

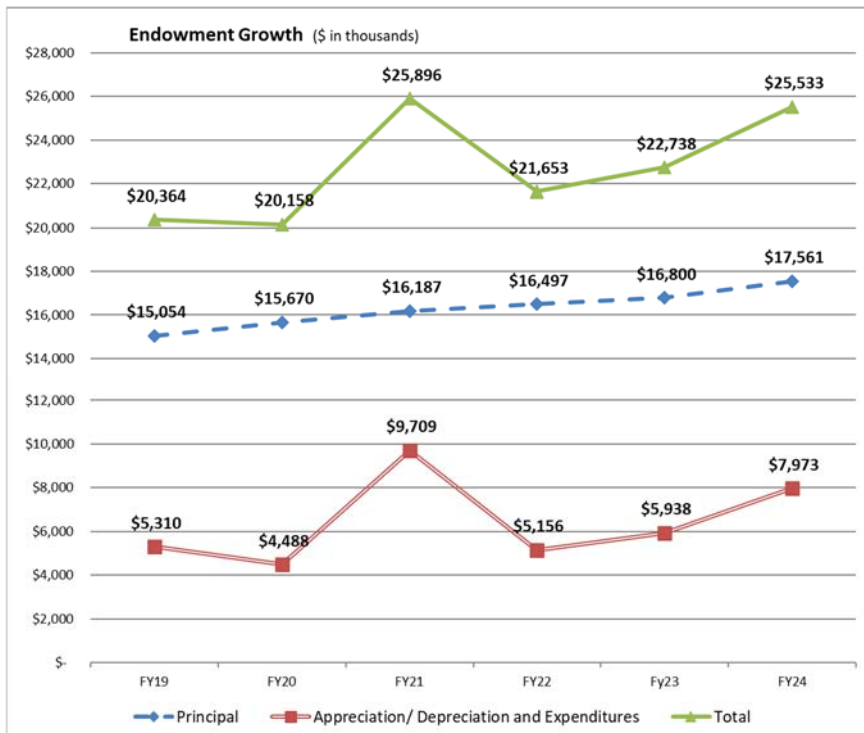
Ramapo College Foundation Management's Discussion and Analysis June 30, 2024

Foundation Overview

The mission of Ramapo College Foundation (the Foundation) "is to provide resources that make a difference in Ramapo College of New Jersey's quest for educational excellence." The Foundation, established in 1971 as a nonprofit corporation, is a 501(c) (3) charitable institution. Its purposes include providing funds to Ramapo College of New Jersey (the College) for student scholarships, educational programs, faculty development and research, community programs, construction projects, capital needs, and other College activities. The Foundation meets these goals through fundraising efforts, solicitation of annual fund donations, and securing capital and other restricted gifts, as well as grant contracts. The Foundation is a component unit of the College and operates within the College's Strategic Enrollment, Outreach and Engagement Core and the Office of Development.

As an entity that follows accounting standards of the Financial Accounting Standards Board (FASB), the Foundation is not required to accompany its basic financial statements with a Management's Discussion and Analysis (MD&A). However, Foundation management believes that some discussion and analysis provide useful information and context to help the users of the Foundation's financial statements. Accordingly, it has prepared the following MD&A to accompany the Foundation's financial statements and provide an overview of the financial activities for its fiscal year ended June 30, 2024, with comparative information for the prior two periods. This presentation includes highly summarized information and should be read in conjunction with the Foundation's audited financial statements and footnotes.

Foundation Highlights



The Foundation financial position remains strong. The endowment portfolio increased by 12% or \$2.8 million vs the prior year resulting in a balance of \$25.5 million. The endowment corpus increased by over \$760k. The accumulated appreciation increased by over \$2 million. In Fiscal 2024, the rate of return on endowment investments was 13.6%. The Foundation also set aside \$1.2 million of endowed funds for scholarship and program support to the College.

