

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

Basic Financial Statements

June 30, 2010 and 2009

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

Financial Statements

June 30, 2010 and 2009

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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, 2010 AND 2009

**Overview of Financial Statements and Financial Analysis**

This section of the annual financial statements for Ramapo College of New Jersey (the College) presents management's discussion and analysis of the College's financial performance for the fiscal years ended on June 30, 2010 and 2009 and comparative amounts for the year ended June 30, 2008. 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 highly 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 four 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 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 2009, the College enrolled 5,353 full-time equivalent undergraduate students and 100 full-time equivalent graduate students. Approximately 60% of full-time undergraduates live on campus.

The College 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, the College operates autonomously from the State's activity.

Ramapo College is ranked by *U.S. News & World Report* as fourth in the Best Regional Universities, North category. An article in the February 2010 issue of *Kiplinger's Personal Finance* magazine named Ramapo College as among the "100 Best Values in Public Colleges." The College also is one of 212 institutions recommended by The Princeton Review in the "Best in the Northeast" section in the 2011 edition of *The Best Northeastern Colleges*.

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**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 principles generally accepted in the United States of America as promulgated by the Government Accounting Standards Board (GASB). These statements present the College's operations on a consolidated basis and focus on assets, liabilities, revenues, expenses and cash flows 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.

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

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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, 2010</u>	<u>June 30, 2009</u>	<u>June 30, 2008</u>
<b>Assets</b>			
Current assets	\$ 68,974	\$ 58,623	\$ 54,497
Capital assets, net	268,697	274,401	278,940
Other assets	<u>863</u>	<u>848</u>	<u>825</u>
Total assets	<u>338,534</u>	<u>333,872</u>	<u>334,262</u>
<b>Liabilities</b>			
Current liabilities	24,468	23,083	19,200
Noncurrent liabilities	<u>235,191</u>	<u>242,164</u>	<u>250,650</u>
Total liabilities	<u>259,659</u>	<u>265,247</u>	<u>269,850</u>
<b>Net assets</b>			
Invested in capital assets, net of related debt	\$ 34,994	\$ 33,577	36,366
Expendable restricted	5,950	6,365	4,823
Unrestricted Capital Projects	27,514	11,990	7,354
Unrestricted Current	<u>10,417</u>	<u>16,693</u>	<u>15,869</u>
Total net assets	<u>\$ 78,875</u>	<u>\$ 68,625</u>	<u>\$ 64,412</u>

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JUNE 30, 2010 AND 2009

During fiscal year 2010, the College's total assets increased \$4.7 million. Current assets increased by \$10.4 million primarily because of higher cash balances. The College experienced higher cash balances as a result of a memorandum of agreement between the State of New Jersey and the unions which deferred the cost of living adjustments for 18 months. Additionally, all employees, including non-union workers, were required to take unpaid days off. While, these expenses were budgeted, they were not expended and therefore resulted in an increase in net assets. Capital assets decreased by \$5.7 million as a result of depreciation expense of \$10.6 million exceeding the amount of new capital assets acquired of \$4.8 million. This is partially due to a change in the College's capitalization policy increasing the capitalization threshold from \$1,000 to \$5,000.

Total liabilities decreased by \$5.6 million in fiscal year 2010. The primary cause for the decrease was the reduction of long term debt of \$7.0 million from principal payments. Current liabilities increased \$1.4 million due to setting up a reserve for "paid leave bank days". These additional days off were granted as part of the memorandum of agreement between the State of New Jersey and the unions. These additional days can be taken as days off or paid to an employee upon separation from the College. Also, effecting current liabilities was an increase in the housing deposit required to reserve housing for the new academic year.

During fiscal year 2010, total net assets had an increase of \$10.2 million. As mentioned above, the increase is primarily due to the deferral of the cost of living adjustment for union employees and the mandatory furlough days required of all employees. Since the memorandum of agreement was not finalized until after the start of the fiscal year, the cost of living adjustments were included in the budget. These unspent funds ultimately went into the net assets of the College. Additionally, net assets were increased due to increased enrollment that provided additional revenue.

