

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

Basic Financial Statements

June 30, 2011 and 2010

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

Financial Statements

June 30, 2011 and 2010

TABLE OF CONTENTS

	<u>Page</u>
Management's Discussion and Analysis	1 - 14
Independent Auditors' Report	15
Financial Statements	
Statements of Net Assets	16 - 17
Statements of Revenues, Expenses and Changes in Net Assets	18 -19
Statements of Cash Flows (Ramapo College of New Jersey)	20
Notes to Financial Statements (Ramapo College of New Jersey)	21 - 37

RAMAPO COLLEGE OF NEW JERSEY
(A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2011 AND 2010

Overview of Financial Statements and Financial Analysis

This section of the annual financial statements for Ramapo College of New Jersey (RCNJ) presents management's discussion and analysis of the College's financial performance for the fiscal years ended on June 30, 2011 and 2010 and comparative amounts for the year ended June 30, 2009. 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 College of New Jersey, located in suburban Mahwah, New Jersey, is a very selective institution of post-secondary education. Within a liberal education context 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. In addition, Ramapo 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 several medical schools.

Organized into schools, which provide thematic learning communities, the College presents a curriculum of traditional majors and innovative programs in an interdisciplinary fashion. Supported by global partnerships, international and intercultural education has become central themes in Ramapo's programming. The College purposely involves students in the cultural diversity of the world and of American society.

As of fall 2010, the College enrolled 5,367 full-time equivalent undergraduate students and 92 full-time equivalent graduate students. Approximately 60% of full-time undergraduates live on campus.

RCNJ 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.

Ramapo is ranked by *U.S. News & World Report* as fourth in the *Best Regional Universities, North* category. Ramapo College is listed in the January 2011 issue of *Kiplinger's Personal Finance Magazine* as among the "100 Best Values in Public Colleges" for 2011. This is the sixth consecutive year Ramapo has been included in the "100 Best Values in Public Colleges." The College was ranked #49 for in-state tuition and fees and #24 for value in out-of-state tuition, and is one of three colleges in New Jersey in the Top 100. Ramapo also is one of 218 institutions recommended by The Princeton Review in the "Best in the Northeast" section in the 2011 edition of *The Best Northeastern Colleges*.

RAMAPO COLLEGE OF NEW JERSEY
(A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2011 and 2010
(Continued)

Using the Financial Statements

The College's financial report includes three basic financial statements: the Statements of Net Assets, the Statements of Revenues, Expenses, and Changes in Net Assets, and the Statements of Cash Flows which have been prepared in accordance with accounting principals 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 on an entity-wide basis.

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

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

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

Statement of Net Assets

The Statement of Net Assets 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. Current assets 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. Current liabilities of the College consist primarily of accounts payable, accrued benefits and the current portion of long- term debt.

Net assets are the residual interest in the College's assets after liabilities are deducted (the difference between total assets and total liabilities). Net assets are one indicator of the financial condition of the College, while the change in net assets is an indicator of whether the overall financial condition has improved or worsened during the year. 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.

RAMAPO COLLEGE OF NEW JERSEY
(A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2011 and 2010
(Continued)

Net asset are classified into three categories: Invested in capital, net of related debt, Restricted and Unrestricted.

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. This provides the College's equity in property, buildings and equipment.

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

Unrestricted net assets are not subject to externally imposed stipulations. They may be designated by specific purposes by action of management to the board of trustees or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net assets are designated for academic programs and initiatives, debt service and capital programs.

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

	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Assets			
Current assets	\$ 84,428	\$ 69,024	\$ 58,623
Capital assets, net	262,693	268,697	274,401
Other assets	<u>811</u>	<u>813</u>	<u>848</u>
Total assets	<u>347,932</u>	<u>338,534</u>	<u>333,872</u>
Liabilities			
Current liabilities	25,338	24,468	23,083
Noncurrent liabilities	<u>236,044</u>	<u>235,191</u>	<u>242,164</u>
Total liabilities	<u>261,382</u>	<u>259,659</u>	<u>265,247</u>
Net assets			
Invested in capital assets, net of related debt	32,608	34,994	33,577
Expendable restricted	4,400	5,950	6,365
Unrestricted Capital Projects	33,308	27,514	11,990
Unrestricted Current	<u>16,234</u>	<u>10,417</u>	<u>16,693</u>
Total net assets	<u>\$ 86,550</u>	<u>\$ 78,875</u>	<u>\$ 68,625</u>

RAMAPO COLLEGE OF NEW JERSEY
(A Component Unit of the State of New Jersey)

MANAGEMENT’S DISCUSSION AND ANALYSIS

June 30, 2011 and 2010
(Continued)

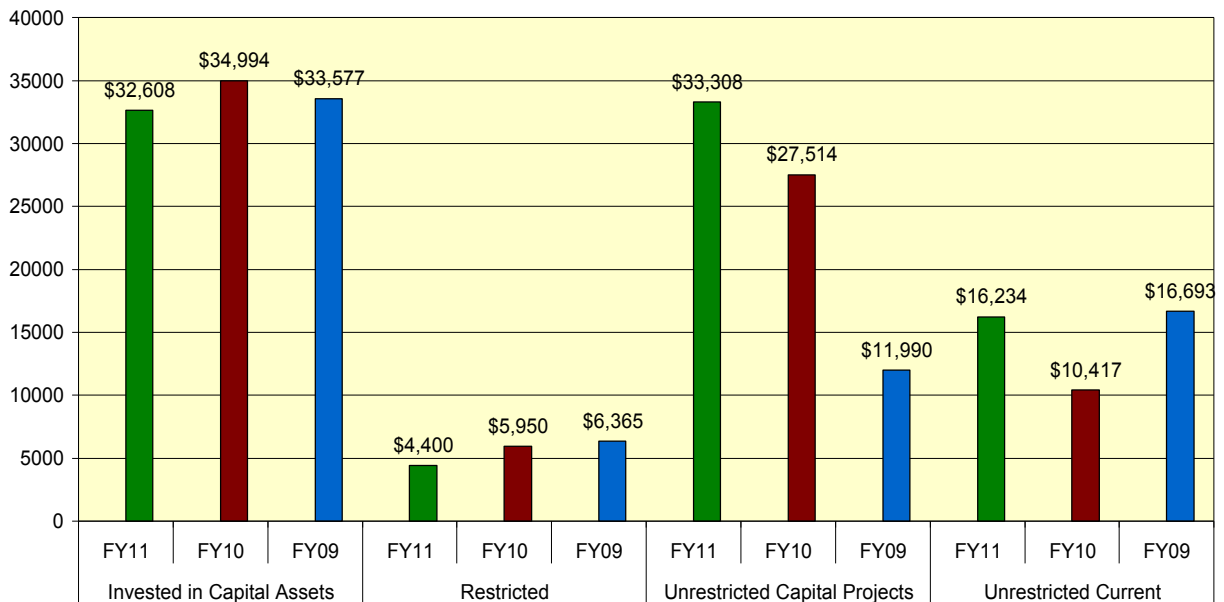
During fiscal year 2011, RCNJ’s total assets increased by \$9.4 million. Current assets increased by \$15.4 million primarily because of higher cash balances. The College experienced higher cash balances for several reasons. A new bond was issued during the 4th quarter of the fiscal year for \$8 million. Proceeds from this bond issue will be expended during the 1st quarter of the new fiscal year. Revenues from the Capital Improvement Fee of \$3.6 million was unspent as of June 30, 2011 and also added to the increase in current assets, in addition, \$2.0 million in salary wages were not paid until after July 1, 2011. Capital assets decreased by \$6.0 million primarily as a result of depreciation expense exceeding the amount of new capital assets acquired by \$4.4 million, and because of a disposal of \$1.5 million.

