



Hutchinson and Willmar, MN

# ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2011

*Creating Opportunities,  
Changing Lives.*



**Minnesota  
STATE COLLEGES  
& UNIVERSITIES**

**Ridgewater College**  
**ANNUAL FINANCIAL REPORT**  
**For the year ended June 30, 2011**

**TABLE OF CONTENTS**

	<u>Page</u>
College Administration	3
Officials Issuing Document	3
Management's Discussion and Analysis	4
Basic Financial Statements	
Fund Types	12
Statements of Net Assets	13
Statements of Revenues, Expenses and Changes in Net Assets	15
Reconciliation of Net Assets to Budgetary Fund Balance	18

*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.*

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## Administration

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Dr. Douglas Allen	President
Betty Strehlow	Vice President of Academic Affairs and Student Services
Dan Holtz	Vice President of Finance and Operations
Dr. Ron Pribble	Dean of Instruction
Mike Boehme	Dean of Instruction
Dr. Carl Polding	Dean of Instruction
Heidi Olson	Dean of Student Services
Kathy Schwantes	Dean of Customized and Continuing Education
Jim Molenaar	Regional Dean of Management Programs
Lynn Johnson	Director of Nursing
Jodi Knaus	Chief Human Resources Officer
Kelly Magnuson	Ridgewater College Foundation Executive Director

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## Officials Issuing Document

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

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Ridgewater College  
Management's Discussion and Analysis Report  
Year Ended June 30, 2011

## 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 fiscal year ended June 30, 2011. This discussion has been prepared by management and should be read in conjunction with the financial statements which follow this section.

Ridgewater College is one of 32 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, with at least one from each of Minnesota's eight congressional districts. 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 community and technical college offering education designed for transfer to a university as well as technical programs intended for direct entry into the workforce. Ridgewater's 5,909 students attend classes on campuses in Hutchinson and Willmar. Approximately 450 faculty and staff members are employed by the College. Additionally, the College has over 28,000 alumni.

We are one of greater Minnesota's largest public colleges, and are accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools.

### FINANCIAL HIGHLIGHTS

The College's financial position improved during fiscal year 2011 with net assets increasing by \$3.98 million, or 13.8 percent. This follows a \$3.84 million, or 15.3 percent increase in net assets in fiscal year 2010. The College's unrestricted net assets increased by \$2.9 million, or 36 percent compared to a \$.59 million increase, or 7.7 percent, in fiscal year 2010.

- Total assets increased by \$3.12 million to \$45 million, compared to an increase of \$5.04 million in fiscal year 2010. Total liabilities decreased by \$.86 million to \$12.14 million mainly due to the decrease in payable from restricted assets compared to an increase of \$1.2 million in fiscal year 2010.
- Net assets, which represent the residual interest in the College's assets after liabilities are deducted, is comprised of our investment in capital assets, net of related debt, of \$21.31 million, restricted assets of \$.44 million, and unrestricted assets of \$11.14 million.
- State appropriations revenue, excluding capital appropriations, totaled \$15.16 million and represents a 5.1 percent decrease from fiscal year 2010.
- Net tuition, auxiliary, and sales revenue in fiscal year 2011 totaled \$13.79 million which is a 4.8 percent decrease from fiscal year 2010.
- Enrollment increased .7 percent in fiscal year 2011, compared to a 6.3 percent enrollment increase in fiscal year 2010.

Ridgewater College  
Management's Discussion and Analysis Report  
Year Ended June 30, 2011

**USING THE FINANCIAL STATEMENTS**

The College's financial report includes three financial statements: the statements of net assets, the statements of revenues, expenses and changes in net assets, and the statements of cash flows. These financial statements are prepared in accordance with applicable generally accepted accounting principles (GAAP) as established by the Governmental Accounting Standards Board (GASB) through authoritative pronouncements, including GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis -for Public Colleges and Universities* as amended by GASB Statement Nos. 35, 37, and 38. These GASB statements establish standards for external financial reporting for public colleges and universities and require that financial statements be presented on a consolidated basis to focus on the college as a whole, with resources classified for accounting and reporting purposes into three net asset categories.

**STATEMENT OF NET ASSETS**

The Statement of Net Assets presents the financial position of Ridgewater College at the end of the fiscal year and includes all assets and liabilities of the College, as measured using the accrual basis of accounting. The difference between total assets and total liabilities, net assets, is one indicator of the current financial condition of the College. Additionally, the change in net assets is an indicator of whether the overall financial condition has improved or worsened during the year. Capital assets are stated at historical cost less an allowance for depreciation, with current year depreciation reflected as a period expense on the statement of revenues, expenses and changes in net assets.