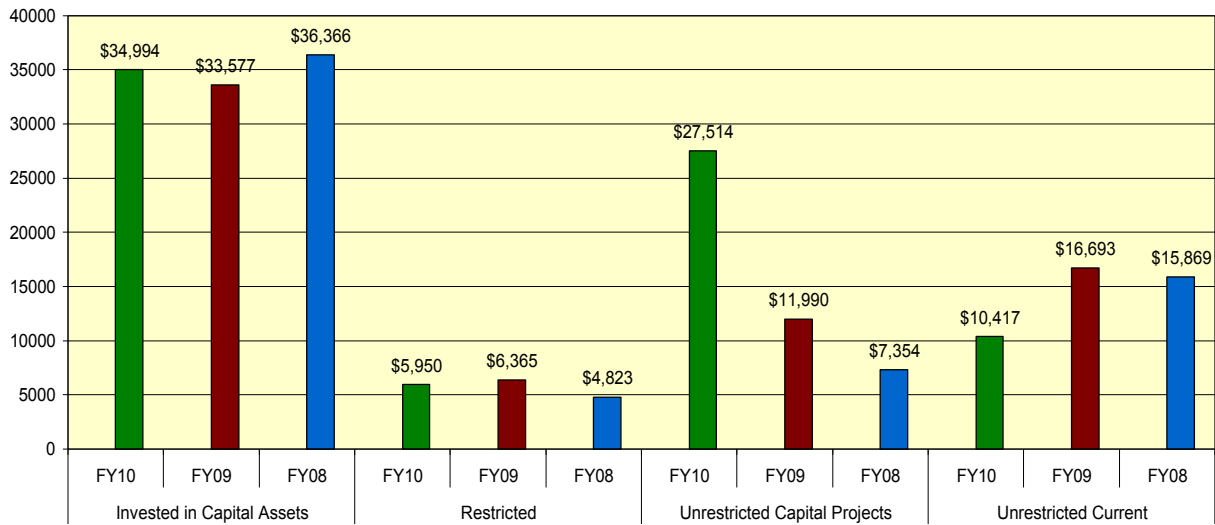
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MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010 AND 2009

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**



**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 expensed 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, the College's 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, 2010 AND 2009

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

	<u>June 30, 2010</u>	<u>June 30, 2009</u>	<u>June 30, 2008</u>
Operating revenues			
Student revenues, net	\$ 83,479	\$ 78,668	\$ 70,910
Grants and contracts	14,178	10,632	10,186
Other	<u>1,522</u>	<u>3,614</u>	<u>1,771</u>
Total operating revenues	<u>99,179</u>	<u>92,914</u>	<u>82,867</u>
Nonoperating revenue			
State appropriation	32,935	34,869	34,836
Federal ARRA	950		
Transactions with affiliates	3,292	3,318	3,193
Investment and other	<u>83</u>	<u>527</u>	<u>4,230</u>
Total nonoperating revenue	<u>37,260</u>	<u>38,714</u>	<u>42,259</u>
Capital grants and gifts	<u>7</u>	<u>-</u>	<u>200</u>
Total revenues	<u>\$ 136,446</u>	<u>\$ 131,628</u>	<u>\$ 125,326</u>

**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.

Student revenues increased \$4.9 million between 2009 and 2010 and \$7.8 million between 2009 and 2008. Both increases in student revenues were the result of increased student enrollment as well as an increase in tuition, fees, room and board charges.



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Ramapo applied \$17.9, \$15.0 and \$14.3 million in scholarship allowances for tuition and fees and auxiliary charges directly to student accounts in fiscal year 2010, 2009 and 2008 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, College Work Study, and Federal Supplemental Educational Opportunity Grants, 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 2010 increased \$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. The fiscal year 2009 increase over 2008 was \$446,000.

***Other***

The decrease in other revenue 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. For fiscal year 2009 the increase of \$1.8 million was the recognition of the revenue previously mentioned.

**Nonoperating Revenues**

***New Jersey State Appropriation***

State appropriations, including fringe benefits, which are paid directly by the State, decreased \$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. In fiscal year 2009 there was a net increase of \$33,000 over 2008 as the reduction in the direct appropriation of \$1.7 million was offset by an equal increase in the payments made on behalf of the College for fringe benefits.