Total liabilities increased by \$1.7 million in fiscal year 2011. Current liabilities rose by \$870,000. This is due to the previously mentioned salary accrual of \$2 million which was accrued in FY11 but paid in FY12. The accrued salary liability was offset by reductions of \$332,000 in deferred summer tuition revenue, \$435,000 in the debt payable due to a refinancing, and \$366,000 in the reserve for “paid leave bank days”.

During fiscal year 2011, total net assets had an increase of \$7.7 million. As mentioned above, \$3.6 million is from Capital Improvement Fee funds received, \$2.8 million in salary saving due to turnover and vacant lines, and approximately \$1 million in utility savings.

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

COLLEGE NET ASSETS



RAMAPO COLLEGE OF NEW JERSEY
(A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2011 and 2010
(Continued)

Statement of Revenues, Expenses and Changes in Net Assets

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

Revenues

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

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

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

	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Operating revenues			
Student revenues, net	\$ 85,728	\$ 83,479	\$ 78,668
Grants and contracts	14,120	14,178	10,632
Other	<u>1,778</u>	<u>1,522</u>	<u>3,614</u>
Total operating revenues	<u>101,626</u>	<u>99,179</u>	<u>92,914</u>
Nonoperating revenue			
State appropriation	33,648	32,935	34,869
Federal ARRA	-	950	-
Transactions with affiliates	3,565	3,292	3,318
Investment and other	<u>(49)</u>	<u>83</u>	<u>527</u>
Total nonoperating revenue	<u>37,164</u>	<u>37,260</u>	<u>38,714</u>
Capital grants and gifts	<u>-</u>	<u>7</u>	<u>-</u>
Total revenues	<u>\$138,790</u>	<u>\$136,446</u>	<u>\$131,628</u>

RAMAPO COLLEGE OF NEW JERSEY
(A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2011 and 2010
(Continued)

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 by \$2.2 million between 2011 and 2010 and \$4.8 million between 2010 and 2009. Both increases in student revenues were the result of increased student enrollment as well as an increase in tuition, fees, room and board charges.

Ramapo applied \$20.8, \$17.9 and \$15.0 million in scholarship allowances for tuition and fees and auxiliary charges directly to student accounts in fiscal year 2011, 2010 and 2009 respectively. The main source of these allowances comes from federal and state grants. The major grant programs and sponsors at the federal level include Pell, Federal Supplemental Educational Opportunity Grants, Academic Competitiveness, and SMART among others. Major State of New Jersey grant programs include Tuition Aid Grant (TAG), Educational Opportunity Fund and NJ Stars 2, among others.

Grants and Contracts

Grant and Contract revenue for fiscal year 2011 was \$58,000 less than fiscal year 2010. Grant and Contract revenue for fiscal year 2010 increased by \$3.5 million over 2009. More students received financial aid from Federal and State programs. The increase of student eligibility was a direct result of the current economic situation as well as the changes in the eligibility requirements for the federal Pell program.

Other

For fiscal year 2011 there was a small increase of \$256,000 over 2010 as the College received an insurance payment for a damage claim. The decrease in other revenue in fiscal year 2010 of \$2.1 million was due to one time revenue recognized in fiscal year 2009. The College had set aside funds in anticipation of a large bill. However, when the payment required was much lower, the College was able to release the unused funds and record other revenue.

RAMAPO COLLEGE OF NEW JERSEY
(A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2011 and 2010
(Continued)

Nonoperating Revenues

New Jersey State Appropriation

State appropriations, including fringe benefits, which are paid directly by the State, increased by \$713,000 in fiscal year 2011. The direct appropriation to College operations fell slightly by \$134,000, but the payment for fringe benefits rose \$847,000 due to a small increase in health care costs. Total appropriations decreased by \$1.9 million in fiscal year 2010. The direct appropriation to the College's operations was reduced by \$1.9 million as a result of the difficult economic conditions facing the State. State payments on behalf of the College for fringe benefits remained constant. While both salary costs and health benefit costs increased, these increases were tempered by a decrease in the number of employees funded by the State, and lower pension costs.

Federal Stimulus Appropriation

There was no federal stimulus funds received in fiscal year 2011. Ramapo received almost \$1.0 million from the American Recovery and Reinvestment Act in fiscal year 2010 which passed through the State and offset some of the decrease in the State appropriation.

Transactions with Affiliates

The College receives money from the Foundation to help fund scholarships, programs and capital expansion. For fiscal year 2011 there was an increase of \$273,000 while in fiscal year 2010 the amount was almost identical to the amount received in 2009.

Investment and Other

The decrease in investment earnings of \$132,000 is from the costs associated with the issuance of bonds in 2011. Investment earnings decreased by \$444,000 in fiscal year 2010 from 2009 due to a significant drop in interest rates.

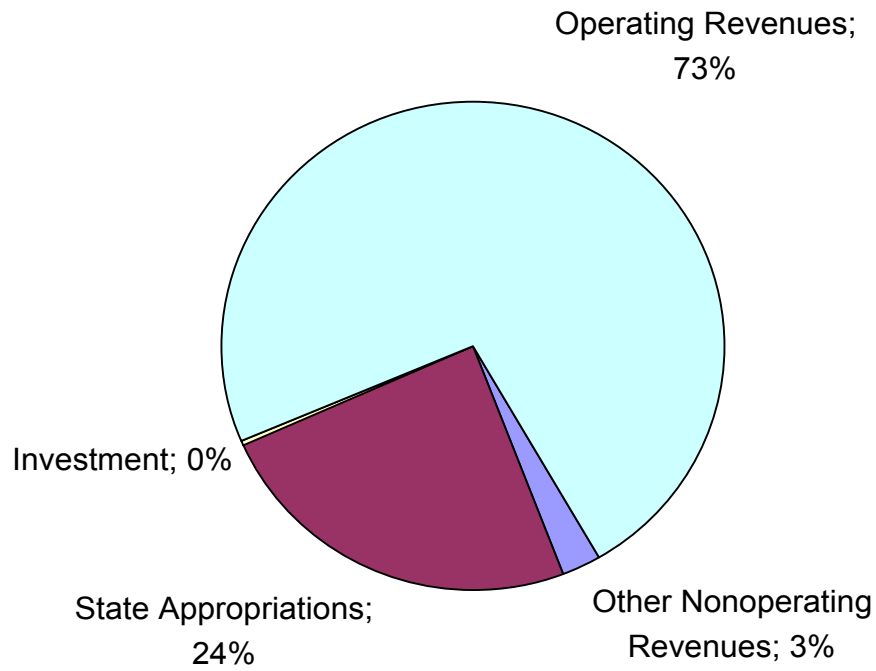
RAMAPO COLLEGE OF NEW JERSEY
(A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2011 and 2010
(Continued)

