

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

Basic Financial Statements

June 30, 2009 and 2008

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

Financial Statements

June 30, 2009 and 2008

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2009 AND 2008

**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, 2009 and 2008 and comparative amounts for the year ended June 30, 2007. Since the management's discussion and analysis is designed to focus on current activities and currently known facts, it should be read in conjunction with the College's basic financial statements and related footnote disclosures, which follow this section.

**College Overview**

Ramapo College of New Jersey, located in suburban Mahwah, New Jersey, is a highly selective institution of post-secondary education. RCNJ is one of twelve senior public institutions in the New Jersey system of public higher education. RCNJ offers programs in the liberal arts and sciences as well as in business and other professional studies, within a liberal education context at both the bachelor's and master's level. Organized into schools, which provide thematic learning communities, the College presents a curriculum of traditional majors and innovative programs in an interdisciplinary fashion. Supported by global partnerships, international and intercultural education have 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 2008, the College enrolled 5,085 full-time equivalent undergraduate students and 112 full-time equivalent graduate students. Approximately 60% of full-time undergraduates live on campus.

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

Ranked by *U.S. News & World Report*, RCNJ is fifth in the north in the Top Public Universities-Master's category. In addition to RCNJ's ranking in *U.S. News*, the College recently was recognized by two national publications. An article in the December 2008 issue of *Kiplinger's* magazine named RCNJ among the top 100 public colleges and universities. RCNJ also is one of 212 institutions recommended by The Princeton Review in the "Best in the Northeast" section in the 2009 edition of *The Best Northeastern Colleges*.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2009 AND 2008

**Using the Financial Statements**

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

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

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

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

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

**Statement of Net Assets**

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

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JUNE 30, 2009 AND 2008

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

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

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

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

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

	<u>June 30, 2009</u>	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Assets			
Current assets	\$ 59,630	\$ 55,687	\$ 67,620
Capital assets, net	274,401	278,940	267,326
Other assets	<u>848</u>	<u>825</u>	<u>1,159</u>
Total assets	<u>\$334,879</u>	<u>\$335,452</u>	<u>\$336,105</u>
Liabilities			
Current liabilities	\$ 24,090	\$ 20,390	\$ 24,063
Noncurrent liabilities	<u>242,164</u>	<u>250,650</u>	<u>253,349</u>
Total liabilities	<u>\$266,254</u>	<u>\$271,040</u>	<u>\$277,412</u>
Net assets			
Invested in capital assets, net of related debt	\$ 33,577	\$ 36,366	\$ 34,593
Expendable restricted	6,365	4,823	5,432
Unrestricted	<u>28,683</u>	<u>23,223</u>	<u>18,668</u>
Total net assets	<u>\$ 68,625</u>	<u>\$ 64,412</u>	<u>\$ 58,693</u>

**RAMAPO COLLEGE OF NEW JERSEY**  
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MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2009 AND 2008

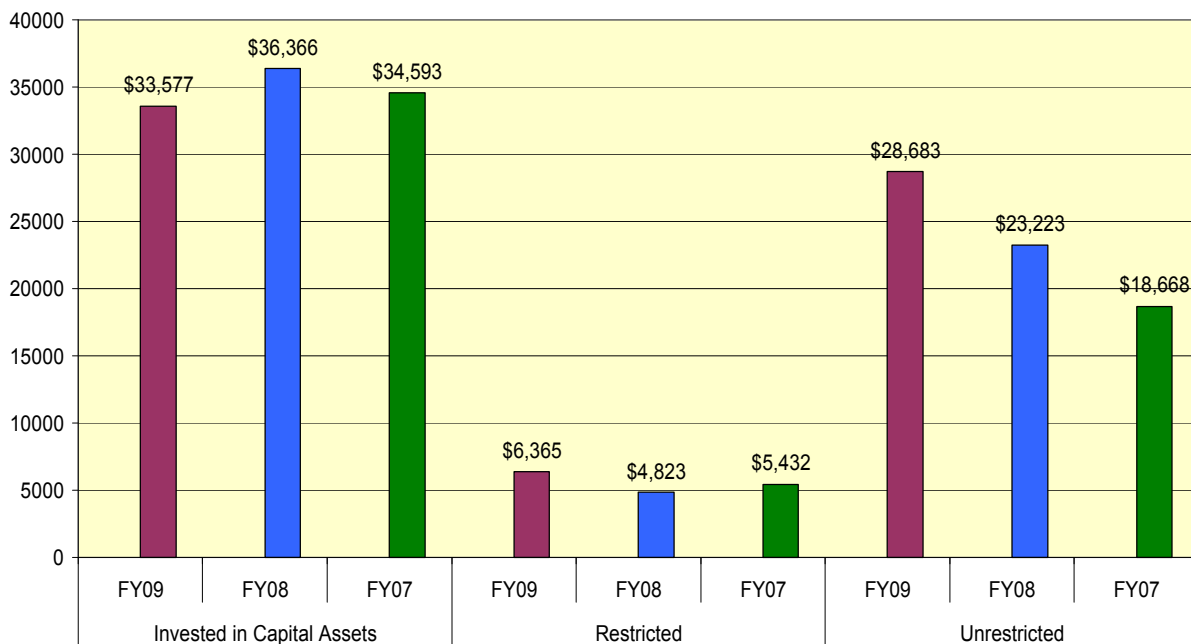
During fiscal year 2009, RCNJ’s total assets decreased \$573,000. Current assets increased by \$3.9 million primarily because funds were received for projects but the payments have not been made as the work is ongoing, and the cash balances from Student Activities were moved to the College. Prior to this year the funds were accounted for independently. Capital assets decreased by \$4.5 million as a result of depreciation expense of \$11.0 million exceeding the amount of new capital assets acquired. This is partially due to a change in the College’s capitalization policy increasing the dollar amount required for an item to be capitalized to \$5,000 from \$1,000.

