

**Ramapo College Foundation**  
(A Component Unit of Ramapo College of New Jersey)

Financial Statements

Years Ended  
June 30, 2019 and 2018

## Independent Auditors' Report

### **Board of Governors Ramapo College Foundation**

We have audited the accompanying financial statements of Ramapo College Foundation, a component unit of Ramapo College of New Jersey, which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ramapo College Foundation as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Change in Accounting Principle***

As discussed in Note 2 to the financial statements, during the year ended June 30, 2019 Ramapo College Foundation adopted new accounting guidance resulting in a change in the manner in which it presents net assets and reports certain aspects of its financial statements. Our opinion is not modified with respect to this matter.

*PKF O'Connor Davies, LLP*

December 17, 2019

**Ramapo College Foundation**  
(A Component Unit of Ramapo College of New Jersey)

Statements of Financial Position

	June 30,	
	2019	2018
<b>ASSETS</b>		
Cash and cash equivalents	\$ 589,104	\$ 719,521
Grants receivable	565,795	332,242
Accounts receivable	77,475	87,310
Unconditional promises to give, net (Note 3)	3,925,367	5,479,600
Investments (Note 4)	22,130,069	21,541,235
Prepaid expenses	6,406	23,004
	<b>\$ 27,294,216</b>	<b>\$ 28,182,912</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable	\$ 131,679	\$ 91,998
Due to Ramapo College of New Jersey (Note 11)	282,161	349,325
Deferred income	80,304	161,028
Due to agency funds	33,772	26,940
Annuities payable	208,124	216,564
Total Liabilities	736,040	845,855
Net Assets		
Without Donor Restrictions (Note 5)		
Undesignated	545,384	720,751
Board Designated	997,034	932,316
Total Net Assets Without Donor Restrictions	1,542,418	1,653,067
With donor restrictions (Note 6)	25,015,758	25,683,990
Total Net Assets	26,558,176	27,337,057
	<b>\$ 27,294,216</b>	<b>\$ 28,182,912</b>

See notes to financial statements.

**Ramapo College Foundation**  
(A Component Unit of Ramapo College of New Jersey)

Statements of Activities

	Year Ended June 30, 2019			Year Ended June 30, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>OPERATING SUPPORT AND REVENUE</b>						
Donations	\$ 333,027	\$ 2,931,594	\$ 3,264,621	\$ 356,253	\$ 3,971,119	\$ 4,327,372
Contributed service revenue (Note 2)	1,362,968	-	1,362,968	1,531,922	-	1,531,922
Fundraising events, net (Note 7)	302,583	-	302,583	308,401	-	308,401
Grants	-	1,559,048	1,559,048	-	1,411,414	1,411,414
Program service	-	214,313	214,313	-	190,275	190,275
Other	213,825	-	213,825	270,510	-	270,510
Uncollectible promise to give	-	(2,250,000)	(2,250,000)	-	-	-
Investment income (Note 4)	132,121	1,184,000	1,316,121	130,877	1,513,310	1,644,187
Net assets released from restrictions (Note 6)	4,307,187	(4,307,187)	-	4,437,921	(4,437,921)	-
Total Support and Revenue	<u>6,651,711</u>	<u>(668,232)</u>	<u>5,983,479</u>	<u>7,035,884</u>	<u>2,648,197</u>	<u>9,684,081</u>
<b>EXPENSES</b>						
Payment to College towards salaries	270,375	-	270,375	264,944	-	264,944
Contributed service expense (Note 2)	1,362,968	-	1,362,968	1,531,922	-	1,531,922
Capital and support payments to College	1,928,861	-	1,928,861	2,275,439	-	2,275,439
Foundation operations	171,055	-	171,055	160,195	-	160,195
Events, programs and fundraising	612,614	-	612,614	590,210	-	590,210
Scholarships and awards	837,577	-	837,577	752,618	-	752,618
Planned giving and capital campaign	151,871	-	151,871	209,930	-	209,930
College grants awarded	105,625	-	105,625	101,866	-	101,866
Expenses for restricted grants	1,321,414	-	1,321,414	1,154,451	-	1,154,451
Total Expenses	<u>6,762,360</u>	<u>-</u>	<u>6,762,360</u>	<u>7,041,575</u>	<u>-</u>	<u>7,041,575</u>
Change in Net Assets Before Release of Promise to pay	(110,649)	(668,232)	(778,881)	(5,691)	2,648,197	2,642,506
Release of Promise to Pay - Ramapo College of New Jersey (Note 13)	-	-	-	1,273,000	-	1,273,000
Change in Net Assets	(110,649)	(668,232)	(778,881)	1,267,309	2,648,197	3,915,506
<b>NET ASSETS</b>						
Beginning of year	<u>1,653,067</u>	<u>25,683,990</u>	<u>27,337,057</u>	<u>385,758</u>	<u>23,035,793</u>	<u>23,421,551</u>
End of year	<u>\$ 1,542,418</u>	<u>\$ 25,015,758</u>	<u>\$ 26,558,176</u>	<u>\$ 1,653,067</u>	<u>\$ 25,683,990</u>	<u>\$ 27,337,057</u>

See notes to financial statements.