The following provides a graphical breakdown of each category's percentage of total revenues for the College for the fiscal year ended June 30, 2011:

TOTAL COLLEGE REVENUES



RAMAPO COLLEGE OF NEW JERSEY
(A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2011 and 2010
(Continued)

Expenses

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

For fiscal year 2011, salaries and benefits comprised about 65.4% of the College's total operating expenses. Wage and benefit increases affected all functional areas of the College. The \$5.2 million increase in 2011 from 2010 is due to a memorandum of understanding between the State of New Jersey and the unions which deferred the cost of living adjustment due in fiscal year 2010 to fiscal year 2011 plus the unions received the scheduled fiscal year 2011 contractual increase. The decrease of \$554,000 in fiscal year 2010 from 2009 is because of expenditure cuts initiated by the College, and the previously mentioned deference of union wage increases.

Non-operating expenses dipped slightly in fiscal year 2011 from 2010 as interest on debt was reduced as a result of bond refinancing. The decrease in 2010 from 2009 was due to lower outstanding long term debt.

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

	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Operating Expenses			
Instruction	\$ 42,989	\$ 39,688	\$ 38,346
Research and Public Service	65	215	59
Academic support	6,058	5,840	5,525
Student services	11,537	10,392	10,984
Institutional support	16,389	15,969	17,011
Student financial aid	357	318	674
Operations and maintenance of plant	14,570	14,231	14,252
Depreciation	10,561	10,601	11,052
Auxiliary	<u>18,568</u>	<u>18,597</u>	<u>18,502</u>
Total operating expenses	<u>121,094</u>	<u>115,851</u>	<u>116,405</u>
Nonoperating expenses	<u>10,021</u>	<u>10,345</u>	<u>11,010</u>
Total expenses	<u>\$131,115</u>	<u>\$126,196</u>	<u>\$127,415</u>

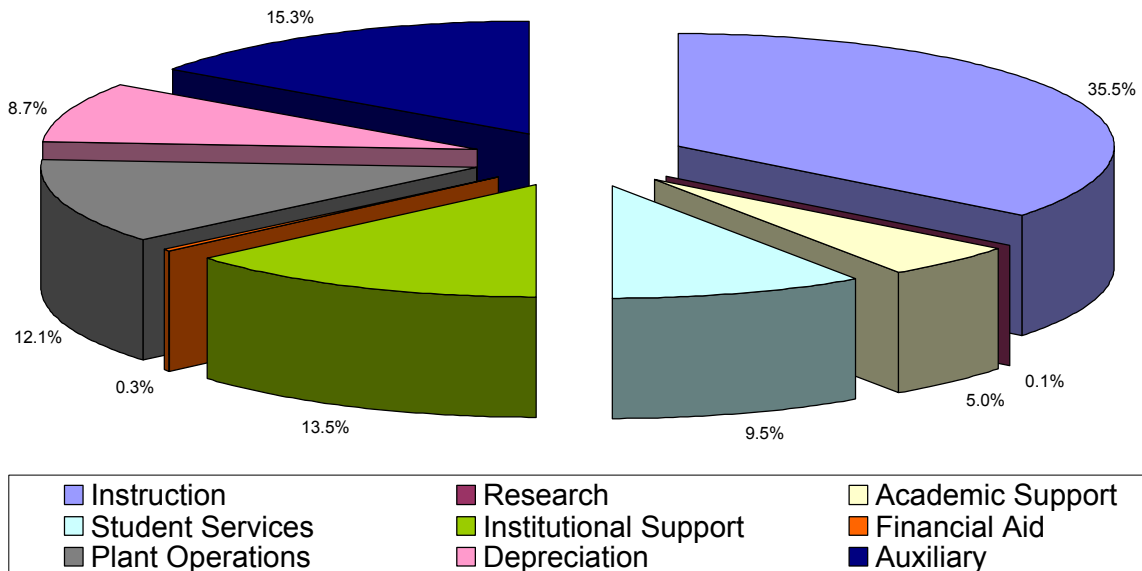
RAMAPO COLLEGE OF NEW JERSEY
 (A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2011 and 2010
 (Continued)

The following graph shows each functional area as a percentage of total operating expenses for the fiscal year ended June 30, 2011:

PERCENTAGE OF OPERATING EXPENSES



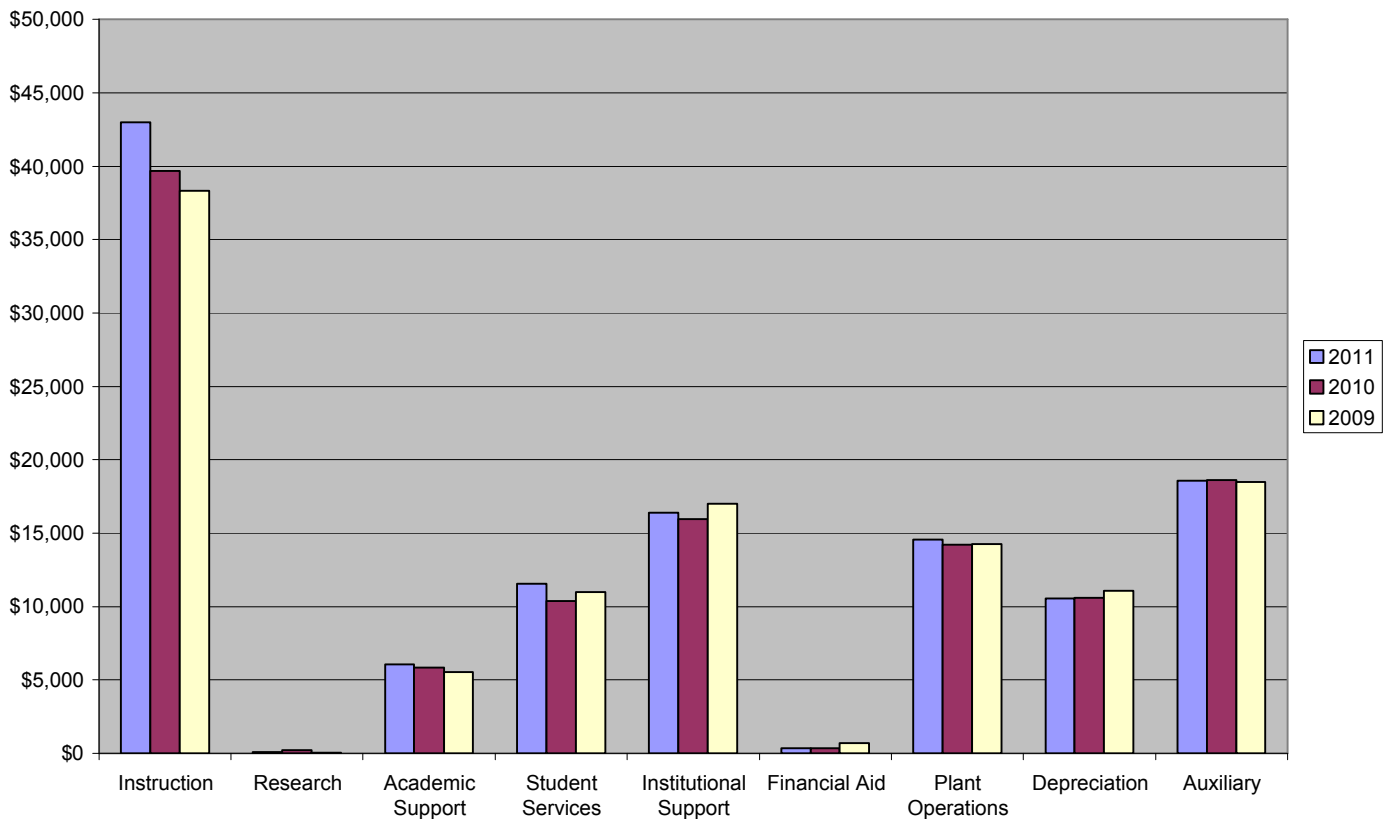
RAMAPO COLLEGE OF NEW JERSEY
 (A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2011 and 2010
 (Continued)