Several charts that summarize the College's assets, liabilities and net assets as of June 30, 2011 follow:

<b>Asset &amp; Liability Summary (Unaudited)</b>				
<b>(In Thousands)</b>				
	<b>2011</b>	<b>2010</b>	<b>Change</b>	
			<b>\$</b>	<b>%</b>
<b>Assets</b>				
Current Assets	\$ 19,706	\$ 16,819	\$ 2,887	17.2%
Restricted Assets	57	828	\$ (771)	-93.1%
Noncurrent assets				
Capital Assets, net	25,185	24,161	\$ 1,024	4.2%
Other	67	86	\$ (19)	-22.1%
<b>Total Assets</b>	<b>45,015</b>	<b>41,894</b>	<b>3,121</b>	<b>7.4%</b>
<b>Liabilities</b>				
Current Liabilities	5,050	5,955	\$ (905)	-15.2%
Noncurrent Liabilities	7,087	7,038	\$ 49	0.7%
<b>Total Liabilities</b>	<b>12,137</b>	<b>12,993</b>	<b>(856)</b>	<b>-6.6%</b>
<b>Net Assets</b>	<b>\$ 32,878</b>	<b>\$ 28,901</b>	<b>\$ 3,977</b>	<b>13.8%</b>

Ridgewater College  
Management's Discussion and Analysis Report  
Year Ended June 30, 2011

<b>Net Assets Summary (Unaudited)</b>				
<b>(In Thousands)</b>				
	<b>2011</b>	<b>2010</b>	<b>Change</b>	
			<b>\$</b>	<b>%</b>
<b>Net Assets</b>				
Invested in capital assets, net	21,306	20,241	\$ 1,065	5.3%
Restricted	437	448	\$ (11)	-2.5%
<b>Unrestricted</b>	<b>11,135</b>	<b>8,212</b>	<b>\$ 2,923</b>	<b>35.6%</b>
<b>Total Net Assets</b>	<b>\$ 32,878</b>	<b>\$ 28,901</b>	<b>\$ 3,977</b>	<b>13.8%</b>

<b>Statement of Net Assets Summary (Unaudited)</b>								
<b>FY's 2004 - 2011</b>								
<b>(In Thousands)</b>								
	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>Assets</b>								
Current Assets	\$ 19,706	\$ 16,819	\$ 16,257	\$ 15,992	\$ 14,599	\$ 13,098	\$ 11,558	\$ 10,551
Restricted Assets	57	828	225	157	12	-	531	-
Noncurrent assets								
Capital Assets, net	25,185	24,161	20,277	20,364	20,377	20,833	20,962	20,667
Other	67	86	92	84	75	82	69	68
<b>Total Assets</b>	<b>45,015</b>	<b>41,894</b>	<b>36,851</b>	<b>36,597</b>	<b>35,063</b>	<b>34,013</b>	<b>33,120</b>	<b>31,286</b>
<b>Liabilities</b>								
Current Liabilities	5,050	5,955	5,531	5,638	5,622	4,593	4,369	4,380
Noncurrent Liabilities	7,087	7,038	6,263	6,232	11,956	10,578	9,997	9,909
<b>Total Liabilities</b>	<b>12,137</b>	<b>12,993</b>	<b>11,794</b>	<b>11,870</b>	<b>17,578</b>	<b>15,171</b>	<b>14,366</b>	<b>14,289</b>
<b>Net Assets</b>								
Invested in capital assets, net	21,306	20,241	17,038	16,940	16,649	17,284	17,606	17,532
Restricted	437	448	393	390	404	382	614	366
<b>Unrestricted Net Assets</b>	<b>11,135</b>	<b>8,212</b>	<b>7,626</b>	<b>7,397</b>	<b>6,054</b>	<b>5,769</b>	<b>4,903</b>	<b>3,479</b>
<b>Total Net Assets</b>	<b>\$ 32,878</b>	<b>\$ 28,901</b>	<b>\$ 25,057</b>	<b>\$ 24,727</b>	<b>\$ 23,107</b>	<b>\$ 23,435</b>	<b>\$ 23,123</b>	<b>\$ 21,377</b>