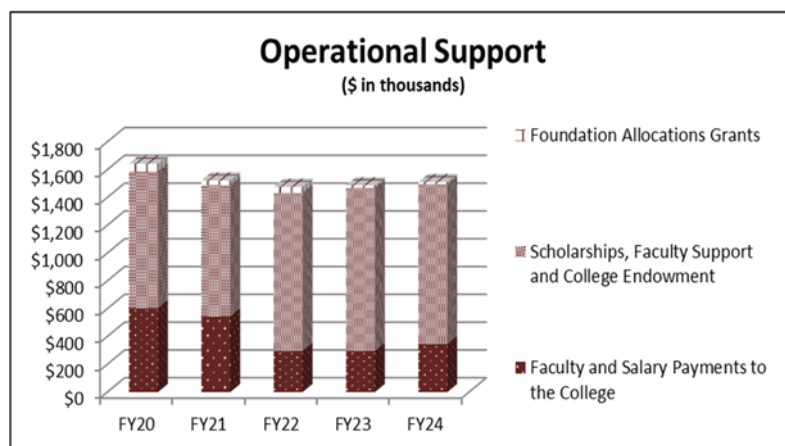
Over the last five years, there has been a 17% growth in principle and 25% growth in total value. The endowment spend rate was 5%. This remains above the

national average of 4.9% for institutions with endowment pools of the same value (according to National Association of College and University Business Officers Fiscal 2024 statistics).

In Fiscal 2024, the Foundation awarded 584 student scholarships valued at approximately \$885,000, an increase of 6%. In 2023, there were 575 scholarships awarded amounting to \$827,000. This includes funding from the endowments as well as annual support from donors. The number of scholarships and the amounts awarded over the past 2 years are consistent with pre pandemic levels of activity.

Fiscal 2024 operational support provided to the College was over \$1.5 million, which was slightly higher than the prior year. In addition to providing scholarships, these funds are used to support faculty salaries, programs and various faculty grant allocations.

Capital support to the College in Fiscal Years 2024 and 2023 was \$271,000 and \$368,000 respectively. The decrease in capital support is a result of the completion of the Learning Commons Building and associated capital campaign. In Fiscal 2024, most pledges have been fulfilled and, as a result, there are less payments to be made. Total support to the College in Fiscal 2024 for capital and operations was \$1.8 million.



Statement of Activities

Condensed Statements of Activities

(in thousands)

	For the Year Ended June 30		
	2024	2023	2022
Operating Support Revenue			
Donations	\$ 1,923	\$ 1,478	\$ 1,125
Contributed service revenue	2,230	1,891	1,746
Fund raising events, net	238	270	232
Grants	2,131	1,520	1,485
Special events/Membership/Program Services/Other	184	174	149
Investment Income	3,303	1,957	(3,576)
Total Support and Revenue	10,009	7,290	1,161
Expenses			
Capital, salary and support payments to College	806	853	1,046
Contributed service expense	2,230	1,891	1,746
Foundation operations	218	175	137
Events & programs/Fundraising/Planned giving & capital campaign	551	478	186
Scholarships and awards/College grants awarded	1,016	1,002	1,001
Expenses for restricted grants	1,955	1,464	1,674
Total Expenses	6,776	5,863	5,790
Change in Net Assets	3,233	1,427	(4,629)
Net Assets			
Beginning of year	26,707	25,281	29,910
End of year	\$ 29,940	\$ 26,708	\$ 25,281

The Statements of Activities report the Foundation's income and expenses for a specific period of time, with focus on the annual revenue raised and the expenses incurred. As a result, this Statement also shows the Foundation's changes to net assets. The Foundation's net assets are equivalent to the net worth of the organization and are one way to measure the Foundation's financial health. Consideration should also be given to net asset trends and to non-financial factors that can reflect on the overall

health of the Foundation and the College.