The following is an illustration of operating expenses by functional classification for the fiscal years ended June 30, 2011, 2010 and 2009 (amounts in thousands):

FUNCTIONAL OPERATING EXPENSES



Statement of Cash Flows

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

RAMAPO COLLEGE OF NEW JERSEY
(A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2011 and 2010
(Continued)

The fiscal year 2011 increase in cash was due to salary savings, less construction on campus, and the collection of the Capital Improvement Fee.

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

	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Net cash provided (used) by operating activities	\$ (8,154)	\$ (4,959)	\$ (9,911)
Noncapital financing activities	37,213	37,177	34,869
Capital financing activities	(18,536)	(21,112)	(19,022)
Investing activities	<u>74</u>	<u>206</u>	<u>651</u>
Net increase in cash	10,597	11,312	6,587
Cash – beginning of year	<u>48,325</u>	<u>37,013</u>	<u>30,426</u>
Cash – end of year	<u>\$ 58,922</u>	<u>\$ 48,325</u>	<u>\$ 37,013</u>

Capital Assets and Debt Administration

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

At June 30, 2011, the College had \$262.7 million invested in capital assets, net of accumulated depreciation of \$103.2 million. Depreciation charges totaled to \$10.6 million in fiscal year 2011 equal to the \$10.6 million for fiscal year 2010. Net capital assets decreased in the last two years as depreciation expense has been higher than asset capitalization. Also, in fiscal year 2011 there was a reduction in equipment as the College recorded the disposal of equipment it no longer has.

RAMAPO COLLEGE OF NEW JERSEY
(A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2011 and 2010
(Continued)

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

	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Land	\$ 3,231	\$ 3,231	\$ 3,231
Land improvements	4,426	4,710	4,687
Infrastructure	10,913	11,146	10,639
Buildings and improvements	239,730	240,968	244,453
Equipment	2,392	5,259	6,615
Library collection	1,693	1,726	1,965
Construction in progress	<u>308</u>	<u>1,657</u>	<u>2,811</u>
 Total	 <u>\$262,693</u>	 <u>\$268,697</u>	 <u>\$274,401</u>

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

- Construction of the new Salameno Spiritual Center: from gifts \$631
- Renovation of the Science Building: from grant \$489
- Renovation of residence facilities: from bond proceeds \$637
- Renovation of the Robert A. Scott Student Center: from bond proceeds \$3,463

At June 30, 2011, the College had \$240.3 million in debt outstanding versus \$239.3 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.

RAMAPO COLLEGE OF NEW JERSEY
(A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2011 and 2010
(Continued)

Economic Factors That Will Affect the Future

The major components of the Ramapo's operating revenue are changing as State support, as a percentage of the total revenues, continues to decline. The State continues to face an economic crisis which affects future appropriations to the College. Reduced appropriations in the future will place an increased burden on tuition and fees to fund the operating costs of the College. Ramapo will continue to seek new and enhanced revenue streams and operating efficiencies to maintain its ability to increase total net assets to meet the growth and needs of its students. The College remains committed to its mission of serving the educational needs of New Jersey.



Independent Auditors' Report

To the Board of Trustees of Ramapo College of New Jersey

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Ramapo College of New Jersey (the College), a component unit of the State of New Jersey, as of and for the years ended June 30, 2011 and 2010, which collectively comprise the College's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Ramapo College of New Jersey as of June 30, 2011 and 2010, and the respective changes in financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on 1 through 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental 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 about 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.

O'Connor Davies Munns & Dobbins, LLP

Paramus, New Jersey
September 16, 2011

Ramapo College of New Jersey
(A Component Unit of the State of New Jersey)
Statement of Net Assets
June 30, 2011
(dollars in thousands)

	Business-Type Activities Ramapo College	Component Unit Ramapo College Foundation	Total
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 58,922	\$ 315	\$ 59,237
Short term investments	-	41	41
Receivables			
Students, less allowance of \$470	678	-	678
Loans, less allowance of \$99	135	-	135
Gifts and grants, less allowance of \$126	317	1,489	1,806
Contributions, net	-	1,198	1,198
Due from Ramapo College Foundation (Due to College)	801	(801)	-
Other	1,166	74	1,240
Total Receivables	<u>3,097</u>	<u>1,960</u>	<u>5,057</u>
Deposits held by Trustees	22,409	-	22,409
Other current assets	-	27	27
Total Current Assets	<u>84,428</u>	<u>2,343</u>	<u>86,771</u>
Noncurrent Assets			
Investments, at fair value	-	12,526	12,526
Student loan receivables, less allowance of \$469	811	-	811
Contributions receivable, net	-	2,190	2,190
Plant facilities, net	262,693	-	262,693
Total Noncurrent Assets	<u>263,504</u>	<u>14,716</u>	<u>278,220</u>
Total Assets	<u>\$ 347,932</u>	<u>\$ 17,059</u>	<u>\$ 364,991</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	\$ 11,611	\$ 55	\$ 11,666
Deferred revenue	3,770	75	3,845
Compensated absences, current portion	2,070	-	2,070
Deposits	1,250	82	1,332
Long-term liabilities, current portion	6,637	-	6,637
Total Current Liabilities	<u>25,338</u>	<u>212</u>	<u>25,550</u>
Noncurrent Liabilities			
Other liabilities	181	140	321
Compensated absences	1,173	-	1,173
U.S. Government Grants refundable	965	-	965
Long-term debt	233,725	-	233,725
Total Noncurrent Liabilities	<u>236,044</u>	<u>140</u>	<u>236,184</u>
Total Liabilities	<u>\$ 261,382</u>	<u>\$ 352</u>	<u>\$ 261,734</u>
NET ASSETS			
Invested in capital assets, net of related debt	\$ 32,608	\$ -	\$ 32,608
Restricted			
Nonexpendable	-	7,596	7,596
Expendable			
Grants	-	8,129	8,129
Debt service	285	-	285
Renewal and replacement	4,115	-	4,115
Capital projects	-	-	-
Unrestricted			
Capital projects	33,308	-	33,308
Current	16,234	982	17,216
Total Net Assets	<u>\$ 86,550</u>	<u>\$ 16,707</u>	<u>\$ 103,257</u>

