



Hutchinson and Willmar, MN

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2015

*Creating Opportunities,
Changing Lives.*



**Minnesota
STATE COLLEGES
& UNIVERSITIES**

Ridgewater College
ANNUAL FINANCIAL REPORT
For the year ended June 30, 2015

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This document is an internally prepared Annual Financial Report. It is meant to generally replicate an official GASB Annual Financial Report, but has not been reviewed by an independent auditor. This document is not required by MnSCU for Ridgewater College.

Administration

Dr. Douglas Allen	President
Dr. Betty Strehlow	Vice President of Academic Affairs and Student Services
Dan Holtz	Vice President of Finance and Operations
Alan Stage	Dean of Instruction
Mike Boehme	Dean of Instruction
Mike Kutzke	Dean of Instruction
Heidi Olson	Dean of Student Services
Sam Bowen	Dean of Customized and Continuing Education
Lynn Johnson	Director of Nursing
Keith Balaski	Chief Human Resources Officer
Kelly Magnuson	Ridgewater College Foundation Executive Director

Officials Issuing Document

Dr. Douglas Allen	President
Dr. Betty Strehlow	Vice President of Academic Affairs and Student Services
Dan Holtz	Vice President of Finance and Operations

Ridgewater College
Management's Discussion and Analysis Report
Year Ended June 30, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

INTRODUCTION

The following discussion and analysis provides an overview of the financial position and activities of Ridgewater College, a member of the Minnesota State Colleges and Universities system for the years ended June 30 2015, 2014 and 2013. This discussion has been prepared by management and should be read in conjunction with the unaudited financial statements which follow this section.

Ridgewater College is one of 31 colleges and universities comprising Minnesota State Colleges and Universities. The Minnesota State Colleges and Universities system is governed by a 15 member Board of Trustees appointed by the governor. Twelve trustees serve six-year terms, eight representing each of Minnesota's congressional districts and four serving at-large. Three student trustees, one from a state university, one from a community college, and one from a technical college, serve two-year terms. The Board of Trustees selects the Chancellor and has broad policy responsibility for system planning, academic programs, fiscal management, personnel, admissions requirements, tuition and fees, and policies and procedures.

The College is a comprehensive public institution of high learning offering education designed for transfer to a university as well as technical programs intended for direct entry into the workforce. Ridgewater's 5,185 students attend classes on campuses in Hutchinson and Willmar. Approximately 670 full and part-time faculty and staff members are employed by the College. Additionally, the College has over 60,000 alumni.

As one of greater Minnesota's largest public colleges the College offers associates degrees, diplomas, certificates, participates in the Minnesota Transfer Curriculum and is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools. The largest programs based on enrollment are liberal arts, healthcare, agriculture, manufacturing & technology and computer technology.

FINANCIAL HIGHLIGHTS

The College's overall financial position changed substantially during fiscal year 2015 with net position decreasing by 27.2 percent or \$11.4 million, based on total revenues of \$39.7 million, of this decrease, \$14.7 million is attributable to the GASB Statement No. 68 implementation. Excluding the GASB Statement No. 68 effect, current year net position increased by \$3.3 million, or 10.7 percent. This follows a \$6.0 million, or 16.8 percent increase in net position during fiscal year 2014 on total revenues of \$37.7 million. The College's unrestricted net position increased by \$1.6 million in fiscal year 2015, or 11.3 percent compared to a \$270K increase, or 1.9 percent change, in fiscal year 2014.

- Income (loss) before other revenues, expenses, gains or losses, described further below as the College's net operating revenue, experienced a loss of \$116K in fiscal year 2015. This compares to a loss of \$1.1 million in fiscal year 2014 and a loss of \$708K in fiscal year 2013. The adjusted operating gain was \$704K with the GASB Statement No. 68 implementation.
- The state appropriation and tuition charged to students are the College's two largest revenue sources. The state appropriation increased by 6.4 percent in fiscal year 2015 after an increase of 7.9 percent in fiscal year 2014 and a decrease of 1.5 percent in fiscal year 2013. Net tuition revenue decreased by \$419K or 4.6 percent in fiscal year 2015. This is compared to a decrease of \$931K or 5.9 percent fiscal year 2014 and the increase of \$290K or 1.9 percent in

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fiscal year 2013. Tuition rates were not increased in fiscal year 2015 and remained at the fiscal year 2013 rate of \$161.30 per credit.