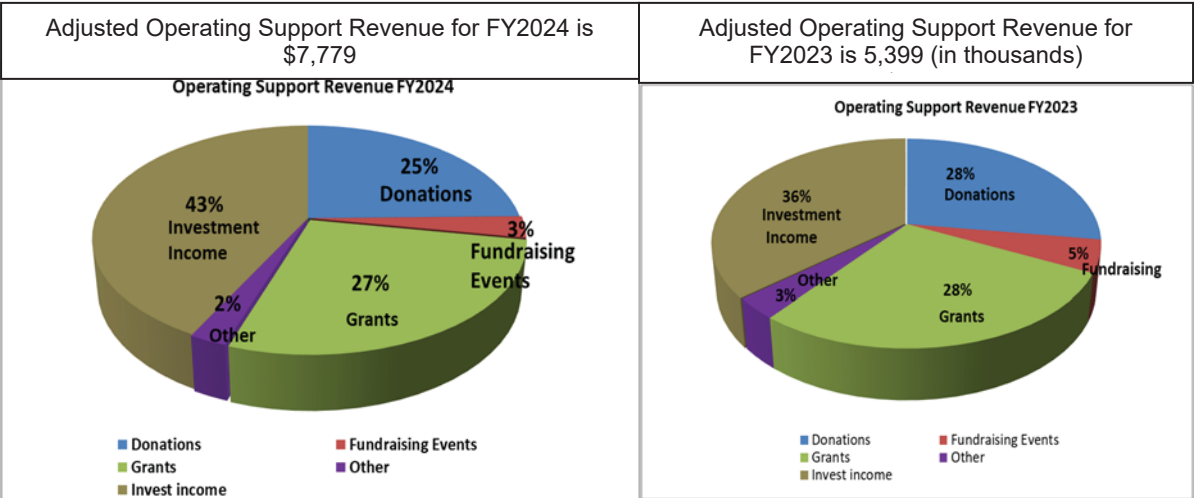
In Fiscal Year 2024, the net assets of the Foundation increased by \$3.2 million or 12%. This increase was a result of investment gains and increased restricted contributions. In Fiscal Year 2023, the net assets of the Foundation increased by \$1.4 million or 5.6% also as a result of investment gains and increased donations thereby showing Foundation financial growth in both years

Total support and revenue for Fiscal Year 2024 was \$10.0 million, as compared to \$7.3 million in Fiscal Year 2023. The increase in the current year is a result primarily from increased donations, grants and investment income.

Total expenses for Fiscal Year 2024 were \$6.8 million and \$5.9 million in Fiscal Year 2023. The increase in expenses is a direct result of increases in expenses for restricted grants. The funds are received as income and related expenses are paid using those funds

In Fiscal Years 2024 and 2023, the Foundation recorded donated service revenue and expense, relating to the affiliate support it receives from the College, of \$2.2 and \$1.9 million for each year. These amounts show a gross up in the Statement of Activities with no cumulative effect on the change in net assets or total assets. The Foundation has recognized in-kind revenue and a corresponding expense for this contribution associated with personnel who are paid directly by the College and are not subject to reimbursement by the Foundation. The increase vs the prior year of \$300,000 is attributed to the full year salary and fringe for the director of the Center for Holocaust and Genocide Studies as well as salary and fringe pertaining to new hires later in FY23 so the full year salary was not realized until FY24.

The Foundation receives support and revenue from a variety of sources. These sources include donations, fundraising, grants, special events, bequests and other planned giving instruments, pledges, investment income and gifts-in-kind. Excluding the contributed service, a breakdown of the operating support revenue sources is below:



The Foundation’s revenue, when removing the impact of the contributed service revenue and investment income, was up 30% in Fiscal 2024 when compared to Fiscal 2023 and up 15% in Fiscal 2023 as compared to Fiscal 2022. The increase in the current year is attributed to higher restricted donations and grant revenue as noted above.

Statement of Financial Position

Condensed Statement of Financial Position			
(in thousands)			
	At June 30,		
	2024	2023	2022
Assets			
Cash and cash equivalents	\$ 1,268	\$ 768	\$ 372
Grants receivable/AR/ Prepaid expense	398	384	638
Unconditional promises to give, net	651	945	1,334
Investments	28,093	25,092	23,378
	<u>\$ 30,410</u>	<u>\$27,189</u>	<u>\$25,722</u>
Liabilities and Net Assets			
Liabilities			
AP/Due Ramapo College/Due to agency funds	281	284	244
Deferred income	26	28	22
Annuities payable	162	169	175
Total Liabilities	<u>469</u>	<u>481</u>	<u>441</u>
Net Assets			
Total Net Assets	<u>29,940</u>	<u>26,707</u>	<u>25,281</u>
	<u>\$ 30,409</u>	<u>\$27,188</u>	<u>\$25,722</u>

