

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

Financial Statements

Years Ended
June 30, 2019 and 2018

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.



December 17, 2019

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

Statements of Financial Position

	June 30,	
	2019	2018
ASSETS		
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
	\$ 27,294,216	\$ 28,182,912
LIABILITIES AND NET ASSETS		
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
	\$ 27,294,216	\$ 28,182,912

See notes to financial statements.

	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING SUPPORT AND REVENUE						
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)	<u>4,307,187</u>	<u>(4,307,187)</u>	<u>-</u>	<u>4,437,921</u>	<u>(4,437,921)</u>	<u>-</u>
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>
EXPENSES						
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	-	J32.2535 0 sR	gc1.3(Note e)-84,rni0001,531,9p3.1()s4	-	-

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

Statements of Cash Flows

	Year Ended June 30,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
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
CASH FLOWS FROM INVESTING ACTIVITIES		
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)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from permanently restricted contributions	786,773	337,782
Net Change in Cash and Cash Equivalents	(130,417)	(1,316,623)
CASH AND CASH EQUIVALENTS		
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

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 .5((ea5.5(n and)6.8(ou5n andn1(l .5(n ands07-A)6.ith .-A)6.8don and)f.-/

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 operations. Investment income or loss is included in the statement of operations.

Ramapo College Foundation

Notes to Financial Statements
June 30, 2019 and 2018

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

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	

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 *(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	<u>75,309</u>	<u>1,513,128</u>	<u>1,588,437</u>
Balance, June 30, 2018	<u>\$ 914,010</u>	<u>\$ 18,742,619</u>	<u>\$ 19,656,629</u>
Comprised of the following:			
Donor restricted funds	\$ -	\$ 18,742,619	\$ 18,742,619
Board designated funds	<u>914,010</u>	<u>-</u>	<u>914,010</u>
	<u>\$ 914,010</u>	<u>\$ 18,742,619</u>	<u>\$ 19,656,629</u>

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