Total liabilities decreased by \$4.8 million in fiscal year 2009. The primary cause for the decrease was the reduction of long term debt.

During fiscal year 2009, total net assets had an increase of \$4.2 million. The increase is due to the recognition of revenue, for which funds were set aside in the prior year. Additionally, net assets were increased by the moving of the cash balances from Student Activities to the College as well as increased enrollment.

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

**COLLEGE NET ASSETS**



**RAMAPO COLLEGE OF NEW JERSEY**  
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MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2009 AND 2008

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

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

**Revenues**

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

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

	<u>June 30, 2009</u>	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Operating revenues			
Student revenues, net	\$ 78,668	\$ 70,910	\$ 62,408
Grants and contracts	10,632	10,186	9,665
Other	<u>3,614</u>	<u>1,771</u>	<u>1,696</u>
Total operating revenues	<u>92,914</u>	<u>82,867</u>	<u>73,769</u>
Nonoperating revenue			
State appropriation	34,869	34,836	33,202
Transactions with affiliates	3,318	3,193	2,174
Investment and other	<u>527</u>	<u>4,230</u>	<u>2,746</u>
Total nonoperating revenue	<u>38,714</u>	<u>42,259</u>	<u>38,122</u>
Capital grants and gifts	<u>-</u>	<u>200</u>	<u>106</u>
Total revenues	<u>\$ 131,628</u>	<u>\$ 125,326</u>	<u>\$ 111,997</u>

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

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MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2009 AND 2008

**Operating Revenues**

***Student Revenues***

Student revenues are comprised of three main sources: tuition, fees and auxiliary enterprises. Auxiliary enterprises are self-funding activities mostly consisting of Residence Life and the Student Center. Student revenues are reflected net of scholarship 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. Ramapo applied \$15.0 million in scholarship allowances for tuition and fees and auxiliary charges directly to student accounts in fiscal year 2009. The main source of these allowances comes from federal and state grants. In fiscal year 2009, student revenues increased \$7.8 million due to increased student enrollment and an increase in tuition, fees, and room and board charges.

***Grants and Contracts***

Grant and Contract revenue for fiscal year 2009 increased \$446,000 as more students received financial aid from Federal and State programs.

***Other***

The increase in other revenue of \$1.8 million was the recognition of revenue for a bill, for which funds were set aside, which was paid at a much lower amount.

**Nonoperating Revenues**

***New Jersey State Appropriation***

State appropriations, including fringe benefits, paid directly by the State increased \$33,000 in fiscal year 2009. The direct appropriation to the College's operations decreased \$1.7 million because the State cut funding due to State budget shortages. The increase in the State payments on behalf of the College for fringe benefits was \$1.7 million. This is a result of an increase in the number of employees, contractual salary increases and higher health benefit and pension costs.

***Transactions with Affiliates***

The College receives money from the Foundation to help fund scholarships, programs and capital expansion. For fiscal year 2009 this amount increased \$125,000.



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MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2009 AND 2008