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***Federal Stimulus Appropriation***

Ramapo received almost \$1.0 million from the American Recovery and Reinvestment Act (ARRA) in fiscal year 2010 which passed through the State and offset some of the decrease in the State appropriation.

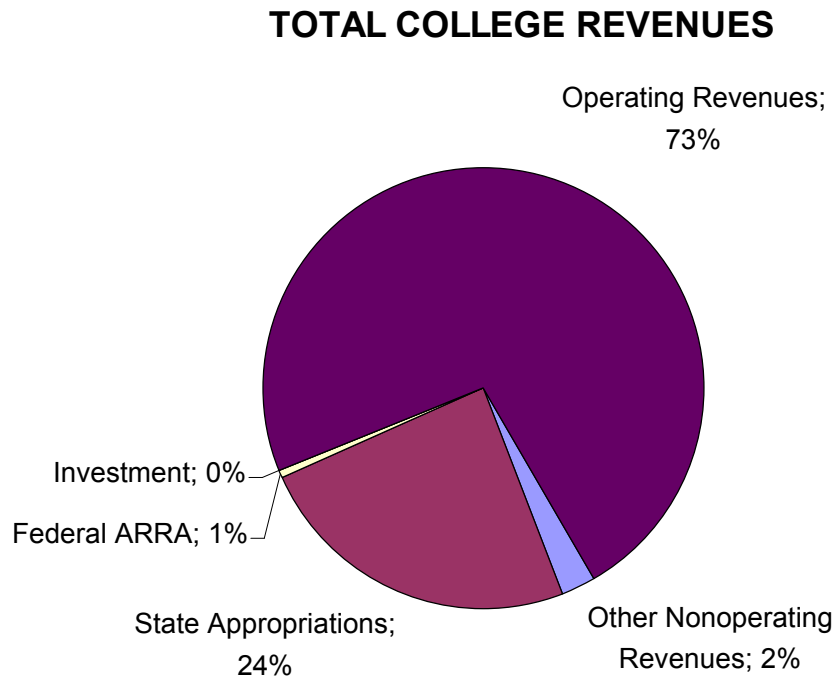
***Transactions with Affiliates***

The College receives money from the Foundation to help fund scholarships, programs and capital expansion. For fiscal year 2010 this amount was almost identical to the amount received in 2009 while there was an increase of \$125,000 in fiscal year 2009 over 2008.

***Investment and Other***

Investment earnings decreased by \$444,000 in fiscal year 2010 from 2009 due to a significant drop in interest rates. The decrease of \$1.3 million between fiscal year 2009 and 2008 was due to the downturn in interest rates and a drop in other revenue from an insurance settlement received in 2008.

The following provides a graphical breakdown of each category's percentage of total revenues for the College for the fiscal year ended June 30, 2010:



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MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010 AND 2009

**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 2010, salaries and benefits comprised about 64.9% of the College's total operating expenses. Wage and benefit increases affected all functional areas of the College. Increases in instructional expenses resulted from additional faculty to meet the needs associated with enrolment growth. Other functional area remained flat or decreased due to the mandatory unpaid furlough days all employees had to take and staff reductions. The College has been shifting resources from non academic areas to instruction and academic support in order to further support the mission of the College.

Nonoperating expenses dipped slightly in fiscal year 2010 from 2009 as interest on debt went down due to lower outstanding long term debt. The increase between fiscal year 2009 and 2008 represents interest on long term debt due to the how the bond repayment schedule was structured.

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

	<u>June 30, 2010</u>	<u>June 30, 2009</u>	<u>June 30, 2008</u>
Operating expenses			
Instruction	\$ 39,688	\$ 38,346	\$ 36,654
Research and Public Service	215	59	67
Academic support	5,840	5,525	5,564
Student services	10,392	10,984	10,219
Institutional support	15,969	17,011	16,592
Student financial aid	318	674	698
Operations and maintenance of plant	14,231	14,252	12,987
Depreciation	10,601	11,052	11,335
Auxiliary	<u>18,597</u>	<u>18,502</u>	<u>17,025</u>
Total operating expenses	<u>115,851</u>	<u>116,405</u>	<u>111,141</u>
Nonoperating expenses	<u>10,345</u>	<u>11,010</u>	<u>8,466</u>
Total expenses	<u>\$ 126,196</u>	<u>\$ 127,415</u>	<u>\$ 119,607</u>