See notes to financial statements

Ramapo College of New Jersey
(A Component Unit of the State of New Jersey)
Statement of Net Assets
June 30, 2010
(dollars in thousands)

	Business-Type Activities Ramapo College	Component Unit Ramapo College Foundation	Total
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 48,325	\$ 345	\$ 48,670
Short term investments	-	44	44
Receivables			
Students, less allowance of \$597	970	-	970
Loans, less allowance of \$75	146	-	146
Gifts and grants	694	1,577	2,271
Contributions, net	-	819	819
Due from Ramapo College Foundation (Due to College)	865	(865)	-
Other	531	48	579
Total Receivables	<u>3,206</u>	<u>1,579</u>	<u>4,785</u>
Deposits held by Trustees	17,493		17,493
Other current assets	-	15	15
Total Current Assets	<u>69,024</u>	<u>1,983</u>	<u>71,007</u>
Noncurrent Assets			
Investments, at fair value	-	9,279	9,279
Student loan receivables, less allowance of \$461	813	-	813
Contributions receivable, net	-	2,010	2,010
Plant facilities, net	268,697	-	268,697
Total Noncurrent Assets	<u>269,510</u>	<u>11,289</u>	<u>280,799</u>
Total Assets	<u>\$ 338,534</u>	<u>\$ 13,272</u>	<u>\$ 351,806</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	\$ 9,584	\$ 61	\$ 9,645
Deferred revenue	4,102	68	4,170
Compensated absences, current portion	2,436	-	2,436
Deposits	1,274	49	1,323
Long-term liabilities, current portion	7,072	-	7,072
Total Current Liabilities	<u>24,468</u>	<u>178</u>	<u>24,646</u>
Noncurrent Liabilities			
Other liabilities	831	138	969
Compensated absences	1,178	-	1,178
U.S. Government Grants refundable	980	-	980
Long-term debt	232,202	-	232,202
Total Noncurrent Liabilities	<u>235,191</u>	<u>138</u>	<u>235,329</u>
Total Liabilities	<u>\$ 259,659</u>	<u>\$ 316</u>	<u>\$ 259,975</u>
NET ASSETS			
Invested in capital assets, net of related debt	\$ 34,994	\$ -	\$ 34,994
Restricted			
Nonexpendable	-	6,814	6,814
Expendable			
Grants	-	5,703	5,703
Debt service	358	-	358
Renewal and replacement	4,103	-	4,103
Capital projects	1,489	-	1,489
Unrestricted			
Capital projects	27,514	-	27,514
Current	10,417	439	10,856
Total Net Assets	<u>\$ 78,875</u>	<u>\$ 12,956</u>	<u>\$ 91,831</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 Assets
Year Ended June 30, 2011
(dollars in thousands)

	Business-Type Activities Ramapo College	Component Unit Ramapo College Foundation	Total
REVENUE			
Operating Revenues			
Student tuition and fees	\$ 68,130	\$ -	\$ 68,130
Less: tuition scholarship allowances	<u>(17,837)</u>	<u>-</u>	<u>(17,837)</u>
Net Student Tuition and Fees	50,293	-	50,293
Auxiliary enterprises	38,468	-	38,468
Less: auxiliary allowances	<u>(3,033)</u>	<u>-</u>	<u>(3,033)</u>
Net Auxiliary Enterprises	35,435	-	35,435
Federal grants and contracts	7,710	-	7,710
State and local grants and contracts	6,410	1,882	8,292
Contributions	-	3,717	3,717
Other operating revenues	<u>1,778</u>	<u>748</u>	<u>2,526</u>
Total Operating Revenues	<u>101,626</u>	<u>6,347</u>	<u>107,973</u>
EXPENSES			
Operating Expenses			
Instruction	42,989	41	43,030
Research and Public Service	65	-	65
Academic support	6,058	-	6,058
Student services	11,537	-	11,537
Institutional support	16,389	62	16,451
Student financial aid and scholarships	357	315	672
Operations and maintenance of plant	14,570	-	14,570
Fundraising	-	608	608
Depreciation	10,561	-	10,561
Auxiliary	<u>18,568</u>	<u>-</u>	<u>18,568</u>
Total Operating Expenses	<u>121,094</u>	<u>1,026</u>	<u>122,120</u>
Operating (Loss) Income	<u>(19,468)</u>	<u>5,321</u>	<u>(14,147)</u>
Nonoperating Revenue (Expenses)			
State of New Jersey appropriations	16,770	-	16,770
State of New Jersey paid fringe benefits	16,878	-	16,878
Investment income, net	(49)	1,995	1,946
Interest expense	(10,021)	-	(10,021)
Transactions with affiliates	<u>3,565</u>	<u>(3,565)</u>	<u>-</u>
Net Nonoperating Revenue (Expenses)	<u>27,143</u>	<u>(1,570)</u>	<u>25,573</u>
Increase in Net Assets	7,675	3,751	11,426
NET ASSETS			
Beginning of year	<u>78,875</u>	<u>12,956</u>	<u>91,831</u>
End of year	<u>\$ 86,550</u>	<u>\$ 16,707</u>	<u>\$ 103,257</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 Assets
Year Ended June 30, 2010
(dollars in thousands)