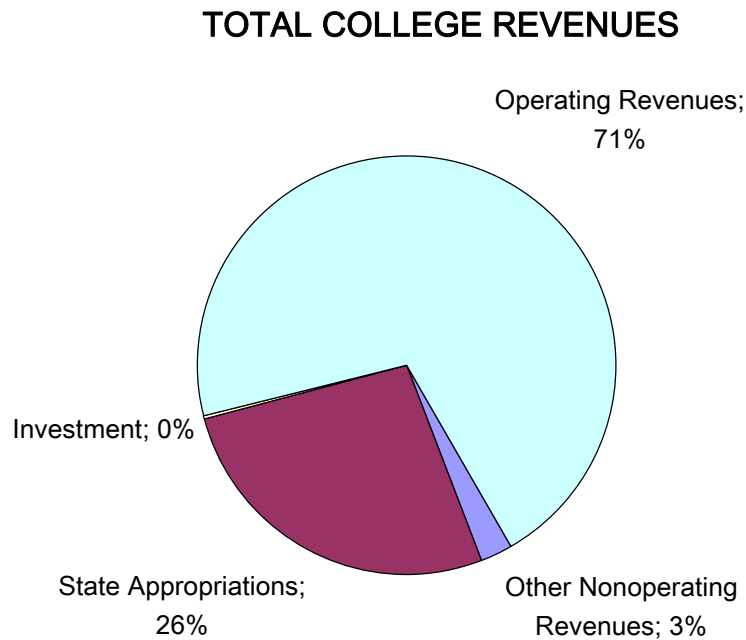
***Investment and Other***

Investment earnings decreased by \$1.3 million due to a significant drop in interest rates. Other nonoperating income decreased by \$2.4 million as a result of proceeds from an insurance settlement received in fiscal year 2008 that was a one time payment.

***Capital Grants and Gifts***

The final payment of the grant for the construction of the Sustainability Center was received in fiscal year 2008 as the building nears completion.

The following provides a graphical breakdown of each category's percentage of total revenues for the College for the fiscal year ended June 30, 2009:



**RAMAPO COLLEGE OF NEW JERSEY**  
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MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2009 AND 2008

**Expenses**

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

Salaries and benefits comprise about 64.2% of the College's total operating expenses. Wage and benefit increases affected all functional areas of the College. Other increases include additional faculty and staff lines to meet the needs associated with enrolment and residence growth, and increased operating costs.

The increase in nonoperating expenses represents interest on debt service as funds borrowed as capitalized interest were exhausted in fiscal year 2008.

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

	<u>June 30, 2009</u>	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Operating Expenses			
Instruction	\$ 38,346	\$ 36,654	\$ 33,820
Research and Public Service	59	67	0
Academic support	5,525	5,564	5,620
Student services	10,984	10,219	9,825
Institutional support	17,011	16,592	15,888
Student financial aid	674	698	652
Operations and maintenance of plant	14,252	12,987	11,730
Depreciation	11,052	11,335	9,564
Auxiliary	<u>18,502</u>	<u>17,025</u>	<u>15,355</u>
Total Operating Expenses	<u>116,405</u>	<u>111,141</u>	<u>102,454</u>
Nonoperating expenses	<u>11,010</u>	<u>8,466</u>	<u>8,555</u>
Total Expenses	<u>\$ 127,415</u>	<u>\$ 119,607</u>	<u>\$ 111,009</u>

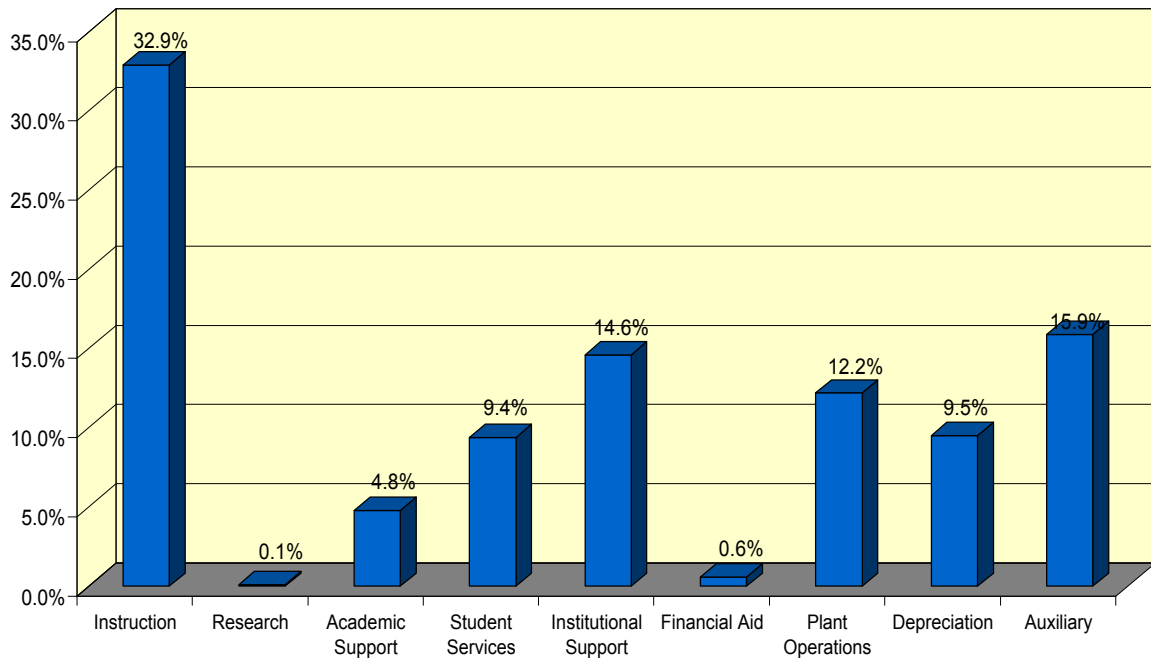
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MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2009 AND 2008