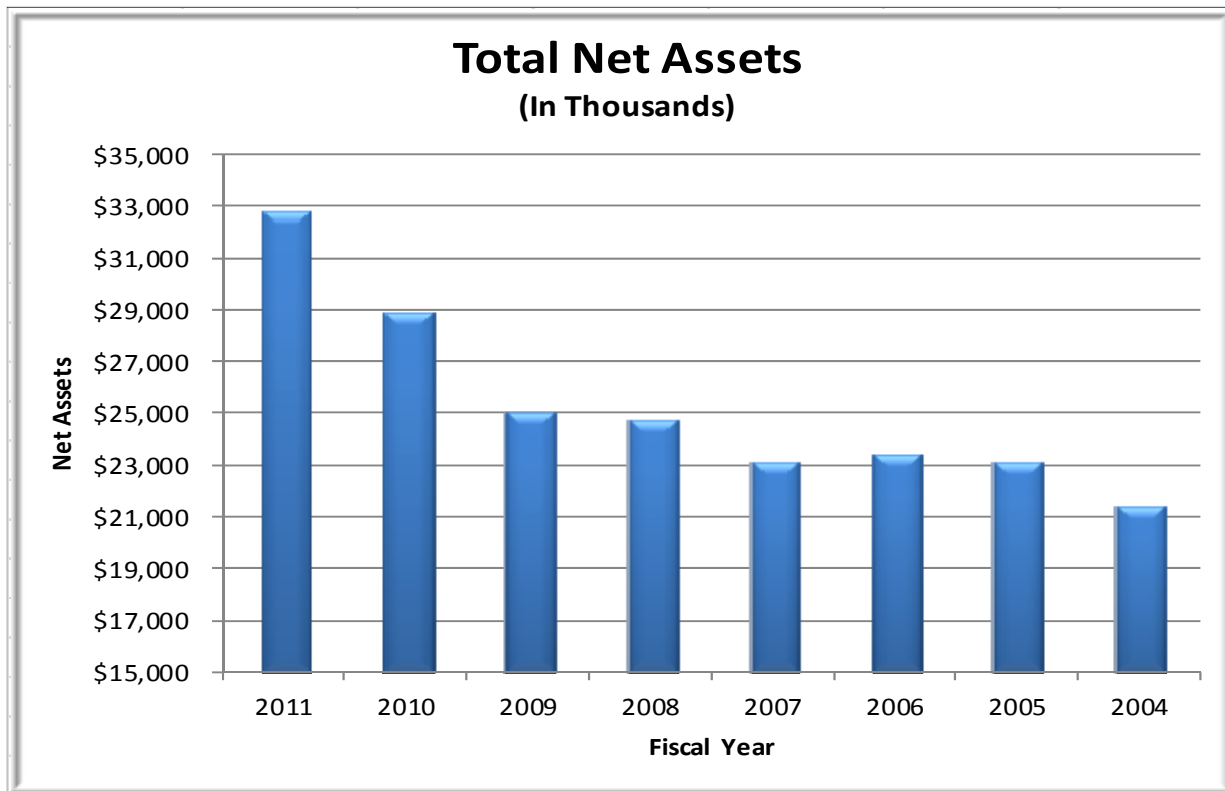
Current assets primarily consist of cash, cash equivalents, receivables, and inventory totaling \$19.7 million at June 30, 2011. This is an increase of \$2.89 million over fiscal year 2010 and represents approximately 6.3 months of operating expenses (excluding depreciation). This is compared to 5.0 months and 5.2 months for the fiscal years ended June 30, 2010 and 2009, respectively.

Current liabilities primarily consist of salaries & benefits payable, accounts payable, deferred revenue, the current portion of long-term debt and compensated absences payable. Salaries payable is the largest current liability category and totaled \$2.6 million at June 30, 2011, no change from the prior year. A majority of the salaries & benefits payable represents approximately two months of earned salary for faculty who have elected to receive salaries over twelve months on a September 1 – August 31 year.

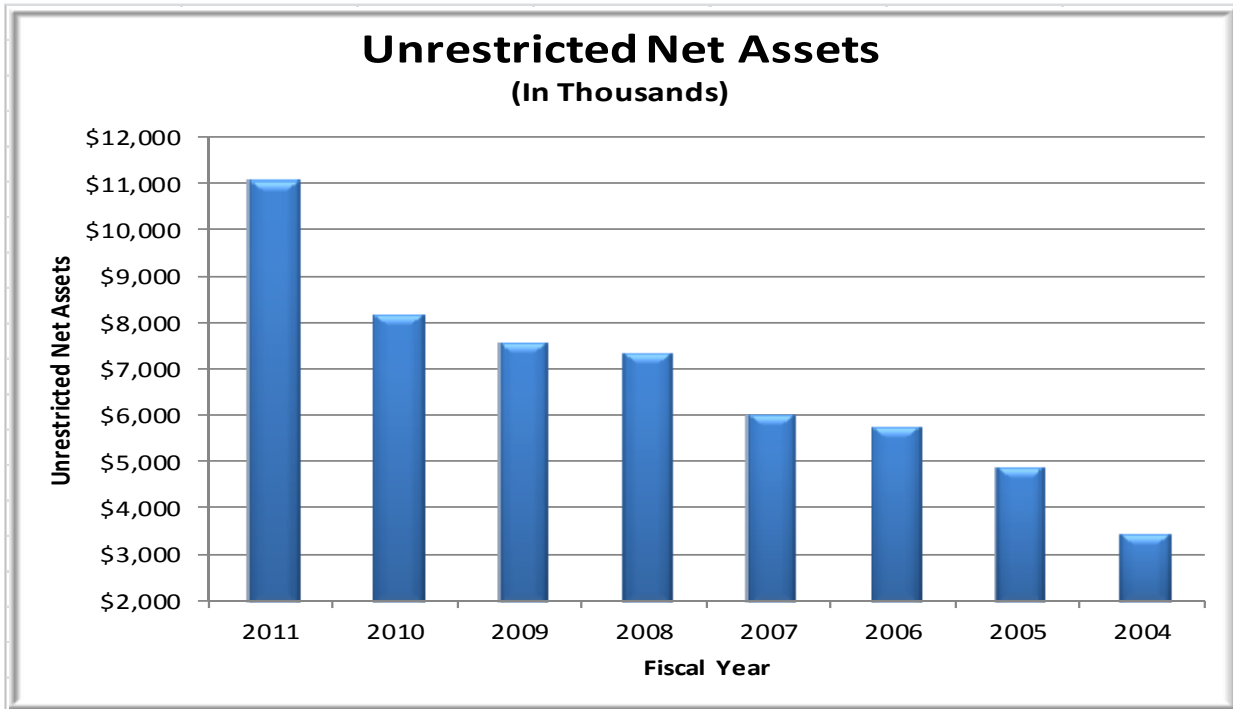
Ridgewater College  
Management's Discussion and Analysis Report  
Year Ended June 30, 2011