- Federal grants increase significantly by 19.3 percent or \$1.4 million in fiscal year 2015 due mainly to the award of a federal TAACCCT grant following a decrease of 5.6 percent, or \$439K in fiscal year 2014 and a decrease of \$485K or 5.8 percent in fiscal year 2013.
- Total debt supporting the College's capital asset investment programs increased in fiscal year 2015 by \$120K to a total of \$7.2 million, a 1.7 percent increase. This increase was mainly due to the issuance of bonds to finalize the financing of the technical instruction renovation and addition project on the Willmar Campus during fiscal year 2015.
- Compensation, the largest cost category at Ridgewater College, decreased by \$355K or 1.3 percent in fiscal year 2015 and increased by \$467K, or 1.8 percent in fiscal year 2014 and increased \$1.6 million, or 6.4 percent in fiscal year 2013. This cost constitutes 67.2 percent of the College's fiscal year 2015 total operating expenses, compared to 68.4 percent in fiscal year 2014 and 66.5 percent in fiscal year 2013. The GASB Statement No. 68 implementation decreased benefits by \$820K in fiscal year 2015, with the remaining net increase in compensation being \$465K, or 1.8 percent.
- The number of students is the primary factor driving both tuition revenue and operating expenses. The number of full year equivalent (FYE) for credit students in fiscal years 2015, 2014 and 2013 totaled, 2,860, 3,077 and 3,288 respectively. Enrollment in 2015 decreased 7.1 percent from 2014 and 13.0 percent over 2013.
- Total net position decreased in fiscal year 2015 by \$11.4 million or 27.2 percent, to a total of \$30.5 million. This compares to an increase of \$6.01 million to \$41.9 million in fiscal year 2014 and an increase of \$1.3 million to \$35.9 million in fiscal year 2013. Unrestricted net position increased by \$1.6 million in fiscal year 2015, or 11.3 percent compared to a \$270K increase, or 1.9 percent change, in fiscal year 2014. The large unrestricted net position decrease in fiscal year 2015 was due to the GASB Statement No. 68 implementation.

USING THE FINANCIAL STATEMENTS

The College's financial report includes three financial statements: the statements of net position, the statements of revenues, expenses and changes in net position, and the reconciliation of net position to budgetary fund balance report. These three financial statements are prepared by the MnSCU System Office in accordance with applicable generally accepted accounting principles (GAAP) as established by the Governmental Accounting Standards Board (GASB) through authoritative pronouncements.

STATEMENT OF NET POSITION

The Statement of Net Position presents the financial position of Ridgewater College at the end of the fiscal year, including all assets and liabilities of the College, as measured using the accrual basis of accounting. Net position, the result of total assets minus total liabilities, is one indicator of the current financial condition of the College. Assets and liabilities are generally measured using current values. One notable exception is capital assets which are stated at historical cost, less an allowance for depreciation.

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A summary of the College's statement of net position for fiscal years 2015, 2014 and 2013 follow (in thousands):

Assets, Liabilities and Net Position			
(In Thousands)			
	2015	2014	2013
Assets			
Current assets	\$ 23,802	\$ 23,117	\$ 23,053
Current restricted assets	573	1,123	5
Noncurrent student loans, net	70	64	59
Noncurrent Capital assets, net	35,566	33,924	25,352
Total Assets	60,011	58,228	48,469
Deferred Outflows of Resources	1,497	-	-
Total Assets and Deferred Outflows	61,508	58,228	48,469
Liabilities			
Current Liabilities	5,111	6,023	5,150
Noncurrent Liabilities	20,200	10,294	7,421
Total Liabilities	25,311	16,317	12,571
Deferred Inflows of Resources	5,699	-	-
Total Assets and Deferred Inflows	31,010	16,317	12,571
Net Position			
Net investment in capital assets	28,417	26,895	21,341
Restricted	702	583	394
Unrestricted	1,379	14,433	14,163
Total Net Position	\$ 30,498	\$ 41,911	\$ 35,898