The following graph shows each College's functional area's percentage of total operating expenses for the fiscal year ended June 30, 2009:

**COLLEGE OPERATING EXPENSES**



**Statement of Cash Flows**

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

**RAMAPO COLLEGE OF NEW JERSEY**  
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MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2009 AND 2008

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

	<u>June 30, 2009</u>	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Net cash provided (used) by			
Operating activities	\$ (9,911)	\$ (18,744)	\$ (22,522)
Noncapital financing activities	34,869	39,462	35,072
Capital financing activities	(19,022)	(14,934)	(92)
Investing activities	<u>651</u>	<u>1,857</u>	<u>2,746</u>
Net increase in cash	6,587	7,641	15,204
Cash – beginning of year	<u>30,426</u>	<u>22,785</u>	<u>7,581</u>
Cash – end of year	<u>\$ 37,013</u>	<u>\$ 30,426</u>	<u>\$ 22,785</u>

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

The fiscal year 2009 increase in cash was due to less construction on campus, so lower bills awaiting reimbursement from bond trustee investments, and higher than budgeted student enrollment.

***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, 2009, the College had \$274.4 million invested in capital assets, net of accumulated depreciation of \$104.2 million. Depreciation charges totaled \$11.1 million for fiscal year 2009 compared to \$11.3 million in fiscal year 2008.

**RAMAPO COLLEGE OF NEW JERSEY**  
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MANAGEMENT'S DISCUSSION AND ANALYSIS

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

	<u>June 30, 2009</u>	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Land	\$ 3,231	\$ 3,231	\$ 3,231
Land improvements	4,687	4,348	2,876
Infrastructure	10,639	10,961	8,426
Buildings and improvements	244,453	248,392	216,147
Equipment	6,615	8,666	9,183
Library collection	1,965	1,989	1,527
Construction in progress	<u>2,811</u>	<u>1,353</u>	<u>25,936</u>
 Total	 <u>\$274,401</u>	 <u>\$278,940</u>	 <u>\$267,326</u>

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

- Renovation of athletic fields: from bond proceeds \$560
- Construction of a new Spiritual Center, from gifts \$606
- Construction of a new Sustainability Center: from bond proceeds and grant \$558
- Renovation of a residence facilities: from bond proceeds \$2,141
- Construction of a new academic building: from bond proceeds and gifts \$2,552

At June 30, 2009, the College had \$246.0 million in debt outstanding versus \$251.3 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 which covers major projects through fiscal year 2009, in order to continue to enhance the quality of its academic and student development programming. In addition to debt financing, the College is aggressively seeking grants and donations.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2009 AND 2008

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

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

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

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



## Independent Auditors' Report

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

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Ramapo College of New Jersey (the College), a component unit of the State of New Jersey, as of and for the years ended June 30, 2009 and 2008, which collectively comprise the College's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Ramapo College of New Jersey as of June 30, 2009 and 2008, and the respective changes in financial position and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

The Management's Discussion and Analysis on pages 1 through 12 is not a required part of the basic financial statements but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*O'Connor Davies Munns & Dobbins, LLP*

Paramus, New Jersey  
September 2, 2009

**Ramapo College of New Jersey**  
(A Component Unit of the State of New Jersey)  
Statement of Net Assets  
June 30, 2009  
(dollars in thousands)

	<b>Business-Type Activities Ramapo College</b>	<b>Component Unit Ramapo College Foundation</b>	<b>Total</b>
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	\$ 37,013	\$ 285	\$ 37,298
Short term investments	-	79	79
Receivables			
Students, less allowance of \$545	755	-	755
Loans, less allowance of \$52	94	-	94
Gifts and grants	1,779	1,476	3,255
Contributions, net	-	2,321	2,321
Due from Ramapo College Foundation (due to College)	756	(756)	-
Other	741	16	757
Total Receivables	<u>4,125</u>	<u>3,057</u>	<u>7,182</u>
Deposits held by Trustees	18,492	-	18,492
Other current assets	-	5	5
Total Current Assets	<u>59,630</u>	<u>3,426</u>	<u>63,056</u>
Noncurrent Assets			
Investments, at fair value	-	6,833	6,833
Student loan receivables, less allowance of \$464	848	-	848
Contributions receivable, net	-	2,607	2,607
Plant facilities, net	274,401	-	274,401
Total Noncurrent Assets	<u>275,249</u>	<u>9,440</u>	<u>284,689</u>
Total Assets	<u>\$ 334,879</u>	<u>\$ 12,866</u>	<u>\$ 347,745</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable and accrued expenses	\$ 10,010	\$ 17	\$ 10,027
Deferred revenue	4,805	74	4,879
Compensated absences, current portion	1,699	-	1,699
Deposits	830	88	918
Long-term liabilities, current portion	6,746	-	6,746
Total Current Liabilities	<u>24,090</u>	<u>179</u>	<u>24,269</u>
Noncurrent Liabilities			
Other liabilities	831	51	882
Compensated absences	1,086	-	1,086
U.S. Government Grants refundable	973	-	973
Long-term debt	239,274	-	239,274
Total Noncurrent Liabilities	<u>242,164</u>	<u>51</u>	<u>242,215</u>
Total Liabilities	<u>\$ 266,254</u>	<u>\$ 230</u>	<u>\$ 266,484</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	\$ 33,577	\$ -	\$ 33,577
Restricted			
Nonexpendable	-	5,542	5,542
Expendable			
Grants	-	6,566	6,566
Debt service	375	-	375
Renewal and replacement	4,011	-	4,011
Capital projects	1,979	-	1,979
Unrestricted			
Capital projects	11,990	-	11,990
Current	16,693	528	17,221
Total Net Assets	<u>\$ 68,625</u>	<u>\$ 12,636</u>	<u>\$ 81,261</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, 2008  
(dollars in thousands)

