educational Opportunity Fund - Financial Aid FY 2016	10-100-084-2601-001	July 1, 2015 to June 30, 2016	418,225	418,225
Educational Opportunity Fund - Academic Year 2016	10-100-074-2601-003	July 1, 2015 to June 30, 2016	225,987	225,987
Educational Opportunity Fund - Summer Program 2016	2601-100-074-2601-004	June 1, 2015 to August 31, 2016	63,239	63,239
Educational Opportunity Fund - Summer Program 2017	2601-100-074-2601-004	June 1, 2015 to August 31, 2016	279,347	279,347
Total Student Financial Assistance Cluster			<u>6,223,542</u>	<u>6,223,542</u>
N.J. Department of Treasury				
State of New Jersey Fringe Benefits on State Positions	-	July 1, 2015 to June 30, 2016	20,272,109	20,272,109
FICA-State Colleges and Universities Reimbursement Program	100-082-2155-2062	July 1, 2015 to June 30, 2016	4,019,031	4,019,031
State of New Jersey Appropriations	10-100-074-2475	July 1, 2015 to June 30, 2016	14,953,000	14,953,000
Total N.J. Department of Treasury			<u>39,244,140</u>	<u>39,244,140</u>
State of New Jersey				
New Jersey Educational Facilities Authority				
Higher Education Facilities Trust Fund - "G" Wing Renovations	042-01	September 1, 2014 to June 30, 2016	74,555	16,858,013
Higher Education Capital Improvement Fund - Copy Center/ Public Safety Relocations	042-06	March 1, 2014 to June 30, 2016	-	65,000
Higher Education Technology Infrastructure Fund	042-05	January 1, 2014 to June 30, 2016	242,179	242,179
Higher Education Equipment Leasing Fund Program - Technology	042-05	January 1, 2014 to June 30, 2016	119,455	119,455
Higher Education Equipment Leasing Fund Program - "G" Wing Renovations and Scientific Equipment	042-01	January 1, 2014 to June 30, 2016	409,402	424,253
Total New Jersey Educational Facilities Authority			<u>845,591</u>	<u>17,708,900</u>
New Jersey Department of Labor and Workforce Development				
Hire New Jersey Investment Program	S4J-FY2015-Ramapo College of NJ-334	July 1, 2015 to June 30, 2016	177,760	177,760
Total Major Programs			<u>46,491,033</u>	<u>63,354,342</u>
Non-Major Programs				
Urban Scholarships	-	July 1, 2015 to June 30, 2016	10,000	10,000
New Jersey Stars	-	July 1, 2015 to June 30, 2016	42,500	42,500
Total Non-Major Programs			<u>52,500</u>	<u>52,500</u>
Total Expenditures of State of New Jersey Awards			<u>\$ 46,543,533</u>	<u>\$ 63,406,842</u>

See independent auditor's report and accompanying notes to schedule of expenditures of Federal and State of New Jersey Awards.

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

Notes to Schedule of Expenditures of Federal and State of New Jersey Awards

June 30, 2016 and 2015

1. Basis of Presentation

The accompanying Schedules of Expenditures of Federal and State of New Jersey Awards (the "Schedules") have been prepared in the format required under Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The purpose of these Schedules is to present a summary of those activities of the College for the year ended June 30, 2016 which have been financed by the Federal government and State of New Jersey. For purposes of these Schedules, Federal and State of New Jersey Awards include any assistance provided by a Federal and State agency directly or indirectly in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, direct appropriations, and other non-cash assistance. Because these Schedules present only a selected portion of the activities of the College, they are not intended to, and do not, present the financial position, changes in fund balances or the current funds revenues, expenditures, and other changes of the College in conformity with generally accepted accounting principles.

The accounting practice followed by the College in preparing the accompanying Schedules is as follows:

Expenditures for direct costs are recognized as incurred using the accrual method of accounting contained in the Uniform Guidance. Under those cost principles, certain types of expenditures are not allowable or are limited as to reimbursement.

2. The College Administers the Following Federal Loan Programs

	<u>CFDA</u>	<u>Loans extended for the year ended June 30, 2016</u>	<u>Outstanding principal balance at June 30, 2016</u>
Perkins Loan Program	84.038	\$ 15,400	\$ 1,145,972

During the fiscal year ended June 30, 2016, the College processed the following amount of new loans under the Stafford Student Loans program (which includes Stafford Loans and Parents' Loans for Undergraduate Students):

	<u>CFDA Number</u>	<u>Value of Loans</u>
Federal Direct Loans	84.268	
Subsidized		\$ 10,532,897
Unsubsidized		<u>13,821,364</u>
		<u>\$ 24,354,261</u>
Parent Loans for Undergraduate Students (PLUS)		<u>\$ 6,618,483</u>

**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed
in Accordance With *Government Auditing Standards***

Independent Auditors' Report

**Board of Trustees of
Ramapo College of New Jersey
Mahwah, New Jersey**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Ramapo College of New Jersey, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Ramapo College of New Jersey's basic financial statements, and have issued our report thereon dated September 26, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ramapo College of New Jersey's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Ramapo College of New Jersey's internal control. Accordingly, we do not express an opinion on the effectiveness of Ramapo College of New Jersey's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ramapo College of New Jersey's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Ramapo College of New Jersey's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

Paramus, New Jersey
September 26, 2016



Report on Compliance For Each Major Program and Report on Internal Control Over Compliance Required by the Uniform Guidance for Federal Awards and New Jersey OMB Circular Letter 15-08

Independent Auditors' Report

**Board of Trustees of
Ramapo College of New Jersey
Mahwah, New Jersey**

Report on Compliance for Each Major Federal and State Program

We have audited Ramapo College of New Jersey's compliance with the types of compliance requirements described in the *Single Audit Compliance Supplement* and *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of Ramapo College of New Jersey's major federal and state programs for the year ended June 30, 2016. Ramapo College of New Jersey's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Ramapo College of New Jersey's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, Uniform Guidance and New Jersey OMB Circular Letter 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about Ramapo College of New Jersey's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of Ramapo College of New Jersey's compliance.

Opinion on Each Major Federal and State Program

In our opinion, Ramapo College of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2016.

Report on Internal Control over Compliance

Management of Ramapo College of New Jersey is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Ramapo College of New Jersey's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with Uniform Guidance and New Jersey OMB Circular Letter 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Ramapo College of New Jersey's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance and New Jersey OMB Circular Letter 15-08. Accordingly, this report is not suitable for any other purpose.

PKF O'Connor Davies, LLP

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

Schedule of Findings and Questioned Costs
Year Ended June 30, 2016 and 2015

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

___ Yes No
___ Yes None reported

Noncompliance material to financial statements noted?

___ Yes No

Federal and State of New Jersey Awards

Internal control over major federal and state programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

___ Yes No
___ Yes None reported

Type of auditors' report issued on compliance for major federal and state programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or New Jersey OMB Circular Letter 15-08?

___ Yes No

Identification of major federal and state programs:

CFDA Number/
State Account Number

Name of Federal and State Program or Cluster

Federal:

Various

Student Financial Assistance Cluster