**Ramapo College Foundation**  
(A Component Unit of Ramapo College of New Jersey)

Statements of Cash Flows

	Year Ended June 30,	
	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (778,881)	\$ 3,915,506
Adjustments to reconcile change in net assets to net cash from operating activities		
Permanently restricted contributions	(786,773)	(337,782)
Realized and unrealized gain on investments	(871,849)	(1,242,104)
Uncollectible promise to give	2,250,000	-
Release of Promise to Pay Ramapo College of New Jersey	-	(1,273,000)
Change in operating assets and liabilities		
Grants receivable	(233,553)	(9,879)
Accounts receivable	9,835	20,355
Unconditional promises to give	(695,767)	(1,092,621)
Prepaid expenses	16,598	983
Accounts payable	39,681	22,495
Annuities payable	(8,440)	(13,666)
Due to Ramapo College of New Jersey	(67,164)	45,578
Deferred income	(80,724)	62,038
Due to agency funds	6,832	12,394
Net Cash from Operating Activities	(1,200,205)	110,297
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale of investments	6,465,078	11,029,316
Purchase of investments	(6,182,063)	(12,794,018)
Net Cash from Investing Activities	283,015	(1,764,702)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from permanently restricted contributions	786,773	337,782
Net Change in Cash and Cash Equivalents	(130,417)	(1,316,623)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	719,521	2,036,144
End of year	\$ 589,104	\$ 719,521

See notes to financial statements.

## **Ramapo College Foundation**

Notes to Financial Statements  
June 30, 2019 and 2018

### **1. Organization**

The mission of Ramapo College Foundation (the "Foundation") is to provide the resources that make the difference in Ramapo College's quest for educational excellence. The purpose of the Foundation is to stimulate, solicit, receive and promote the receipt of resources from grants, bequests and gifts and to use such resources to enhance, support and complement the total mission of Ramapo College of New Jersey (the "College"). The Foundation also includes the accounts and activities of the Alumni Association of Ramapo College and the Friends of Ramapo.

The Foundation is considered a component unit of the College for financial reporting purposes, as its purpose for operations is entirely or almost entirely for the direct benefit of the College. Accordingly, the Foundation's financial statements are discretely presented in the College's basic financial statements.

#### ***Income Taxes***

The Foundation is exempt from income tax under the Internal Revenue Code Section 501(c)(3).

### **2. Summary of Significant Accounting Policies**

#### ***Basis of Presentation and Use of Estimates***

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP") which 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.

#### ***Change in Accounting Principle***

The Foundation adopted new guidance regarding the Presentation of Financial Statements for Not-for-Profit Entities. This guidance requires the Foundation to collapse the three-category (unrestricted, temporarily restricted, and permanently restricted) classification of net assets into two categories: with donor restrictions and without donor restrictions. In addition, the new guidance requires the Foundation to make certain expanded disclosures relating to (1) the liquidity of financial assets, and (2) expenses by both their natural and functional classification in one location in the financial statements. As a result of implementing this standard prior year amounts for temporarily restricted and permanently restricted net assets were combined as net assets with donor restrictions.

## Ramapo College Foundation

Notes to Financial Statements  
June 30, 2019 and 2018

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

#### **Net Asset Presentation**

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

- **Without donor restrictions** – net assets not subject to donor-imposed stipulations, and therefore are expendable for operating purposes.
- **With donor restrictions** – net assets subject to donor-imposed stipulations that will be met by actions of the Foundation and/or by the passage of time or net assets to be maintained permanently by the Foundation. Generally, the donors of permanently endowed assets permit the Foundation to use all or part of the income earned on related investments for general or donor-specified purposes.

#### **Board Designated Net Assets**

Board designated net assets are unrestricted funds which the Board of Governors has identified to be used for specific purposes. Because these funds have not been restricted by donors, they are classified as unrestricted.

#### **Contributions**

All contributions including unconditional promises to give are reported as revenues in the period received or when there is verifiable documentation that the unconditional promise to give is promised. Contributions received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions due in more than one year are reflected at the present value of estimated future cash flows using a risk adjusted discount rate and the discount is amortized as additional contribution revenue over the expected life of the pledge.