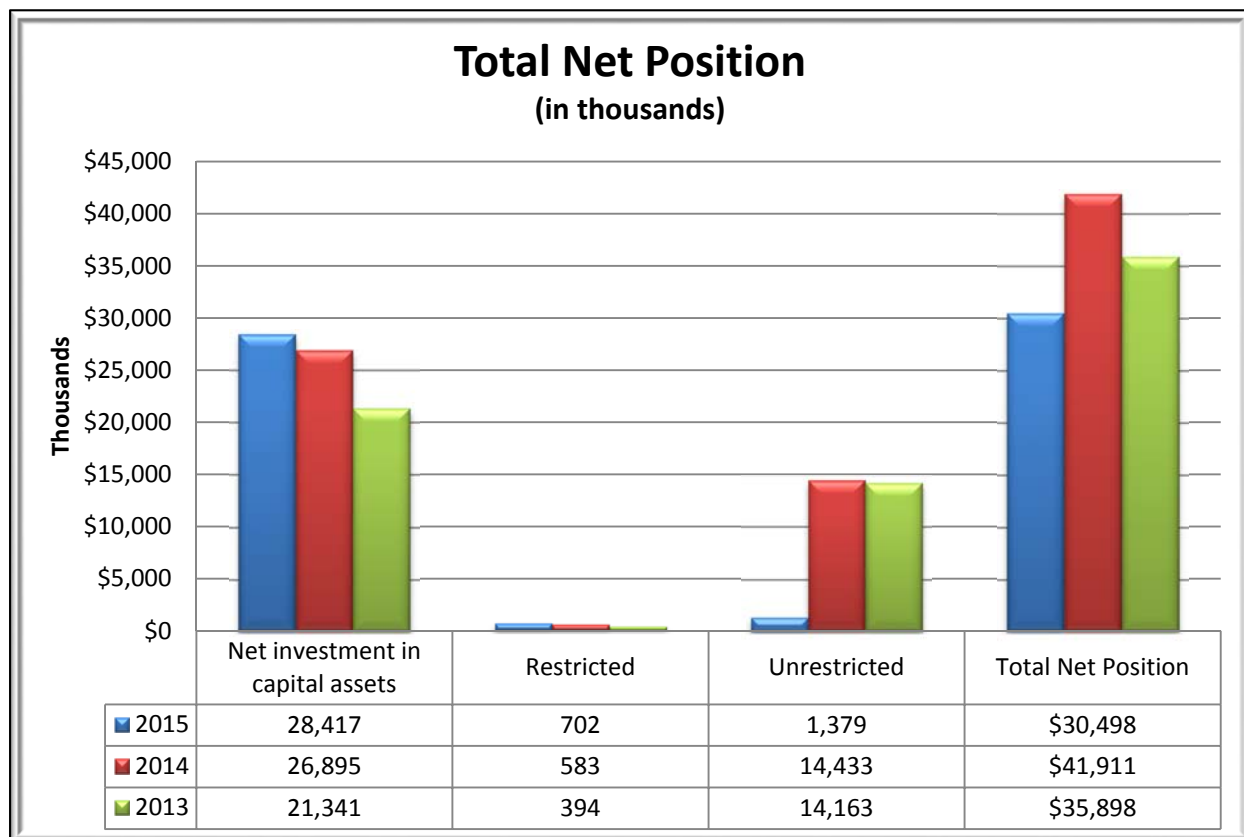
The primary component of current assets is cash and cash equivalents (unrestricted), which increased by \$51K to a total of \$21.1 million at June 30, 2015. This \$21.1 million of cash and cash equivalents represent 6.5 months of fiscal year 2015 operating expenses (excluding depreciation), no change from fiscal year 2014. This is a measure of liquid asset availability to cover operating expenses in the event of a temporary interruption to or decrease in the College's revenues. In fiscal year 2015 a \$1.5 million deferred outflow was reported, which represents the consumption of net position in one period that is applicable to future periods, and is primarily due to the GASB Statement No. 68 implementation.

Current liabilities primarily consist of salaries and benefits payable and accounts payable. Salaries and benefits payable at June 30, 2015 decreased from the prior year by \$282K or 11.4 percent to a total of \$2.2 million. The majority of the increase in fiscal year 2014 was due to the retroactive pay adjustments processed after June 30 for employment contract settlements approved in fiscal year 2014. Consistent with prior years, the salaries and benefits payable accrual includes approximately two months of earned salary for faculty who have elected to receive salaries over twelve months on a September 1 – August 31 year. Accounts payable and other liabilities, including payables from restricted assets, decreased \$630K or 17.7 percent, primarily due to the reduction in liabilities associated with the Technical Instruction Renovation and Addition project which ended in fiscal year 2015.

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Noncurrent liabilities increased by \$9.9 million or 96.2 percent in fiscal year 2015 compared to fiscal year 2014. This was due to GASB Statement No. 68 implementation which resulted in a net position liability of \$9.7 million in fiscal year 2015, along with a \$148K increase to other compensation benefits and a \$103K an increase in the long-term debt obligation from the Technical Instruction Renovation and Addition project. In fiscal year 2015, deferred inflows of \$5.7 million was reported which represents the acquisition of net position that is applicable to a future reporting period and is again due to the GASB Statement No. 68 implementation.