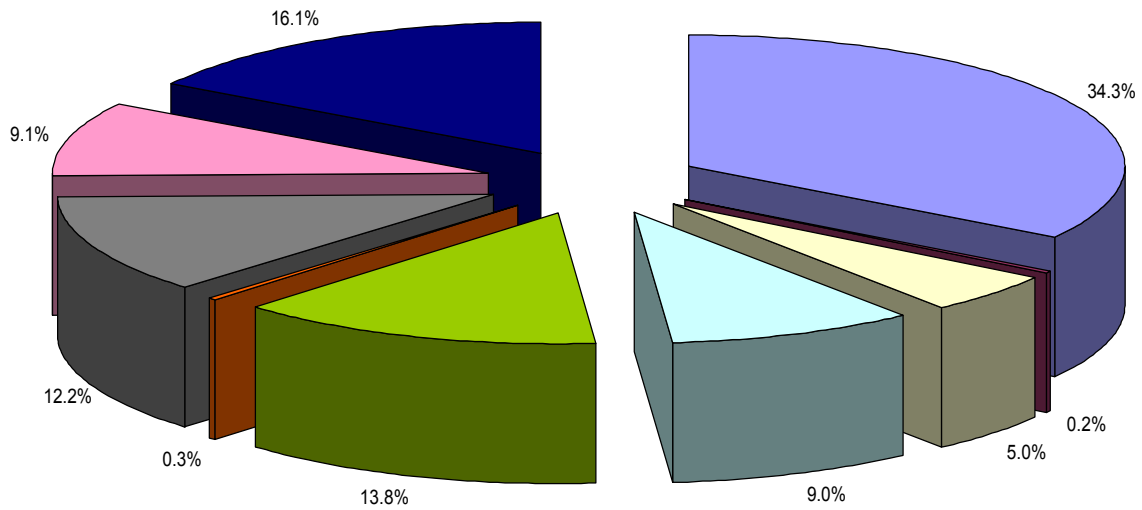
**RAMAPO COLLEGE OF NEW JERSEY**  
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The following graph shows each functional area as a percentage of total operating expenses for the fiscal year ended June 30, 2010:

**PERCENTAGE OF OPERATING EXPENSES**



Instruction	Research	Academic Support
Student Services	Institutional Support	Financial Aid
Plant Operations	Depreciation	Auxiliary