Net assets represent the residual interest in the College's assets after liabilities are deducted. The College's financial position improved significantly during fiscal year 2011 with net assets increasing by \$3.98 million, or 13.8 percent. This follows a \$3.84 million, or 15.3 percent increase in net assets in fiscal year 2010.

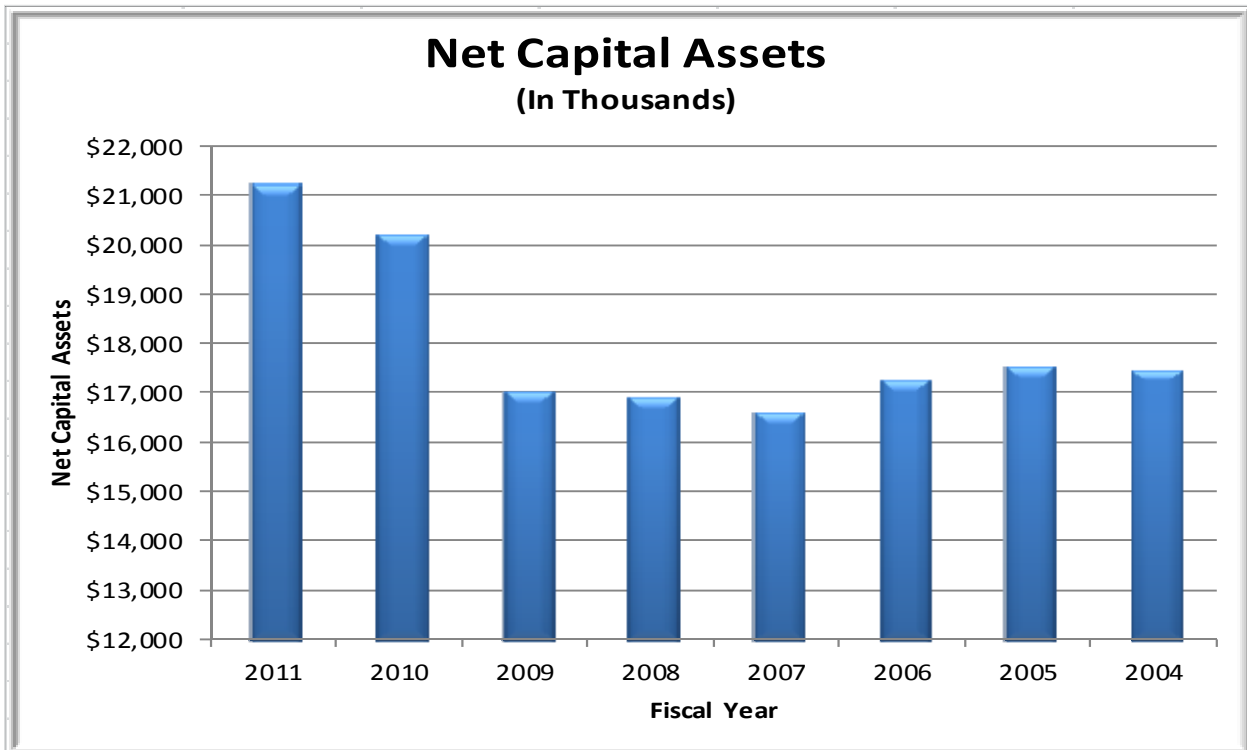
The College's unrestricted net assets of \$11.1 million increased by \$2.9 million, or 36 percent compared to a \$.59 million increase, or 7.7 percent, in fiscal year 2010. Unrestricted net assets primarily consist of the College's general operating fund reserve, balances designated for programs, and balances designated for balancing the budget in fiscal years 2012 and 2013. Board policy requires the College to maintain a general operating fund reserve. Accordingly, the College's general operating fund reserve balances, calculated on the budgetary basis of accounting, totaled \$2.6 million and \$2.1 million for fiscal years ended June 30, 2011 and 2010, respectively.



Ridgewater College  
Management's Discussion and Analysis Report  
Year Ended June 30, 2011



Invested in capital assets, net of related debt represents the College's capital assets net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.





Ridgewater College  
Management's Discussion and Analysis Report  
Year Ended June 30, 2011

Restricted assets primarily include funding received for specific purposes, bond covenants, debt service, and funds reserved for legislatively mandated purposes.

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

**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. Ridgewater continues to implement its long-range plan to modernize its older facilities while planning for new construction.