Net position represents the College's residual interest in total assets after liabilities are deducted. Net investment in capital assets, represents by far the largest portion of net position. Capital assets are carried at historical cost, not replacement cost. Restricted net position have constraints placed on their use by external creditors, grantors, contributors, laws or regulations and consist primarily of those assets restricted for debt service of \$702K for fiscal year 2015.



Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, was implemented during fiscal year 2015. The beginning net position as of July 1, 2014 was restated by \$14.7 million. Fiscal years 2014 and 2013 financial statement amounts for net pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources were not restated because the information was not available. In the past, pension expense was the amount of the employer contribution. Current reporting provides a more comprehensive measure of pension expense which is more reflective of the amounts employees earned during the year. Comparability between fiscal years will have variances due to this new accounting standard and will be explained throughout the management discussion and analysis.

The complete Statement of Net Assets prepared by MnSCU is available in the Financial Statement section following this Management's Discussion and Analysis Report.

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CAPITAL AND DEBT ACTIVITIES

One of the critical factors in continuing the quality of Ridgewater College's academic and student life programs is the development and renewal of its capital assets. With over 670K managed square feet, the quality of Ridgewater College's academic programs is closely linked to the development and renewal of its capital assets. The College continues to implement its long-range plan to modernize its older facilities while planning and reviewing the feasibility for new construction.

Capital assets, net of accumulated depreciation, totaled \$35.6 million for fiscal year 2015 which included \$2.7 million of new construction in progress, compared to fiscal year 2014 capital assets which totaled \$33.9 million, including \$9.71 million of new construction in progress. Investments in capital assets consist largely of replacement and renovation of academic and student facilities and investments in HVAC and equipment.

Capital assets are primarily financed by long-term debt through issuance of general obligation bonds. The MnSCU system is responsible for paying one third of the debt service and the College is also obligated to pay one third for certain general obligation bonds sold by the state of Minnesota for capital asset projects.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses and Changes in Net Position present the College's results of operations and the overall increase in net position for the fiscal year. It is the difference between the year's revenue and expense activities that results in an overall increase or decrease to net position. When reviewing the full statements, users should note that GASB Statement No. 34 requires classification of state appropriations and federal and state grants as non-operating revenues.

Fiscal year 2015 total operating revenues decreased by \$429K or 3.1 percent which was primarily due to declining enrollment. Tuition rates were frozen in both fiscal years 2015 and 2014 at the 2013 board approved rate.

Compensation is the College's single largest expense component. Compensation expense decreased \$355K, or 1.3 percent in fiscal year 2015 and represented 67.2 percent of total operating expense. The fiscal year 2014 increase of \$467K or 1.8 percent represented 68.4 percent of total operating expense. Total compensation expense which includes fringe benefit costs was \$26.0 million, \$26.4 million and \$25.9 million in fiscal years 2015, 2014 and 2013, respectively. The decrease in compensation in fiscal year 2015 is due primarily to the \$820K impact of the GASB Statement No. 68. The increase in compensation costs in fiscal year 2014 is due primarily to collective bargaining settlements along with an increase to the employer portion of insurance premiums.

All other operating expenses for fiscal year 2015 increased by 4.2 percent compared to a decrease of 6.8 percent in 2014. The most significant change by percentage from fiscal year 2014 to fiscal year 2015 was a 24.0 percent or \$139K increase in financial aid, net. This increase is due to an increase in financial aid that was disbursed to students.

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A summary of the statements of revenues, expenses and changes in net position for fiscal years 2015, 2014 and 2013 follows (in thousands):

Revenues, Expenses and Net Position			
(In Thousands)			
	2015	2014	2013
Operating Revenues			
Tuition, auxiliary, and sales, net	\$ 13,032	\$ 13,214	\$ 13,943
Other Income	273	520	483
Total operating revenues	13,305	13,734	14,426
Nonoperating and Other Revenues			
Appropriations	15,241	14,328	13,747
Grants	11,000	9,519	10,164
Capital appropriations	2,137	6,681	1,787
Other	577	493	206
Total nonoperating and other revenues	28,955	31,021	25,904
Total Revenues	42,260	44,755	40,330
Operating Expenses			
Salaries and benefits	26,023	26,378	25,911
Other operating expenses	12,687	12,172	13,064
Total operating expenses	38,710	38,550	38,975
Interest and other nonoperating expenses	283	192	129
Total Expenses	38,993	38,742	39,104
Change in net position	3,267	6,013	1,226
Net position, beginning of year	41,911	35,898	34,672
Cumulative Effect of Change in Accounting Principle	(14,680)	-	-
Net position, end of year	\$ 30,498	\$ 41,911	\$ 35,898

FINANCIAL PERFORMANCE

The Composite Financial Index (CFI) calculation uses four financial ratios and assigns a specific weighting to each factor in computing a measure of relative financial health. The CFI methodology used to compute the weighted values in the table below is taken from the Strategic Financial Analysis for Higher Education (7th Edition), jointly developed and sponsored by the firms of Prager, Sealy & Co. LLC, KPMG LLP and Attain LLC. This CFI calculation methodology is also used by the Higher Learning Commission and has been used internally by the system for a number of years. Without detailing the actual calculation methodology, financial ratio values are converted into strength factors which in turn are weighted to allow summing of the four components into a single, composite value.