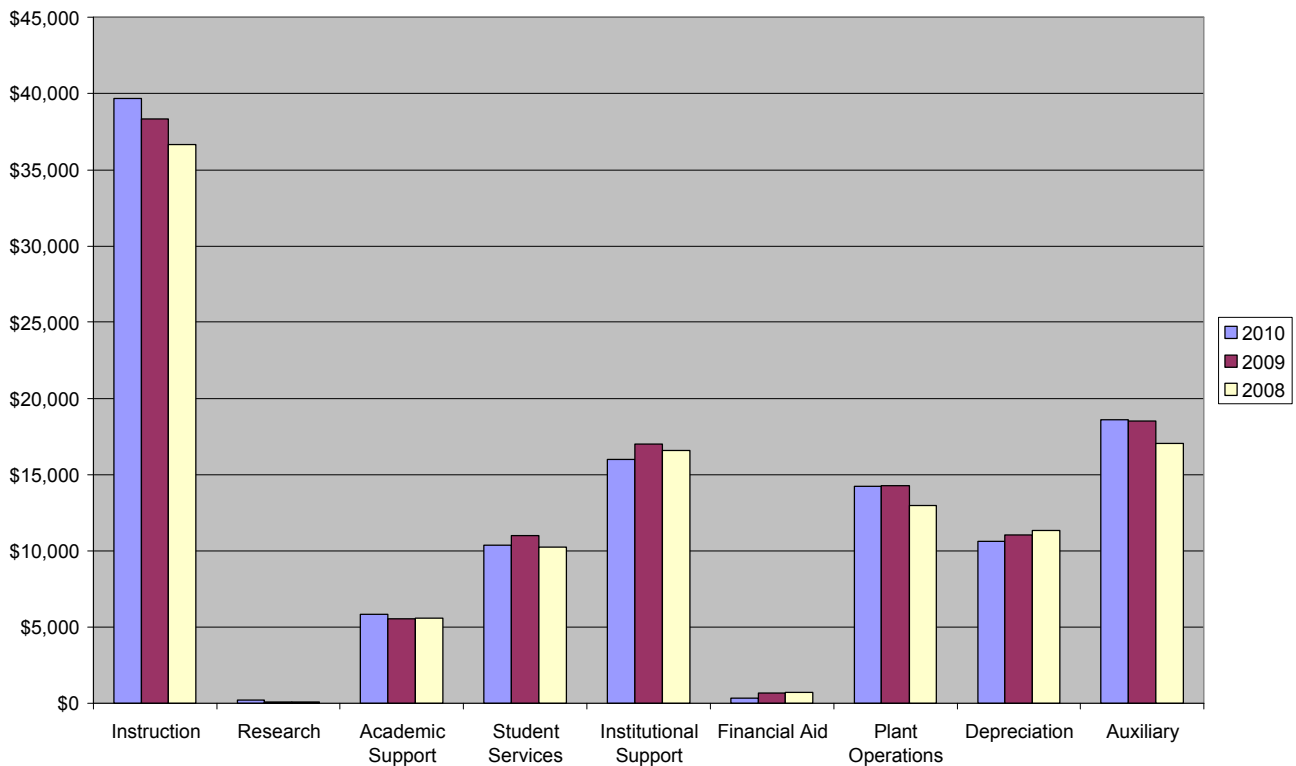
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The following is an illustration of operating expenses by functional classification for the fiscal years ended June 30, 2010, 2009 and 2008 (amounts in thousands):

**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.

The fiscal year 2010 increase in cash was due to salary savings as a result of the unpaid furlough days, less construction on campus, and higher than budgeted student enrollment.

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

	<u>June 30, 2010</u>	<u>June 30, 2009</u>	<u>June 30, 2008</u>
Net cash from			
Operating activities	\$(5,038)	\$(9,911)	\$(18,744)
Noncapital financing activities	37,177	34,869	39,462
Capital financing activities	(21,033)	(19,022)	(14,934)
Investing activities	<u>206</u>	<u>651</u>	<u>1,857</u>
Net increase in cash	11,312	6,587	7,641
Cash – beginning of year	<u>37,013</u>	<u>30,426</u>	<u>22,785</u>
Cash – end of year	<u>\$ 48,325</u>	<u>\$ 37,013</u>	<u>\$ 30,426</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, 2010, the College had \$268.7 million invested in capital assets, net of accumulated depreciation of \$114.7 million. Depreciation charges totaled to \$10.6 million in fiscal year 2010 as compared to \$11.1 million for fiscal year 2009. Net capital assets decreased the last two years as depreciation expense has been higher than asset capitalization. However, this is offset by a reduction in outstanding debt.

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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, 2010</u>	<u>June 30, 2009</u>	<u>June 30, 2008</u>
Land	\$ 3,231	\$ 3,231	\$ 3,231
Land improvements	4,710	4,687	4,348
Infrastructure	11,146	10,639	10,961
Buildings and improvements	240,968	244,453	248,392
Equipment	5,259	6,615	8,666
Library collection	1,726	1,965	1,989
Construction in progress	<u>1,657</u>	<u>2,811</u>	<u>1,353</u>
Total	<u>\$268,697</u>	<u>\$274,401</u>	<u>\$278,940</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 \$1,022
- Construction of the new Sharp Sustainability Center: from bond proceeds and grant \$ 319
- Renovation of residence facilities: from bond proceeds \$ 745
- Construction of the Anisfield School of Business: from bond proceeds and gifts \$ 710