	Business-Type Activities Ramapo College	Component Unit Ramapo College Foundation	Total
REVENUE			
Operating Revenues			
Student tuition and fees	\$ 63,434	\$ -	\$ 63,434
Less: tuition scholarship allowances	<u>(15,543)</u>	<u>-</u>	<u>(15,543)</u>
Net Student Tuition and Fees	47,891	-	47,891
Auxiliary enterprises	37,959	-	37,959
Less: auxiliary allowances	<u>(2,371)</u>	<u>-</u>	<u>(2,371)</u>
Net Auxiliary Enterprises	35,588	-	35,588
Federal grants and contracts	8,356	-	8,356
State and local grants and contracts	5,822	1,934	7,756
Contributions	-	1,640	1,640
Other operating revenues	<u>1,522</u>	<u>721</u>	<u>2,243</u>
Total Operating Revenues	<u>99,179</u>	<u>4,295</u>	<u>103,474</u>
EXPENSES			
Operating Expenses			
Instruction	39,688	264	39,952
Research and Public Service	215	-	215
Academic support	5,840	-	5,840
Student services	10,392	-	10,392
Institutional support	15,969	32	16,001
Student financial aid and scholarships	318	399	717
Operations and maintenance of plant	14,231	-	14,231
Fundraising	-	541	541
Depreciation	10,601	-	10,601
Auxiliary	<u>18,597</u>	<u>-</u>	<u>18,597</u>
Total Operating Expenses	<u>115,851</u>	<u>1,236</u>	<u>117,087</u>
Operating (Loss) Income	<u>(16,672)</u>	<u>3,059</u>	<u>(13,613)</u>
Nonoperating Revenue (Expenses)			
Federal appropriations	950	-	950
State of New Jersey appropriations	16,904	-	16,904
State of New Jersey paid fringe benefits	16,031	-	16,031
Investment income, net	83	553	636
Interest expense	(10,345)	-	(10,345)
Transactions with affiliates	<u>3,292</u>	<u>(3,292)</u>	<u>-</u>
Net Nonoperating Revenue (Expenses)	<u>26,915</u>	<u>(2,739)</u>	<u>24,176</u>
Other Revenue			
Capital gifts	<u>7</u>	<u>-</u>	<u>7</u>
Increase in Net Assets	10,250	320	10,570
NET ASSETS			
Beginning of year	<u>68,625</u>	<u>12,636</u>	<u>81,261</u>
End of year	<u>\$ 78,875</u>	<u>\$ 12,956</u>	<u>\$ 91,831</u>

See notes to financial statements

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

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 50,229	\$ 48,424
Grants and contracts	14,647	13,947
Payments to suppliers	(30,084)	(30,128)
Payments to employees	(61,383)	(56,266)
Payments for employee benefits	(18,776)	(18,046)
Auxiliary enterprise charges	35,435	35,588
Other	1,778	1,522
Net Cash from Operating Activities	<u>(8,154)</u>	<u>(4,959)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Federal appropriations	-	950
State appropriations	33,648	32,935
Gifts and grants	3,565	3,292
Federal family education loan program receipts	35,917	35,349
Federal family education loan program disbursements	(35,917)	(35,349)
Net Cash from Noncapital Financing Activities	<u>37,213</u>	<u>37,177</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Capital grants and gifts received	-	7
Purchases of capital assets	(4,564)	(4,904)
Proceeds from the issuance of long-term debt	19,897	-
Principal paid on capital debt and leases	(18,932)	(6,869)
Interest paid on capital debt and leases	(10,021)	(10,345)
Increase in deposits held by trustees	(4,916)	999
Net Cash from Capital Financing Activities	<u>(18,536)</u>	<u>(21,112)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	74	206
Net Increase in Cash	<u>10,597</u>	<u>11,312</u>
CASH		
Beginning of year	<u>48,325</u>	<u>37,013</u>
End of year	<u>\$ 58,922</u>	<u>\$ 48,325</u>
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH FROM OPERATING ACTIVITIES		
Operating loss	\$ (19,468)	\$ (16,672)
Adjustments to reconcile net loss to net cash from operating activities		
Depreciation expense	10,561	10,601
Capital gifts	7	7
Changes in assets and liabilities		
Receivables, net	111	(53)
Other assets	-	-
Accounts payable	2,027	(426)
Deferred revenue	(332)	304
Deposits held for others	(24)	444
Compensated absences	(1,021)	829
Government grants refundable	(15)	7
Net Cash from Operating Activities	<u>\$ (8,154)</u>	<u>\$ (4,959)</u>

See notes to financial statements

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

Notes to Financial Statements
(dollars in thousands)

June 30, 2011 and 2010

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.

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

2. Summary of Significant Accounting Policies

Basis of Presentation

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

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

Notes to Financial Statements
(dollars in thousands)

June 30, 2011 and 2010

2. Summary of Significant Accounting Policies (continued)

Net Assets

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

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

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

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

Unrestricted: Net assets that are not subject to externally imposed stipulations. Unrestricted net assets may be designated to specific purposes by action of management to the Board of Trustees or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net assets are designated for academic programs, initiatives and capital programs.

Measurement Focus and Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting using the economic resources measurement focus. The College reports as a business type activity, as defined by GASB Statement No. 34. Business type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

Use of Estimates

The presentation of financial statements in conformity with accounting principles generally accepted requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

Notes to Financial Statements
(dollars in thousands)

June 30, 2011 and 2010

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

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid investments purchased with an original maturity of three months or less. The College maintains cash balances at several financial institutions.

Deposits Held by Trustees

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

Capital Assets

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

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

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

Deferred Revenue

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

Deferred Financing Costs

The College capitalizes costs incurred in connection with its bonds payable and capital leases and amortizes these costs over the life of the respective obligations. These deferred financing costs are included in noncurrent assets in the accompanying statement of net assets net of accumulated amortization of \$625 and \$500 for June 30, 2011 and 2010, respectively.

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

Notes to Financial Statements
(dollars in thousands)

June 30, 2011 and 2010

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

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.

Student Tuition and Fees

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

Grants and Contracts

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

Operating Activities

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

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
(dollars in thousands)

June 30, 2011 and 2010

3. Cash and Cash Equivalents

Cash and cash equivalents are comprised of the following as of June 30, 2011 and 2010:

	2011	2010
Cash and cash equivalents	\$ 43,301	\$ 42,729
State of New Jersey Cash Management Fund	15,621	5,596
Total Cash and Cash Equivalents	\$ 58,922	\$ 48,325

Custodial credit risk associated with the College's cash and cash equivalents includes uncollateralized deposits, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the College's name. The College's bank deposits as of June 30, 2011 and 2010 were partially insured by Federal Depository Insurance in the amount of \$250,000 in 2011 and 2010. Bank balance in excess of insured amount of \$42,555 in 2011 and \$37,484 in 2010 are collateralized in accordance with Chapter 64 of Title 18A of New Jersey Statutes.

The College participates in the State of New Jersey Cash Management Fund wherein amounts also contributed by other State entities are combined into a large-scale investment program. The carrying amount of cash and cash equivalents in the State of New Jersey Cash Management Fund as of June 30, 2011 and 2010 was \$15,621 and \$5,596, respectively. These amounts are collateralized in accordance with Chapter 64 of Title 18A of New Jersey Statutes.

