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

Financial Statements

Years Ended June 30, 2019 and 2018

To the Board of Governors Ramapo College FoundationPage 2

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

(A Component Unit of Ramapo College of New Jersey)

Statements of Financial Position

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

	Without Donor Restrictions			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)	4,307,187	(4,307,187)		4,437,921	(4,437,921)	
Total Support and Revenue	6,651,711	(668,232)	5,983,479	7,035,884	2,648,197	9,684,081
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,rni0001,531,9	p3.1()s4

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

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 tnor 4.6(t)-43(nor 4

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.

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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 statodcludungs(posi)-5.2(c)8()5.5(-5.5(vit(de)-5.a)-4(0)-5.s (de)-5.lud)4.2c-5.8(t).a5.5(c[No)h)-ng-1 co muvale vas a li(mu)1Tbi ma va(val)1(j7(r).)-st[5.1((val)1(5.4(18)-6.8(5585 TD-50103 Tcana)-5.6)

Notes to Financial Statements June 30, 2019 and 2018

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

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 Board designated for scholarships	\$	545,384 997,034	\$ 720,751	

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

8. Functional Expenses

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

	Program Management			
	Services	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

Notes to Financial Statements June 30, 2019 and 2018

9. Endowment Funds (continued)

			2018		
	Without Donor		With Donor		
	Restrictions		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	<u>\$</u>	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

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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