At June 30, 2010, the College had \$239.3 million in debt outstanding versus \$246.0 million the previous year. As part of its mission, the College is committed to the expansion and renewal of its capital assets through its capital plan which covers major projects through fiscal year 2010, 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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***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. The College 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 the College reflects revenue growth in tuition, housing rentals and board charges. Ramapo 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 affect 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, 2010 and 2009, 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, 2010 and 2009, 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 1, 2010

**Ramapo College of New Jersey**  
(A Component Unit of the State of New Jersey)  
Statement of Net Assets  
June 30, 2010  
(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	\$ 48,325	\$ 345	\$ 48,670
Short term investments	-	44	44
Receivables			
Students, less allowance of \$597	970	-	970
Loans, less allowance of \$54	96	-	96
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>3,156</u>	<u>1,579</u>	<u>4,735</u>
Deposits held by Trustees	17,493		17,493
Other current assets	-	15	15
Total Current Assets	<u>68,974</u>	<u>1,983</u>	<u>70,957</u>
Noncurrent Assets			
Investments, at fair value	-	9,279	9,279
Student loan receivables, less allowance of \$482	863	-	863
Contributions receivable, net	-	2,010	2,010
Plant facilities, net	268,697	-	268,697
Total Noncurrent Assets	<u>269,560</u>	<u>11,289</u>	<u>280,849</u>
Total Assets	<u>\$ 338,534</u>	<u>\$ 13,272</u>	<u>\$ 351,806</u>
<b>LIABILITIES</b>			
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	49	2,485
Deposits	1,274	-	1,274
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>
<b>NET ASSETS</b>			
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 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	772	1,476	2,248
Contributions, net	-	2,321	2,321
Due from Ramapo College Foundation (due to College)	756	(756)	-
Other	741	16	757
Total Receivables	<u>3,118</u>	<u>3,057</u>	<u>6,175</u>
Deposits held by Trustees	18,492		18,492
Other current assets	-	5	5
Total Current Assets	<u>58,623</u>	<u>3,426</u>	<u>62,049</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>\$ 333,872</u>	<u>\$ 12,866</u>	<u>\$ 346,738</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable and accrued expenses	\$ 10,010	\$ 17	\$ 10,027
Deferred revenue	3,798	74	3,872
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>23,083</u>	<u>179</u>	<u>23,262</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>\$ 265,247</u>	<u>\$ 230</u>	<u>\$ 265,477</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 Revenues, Expenses and Changes in Net Assets  
Year Ended June 30, 2010  
(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	\$ 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>
<b>EXPENSES</b>			
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
<b>NET ASSETS</b>			
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)  
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	<u>3,318</u>	<u>(3,318)</u>	<u>-</u>
Net Nonoperating Revenue (Expenses)	<u>27,704</u>	<u>(4,327)</u>	<u>23,377</u>
Increase 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)  
**Statements of Cash Flows**  
(Business-Type Activities - Ramapo College Only)  
Years Ended June 30,  
(dollars in thousands)

	<u>2010</u>	<u>2009</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Tuition and fees	\$ 48,345	\$ 46,153
Grants and contracts	13,947	9,923
Payments to suppliers	(30,128)	(30,205)
Payments to employees	(56,266)	(58,126)
Payments for employee benefits	(18,046)	(18,318)
Auxiliary enterprise charges	35,588	34,785
Other	1,522	3,614
Net Cash from Operating Activities	<u>(5,038)</u>	<u>(12,174)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Federal appropriations	950	-
State appropriations	32,935	34,869
Gifts and grants	3,292	3,318
Federal family education loan program receipts	35,349	29,304
Federal family education loan program disbursements	<u>(35,349)</u>	<u>(29,304)</u>
Net Cash from Noncapital Financing Activities	<u>37,177</u>	<u>38,187</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Capital grants and gifts received	7	-
Purchases of capital assets	(4,904)	(6,513)
Principal paid on capital debt and leases	(6,790)	(5,344)
Interest paid on capital debt and leases	(10,345)	(11,010)
Increase in deposits held by trustees	<u>999</u>	<u>2,790</u>
Net Cash from Capital Financing Activities	<u>(21,033)</u>	<u>(20,077)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investments	<u>206</u>	<u>651</u>
Net Increase in Cash	11,312	6,587
<b>CASH</b>		
Beginning of year	<u>37,013</u>	<u>30,426</u>
End of year	<u>\$ 48,325</u>	<u>\$ 37,013</u>
<b>RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH FROM OPERATING ACTIVITIES</b>		
Operating loss	\$ (16,672)	\$ (23,491)
Adjustments to reconcile net loss to net cash from operating activities		
Depreciation expense	10,601	11,052
Capital gifts	7	-
Changes in assets and liabilities		
Receivables, net	(53)	(770)
Other assets	-	417
Accounts payable	(426)	(431)
Deferred revenue	225	2,603
Deposits held for others	444	80
Compensated absences	829	(1,670)
Government grants refundable	<u>7</u>	<u>36</u>
Net Cash from Operating Activities	<u>\$ (5,038)</u>	<u>\$ (12,174)</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, 2010 and 2009