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

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

Notes to Financial Statements
(dollars in thousands)

June 30, 2011 and 2010

4. Deposits Held by Trustees

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

	2011	2010
Rebate fund	\$ 125	\$ 256
Construction fund	6,922	453
Debt service fund for principal and interest	11,044	11,862
Debt service reserve funds	166	166
Cost of Issuance	37	-
Renewal and replacement fund	4,115	4,103
Rental pledge fund	-	653
	22,409	17,493
Less: current portion	22,409	17,493
Noncurrent Deposits Held by Trustees	\$ -	\$ -

Assets held under bond indenture agreements are not governed by the College's investment policies, but rather by the policies of the New Jersey Educational Facilities Authority. These investments may be subject to interest rate risk, the risk that changes in market value will adversely affect the fair value of an investment. As of June 30, 2011 and 2010 deposits held by trustees consisted of the following:

	2011		2010	
	Cost	Fair Value	Cost	Fair Value
Cash and cash equivalents				
Cash held by trustee	\$ 19,488	\$ 19,488	\$ 13,073	\$ 13,073
Investments				
U.S. Treasury Bills	2,921	2,921	4,377	4,377
U.S. Treasury Notes	-	-	43	43
	\$ 22,409	\$ 22,409	\$ 17,493	\$ 17,493

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

Notes to Financial Statements
(dollars in thousands)

June 30, 2011 and 2010

5. Capital Assets

Capital assets activity for the years ended June 30, 2011 and 2010 consists of the following:

	2011			Ending Balance
	Beginning Balance	Additions	Reductions	
Non Depreciable Capital Assets				
Land	\$ 3,231	\$ -	\$ -	3,231
Construction in progress	<u>1,657</u>	<u>368</u>	<u>(1,717)</u>	<u>308</u>
	<u>4,888</u>	<u>368</u>	<u>(1,717)</u>	<u>3,539</u>
Depreciable Capital Assets				
Land improvements	7,012	6	-	7,018
Buildings and improvements	310,371	6,509	-	316,880
Equipment	36,379	550	(23,766)	13,163
Library collection	9,424	370	(63)	9,731
Infrastructure	<u>15,348</u>	<u>165</u>	<u>-</u>	<u>15,513</u>
	<u>378,534</u>	<u>7,600</u>	<u>(23,829)</u>	<u>362,305</u>
Total Capital Assets	<u>383,422</u>	<u>7,968</u>	<u>(25,546)</u>	<u>365,844</u>
Accumulated Depreciation				
Land improvements	2,302	290	-	2,592
Buildings and improvements	69,403	7,747	-	77,150
Equipment	31,120	1,723	(22,072)	10,771
Library collection	7,698	403	(63)	8,038
Infrastructure	<u>4,202</u>	<u>398</u>	<u>-</u>	<u>4,600</u>
Total Accumulated Depreciation	<u>114,725</u>	<u>10,561</u>	<u>(22,135)</u>	<u>103,151</u>
Capital Assets, net	<u>\$ 268,697</u>	<u>\$ (2,593)</u>	<u>\$ (3,411)</u>	<u>\$ 262,693</u>

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

Notes to Financial Statements
(dollars in thousands)

June 30, 2011 and 2010

5. Capital Assets (continued)

	2010			Ending Balance
	Beginning Balance	Additions	Reductions	
Non Depreciable Capital Assets				
Land	\$ 3,231	\$ -	\$ -	\$ 3,231
Construction in progress	<u>2,811</u>	<u>2,115</u>	<u>(3,269)</u>	<u>1,657</u>
	<u>6,042</u>	<u>2,115</u>	<u>(3,269)</u>	<u>4,888</u>
Depreciable Capital Assets				
Land improvements	6,701	311	-	7,012
Buildings and improvements	306,384	3,987	-	310,371
Equipment	35,695	684	-	36,379
Library collection	9,365	168	(109)	9,424
Infrastructure	<u>14,447</u>	<u>901</u>	<u>-</u>	<u>15,348</u>
	<u>372,592</u>	<u>6,051</u>	<u>(109)</u>	<u>378,534</u>
Total Capital Assets	<u>378,634</u>	<u>8,166</u>	<u>(3,378)</u>	<u>383,422</u>
Accumulated Depreciation				
Land improvements	2,014	288	-	2,302
Buildings	61,931	7,472	-	69,403
Equipment	29,080	2,040	-	31,120
Library collection	7,400	407	(109)	7,698
Infrastructure	<u>3,808</u>	<u>394</u>	<u>-</u>	<u>4,202</u>
Total Accumulated Depreciation	<u>104,233</u>	<u>10,601</u>	<u>(109)</u>	<u>114,725</u>
Capital Assets, net	<u>\$ 274,401</u>	<u>\$ (2,435)</u>	<u>\$ (3,269)</u>	<u>\$ 268,697</u>

As of June 30, 2011, estimated costs to complete the projects classified as construction in progress are approximately \$4,374 and are expected to be funded primarily from unrestricted revenues.

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

Notes to Financial Statements
(dollars in thousands)

June 30, 2011 and 2010

6. Noncurrent Liabilities

Activity in noncurrent liabilities for the year ending June 30, 2011 was as follows:

	June 30, 2010	Additions	Reductions	June 30, 2011	Current Portion
Other liabilities	\$ 928	\$ 103	\$ (729)	\$ 302	\$ 121
Compensated absences	3,614	322	(693)	3,243	2,070
U.S. Government grants refundable	980	-	(15)	965	-
Long-term debt	<u>239,274</u>	<u>19,897</u>	<u>(18,809)</u>	<u>240,362</u>	<u>6,637</u>
	<u>\$ 244,796</u>	<u>\$ 20,322</u>	<u>\$ (20,246)</u>	<u>\$ 244,872</u>	<u>\$ 8,828</u>

Activity in noncurrent liabilities for the year ending June 30, 2010 was as follows:

	June 30, 2009	Additions	Reductions	June 30, 2010	Current Portion
Other liabilities	\$ 930	\$ 92	\$ (94)	\$ 928	\$ 97
Compensated absences	2,785	983	(154)	3,614	2,436
U.S. Government grants refundable	973	7	-	980	-
Long-term debt	<u>246,020</u>	<u>-</u>	<u>(6,746)</u>	<u>239,274</u>	<u>7,072</u>
	<u>\$ 250,708</u>	<u>\$ 1,082</u>	<u>\$ (6,994)</u>	<u>\$ 244,796</u>	<u>\$ 9,605</u>

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

Notes to Financial Statements
(dollars in thousands)

June 30, 2011 and 2010

7. Long-Term Debt

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

The Authority issued Series 2011A for the purpose of partially refunding Series 1988G, 1988H, 2001D, 2002H, 2002I, and 2002J in May 2011. 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. 2011A also provided new funds for the renovation of the Robert A. Scott Student Center.

On May 10, 2011 the College issued \$11,145 in General Obligation Bonds with an average interest rate of 4.37 percent to advance refund \$11,485 of outstanding Series 1988G, 1988H, 2001D, 2002H, 2002I, and 2002J with an average interest rate of 4.71 percent. The net proceeds of \$11,639 (after payment of \$144 in underwriting fees, insurance, and other issuance costs) plus an additional \$275 of Series 1988G, 1988H, 2001D, 2002H, 2002I, and 2002J 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 1988G, 1988H, 2001D, 2002H, 2002I, and 2002J are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net assets.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$429. The difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2011 using the effective-interest method. The College completed the advance refunding to reduce its total debt service payment over the next 8 years by \$768 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$425.

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

Notes to Financial Statements
(dollars in thousands)

June 30, 2011 and 2010

7. Long-Term Debt (continued)

The following principal payments due the Authority were outstanding at June 30, 2011 and 2010.