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The table below displays financial ratios as converted into weighted strength factor values, and sums these weighted values into a single composite score. Institutions may have differing values across the four factors but still have equivalent overall financial health as indicated by similar composite scores. This approach allows easy comparisons of relative financial health across different institutions. Looking at the CFI scores, Strategic Financial Analysis for Higher Education suggests a composite value of 1.0 is equivalent to very little financial health; in the for-profit world it could perhaps be viewed as a "going-concern" threshold value. A composite value of 3.0 is considered to signify relatively strong financial health, an organization with moderate capacity to deal with adversity or invest in innovation and opportunity. CFI scores greater than 3.0 represent increasingly stronger financial health.

The comparison in the table below uses four underlying financial ratio values and a CFI calculation methodology for the past three years for the College including all funds. Fiscal year 2015 has been calculated twice to demonstrate the effects of the implementation of GASB No. 68. The (GASB) column is based on the GASB Statement No. 68 implementation and the (REV) column shows the College data without the GASB implementation. In comparison to other public colleges and universities data, as compiled by Moody's the College's composite values are in the above average ranges for fiscal years 2013 and 2014.

Financial Performance Measure						
Composite Financial Index						
Financial Ratios:	2015 (REV)	2015 (GASB)	2014	2013	3-Year Average	NACUBO Threshold
Return on Net Position	0.58	1.20	1.68	0.35	1.08	0.60
Net Operating Margin	(0.02)	0.14	(0.22)	(0.14)	(0.07)	0.30
Primary Reserve	1.05	0.14	1.02	0.98	0.71	1.05
Viability	1.87	0.24	1.79	3.05	1.69	1.05
CFI	3.49	1.72	4.27	4.24	3.41	3.00

The two current operating measures, **return on net position** ratio and **net operating margin** ratio, demonstrate the level of return on net position and the extent to which operating revenues do or do not cover operating expenses, respectively. Looking at the 2015 GASB column the return on net position decreased in fiscal year 2015 due to a decrease in capital asset investment. Our 3-year average is 10.8 percent which when reduced by the 3-year average inflation rate of 1.05 percent gives Ridgewater College a real rate of return during this period of 9.75 percent. The real rate of return on net position for fiscal year 2014, after inflation, is 8.6 percent. Net operating margin was positive in fiscal year 2015 after two consecutive years of negative operating results. A ratio of 2.0 percent would be considered adequate in order to keep up with the growth in operating expenses. The net operating margin was near breakeven the negative adjustment to salaries and benefits expense due to the implementation of GASB Statement No. 68 reduced operating expenses and created a positive operating margin.

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The **primary reserve** ratio and **viability ratio** measure our liquid net position that is available directly, or through debt service, to cover emergency expenditures or invest in innovation. Representing available liquidity or borrowing capacity, these measures are not dependent on current operating results in the short-term. These measures are good indicators of financial health, and combined, are weighted 70 percent in the CFI calculation. In fiscal year 2015 the primary reserve ratio and viability ratio both decreased significantly compared to fiscal year 2014. Using the 2015 REV ratio the College would have the ability to cover 4.8 months of operating expenses whereas the 2015 GASB ratio would indicate .6 months of coverage. The viability ratio provides a way to measure if there are sufficient resources to satisfy debt obligations. Again, we have a positive result with the 2015 REV ratio and a significant decrease with the 2015 GASB ratio. Without the implementation of GASB Statement No. 68 both ratios would have increased slightly however the \$14.68 million reduction to beginning net position dramatically affected both ratios.

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE (Ridgewater College and MnSCU)

Ridgewater College maintained a solid financial standing in fiscal year 2015. The state of Minnesota's improved financial condition allowed the legislature to increase appropriation by \$101 million in 2015 for the next two fiscal years. This enabled the College to continue to fund a freeze on the fiscal year 2016 tuition, allow the College to maintain ongoing operations, enhance new programs tailored to meet the state's workforce needs, and implement innovative strategies for managing the challenges and opportunities faced by higher education. This continued a trend we have seen over the recent sessions, both in direct appropriations as well as through other support such as the Leveraged Equipment Program, as the state has increased its investment in Minnesota State Colleges and Universities in order to meet pressing workforce needs.