	<b>Business-Type Activities Ramapo College</b>	<b>Component Unit Ramapo College Foundation</b>	<b>Total</b>
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	\$ 30,426	\$ 166	\$ 30,592
Short term investments	-	125	125
Receivables			
Students, less allowance of \$549	342	-	342
Loans, less allowance of \$53	92	-	92
Gifts and grants	1,809	1,358	3,167
Contributions, net	-	3,159	3,159
Due from Ramapo College Foundation (due to College)	403	(403)	-
Other	916	59	975
Total Receivables	<u>3,562</u>	<u>4,173</u>	<u>7,735</u>
Deposits held by Trustees	21,282	-	21,282
Other current assets	417	7	424
Total Current Assets	<u>55,687</u>	<u>4,471</u>	<u>60,158</u>
Noncurrent Assets			
Investments, at fair value	-	7,354	7,354
Student loan receivables, less allowance of \$479	825	-	825
Contributions receivable, net	-	2,778	2,778
Plant facilities, net	278,940	-	278,940
Total Noncurrent Assets	<u>279,765</u>	<u>10,132</u>	<u>289,897</u>
Total Assets	<u>\$ 335,452</u>	<u>\$ 14,603</u>	<u>\$ 350,055</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable and accrued expenses	\$ 10,441	\$ 77	\$ 10,518
Deferred revenue	2,306	75	2,381
Compensated absences, current portion	1,593	-	1,593
Deposits	750	85	835
Long-term liabilities, current portion	5,300	-	5,300
Total Current Liabilities	<u>20,390</u>	<u>237</u>	<u>20,627</u>
Noncurrent Liabilities			
Other liabilities	2,658	30	2,688
Compensated absences	1,035	-	1,035
U.S. Government Grants refundable	937	-	937
Long-term debt	246,020	-	246,020
Total Noncurrent Liabilities	<u>250,650</u>	<u>30</u>	<u>250,680</u>
Total Liabilities	<u>\$ 271,040</u>	<u>\$ 267</u>	<u>\$ 271,307</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	\$ 36,366	\$ -	\$ 36,366
Restricted			
Nonexpendable	-	5,223	5,223
Expendable			
Grants	-	7,779	7,779
Debt service	1,149	-	1,149
Renewal and replacement	3,868	-	3,868
Capital projects	(194)	-	(194)
Unrestricted			
Capital projects	7,354	-	7,354
Current	15,869	1,334	17,203
Total Net Assets	<u>\$ 64,412</u>	<u>\$ 14,336</u>	<u>\$ 78,748</u>

See notes to financial statements

**Ramapo College of New Jersey**  
(A Component Unit of the State of New Jersey)  
Statement of Revenues, Expenses and Changes in Net Assets  
Year Ended June 30, 2009  
(dollars in thousands)

	<b>Business-Type Activities Ramapo College</b>	<b>Component Unit Ramapo College Foundation</b>	<b>Total</b>
<b>REVENUE</b>			
Operating Revenues			
Student tuition and fees	\$ 57,425	\$ -	\$ 57,425
Less: tuition scholarship allowances	<u>(13,542)</u>	<u>-</u>	<u>(13,542)</u>
Net Student Tuition and Fees	43,883	-	43,883
Auxiliary enterprises	36,267	-	36,267
Less: auxiliary allowances	<u>(1,482)</u>	<u>-</u>	<u>(1,482)</u>
Net Auxiliary Enterprises	34,785	-	34,785
Federal grants and contracts	5,056	-	5,056
State and local grants and contracts	5,576	2,076	7,652
Contributions	-	999	999
Other operating revenues	<u>3,614</u>	<u>782</u>	<u>4,396</u>
Total Operating Revenues	<u>92,914</u>	<u>3,857</u>	<u>96,771</u>
<b>EXPENSES</b>			
Operating Expenses			
Instruction	38,346	262	38,608
Research and Public Service	59	-	59
Academic support	5,525	-	5,525
Student services	10,984	-	10,984
Institutional support	17,011	79	17,090
Student financial aid and scholarships	674	486	1,160
Operations and maintenance of plant	14,252	-	14,252
Fundraising	-	403	403
Depreciation	11,052	-	11,052
Auxiliary	<u>18,502</u>	<u>-</u>	<u>18,502</u>
Total Operating Expenses	<u>116,405</u>	<u>1,230</u>	<u>117,635</u>
Operating (Loss) Income	<u>(23,491)</u>	<u>2,627</u>	<u>(20,864)</u>
Nonoperating Revenue (Expenses)			
State of New Jersey appropriations	18,804	-	18,804
State of New Jersey paid fringe benefits	16,065	-	16,065
Investment income, net	527	(1,009)	(482)
Interest expense	(11,010)	-	(11,010)
Transactions with affiliates	3,318	(3,318)	-
Other nonoperating revenues	<u>-</u>	<u>-</u>	<u>-</u>
Net Nonoperating Revenue (Expenses)	<u>27,704</u>	<u>(4,327)</u>	<u>23,377</u>
Increase (Decrease) in Net Assets	4,213	(1,700)	2,513
<b>NET ASSETS</b>			
Beginning of year	<u>64,412</u>	<u>14,336</u>	<u>78,748</u>
End of year	<u>\$ 68,625</u>	<u>\$ 12,636</u>	<u>\$ 81,261</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, 2008  
(dollars in thousands)