Capital assets, net of accumulated depreciation, totaled \$25.2 million as of June 30, 2011, an increase of nearly \$1.0 million from fiscal year 2010 total of \$24.2 million. Current capital asset additions were funded through capital appropriations of \$2.41 million. The balance of this total is made up of the capitalization of the remaining funds from the College's phase 1 Technical Instruction Addition and Renovation Project which was approved for \$3.5 million during fiscal year 2008 and phase 1 Central Heating Plant HEAPR project which was approved for \$2.6 million during fiscal year 2009. Both projects were substantially completed in 2011.

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**

The Statement of Revenues, Expenses and Changes in Net Assets presents the College's results of operations for the year. When reviewing the full statement, users should note that GASB requires classification of state appropriations as nonoperating revenue. A summarized statement for the fiscal years ended June 30, 2011, 2010, and 2009, respectively, follows:

**RIDGEWATER COLLEGE**  
**Revenue, Expenses, and Changes in Net Assets**  
*Internal Summary Document*  
**For the Year Ended June 30, 2011**  
**(In Thousands)**

	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>Operating Revenues</b>			
Tuition, auxiliary, and sales, net	\$ 13,794	\$ 14,495	\$ 12,029
Other Income	310	308	309
<b>Total Operating Revenues</b>	<b>14,104</b>	<b>14,803</b>	<b>12,338</b>
<b>Nonoperating Revenue and Other</b>			
Appropriations	15,156	15,966	17,413
Grants	11,487	11,117	7,994
Capital appropriations	2,407	3,907	1,351
Other	525	126	442
<b>Total Nonoperating Revenue and Other</b>	<b>29,575</b>	<b>31,116</b>	<b>27,200</b>
<b>TOTAL REVENUE AND OTHER</b>	<b>43,679</b>	<b>45,919</b>	<b>39,538</b>
<b>Operating Expenses</b>			
Salaries	25,636	26,615	27,295
Non Personnel	13,896	15,298	11,774
<b>Total Operating Expenses</b>	<b>39,532</b>	<b>41,913</b>	<b>39,069</b>
Other	170	162	139
<b>TOTAL EXPENSES AND OTHER</b>	<b>39,702</b>	<b>42,075</b>	<b>39,208</b>
<b>CHANGE IN NET ASSETS</b>	<b>3,977</b>	<b>3,844</b>	<b>330</b>

Ridgewater College  
Management's Discussion and Analysis Report  
Year Ended June 30, 2011

Tuition and state appropriations are the primary sources of funding for College operations. Tuition, Auxiliary and Sales revenue decreased 4.8% in fiscal year 2011. This decrease was primarily the result of a \$.53 million, or 16.5 percent decrease in sales and services due to no sales of Carpentry homes and the lower Bookstore sales totaling nearly \$79,000. The decrease in revenue was also compounded by an increase in the scholarship allowance thus reducing the amount of tuition and fee revenue in FY 2011. This decrease was partially offset by a \$584,000 increase in tuition revenue. Enrollment increased slightly in 2011 from 3,514 to 3,537 FYE's while tuition increased by 5%.

State appropriations (excluding capital appropriations) decreased by \$.81 million to \$15.2 million during fiscal year 2011 which represents a 5.1 percent decrease from the fiscal year ended, June 30, 2010. Capital appropriations have fluctuated the past three fiscal years with the College receiving of \$2.4 million, \$3.9 million, and \$1.4 million for the fiscal years ended June 30, 2011, 2010, and 2009, respectively.

Resources expended for employee compensation decreased nearly \$1 million, or by 3.7 percent, to \$25.6 million for the fiscal year ended June 30, 2011. The salary for Faculty, and classified and unclassified employees were frozen again in fiscal year 2011 and no increases were given. The reduction in employee compensation is generally the result of prior year staffing reductions and retirements. Resources expended for non-payroll expenses decreased by \$1.4 million, or 9.2%, in FY 2011 due to overall budgeted spending reductions. This lower-than-inflation trend in non-payroll expenses was a key reason for the continued, financial improvement in FY 2010.

#### **ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE**

Ridgewater College maintained a solid financial condition in fiscal year 2011 despite a reduction in the state appropriation of \$810,000. However, the College will face significant challenges in three core areas over the next several years, including (1) maintaining adequate state appropriation support; (2) pressure to limit tuition rate increases; and, (3) enrollment management.

The College continues to rely heavily on state appropriations to maintain ongoing operations and to change and improve programs to meet the needs of the state's workforce. In July, the Governor signed into law the Higher Education Finance Bill that included a 10 percent, or \$60 million reduction in funding for MnSCU for each year of the FY 2012-2013 biennium. In regards to the challenge of maintaining adequate state appropriation support, the College's fiscal year 2012 base state appropriation is expected to be approximately 9.8 percent, or \$1.27 million, less for normal operations than the state appropriation received in fiscal year 2011. The State's financial situation remains very difficult for both the current and next biennium based on the most recent \$5 billion state shortfall in the 2012-13 and the projected \$5 billion shortfall for the 2014-15 biennium.