NJ Educational Facilities Authority

Revenue Bonds:	<u>Interest Rate</u>	<u>2011</u>	<u>2010</u>
Series 1998 G, due serially to 2028	4.10% to 4.63%	\$ 8,140	\$ 13,220
Series 1998 H, due serially to 2011	4.10% to 4.60%	165	685
Series 2001 D, due serially to 2011	4.10% to 5.00%	980	5,135
Series 2002 H, due serially to 2032	2.70% to 5.00%	15,375	17,585
Series 2002 I, due serially to 2032	2.70% to 5.00%	1,100	1,255
Series 2002 J, due serially to 2032	2.70% to 5.00%	15,905	18,185
Series 2003 F, due serially to 2013	1.50% to 3.50%	730	960
Series 2003 G, due serially to 2013	2.00% to 3.71%	2,325	3,775
Series 2003 H, due serially to 2029	4.25% to 5.00%	18,010	18,635
Series 2004 E, due serially to 2024	3.00% to 4.38%	13,450	13,680
Series 2006 D, due serially to 2032	3.75% to 4.50%	35,965	36,970
Series 2006 I, due serially to 2036	4.00% to 5.00%	106,165	106,485
Series 2011A due serially to 2021	3.00% to 5.00%	<u>19,090</u>	<u>-</u>
		237,400	236,570
Plus: Bond premiums		2,591	1,871
Less: Deferred cost on bond refunding		<u>(3,146)</u>	<u>(3,024)</u>
		<u>\$ 236,845</u>	<u>\$ 235,417</u>

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

Notes to Financial Statements
(dollars in thousands)

June 30, 2011 and 2010

7. Long-Term Debt (continued)

Other long-term obligations:

	Interest Rate	2011	2010
Higher Education Capital Improvement Fund Series 2000 B, due serially to 2021	4.50% to 5.75%	\$ 1,594	\$ 1,710
Higher Education Dormitory Safety Trust Fund Series 2001 A, due serially to 2016		344	413
Higher Education Capital Improvement Fund Series 2002 A, due serially to 2023	3.00% to 5.25%	1,553	1,618
Other	5.12% to 10.70%	26	116
		3,517	3,857
Total long-term debt		240,362	239,274
Less: noncurrent portion		233,725	232,202
Total long-term debt, current portion		\$ 6,637	\$ 7,072

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, 2011:

Fiscal Year	Principal	Interest
2012	\$ 6,625	\$ 10,153
2013	7,235	10,001
2014	7,535	9,732
2015	7,760	9,425
2016	8,066	9,079
2017-2021	47,701	39,513
2022-2026	53,864	28,367
2027-2031	61,110	15,532
2032-2036	38,005	3,798
2037	3,016	64
	\$ 240,917	\$ 135,664

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

Notes to Financial Statements
(dollars in thousands)

June 30, 2011 and 2010

8. Fringe Benefit Appropriation

The State of New Jersey, through separate appropriations, pays certain fringe benefits (principally health insurance, retirement and FICA taxes) on behalf of College employees. For the years ended June 30, 2011 and 2010, such benefits amounted to approximately \$16,878 and \$16,031, 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.

9. 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.

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.

The State of New Jersey issues publicly-available financial reports that include financial statements and required supplementary information for PERS. This report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pension and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

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

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

Notes to Financial Statements
(dollars in thousands)

June 30, 2011 and 2010

9. Retirement Plans (continued)

PERS Funding Policy

PERS members were required to contribute 5.5% of their annual covered salary for the years ended June 30, 2011 and 2010. This amount changes with negotiations of each new union contract. The State of New Jersey, in accordance with State statutes, makes employer contributions of behalf of the College. The State of New Jersey contribution is based upon annual actuarially determined percentages of total compensation of all active members. The State of New Jersey's annual contribution approximates the actuarially determined pension cost for the year. Employers were not required to contribute in 2011 or 2010 due to legislation enacted in 1997 by the State of New Jersey, which fully funded previously existing unfunded accrued liabilities of PERS through State of New Jersey bonds. The contribution requirements of the plan members and the University are established and may be amended by the State of New Jersey.

Alternate Benefit Program Information

ABP provides the choice of six investment carriers all of which are privately operated defined contribution retirement plans. The College assumes no liability for ABP members other than payment of contributions. ABP provides retirement and death benefits for or on behalf of these full time professional employees and faculty members electing to participate in this optional retirement program. Participation eligibility, as well as contributory and noncontributory requirements are established by the State of New Jersey Retirement and Social Security Law. Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits vest after the completion of one year of service. All benefits vest after the completion of one year of service. Individually owned annuity contracts that provide for full ownership of retirement and survivor benefits are purchased at the time of vesting.

Participating College employees are required to contribute 5% of their base annual salary and may contribute, on a pre tax basis, an additional voluntary contribution of salary up to the maximum Federal statutory limit on a pre tax basis. Employer contributions are 8% of base salary. During the years ended June 30, 2011 and 2010, ABP received employer and employee contributions that approximated the following from the College.

	2011	2010
Employer contribution	\$ 2,933	\$ 2,726
Employee contribution	3,948	3,581
 Basis for contributions		
Participating employee salaries	36,678	34,070

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

Notes to Financial Statements
(dollars in thousands)

June 30, 2011 and 2010

9. Retirement Plans (continued)

Alternate Benefit Program Information (continued)

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

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, 2011 and 2010 Prudential received employee contribution that approximated the following from College.

	2011	2010
Employer contribution	\$ 1	\$ -
Employee contribution	1	-
Basis for contributions		
Participating employee salaries	23	-

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

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

Notes to Financial Statements
(dollars in thousands)

June 30, 2011 and 2010

10. 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, 2011 and 2010, included in accrued liabilities, amounted to approximately \$2,070 and \$2,436, respectively.

Accumulated Unpaid Sick Leave

Cash payments for unused accumulated sick leave are made to eligible employees upon regular retirement. The payment is based on 50% of the employee's sick leave accumulation, at the adjusted hourly pay rate in effect at the time of retirement, up to a maximum of \$15. Employees separating from the College prior to retirement are not eligible for payment. Included in the financial statements is the estimated accrued liability for unused sick time of \$1,173 and \$1,178 for June 30, 2011 and 2010, respectively. The College has made payments of approximately \$131 and \$50 for unused sick time in fiscal year 2011 and 2010.

11. Commitments

Encumbrances representing outstanding purchase orders and other commitments for materials or services not received as of June 30, 2011 and 2010, are not included in the financial statements. The College has approved contracts in fiscal 2011 and 2010 of approximately \$5,567 and \$1,752, respectively, the majority of which are for construction and renovation projects and will be funded by plant fund assets on deposit with the trustee.

12. Contingencies

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

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

Notes to Financial Statements
(dollars in thousands)

June 30, 2011 and 2010

13. Component Unit

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

During the years ended June 30, 2011 and 2010, the Foundation distributed \$3,565 and \$3,292 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.