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

See notes to financial statements

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

	<u>2009</u>	<u>2008</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Tuition and fees	\$ 45,970	\$ 39,642
Grants and contracts	10,106	10,762
Payments to suppliers	(30,205)	(33,693)
Payments to employees	(57,972)	(51,480)
Payments for employee benefits	(18,318)	(16,575)
Auxiliary enterprise charges	34,785	30,829
Other	5,723	1,771
Net Cash from Operating Activities	<u>(9,911)</u>	<u>(18,744)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State appropriations	34,869	34,836
Gifts and grants	-	2,253
Insurance Proceeds	-	2,373
Federal family education loan program receipts	29,304	24,921
Federal family education loan program disbursements	<u>(29,304)</u>	<u>(24,921)</u>
Net Cash from Noncapital Financing Activities	<u>34,869</u>	<u>39,462</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Capital grants appropriations	-	1,140
Capital grants and gifts received	1,055	-
Purchases of capital assets	(6,513)	(22,949)
Principal paid on capital debt and leases	(5,344)	(3,689)
Interest paid on capital debt and leases	(11,010)	(8,466)
Increase in deposits held by trustees	<u>2,790</u>	<u>19,030</u>
Net Cash from Capital Financing Activities	<u>(19,022)</u>	<u>(14,934)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investments	<u>651</u>	<u>1,857</u>
Net Increase in Cash	6,587	7,641
<b>CASH</b>		
Beginning of year	<u>30,426</u>	<u>22,785</u>
End of year	<u>\$ 37,013</u>	<u>\$ 30,426</u>
<b>RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH FROM OPERATING ACTIVITIES</b>		
Operating loss	\$ (21,228)	\$ (28,274)
Adjustments to reconcile net loss to net cash from operating activities		
Depreciation expense	11,052	11,335
Changes in assets and liabilities		
Receivables, net	(587)	441
Other assets	417	437
Accounts payable	(431)	(4,908)
Deferred revenue	2,420	(252)
Deposits held for others	80	-
Compensated absences	(1,670)	2,478
Government grants refundable	<u>36</u>	<u>(1)</u>
Net Cash from Operating Activities	<u>\$ (9,911)</u>	<u>\$ (18,744)</u>

See notes to financial statements and independent auditors' report

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

Notes to Financial Statements  
(dollars in thousands)

June 30, 2009 and 2008

**1. Organization**

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

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

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

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

**2. Summary of Significant Accounting Policies**

***Basis of Presentation***

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

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

Notes to Financial Statements  
(dollars in thousands)

June 30, 2009 and 2008

**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, 2009 and 2008

**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 \$377 and \$254 for June 30, 2009 and 2008, respectively.

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

Notes to Financial Statements  
(dollars in thousands)

June 30, 2009 and 2008

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

***Financial Dependency***

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

***Student Tuition and Fees***

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

***Grants and Contracts***

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

***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. Nonoperating revenues include activities that have the characteristics of nonexchange 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, 2009 and 2008

**3. Cash and Cash Equivalents**

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

	2009	2008
Cash and cash equivalents	\$ 31,437	\$ 24,928
State of New Jersey Cash Management Fund	5,576	5,498
Total Cash and Cash Equivalents	\$ 37,013	\$ 30,426

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, 2009 and 2008 were partially insured by Federal Depository Insurance in the amount of \$250,000 in 2009 and \$100,000 in 2008. Bank balance in excess of insured amount of \$31,554 in 2009 and \$27,844 in 2008 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, 2009 and 2008 was \$5,576 and \$5,498, 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, 2009 and 2008