The College also faces pressure to keep tuition rate increases closer to or less than the rate of inflation after numerous years of tuition rate increases in excess of inflation as a function of state aid reductions or limited increases. As a part of the Higher Education Finance bill tuition was capped in FY 2012 at 4 percent for Minnesota resident undergraduate students. The tuition increase for fiscal year 2011 was 7%, with federal stimulus dollars used to mitigate the tuition increase for students from 7 to 5 percent. The College raised tuition in fiscal year 2012 by 3 percent and is projecting a 4 percent increase in fiscal year 2013. It is feasible that if state appropriations for the next biennium continue to decline that we may need to request a higher tuition increase to compensate for such limited new state appropriations.

Enrollment continues to be a key challenge for the College as demographic projections point to a decline in the number of high school graduates within the College's current primary service area over the next five years. In response to this challenge, Ridgewater has placed an increased emphasis on enrollment management. The recent severe recession and continued high unemployment rate contributed to larger enrollment increases in FY 2010 and FY 2011 however summer and fall semesters in FY 2012 are currently lagging behind prior year enrollment numbers.

Ridgewater College  
Management's Discussion and Analysis Report  
Year Ended June 30, 2011

Other factors that could impact results for the next several years include collective bargaining pressure to increase salaries after nearly four years of minimal increases, increasing health benefit costs, the new 60/120 credit legislation and current economic conditions. State budget deficits will be pitted against wages which have been virtually frozen for four years. Health benefit costs are projected to increase significantly for the coming years. The 60/120 legislation could significantly impact tuition revenue for the college, especially in Technical programs. Also the current state and national economic conditions have significantly impacted our Foundation and its ability to raise funds for student scholarships. This in turn may impact enrollment in the next biennium.

In summary, these factors, along with projected increasing costs for purchased services and supplies, may result in a significant financial challenge for the College in fiscal years 2012, 2013, and 2014.

**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 15<sup>th</sup> Avenue NW  
Willmar, MN 56201  
[daniel.holtz@ridgewater.edu](mailto:daniel.holtz@ridgewater.edu)  
320-222-5205

Ridgewater College  
FINANCIAL STATEMENTS  
Year Ended June 30, 2011

**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 financial aid  
State financial aid  
Private gifts and grants  
Miscellaneous special revenues  
Private scholarships  
Endowments

AGENCY

Custodial accounts  
Temporary accounts Federal grants

Ridgewater College  
FINANCIAL STATEMENTS  
Year Ended June 30, 2011

RIDGEWATER COLLEGE								
Comparative Statement of Net Assets (Unaudited)								
June 30, 2011 - 2004								
(In thousands)								
	2011	2010	2009	2008	2007	2006	2005	2004
<b>Assets</b>								
Current Assets								
Cash & Equivalents	\$ 17,767	\$ 14,764	\$ 13,653	\$ 13,912	\$ 12,280	\$ 11,138	\$ 9,586	\$ 8,415
Grants Receivable	200	423	555	352	404	338	242	356
Accounts receivable, net	769	695	669	498	629	489	595	530
Prepaid expense	426	428	358	349	385	360	364	327
Inventory	537	501	1,015	756	362	397	419	411
Student Loans and other assets, net	7	8	7	19	19	20	91	27
Securities lending collateral		-	-	106	520	356	261	485
<b>Total current assets</b>	<b>19,706</b>	<b>16,819</b>	<b>16,257</b>	<b>15,992</b>	<b>14,599</b>	<b>13,098</b>	<b>11,558</b>	<b>10,551</b>
Restricted Assets	57	828	225	157	12	-	531	-
Noncurrent Assets								
Student loans and other assets, net	67	86	92	84	75	82	69	68
Capital assets, net	25,185	24,161	20,277	20,364	20,377	20,833	20,962	20,667
<b>Total noncurrent assets</b>	<b>25,252</b>	<b>24,247</b>	<b>20,369</b>	<b>20,448</b>	<b>20,452</b>	<b>20,915</b>	<b>21,031</b>	<b>20,735</b>
<b>Total Assets</b>	<b>45,015</b>	<b>41,894</b>	<b>36,851</b>	<b>36,597</b>	<b>35,063</b>	<b>34,013</b>	<b>33,120</b>	<b>31,286</b>
<b>Liabilities</b>								
Current Liabilities								
Salaries payable	2,589	2,567	2,700	2,784	2,364	2,343	2,148	2,091
Accounts payable	591	550	599	682	861	363	687	507
Unearned revenue	705	753	642	571	518	526	452	672
Funds held for others	183	395	428	400	347	283	220	193
Current portion of long-term debt	311	303	376	361	357	261	244	220
Compensated absences payable/WC	614	559	561	577	655	460	291	212
Securities lending collateral	-	-	-	106	520	356	261	485
Payable from restricted assets	57	828	225	157	-	-	-	-
<b>Total current liabilities</b>	<b>5,050</b>	<b>5,955</b>	<b>5,531</b>	<b>5,638</b>	<b>5,622</b>	<b>4,592</b>	<b>4,303</b>	<b>4,380</b>
Noncurrent Liabilities								
Noncurrent portion of long-term debt	3,567	3,618	2,863	3,063	3,371	3,288	3,229	3,001
Compensated absences payable/WC	3,417	3,326	3,306	3,075	2,869	2,603	2,305	2,431
Capital contributions payable	103	94	94	94	94	94	94	97
<b>Total noncurrent liabilities</b>	<b>7,087</b>	<b>7,038</b>	<b>6,263</b>	<b>6,232</b>	<b>6,334</b>	<b>5,985</b>	<b>5,628</b>	<b>5,529</b>
<b>Total Liabilities</b>	<b>12,137</b>	<b>12,993</b>	<b>11,794</b>	<b>11,870</b>	<b>11,956</b>	<b>10,577</b>	<b>9,931</b>	<b>9,909</b>
Net Assets								
Invested in capital assets, net	21,306	20,241	17,038	16,940	16,649	17,284	17,606	17,532
Restricted expendable, other	437	448	393	390	404	382	614	366
Unrestricted	11,135	8,212	7,626	7,397	6,054	5,769	4,903	3,479
<b>Total Net Assets</b>	<b>\$ 32,878</b>	<b>\$ 28,901</b>	<b>\$ 25,057</b>	<b>\$ 24,727</b>	<b>\$ 23,107</b>	<b>\$ 23,435</b>	<b>\$ 23,123</b>	<b>\$ 21,377</b>

