

Ramapo College Foundation

(A Component Unit of Ramapo College of New Jersey)

Financial Statements
Years Ended

June 30, 2018 and 2017



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Ramapo College Foundation
(A Component Unit of Ramapo College of New Jersey)
Statements of Financial Position

	June 30,	
	2018	2017
Assets		
Cash and cash equivalents	\$ 719,521	\$ 2,036,144
Grants receivable	332,242	322,363
Accounts receivable	87,310	107,665
Unconditional promises to give, net (Note 3)	5,479,600	4,386,979
Investments (Note 4)	21,541,235	18,534,429
Prepaid expenses	23,004	23,987
	\$ 28,182,912	\$ 25,411,567
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 91,998	\$ 69,503
Due to Ramapo College of New Jersey (Note 11)	349,325	1,576,747
Deferred income	161,028	98,990
Due to agency funds	26,940	14,546
Annuities payable	216,564	230,230
Total Liabilities	845,855	1,990,016
Net Assets		
Unrestricted (Note 5)	1,653,067	385,758
Temporary restricted (Note 6)	12,892,263	10,581,848
Permanently restricted (Note 7)	12,791,727	12,453,945
Total Net Assets	27,337,057	23,421,551
	\$ 28,182,912	\$ 25,411,567

See notes to financial statements

Temporarily Permanently

Temporarily Permanently

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 3,915,506	\$ 2,487,600
Adjustments to reconcile change in net assets to net cash from operating activities		
Release of promise to pay - Ramapo College of New Jersey	(1,273,000)	-
Permanently restricted contributions	(337,782)	(182,954)
Realized and unrealized gain on investments	(1,242,104)	(1,558,472)
Allowance for doubtful accounts	-	2,000,000
Change in operating assets and liabilities		
Grants receivable	(9,879)	79,497
Accounts receivable	20,355	97,518
Unconditional promises to give	(1,092,621)	(2,949,180)
Prepaid expenses	983	(6,079)
Accounts payable	22,495	32,598
Annuities payable	(13,666)	(24,456)
Due to Ramapo College of New Jersey	45,578	(764,741)
Deferred income	62,038	22,940
Due to agency funds	12,394	(22,042)
Net Cash from Operating Activities	<u>110,297</u>	<u>(787,771)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of investments	11,029,316	2,259,463
Purchase of investments	(12,794,018)	(2,736,067)
Net Cash from Investing Activities	(1,764,702)	(476,604)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from permanently restricted contributions	337,782	182,954
Net Change in Cash and Cash Equivalents	(1,316,623)	(1,081,421)

Ramapo College Foundation

Notes to Financial Statements
June 30, 2018 and 2017

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.

Net Asset Presentation

The Foundation reports information regarding its financial position and activities according to three classes of net assets based on donor imposed restrictions: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted

The part of net assets that is neither permanently nor temporarily restricted by donor-imposed stipulations are classified as unrestricted.

Temporarily Restricted

Net assets resulting from contributions and other inflows of assets whose use by the Foundation is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Foundation pursuant to those stipulations are classified as temporarily restricted. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Ramapo College Foundation

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2. Summary of Significant Accounting Policies (continued)

Ramapo College Foundation

Notes to Financial Statements
June 30, 2018 and 2017

2. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the notes to the financial statements. Accordingly, certain costs have been allocated among the programs and 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 2015.

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 April 3, 2019.

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, 2018 and 2017.

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

<u>Scheduled Collection in Year Ended June 30</u>	<u>Future Value of Promise</u>	<u>Present Value Discount</u>	<u>Present Value of Promise</u>
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	<u>1,680,644</u>	<u>492,702</u>	<u>1,187,942</u>
	<u>\$ 6,326,279</u>	<u>\$ 796,679</u>	5,529,600
Less allowance for doubtful promises			<u>50,000</u>
			<u>\$ 5,479,600</u>

Ramapo College Foundation

Notes to Financial Statements
June 30, 2018 and 2017

3. Unconditional Promises to Give Receivable (continued)

Ramapo College Foundation

Notes to Financial Statements
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4. Investments (continued)

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

	2018			2017		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Interest and dividends	\$ 32,006	\$ 370,077	\$ 402,083	\$ 31,731	\$ 327,949	\$ 359,680
Realized and unrealized gain	98,871	1,143,233	1,242,104	137,486	1,420,986	1,558,472
	<u>\$ 130,877</u>	<u>\$1,513,310</u>	<u>\$1,644,187</u>	<u>\$ 169,217</u>	<u>\$ 1,748,935</u>	<u>\$ 1,918,152</u>

5. Unrestricted Net Assets

Unrestricted net assets at June 30 represent gifts which is expendable to support operating activities.

	2018	2017
Unrestricted - Undesignated:		
Operations	\$ 720,751	\$ 782,581
Allowance for doubtful promise to give	-	(1,273,000)
Undesignated (net)	720,751	(490,419)
Unrestricted - Designated for scholarships	932,316	876,177
	<u>\$ 1,653,067</u>	<u>\$ 385,758</u>

6. Temporarily Restricted Net Assets

Investment income derived from permanently restricted net assets is included as temporarily restricted net assets until they are expended for donor restricted purposes.

Ramapo College Foundation

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6. Temporarily Restricted Net Assets (continued)

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

	<u>2018</u>	<u>2017</u>
Restricted as to purpose:		
Scholarships/academic enrichment	\$ 8,411,207	\$ 6,199,299
Capital projects	4,048,625	4,030,898
Environmental and science education outreach	<u>432,431</u>	<u>351,651</u>
	<u>\$ 12,892,263</u>	<u>\$ 10,581,848</u>

Total support payments to the College also included unrestricted funds in the amount of \$683,560. Total scholarships and awards available were approximately \$870,000 and \$735,000 at June 30, 2018 and 2017, respectively.

7. Permanently Restricted Net Assets

Permanently restricted net assets at June 30 represent gifts, the income from which is expendable to support activities as follows:

	<u>2018</u>	<u>2017</u>
Academics/student development	\$ 2,746,106	\$ 3,622,978
Scholarships	<u>10,045,621</u>	<u>8,830,967</u>
	<u>\$ 12,791,727</u>	<u>\$ 12,453,945</u>

8. 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:

	<u>2018</u>	<u>2017</u>
Fundraising revenue	\$ 531,593	\$ 483,839
Direct fundraising expenses	<u>(223,192)</u>	<u>(215,542)</u>
Fundraising Revenue, net	<u>\$ 308,401</u>	<u>\$ 268,297</u>

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10. Endowment Funds (continued)

	Board Designated Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance, July 1, 2016	\$ 804,180	\$ 4,226,302	\$ 11,380,467	\$ 16,410,949

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13. Subsequent Event (continued)

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