**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 at June 30,.

	2009	2008
Rebate fund	\$ 251	\$ 206
Construction fund	1,701	6,396
Debt service fund for principal and interest	11,525	9,603
Debt service reserve funds	168	175
Renewal and replacement fund	4,011	3,868
Rental pledge fund	836	1,034
	18,492	21,282
Less: current portion	18,492	21,282
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, 2009 and 2008 deposits held by trustees consisted of the following:

	2009		2008	
	Cost	Fair Value	Cost	Fair Value
Cash and cash equivalents				
Cash held by trustee	\$ 12,951	\$ 12,951	\$ 11,020	\$ 11,020
Investments				
U.S. Treasury Bills	5,541	5,541	10,262	10,262
	\$ 18,492	\$ 18,492	\$ 21,282	\$ 21,282

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

Notes to Financial Statements  
(dollars in thousands)

June 30, 2009 and 2008

**5. Capital Assets**

Capital assets activity for the years ended June 30, 2009 and 2008 consists of the following:

	2009			Ending Balance
	Beginning Balance	Additions	Reductions	
<b>Non Depreciable Capital Assets</b>				
Land	\$ 3,231	\$ -	\$ -	\$ 3,231
Construction in progress	<u>1,353</u>	<u>3,286</u>	<u>(1,828)</u>	<u>2,811</u>
	<u>4,584</u>	<u>3,286</u>	<u>(1,828)</u>	<u>6,042</u>
<b>Depreciable Capital Assets</b>				
Land improvements	6,075	626	-	6,701
Buildings and improvements	303,027	3,417	(60)	306,384
Equipment	35,116	579	-	35,695
Library collection	9,194	367	(196)	9,365
Infrastructure	<u>14,339</u>	<u>108</u>	<u>-</u>	<u>14,447</u>
	<u>367,751</u>	<u>5,097</u>	<u>(256)</u>	<u>372,592</u>
Total Capital Assets	<u>372,335</u>	<u>8,383</u>	<u>(2,084)</u>	<u>378,634</u>
<b>Accumulated Depreciation</b>				
Land improvements	1,727	287	-	2,014
Buildings and improvements	54,635	7,314	(18)	61,931
Equipment	26,450	2,630	-	29,080
Library collection	7,205	391	(196)	7,400
Infrastructure	<u>3,378</u>	<u>430</u>	<u>-</u>	<u>3,808</u>
Total Accumulated Depreciation	<u>93,395</u>	<u>11,052</u>	<u>(214)</u>	<u>104,233</u>
Capital Assets, net	<u>\$ 278,940</u>	<u>\$ (2,669)</u>	<u>\$ (1,870)</u>	<u>\$ 274,401</u>

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

Notes to Financial Statements  
(dollars in thousands)

June 30, 2009 and 2008

**5. Capital Assets (continued)**

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

As of June 30, 2009, estimated costs to complete the projects classified as construction in progress are approximately \$2,074 and are expected to be funded primarily from New Jersey Educational Facility Authority Revenue Bonds, unrestricted revenues, residence life and auxiliary enterprises revenue and State of New Jersey appropriations.

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

Notes to Financial Statements  
(dollars in thousands)

June 30, 2009 and 2008

**6. Noncurrent Liabilities**

Activity in noncurrent liabilities for the year ending June 30, 2009 was as follows:

	June 30, 2008	Additions	Reductions	June 30, 2009	Current Portion
Other liabilities	\$ 2,733	\$ 250	\$ (2,053)	\$ 930	\$ 99
Compensated absences	2,628	311	(154)	2,785	1,699
U.S. Government grants refundable	937	36	-	973	-
Long-term debt	<u>251,320</u>	<u>-</u>	<u>(5,300)</u>	<u>246,020</u>	<u>6,746</u>
	<u>\$ 257,618</u>	<u>\$ 597</u>	<u>\$ (7,507)</u>	<u>\$ 250,708</u>	<u>\$ 8,544</u>

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

	June 30, 2007	Additions	Reductions	June 30, 2008	Current Portion
Other liabilities	\$ 401	\$ 2,492	\$ (160)	\$ 2,733	\$ 75
Compensated absences	2,481	332	(185)	2,628	1,593
U.S. Government grants refundable	938	-	(1)	937	-
Long-term debt	<u>255,089</u>	<u>211</u>	<u>(3,980)</u>	<u>251,320</u>	<u>5,300</u>
	<u>\$ 258,909</u>	<u>\$ 3,035</u>	<u>\$ (4,326)</u>	<u>\$ 257,618</u>	<u>\$ 6,968</u>

**7. Long-Term Debt**

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

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

Notes to Financial Statements  
(dollars in thousands)

June 30, 2009 and 2008

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

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

The following principal payments due the Authority were outstanding at June 30, 2009 and 2008.