Ridgewater College  
FINANCIAL STATEMENTS  
Year Ended June 30, 2011

RIDGEWATER COLLEGE										
Comparative Statement of Net Assets (Unaudited)										
June 30, 2011 - 2004										
(In thousands)	Change		2010	2009	2008	2007	2006	2005	2004	
	2011	\$								
<b>Assets</b>										
Current Assets										
Cash & Equivalents	\$ 17,767	\$ 3,003	20.3%	\$ 14,764	\$ 13,653	\$ 13,912	\$ 12,280	\$ 11,138	\$ 9,586	\$ 8,415
Grants Receivable	200	(223)	-52.7%	423	555	352	404	338	242	356
Accounts receivable, net	769	74	10.6%	695	669	498	629	489	595	530
Prepaid expense	426	(2)	-0.5%	428	358	349	385	360	364	327
Inventory	537	36	7.2%	501	1,015	756	362	397	419	411
Student Loans and other assets, net	7	(1)	-12.5%	8	7	19	19	20	91	27
Securities lending collateral		-	0.0%	-	-	106	520	356	261	485
<b>Total current assets</b>	<b>19,706</b>	<b>2,887</b>	<b>17.2%</b>	<b>16,819</b>	<b>16,257</b>	<b>15,992</b>	<b>14,599</b>	<b>13,098</b>	<b>11,558</b>	<b>10,551</b>
Restricted Assets	57	(771)	-93.1%	828	225	157	12	-	531	-
Noncurrent Assets										
Student loans and other assets, net	67	(19)	-22.1%	86	92	84	75	82	69	68
Capital assets, net	25,185	1,024	4.2%	24,161	20,277	20,364	20,377	20,833	20,962	20,667
<b>Total noncurrent assets</b>	<b>25,252</b>	<b>1,005</b>	<b>4.1%</b>	<b>24,247</b>	<b>20,369</b>	<b>20,448</b>	<b>20,452</b>	<b>20,915</b>	<b>21,031</b>	<b>20,735</b>
<b>Total Assets</b>	<b>45,015</b>	<b>3,121</b>	<b>7.4%</b>	<b>41,894</b>	<b>36,851</b>	<b>36,597</b>	<b>35,063</b>	<b>34,013</b>	<b>33,120</b>	<b>31,286</b>
<b>Liabilities</b>										
Current Liabilities										
Salaries payable	2,589	22	0.9%	2,567	2,700	2,784	2,364	2,343	2,148	2,091
Accounts payable	591	41	7.5%	550	599	682	861	363	687	507
Deferred revenue	705	(48)	-6.4%	753	642	571	518	526	452	672
Funds held for others	183	(212)	-53.7%	395	428	400	347	283	220	193
Current portion of long-term debt	311	8	2.6%	303	376	361	357	261	244	220
Compensated absences payable/WC	614	55	9.8%	559	561	577	655	460	291	212
Securities lending collateral	-	-	0.0%	-	-	106	520	356	261	485
Payable from restricted assets	57	(771)	-93.1%	828	225	157				
<b>Total current liabilities</b>	<b>5,050</b>	<b>(905)</b>	<b>-15.2%</b>	<b>5,955</b>	<b>5,531</b>	<b>5,638</b>	<b>5,622</b>	<b>4,592</b>	<b>4,303</b>	<b>4,380</b>
Noncurrent Liabilities										
Noncurrent portion of long-term debt	3,567	(51)	-1.4%	3,618	2,863	3,063	3,371	3,288	3,229	3,001
Compensated absences payable/WC	3,417	91	2.7%	3,326	3,306	3,075	2,869	2,603	2,305	2,431
Capital contributions payable	103	9	9.6%	94	94	94	94	94	94	97
<b>Total noncurrent liabilities</b>	<b>7,087</b>	<b>49</b>	<b>0.7%</b>	<b>7,038</b>	<b>6,263</b>	<b>6,232</b>	<b>6,334</b>	<b>5,985</b>	<b>5,628</b>	<b>5,529</b>
<b>Total Liabilities</b>	<b>12,137</b>	<b>(856)</b>	<b>-6.6%</b>	<b>12,993</b>	<b>11,794</b>	<b>11,870</b>	<b>11,956</b>	<b>10,577</b>	<b>9,931</b>	<b>9,909</b>