The Foundation often receives significant donations from single donors. As such, there is a concentration of donations received from single sources. Of the donations reported on the Statement of Activities, for the year ended June 30, 2019, 50% of the donations were provided by three donors and for the year ended June 30, 2018, 75% of the donations were provided by two donors.



## **Ramapo College Foundation**

Notes to Financial Statements  
June 30, 2019 and 2018

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

#### ***Contributions (continued)***

Conditional contributions are not recorded by the Foundation until they become unconditional, that is, when the conditions on which they depend are substantially met. The Foundation has been named beneficiary in several estates. These amounts are deemed conditional and are not recorded as revenue by the Foundation until the wills have been probated.

The Foundation has recognized in-kind revenue and a corresponding expense for contributed services associated with personnel who are paid directly by the College and are not subject to reimbursement by the Foundation.

#### ***Cash and Cash Equivalents***

Cash and cash equivalents include highly liquid short-term investments with a maturity of three months or less at the time of purchase. The carrying amounts of cash and cash equivalents approximate fair value because of their short-term maturities.

#### ***Allowance for Uncollectible Promises to Give***

The allowance for doubtful promises is based on management's evaluation of current facts and circumstances concerning collectability of outstanding promises to give at the end of each year.

#### ***Fair Value of Financial Instruments***

The Foundation follows US GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable and are used to the extent that observable inputs do not exist.

The fair value by level of the Foundation's investments are included in Note 4 to the financial statements.

## **Ramapo College Foundation**

Notes to Financial Statements  
June 30, 2019 and 2018

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

#### ***Investments***

Investments in marketable equity and bond mutual funds are valued at fair value in the statements of financial position. Certificates of deposit are valued at cost plus accrued interest which approximates fair value due to their short-term to maturity. Unrealized gains and losses are included in the change in net assets. Investment income or loss is included in the statement of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donors.

The Foundation seeks to achieve current income and capital appreciation while attempting to limit risk through the use of a diversified investment policy that minimizes the concentration of risk.

#### ***Annuities Payable***

Included in the investments held by the Foundation and net assets with donor restrictions are investments in annuity income funds arising from contributions which are subject to agreements to pay donors a fixed annuity over the remainder of their lives. The net present value of the actuarially expected annuity payments is recorded as a liability and adjusted annually for changes in the estimates of future benefits.

#### ***Functional Allocation of Expenses***

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and benefits are allocated on the basis of staff estimates of time and effort. All other expenses are allocated directly to the programs or supporting services benefited.

#### ***Accounting for Uncertainty in Income Taxes***

The Foundation recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Foundation had no uncertain tax positions that would require financial statement recognition. The Foundation is no longer subject to examinations by the applicable taxing jurisdictions for the periods prior to 2016.

#### ***Subsequent Events Evaluation by Management***

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is December 17, 2019.

## Ramapo College Foundation

Notes to Financial Statements  
June 30, 2019 and 2018

### 3. Unconditional Promises to Give Receivable

Contributions due in more than one year are reflected at the present value of estimated future cash flows using a risk adjusted discount rate of 5.00% for the years ending June 30, 2019 and 2018.

Unconditional promises to give receivable at June 30, 2019 discounted to fair value are summarized as follows:

Scheduled Collection in Year Ending June 30	Future Value of Promise	Present Value Discount	Present Value of Promise
2020	\$ 1,672,270	\$ -	\$ 1,672,270
2021	1,102,363	52,492	1,049,870
2022	451,743	41,999	409,744
2023	432,172	58,847	373,326
2024	105,500	18,705	86,795
Thereafter	574,683	191,321	383,362
	<u>\$ 4,338,731</u>	<u>\$ 363,364</u>	<u>3,975,367</u>
Less allowance for doubtful promises			50,000
			<u>\$ 3,925,367</u>

Unconditional promises to give receivable at June 30, 2018 discounted to fair value are summarized as follows:

Scheduled Collection in Year Ending June 30	Future Value of Promise	Present Value Discount	Present Value of Promise
2019	\$ 1,381,596	\$ -	\$ 1,381,596
2020	1,223,033	58,125	1,164,908
2021	1,142,163	106,187	1,035,976
2022	478,843	65,200	413,643
2023	420,000	74,465	345,535
Thereafter	1,680,644	492,702	1,187,942
	<u>\$ 6,326,279</u>	<u>\$ 796,679</u>	<u>5,529,600</u>
Less allowance for doubtful promises			50,000
			<u>\$ 5,479,600</u>

## Ramapo College Foundation

Notes to Financial Statements  
June 30, 2019 and 2018

### 3. Unconditional Promises to Give Receivable *(continued)*

As of June 30, 2019 two individual donors represented approximately 70% of unconditional promises to give, net. As of June 30, 2018 three individual donors represented approximately 90% of unconditional promises to give, net.