NJ Educational Facilities Authority				
Revenue Bonds:		<u>Interest Rate</u>	<u>2009</u>	<u>2008</u>
Series 1998 G,	due serially to 2028	4.10% to 4.63%	\$ 13,635	\$ 14,035
Series 1998 H,	due serially to 2013	4.10% to 4.60%	835	980
Series 1998 I,	due serially to 2008	4.10% to 4.50%	-	120
Series 1999 E,	due serially to 2009	5.25% to 5.60%	455	890
Series 2001 D,	due serially to 2014	4.10% to 5.00%	6,040	6,040
Series 2001 E,	due serially to 2008	3.60% to 4.00%	-	405
Series 2002 H,	due serially to 2032	2.70% to 5.00%	18,230	18,610
Series 2002 I,	due serially to 2032	2.70% to 5.00%	1,300	1,345
Series 2002 J,	due serially to 2032	2.70% to 5.00%	18,850	19,495
Series 2003 F,	due serially to 2013	1.50% to 3.50%	1,185	1,400
Series 2003 G,	due serially to 2013	2.00% to 3.71%	5,175	6,540
Series 2003 H,	due serially to 2029	4.25% to 5.00%	18,775	18,915
Series 2004 E,	due serially to 2024	3.00% to 4.38%	13,680	13,680
Series 2006 D,	due serially to 2032	3.75% to 4.50%	37,940	37,940
Series 2006 I,	due serially to 2036	4.00% to 5.00%	<u>106,790</u>	<u>106,820</u>
			242,890	247,215
Plus:	Bond premiums		1,950	2,029
Less:	Deferred cost on bond refunding		<u>(3,147)</u>	<u>(3,270)</u>
			<u>\$ 241,693</u>	<u>\$ 245,974</u>

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

Other long-term obligations:

	Interest Rate	2009	2008
Higher Education Capital Improvement Fund			
Series 2000 B, due serially to 2021	4.50% to 5.75%	\$ 1,822	\$ 1,928
Higher Education Dormitory Safety Trust Fund			
Series 2001 A, due serially to 2016		482	551
Higher Education Capital Improvement Fund			
Series 2002 A, due serially to 2023	3.00% to 5.25%	1,680	1,739
Higher Education Equipment Leasing Fund			
Series 2003 A, due serially to 2010	2.50% to 5.00%	85	167
Other	5.12% to 10.70%	258	961
		4,327	5,346
Total long-term debt		246,020	251,320
Less: noncurrent portion		239,274	246,020
Total long-term debt, current portion		\$ 6,746	\$ 5,300

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, 2009:

Fiscal Year	Principal	Interest
2010	6,790	10,600
2011	7,116	10,344
2012	6,625	10,094
2013	7,311	9,853
2014	7,555	9,576
2015-2019	38,419	43,268
2020-2024	49,057	33,873
2025-2029	59,365	22,181
2030-2034	52,335	8,932
2035-2038	12,644	916
	\$ 247,217	\$ 159,637

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**8. Fringe Benefit Appropriation**

The State of New Jersey, through separate appropriations, pays certain fringe benefits (principally health insurance, retirement and FICA taxes) on behalf of College employees. For the years ended June 30, 2009 and 2008, such benefits amounted to approximately \$16,065 and \$14,368, respectively, and are included as part of nonoperating 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 two retirement plans for its employees - Public Employee's Retirement System (PERS), and the Alternate Benefit Program (ABP). Generally, all employees, except certain part-time employees, participate in one of these plans.

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

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

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

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



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**9. Retirement Plans (continued)**

***PERS Funding Policy***

PERS members were required to contribute 5.5% of their annual covered salary for the years ended June 30, 2009 and 2008. 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 2009 or 2008 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, 2009 and 2008, ABP received employer and employee contributions that approximated the following from the College.

	2009	2008
Employer contribution	\$ 2,548	\$ 2,375
Employee contribution	1,593	1,484
 Basis for contributions		
Participating employee salaries	31,855	29,687

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

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**10. Compensated Absences**

*Vacation and Compensatory Time*

The College's general policy states that employees are entitled, upon termination, to the current year's unused earned vacation and compensatory time in addition to any unused vacation and compensatory time carried over from the immediate prior year. The liability for unused vacation and compensatory time at June 30, 2009 and 2008, included in accrued liabilities, amounted to approximately \$1,699 and \$1,593, 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 \$1,086 and \$1,035 for June 30, 2009 and 2008, respectively. The College has made payments of approximately \$94 and \$75 for unused sick time in fiscal year 2009 and 2008.

**11. Commitments**

Encumbrances representing outstanding purchase orders and other commitments for materials or services not received as of June 30, 2009 and 2008, are not included in the financial statements. The College has approved contracts in fiscal 2009 and 2008 of approximately \$2,772 and \$4,167, respectively, the majority of which are for construction and renovation projects and will be funded by plant fund assets on deposit with the trustee.

At June 30, 2009 Ramapo College of New Jersey has an outstanding letter of credit of \$379,625 to the New Jersey Department of Environmental Protection Escrow.

**12. Contingencies**

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

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**13. Component Unit**

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

During the years ended June 30, 2009 and 2008, the Foundation distributed \$3,318 and \$3,193 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.