With tuition rates frozen, fluctuation in enrollment plays a bigger and has a more immediate impact; it will be critical to manage expenses at a rate that is less than the growth of revenue from state appropriations and tuition. Consistent with national trends, enrollment at Ridgewater College is decreasing, fueled largely by demographic trends and the economic recovery, as it returns to pre-recession levels. As the number of high school graduates within the College's primary service area continues to decline we will need to look at strategic ways to manage enrollment, including programs to increase the retention and success of existing students and programs to address the needs of diverse populations traditionally underserved by higher education.

The MnSCU system completed the first stage of a significant strategic positioning effort in 2015 and has developed implementation plans in conjunction with presidential work plan efforts for 2016. The work is a multiyear effort and designed to engage faculty, students and staff on every campus in strong, collaborative leadership. The system will also continue its management of costs to ensure efficient, effective operations on behalf of current and future students. Examples include developing a shared services platform for common business operations and strategic sourcing for the purchase of goods and services. In a comparison of similar institutions, Minnesota State Colleges and Universities ranks 38 out of 51 states and the District of Columbia in overall administrative spending per student. The system is committed to realizing further efficiencies over the next biennium.

The continuing success of the MnSCU system depends in part on its partnership with the state of Minnesota and its citizens. Preserving the high quality, broadly accessible system of colleges and universities now available across the state will require continuing support from the state. The system leadership is committed to a statewide partnership with government, industry, and communities to add to the prosperity of Minnesota. The partnership enables the provision of accessible, high value, affordable higher education in accord with the economic and intellectual needs of the state. The state's continued support is critical to maintaining both affordability and access for students.

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REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Ridgewater College's financial position. Questions concerning information provided in this report or requests for additional financial information should be addressed to:

Dan Holtz
Vice President of Finance and Operations
Ridgewater College
2101 15th Avenue NW
Willmar, MN 56201
daniel.holtz@ridgewater.edu
320-222-5205

Ridgewater College
Financial Statements
Year Ended June 30, 2015

FUND TYPES

Activities included in the fund types are as follows:

GENERAL FUND

General operations
Customized training
State grants
Capital projects
Imprest cash

ENTERPRISE

Bookstore
Computer store
Food service
Parking

REVENUE

Residence halls
Student union

SPECIAL REVENUE

Student activities
Health services
Intercollegiate activities
Child care
Federal grants
Federal financial aid
State financial aid
Private gifts and grants
Miscellaneous special revenues
Private scholarships
Endowments

AGENCY

Custodial accounts
Temporary accounts

Ridgewater College
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RIDGEWATER COLLEGE			
Statements of Net Position (Unaudited)			
As of June 30, 2015, 2014 and 2013			
(In thousands)			
	2015	2014	2013
Assets			
Current Assets			
Cash & cash equivalents	\$ 21,094	\$ 21,043	\$ 20,325
Grants receivable	640	143	89
Accounts receivable, net	908	939	1,697
Prepaid expense	681	562	383
Inventory	472	421	531
Student loans, net	7	8	8
Other assets	-	1	20
Total current assets	23,802	23,117	23,053
Total restricted assets	573	1,123	5
Noncurrent Assets			
Student loans, net	70	64	59
Capital assets, net	35,566	33,924	25,352
Total noncurrent assets	35,636	33,988	25,411
Total Assets	60,011	58,228	48,469
Deferred Outflows of Resources	1,497	-	-
Total Assets and Deferred Outflows of Resources	61,508	58,228	48,469
Liabilities			
Current Liabilities			
Salaries payable	2,188	2,470	2,249
Accounts payable	663	598	642
Unearned revenue	437	621	626
Payable from restricted assets	573	1,123	660
Funds held for others	179	170	151
Current portion of long-term debt	480	463	310
Other compensation benefits	591	578	505
Advances to other schools	-	-	7
Total current liabilities	5,111	6,023	5,150
Noncurrent Liabilities			
Noncurrent portion of long-term debt	6,669	6,566	3,702
Other compensation benefits	3,765	3,617	3,610
Net pension liability	9,657	-	-
Capital contributions payable	109	111	109
Total noncurrent liabilities	20,200	10,294	7,421
Total Liabilities	25,311	16,317	12,571
Deferred Inflows of Resources	5,699	-	-
Total Liabilities and Deferred Outflows of Resources	31,010	16,317	12,571
Net Position			
Net investment in capital assets	28,417	26,895	21,341
Restricted expendable, other	702	583	394
Unrestricted	1,379	14,433	14,163
Total Net Position	\$ 30,498	\$ 41,911	\$ 35,898