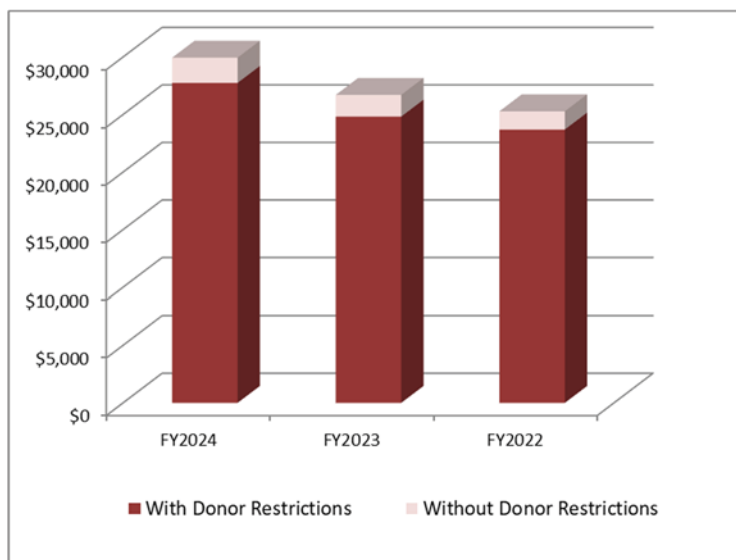
The Statement of Financial Position reports information on the Foundation at a single point in time. The comparison to the prior years will show changes in the assets and liabilities from one point in time versus another. Trends should be reviewed over a number of years to see the impact on the net assets and the composition of the net assets year-over-year.

Fiscal Year 2024, assets increased by \$3.2 million or 12% and liabilities remained relatively flat vs the prior year showing a

slight decrease of \$12 thousand. The change in assets was driven largely by market gains on endowed investments and higher donations. This is consistent with prior years showing consistent asset growth and improved financial stability. In Fiscal Year 2023, assets increased by \$1.5 million and liabilities increased by \$40,000. The change in assets was driven largely by market gains on endowed investments and higher donations as noted above. The increase in liabilities was due to higher accrued invoices payable at the end of the year.

The Statement of Financial Position also highlights the Foundation's assets after liabilities. These net assets are divided into two categories: With Donor Restrictions and Without Donor Restrictions as shown in the graph to the right as of June 30th.

In Fiscal 2024, total net assets of the Foundation increased 12% or \$3.2 million. In Fiscal 2023, total net assets of the Foundation increased by \$1.5 million. In both years, the increase in net assets is attributed to market gains on endowed investments and increased donations. Over the prior three years, net assets increased 21%.



Statement of Cash Flows

Another way to view financial health is to look at the Statement of Cash Flows. Its primary purpose is to provide relevant information about cash receipts and cash payments of an entity during an accounting period. The financial data below is for the fiscal years ended June 30, 2024, 2023 and 2022. The Statement of Cash Flows helps users assess an entity's ability to generate cash and its ability to meet its obligations. It should be noted that there often is a timing difference between when cash is received by an organization and released. Therefore, several years should be reviewed to determine the pattern of cash flows.

In Fiscal 2024, the cash balance is mainly attributable to several large grant payments received at the end of the year and restricted gifts also received at the end of the fiscal. The spending against these items is expected to occur in Fiscal 2025.

Comparison of Cash Flows (in thousands)	Year ending June 30,		
	2024	2023	2022
Net cash (used in) provided by			
Operating activities	\$ 114	\$ 463	\$ (650)
Investing activities	(387)	(349)	(164)
Permanently restricted contributions	773	282	274
Net increase (decrease) in cash and cash equivalents	500	396	(540)
Cash and cash equivalents beginning of year	768	372	911
Cash and Cash Equivalents, end of year	\$ 1,268	\$ 768	\$ 371

Future Outlook

The Foundation employs what it believes to be sound fiscal management which contributes to the stability in its financial health. Continued emphasis will be placed on growing restricted gifts and endowments as well as pursuing private grant opportunities. In addition, planned giving legacy programs, securing significant capital and programmatic support to renovate facilities and launch new programs, and increasing annual fund participation levels will continue to remain a focus. This will be achieved in part through alignment with the College's Priority Needs Proposals which are designed to build on institutional strengths, attract private resources and increase the reputation and visibility of the College. These are specific, targeted initiatives endorsed by the President and Senior Team to prioritize fundraising efforts. In addition, the College completed the writing of its new strategic plan for 2023-2029 titled Boldly Ascending. Once formally approved, the Foundation will complete a strategic plan to align with the College goals and objectives.