**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 four 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, 2010 and 2009

**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, 2010 and 2009

**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 \$500 and \$377 for June 30, 2010 and 2009, respectively.

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

Notes to Financial Statements  
(dollars in thousands)

June 30, 2010 and 2009

**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. 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, 2010 and 2009

**3. Cash and Cash Equivalents**

Cash and cash equivalents are comprised of the following as of June 30, 2010 and 2009:

	2010	2009
Cash and cash equivalents	\$ 42,729	\$ 31,437
State of New Jersey Cash Management Fund	5,596	5,576
Total Cash and Cash Equivalents	\$ 48,325	\$ 37,013

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, 2010 and 2009 were partially insured by Federal Depository Insurance in the amount of \$250,000 in 2010 and 2009. Bank balance in excess of insured amount of \$34,017 in 2010 and \$31,554 in 2009 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, 2010 and 2009 was \$5,596 and \$5,576, 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, 2010 and 2009

**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.

	2010	2009
Rebate fund	\$ 256	\$ 251
Construction fund	453	1,701
Debt service fund for principal and interest	11,862	11,525
Debt service reserve funds	166	168
Renewal and replacement fund	4,103	4,011
Rental pledge fund	653	836
	17,493	18,492
Less: current portion	17,493	18,492
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, 2010 and 2009 deposits held by trustees consisted of the following:

	2010		2009	
	Cost	Fair Value	Cost	Fair Value
Cash and cash equivalents				
Cash held by trustee	\$ 13,073	\$ 13,073	\$ 12,951	\$ 12,951
Investments				
U.S. Treasury Bills	4,377	4,377	5,541	5,541
U.S. Treasury Notes	43	43	-	-
	\$ 17,493	\$ 17,493	\$ 18,492	\$ 18,492

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

Notes to Financial Statements  
(dollars in thousands)

June 30, 2010 and 2009

**5. Capital Assets**

Capital assets activity for the years ended June 30, 2010 and 2009 consists of the following:

	2010			Ending Balance
	Beginning Balance	Additions	Reductions	
<b>Non Depreciable Capital Assets</b>				
Land	\$ 3,231	\$ -	\$ -	\$ 3,231
Construction in progress	2,811	2,115	(3,269)	1,657
	<u>6,042</u>	<u>2,115</u>	<u>(3,269)</u>	<u>4,888</u>
<b>Depreciable Capital Assets</b>				
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	14,447	901	-	15,348
	<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>
<b>Accumulated Depreciation</b>				
Land improvements	2,014	289	-	2,303
Buildings and improvements	61,931	7,472	-	69,403
Equipment	29,080	2,040	-	31,120
Library collection	7,400	406	(109)	7,697
Infrastructure	3,808	394	-	4,202
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>

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

Notes to Financial Statements  
(dollars in thousands)

June 30, 2010 and 2009

**5. Capital Assets (continued)**

	2009			Ending Balance
	Beginning Balance	Additions	Reductions	
Non Depreciable Capital Assets				
Land	\$ 3,231	\$ -	\$ -	\$ 3,231
Construction in progress	1,353	3,286	(1,828)	2,811
	<u>4,584</u>	<u>3,286</u>	<u>(1,828)</u>	<u>6,042</u>
Depreciable Capital Assets				
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	14,339	108	-	14,447
	<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>
Accumulated Depreciation				
Land improvements	1,727	287	-	2,014
Buildings	54,635	7,314	(18)	61,931
Equipment	26,450	2,630	-	29,080
Library collection	7,205	391	(196)	7,400
Infrastructure	3,378	430	-	3,808
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>

As of June 30, 2010, estimated costs to complete the projects classified as construction in progress are approximately \$15 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, 2010 and 2009

**6. Noncurrent Liabilities**

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>

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>

**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.

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**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, 2010 and 2009.