Ridgewater College
Financial Statements
Year Ended June 30, 2015

RIDGEWATER COLLEGE					
Statements of Net Position (Unaudited)					
As of June 30, 2014, 2013 and 2012					
(In thousands)					
		Change			
	2015	\$	%	2014	2013
Assets					
Current Assets					
Cash & cash equivalents	\$ 21,094	\$ 51	0.2%	\$ 21,043	\$ 20,325
Grants receivable	640	497	347.6%	143	89
Accounts receivable, net	908	(31)	-3.3%	939	1,697
Prepaid expense	681	119	21.2%	562	383
Inventory	472	51	12.1%	421	531
Student loans, net	7	(1)	-12.5%	8	8
Other assets	-	(1)	-100.0%	1	20
Total current assets	23,802	685	3.0%	23,117	23,053
Total restricted assets	573	(550)	-49.0%	1,123	5
Noncurrent Assets					
Student loans, net	70	6	9.4%	64	59
Capital assets, net	35,566	1,642	4.8%	33,924	25,352
Total noncurrent assets	35,636	1,648	4.8%	33,988	25,411
Total Assets	60,011	1,783	3.1%	58,228	48,469
Deferred Outflows of Resources	1,497	1,497	1496999900.0%	0	0
Total Assets and Deferred Outflows of Resources	61,508	3,280	5.6%	58,228	48,469
Liabilities					
Current Liabilities					
Salaries payable	2,188	(282)	-11.4%	2,470	2,249
Accounts payable	663	65	10.9%	598	642
Unearned revenue	437	(184)	-29.6%	621	626
Payable from restricted assets	573	(550)	-49.0%	1,123	660
Funds held for others	179	9	5.3%	170	151
Current portion of long-term debt	480	17	3.7%	463	310
Other compensation benefits	591	13	2.2%	578	505
Advances to other schools	0	-	0.0%	0	7
Total current liabilities	5,111	(912)	-15.1%	6,023	5,150
Noncurrent Liabilities					
Noncurrent portion of long-term debt	6,669	103	1.6%	6,566	3,702
Other compensation benefits	3,765	148	4.1%	3,617	3,610
Net pension liability	9,657	9,657	9656999900.0%	0	0
Capital contributions payable	109	(2)	-1.8%	111	109
Total noncurrent liabilities	20,200	9,906	96.2%	10,294	7,421
Total Liabilities	25,311	8,994	55.1%	16,317	12,571
Deferred Inflows of Resources	5,699	5,699	569899999900.0%	0	0
Total Liabilities and Deferred Outflows of Resources	31,010	14,693	90.0%	16,317	12,571
Net Position					
Net investment in capital assets	28,417	1,522	5.7%	26,895	21,341
Restricted expendable, other	702	119	20.4%	583	394
Unrestricted	1,379	(13,054)	-90.4%	14,433	14,163
Total Net Position	\$ 30,498	\$ (11,413)	-27.2%	\$ 41,911	\$ 35,898

Ridgewater College
Financial Statements
Year Ended June 30, 2015

RIDGEWATER COLLEGE			
Statements of Revenues, Expenses, and Changes in Net Position (Unaudited)			
For the Years Ended June 30, 2015, 2014 and 2013			
(In Thousands)			
	2015	2014	2013
Operating Revenues			
Tuition, net	\$ 8,608	\$ 9,027	\$ 9,986
Fees, net	2,368	1,843	1,669
Sales and room and board, net	2,056	2,344	2,288
Other Income	273	520	483
Total operating revenues	13,305	13,734	14,426
Operating Expenses			
Salaries & benefits	26,023	26,378	25,911
Purchased supplies	3,631	3,335	3,433
Supplies	4,201	4,120	4,170
Repairs and maintenance	677	788	1,366
Depreciation	1,722	1,678	1,672
Financial aid, net	719	580	796
Other expense	1,737	1,671	1,627
Total operating expenses	38,710	38,550	38,975
Operating loss	(25,405)	(24,816)	(24,549)
Nonoperating Revenue (Expenses)			
Appropriations	15,241	14,328	13,747
Federal grants	8,878	7,443	7,882
State grants	2,079	2,058	2,257
Private grants	43	18	25
Interest income	139	101	44
Interest expense	(271)	(180)	(148)
Grants to other organizations	-	(21)	34
Total nonoperating revenues (expenses)	26,109	23,747	23,841
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	704	(1,069)	(708)
Capital appropriations	2,137	6,681	1,787
Donated assets and supplies	438	392	162
Transfers in	-	-	-
Gain (loss) on disposal of capital assets	(12)	9	(15)
Change in net position	3,267	6,013	1,226
Total Net Position, Beginning of Year	41,911	35,898	34,672
Cumulative Effect of Change in Accounting Principle	(14,680)	-	-
Total Net Position, End of Year	\$ 30,498	\$ 41,911	\$ 35,898