During 2019, the Foundation was informed that philanthropic support from a single donor would no longer be available. As a result, the Foundation has recorded an uncollectible promise to give in the amount of \$2,250,000 on the statement of activities.

### 4. Investments

Investments categorized by the fair value hierarchy for those investments measured at fair value are summarized as follows at June 30:

	2019 Fair Value	2018 Fair Value
Level 1 (Quoted prices in active markets)		
Money market funds	\$ 1,367,216	\$ 1,976,597
Marketable equity mutual funds	15,177,669	14,323,691
Marketable bond mutual funds	5,585,184	5,240,947
	\$ 22,130,069	\$ 21,541,235

The following schedule summarizes investment returns and their classifications in the statements of activities for the years ended June 30:

	2019			2018		
	Without Donor	With Donor Restrictions	Total	Without Donor	With Donor Restrictions	Total
Interest and dividends	\$ 44,599	\$ 399,673	\$ 444,272	\$ 32,006	\$ 370,077	\$ 402,083
Realized and unrealized gain	87,522	784,327	871,849	98,871	1,143,233	1,242,104
	\$ 132,121	\$ 1,184,000	\$ 1,316,121	\$ 130,877	\$ 1,513,310	\$ 1,644,187

## Ramapo College Foundation

Notes to Financial Statements  
June 30, 2019 and 2018

### 5. Net Assets Without Donor Restrictions

Net assets without donor restrictions at June 30 represent gifts which is expendable to support operating activities:

	2019	2018
Undesignated for operations	\$ 545,384	\$ 720,751
Board designated for scholarships	997,034	932,316
	\$ 1,542,418	\$ 1,653,067

### 6. Net Assets with Donor Restrictions

Investment income derived from endowment net assets is included as net assets with donor restrictions until they are expended for donor restricted purposes. Net assets with donor restrictions at June 30 are available for the following purposes:

	2019	2018
Subject to expenditure for specific purpose:		
Scholarships/academic enrichment	\$ 5,747,339	\$ 6,860,987
Capital Projects	4,097,259	4,048,625
Programs	1,232,858	1,550,220
Environmental and science educational outreach	359,802	432,431
	11,437,258	12,892,263
Subject to Foundation's spending policy and appropriation:		
Academics / student development	3,818,734	2,746,106
Scholarships	9,759,766	10,045,621
	13,578,500	12,791,727
Total Net Assets With Donor Restrictions	\$ 25,015,758	\$ 25,683,990

Net assets were released from restrictions during the years ended June 30 as follows:

	2019	2018
Capital and support payments to the College	\$ 1,606,986	\$ 1,962,939
Restricted grants	1,321,414	1,154,451
Scholarships	799,077	714,758
Other	579,710	605,773
	\$ 4,307,187	\$ 4,437,921

## Ramapo College Foundation

Notes to Financial Statements  
June 30, 2019 and 2018

### 6. Net Assets Without Donor Restrictions *(continued)*

Total support payments to the College also included funds without donor restriction in the amount of \$684,349. Total scholarships and awards available were approximately \$898,000 and \$870,000 at June 30, 2019 and 2018, respectively.

### 7. Fundraising Events

The Foundation has presented its unrestricted fundraising event revenues net of its direct costs for the years ended June 30, as shown below:

	2019	2018
Fundraising revenue	\$ 527,695	\$ 531,593
Direct fundraising expenses	225,112	223,192
Fundraising events, net	\$ 302,583	\$ 308,401

### 8. Functional Expenses

Functional expenses for the year ended June 30, 2019, are as follows:

	Program Services	Management and General	Fundraising	Total
Contributed service expense	\$ 243,765	\$ 283,692	\$ 835,511	\$ 1,362,968
Payment to College towards salaries	-	270,375	-	270,375
Capital and support payments to College	1,928,861	-	-	1,928,861
Scholarships and awards	837,577	-	-	837,577
College grants awarded	105,625	-	-	105,625
Expenses for restricted grants	1,321,414	-	-	1,321,414
Program related non-reimbursed salary and benefits	282,476	41,467	72,053	395,996
External stipend and honorarium	138,333	-	-	138,333
Internal and external events	118,121	57,103	42,815	218,039
Services and professional fees	33,438	49,155	18,863	101,456
Office and administrative	26,466	43,389	11,861	81,716
Total Expenses	\$ 5,036,076	\$ 745,181	\$ 981,103	\$ 6,762,360