NJ Educational Facilities Authority

Revenue Bonds:	<u>Interest Rate</u>	<u>2010</u>	<u>2009</u>
Series 1998 G, due serially to 2028	4.10% to 4.63%	\$ 13,220	\$ 13,635
Series 1998 H, due serially to 2013	4.10% to 4.60%	685	835
Series 1999 E, due serially to 2009	5.25% to 5.60%	-	455
Series 2001 D, due serially to 2014	4.10% to 5.00%	5,135	6,040
Series 2002 H, due serially to 2032	2.70% to 5.00%	17,585	18,230
Series 2002 I, due serially to 2032	2.70% to 5.00%	1,255	1,300
Series 2002 J, due serially to 2032	2.70% to 5.00%	18,185	18,850
Series 2003 F, due serially to 2013	1.50% to 3.50%	960	1,185
Series 2003 G, due serially to 2013	2.00% to 3.71%	3,775	5,175
Series 2003 H, due serially to 2029	4.25% to 5.00%	18,635	18,775
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%	36,970	37,940
Series 2006 I, due serially to 2036	4.00% to 5.00%	<u>106,485</u>	<u>106,790</u>
		236,570	242,890
Plus: Bond premiums		1,871	1,950
Less: Deferred cost on bond refunding		<u>(3,024)</u>	<u>(3,147)</u>
		<u>\$ 235,417</u>	<u>\$ 241,693</u>



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

Other long-term obligations:

	Interest Rate	2010	2009
Higher Education Capital Improvement Fund			
Series 2000 B, due serially to 2021	4.50% to 5.75%	\$ 1,710	\$ 1,822
Higher Education Dormitory Safety Trust Fund			
Series 2001 A, due serially to 2016		413	482
Higher Education Capital Improvement Fund			
Series 2002 A, due serially to 2023	3.00% to 5.25%	1,618	1,680
Higher Education Equipment Leasing Fund			
Series 2003 A, due serially to 2010	2.50% to 5.00%	-	85
Other	5.12% to 10.70%	116	258
		3,857	4,327
Total long-term debt		239,274	246,020
Less: noncurrent portion		232,202	239,274
Total long-term debt, current portion		\$ 7,072	\$ 6,746

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, 2010:

Fiscal Year	Principal	Interest
2011	7,116	10,344
2012	6,625	10,094
2013	7,311	9,853
2014	7,555	9,576
2015	6,950	9,284
2016-2020	40,550	41,556
2021-2025	50,840	31,752
2026-2030	60,915	19,552
2031-2035	46,660	6,648
2036-2037	5,905	379
	\$ 240,427	\$ 149,038

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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, 2010 and 2009, such benefits amounted to approximately \$16,031 and \$16,065, 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, 2010 and 2009. 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 2010 or 2009 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, 2010 and 2009, ABP received employer and employee contributions that approximated the following from the College.

	2010	2009
Employer contribution	\$ 2,726	\$ 2,596
Employee contribution	3,581	3,530
 Basis for contributions		
Participating employee salaries	34,070	32,444

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, 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, 2010 and 2009, included in accrued liabilities, amounted to approximately \$2,436 and \$1,699, 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 \$1,178 and \$1,086 for June 30, 2010 and 2009, respectively. The College has made payments of approximately \$50 and \$94 for unused sick time in fiscal year 2010 and 2009.

**11. Commitments**

Encumbrances representing outstanding purchase orders and other commitments for materials or services not received as of June 30, 2010 and 2009, are not included in the financial statements. The College has approved contracts in fiscal 2010 and 2009 of approximately \$1,752 and \$2,772, 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, 2010 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, 2010 and 2009, the Foundation distributed \$3,292 and \$3,318 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.