Ridgewater College
Financial Statements
Year Ended June 30, 2015

RIDGEWATER COLLEGE					
Statements of Revenues, Expenses, and Changes in Net Position (Unaudited)					
For the Years Ended June 30, 2015, 2014 and 2013					
(In Thousands)					
		Change			
	2015	\$	%	2014	2013
Operating Revenues					
Tuition, net	\$ 8,608	\$ (419)	-4.6%	\$ 9,027	\$ 9,986
Fees, net	2,368	525	28.5%	1,843	1,669
Sales and room and board, net	2,056	(288)	-12.3%	2,344	2,288
Other income	273	(247)	-47.5%	520	483
Total operating revenues	13,305	(429)	-3.1%	13,734	14,426
Operating Expenses					
Salaries & benefits	26,023	(355)	-1.3%	26,378	25,911
Purchased supplies	3,631	296	8.9%	3,335	3,433
Supplies	4,201	81	2.0%	4,120	4,170
Repairs and maintenance	677	(111)	-14.1%	788	1,366
Depreciation	1,722	44	2.6%	1,678	1,672
Financial aid, net	719	139	24.0%	580	796
Other expense	1,737	66	3.9%	1,671	1,627
Total operating expenses	38,710	160	0.4%	38,550	38,975
Operating loss	(25,405)	(589)	2.4%	(24,816)	(24,549)
Nonoperating Revenue (Expenses)					
Appropriations	15,241	913	6.4%	14,328	13,747
Federal grants	8,878	1,435	19.3%	7,443	7,882
State grants	2,079	21	1.0%	2,058	2,257
Private grants	43	25	138.9%	18	25
Interest income	139	38	37.6%	101	44
Interest expense	(271)	(91)	50.6%	(180)	(148)
Grants to other organizations	-	21	-100.0%	(21)	34
Total nonoperating revenues (expenses)	26,109	2,362	9.9%	23,747	23,841
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	704	1,773	-165.9%	(1,069)	(708)
Capital appropriations	2,137	(4,544)	-68.0%	6,681	1,787
Donated assets and supplies	438	46	11.7%	392	162
Transfers in	-	-	0.0%	-	-
Gain (loss) on disposal of capital assets	(12)	(21)	-233.3%	9	(15)
Change in net position	3,267	(2,746)	-45.7%	6,013	1,226
Total Net Position, Beginning of Year	41,911	6,013	16.8%	35,898	34,672
Cumulative Effect of Change in Accounting Principle	(14,680)	(14,680)	-146800000100.0%	0	0
Total Net Position, End of Year	\$ 30,498	\$ (11,413)	-27.2%	\$ 41,911	\$ 35,898

Ridgewater College
Financial Statements
Year Ended June 30, 2015

RIDGEWATER COLLEGE			
Reconciliation of Net Position to Budgetary Fund Balance - General Fund (Unaudited)			
As of June 30, 2015, 2014 and 2013			
(In thousands)			
	2015	2014	2013
Total Net Position	\$ 30,498	\$ 41,911	\$ 35,898
Less Restricted Net Position			
Net investment in capital assets	(28,417)	(26,895)	(21,341)
Restricted net position	(702)	(583)	(394)
Total unrestricted net position	1,379	14,433	14,163
Less Non-General Fund Unrestricted Net Position			
Enterprise Fund	(4,222)	(4,069)	(3,765)
Special Revenue Fund	(142)	(206)	(271)
General Fund - unrestricted net position	(2,985)	10,158	10,127
GAAP Accruals Not Recognized in Budget			
Other compensation benefits	4,307	4,137	4,062
Net Pension Liability & Related Deferred Outflows & Inflows	13,859	-	-
Other accruals, net	(695)	(636)	(916)
General Fund - unrestricted budgetary fund balance	14,486	13,659	13,273
Less Budgetary Designations			
Prior year encumbrances	-	-	-
Board required reserve	(2,376)	(2,324)	(2,297)
Designated for programs	(11,610)	(10,585)	(9,976)
Planned for next budget	-	(500)	(500)
Planned for next budget out two years	(500)	(250)	(500)
Undesignated budgetary fund balance	\$ -	\$ -	\$ -