## Ramapo College Foundation

Notes to Financial Statements  
June 30, 2019 and 2018

### 9. Endowment Funds

The Foundation maintains various donor-restricted and board-designated endowment funds whose purposes are to provide long term support for the programs of Ramapo College of New Jersey. In classifying such funds for financial statement purposes as either permanently restricted, temporarily restricted or unrestricted net assets, the Board of Governors looks to the explicit directions of the donor or the Foundation's Board where applicable and the provisions of the laws of the State of New Jersey. The Board has determined that, absent donor stipulations to the contrary, the provisions of State law do not impose either a permanent or temporary restriction on the income or capital appreciation derived from an original gift.

For the years ended June 30, 2019 and 2018 the Foundation utilized a spending rate of 5% of the three year rolling average of the fair market value of each endowment. The spending rate is set each year by the Board and is subject to the terms of each endowment agreement.

The following is a reconciliation of the activity in the Endowment funds for the years ended June 30:

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Balance, July 1, 2018	\$ 914,010	\$ 18,742,619	\$ 19,656,629
Contributions, pledge collections and designations	2,381	355,073	357,454
Appropriated for expenditure	(38,500)	(850,194)	(888,694)
Net investment gain	54,227	1,184,075	1,238,302
Balance, June 30, 2019	\$ 932,118	\$ 19,431,573	\$ 20,363,691
Comprised of the following:			
Donor restricted funds	\$ -	19,431,573	\$ 19,431,573
Board designated funds	932,118	-	932,118
	\$ 932,118	\$ 19,431,573	\$ 20,363,691

## Ramapo College Foundation

Notes to Financial Statements  
June 30, 2019 and 2018

### 9. Endowment Funds *(continued)*

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Balance, July 1, 2017	\$ 876,177	\$ 17,230,891	\$ 18,107,068
Contributions, pledge collections and designations	384	797,873	798,257
Appropriated for expenditure	(37,860)	(799,273)	(837,133)
Net investment gain	75,309	1,513,128	1,588,437
Balance, June 30, 2018	\$ 914,010	\$ 18,742,619	\$ 19,656,629
Comprised of the following:			
Donor restricted funds	\$ -	\$ 18,742,619	\$ 18,742,619
Board designated funds	914,010	-	914,010
	\$ 914,010	\$ 18,742,619	\$ 19,656,629

### 10. Liquidity and Availability of Resources

The Foundation's financial assets and resources available to meet cash needs for general expenditures within one year of the date of the statement of financial position were as follows as of June 30, 2019:

Cash and cash equivalents	\$ 589,104
Grants receivable	565,795
Accounts receivable	77,475
Investments	1,206,251
	\$ 2,438,625

The Foundation maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. Any excess cash available above requirements are generally invested.

The Foundation has board designated funds of \$997,034 as of June 30, 2019. Although the Foundation does not intend to spend from its board-designated endowment funds other than amounts appropriated for scholarships, these amounts could be made available if necessary.



## **Ramapo College Foundation**

Notes to Financial Statements  
June 30, 2019 and 2018

### **11. Transactions with College**

The Foundation reimburses the College for certain expenditures including salaries and fringe benefits. These expenditures totaled \$4,455,428 and \$4,623,340 for the years ended June 30, 2019 and 2018. As described in footnote 13 the Foundation was relieved of a promise to pay Ramapo College of New Jersey in the amount of \$1,273,000 in 2018. Amounts due to the College as of June 30, 2019 and 2018 were \$282,161 and \$349,325.

### **12. Risk Concentration**

The Foundation maintains its bank accounts and certificate of deposits at several financial institutions which at times may be in excess of Federal Deposit Insurance Corporation insured limits. Any amounts over \$250,000 is invested in a 3rd party guaranteed account and secured by US Government funds.

### **13. Release of Promise to Pay**

In December 2018 the Foundation received notification from a donor that a contribution promise made in 2011 in the amount of \$3,000,000 would not be possible to fulfill. The Foundation had previously established an allowance for doubtful promises reserve in 2016 and 2017 for the full amount of this contribution receivable when collection became uncertain. The financial statements for the Foundation as of June 30, 2018 have been adjusted for this subsequent event.

The College had established a payable from the Foundation in the amount of \$1,273,000 which represented two years of the capital portion of the contribution. As a result of the donor notification, the Foundation and Ramapo College of New Jersey have determined that this amount will not be transferred to the College. The Foundation recorded revenue due to the release of this promise to pay in the June 30, 2018 Statement of Activities.

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