Ridgewater College  
FINANCIAL STATEMENTS  
Year Ended June 30, 2011

RIDGEWATER COLLEGE								
Comparative Statement of Revenue, Expenses, and Changes in Net Assets (Unaudited)								
For the Years Ended June 30, 2011 - 2004								
(In Thousands)								
	2011	2010	2009	2008	2007	2006	2005	2004
<b>Operating Revenues</b>								
Tuition, auxiliary, and sales, net	\$ -	\$ -	\$ -	\$ -	\$ 10,436	\$ 10,341	\$ 9,686	\$ 10,839
Tuition, net	9,786	9,729	9,648	9,280	-	-	-	-
Fees, net	1,544	1,537	1,669	1,580	-	-	-	-
Sales and services, net	2,464	3,229	712	1,356	-	-	-	-
Federal Grants	-	-	5,741	5,161	5,062	4,696	5,087	5,268
State Grants	-	-	2,253	2,473	2,942	2,349	2,465	2,300
Other Income	310	308	309	227	229	212	176	208
<b>Total Operating Revenues</b>	<b>14,104</b>	<b>14,803</b>	<b>20,332</b>	<b>20,077</b>	<b>18,669</b>	<b>17,598</b>	<b>17,414</b>	<b>18,615</b>
<b>Operating Expenses</b>								
Salaries & Benefits	25,636	26,615	27,295	26,024	24,350	23,736	22,581	22,636
Purchased Supplies	3,299	3,466	3,322	3,284	3,219	3,097	2,604	2,541
Supplies	4,727	5,397	2,750	2,496	2,582	2,355	2,282	2,458
Repairs and maintenance	787	1,226	1,025	1,343	922	1,377	801	766
Depreciation	1,984	1,768	1,712	1,699	1,802	1,850	1,861	1,856
Financial Aid, net	1,346	1,552	733	830	1,003	880	916	2,725
Other expense	1,753	1,889	2,232	1,907	2,033	1,432	1,370	1,455
<b>Total Operating Expenses</b>	<b>39,532</b>	<b>41,913</b>	<b>39,069</b>	<b>37,583</b>	<b>35,911</b>	<b>34,727</b>	<b>32,415</b>	<b>34,437</b>
<b>Operating Income (loss)</b>	<b>(25,428)</b>	<b>(27,110)</b>	<b>(18,737)</b>	<b>(17,506)</b>	<b>(17,242)</b>	<b>(17,129)</b>	<b>(15,001)</b>	<b>(15,822)</b>
<b>Nonoperating Revenue (Expenses)</b>								
Appropriations	15,156	15,966	17,413	17,530	16,290	16,402	15,223	15,561
Federal Grants	9,856	8,704	-	-	-	-	-	-
State Grants	1,493	2,162	-	-	-	-	-	-
Private Grants	138	251	401	42	18	10	95	393
Interest Income	373	21	15	13	12	16	13	15
Interest expense	(168)	(162)	(131)	(193)	(174)	(170)	(161)	(167)
Grants to other organizations	-	-	(1)	(1)	(1)	(1)	(1)	(1)
<b>Total nonoperating Revenues (expenses)</b>	<b>26,848</b>	<b>26,942</b>	<b>17,697</b>	<b>17,391</b>	<b>16,145</b>	<b>16,257</b>	<b>15,169</b>	<b>15,801</b>
<b>Income (Loss) Before Other Revenues, Expenses, Gains, or Losses</b>	<b>1,420</b>	<b>(168)</b>	<b>(1,040)</b>	<b>(115)</b>	<b>(1,097)</b>	<b>(872)</b>	<b>168</b>	<b>(21)</b>
Capital appropriations	2,407	3,907	1,351	1,687	701	1,164	1,557	880
Donated assets and supplies	152	48	6	30	22	13	1	-
Transfers in	-	-	20	66	3	8	25	16
Transfers out	-	-	-	(43)	-	(1)	(10)	(20)
Gain (loss) on disposal of capital assets	(2)	57	(7)	(5)	43	-	5	(33)
<b>Change in net assets</b>	<b>3,977</b>	<b>3,844</b>	<b>330</b>	<b>1,620</b>	<b>(328)</b>	<b>312</b>	<b>1,746</b>	<b>822</b>
Total Net Assets, Beginning of Year	28,901	25,057	24,727	23,107	23,435	23,123	21,377	21,417
Change in Reporting Entity	-	-	-	-	-	-	-	(862)
Total Net Assets, Beginning of Year, as Restated	28,901	25,057	24,727	23,107	23,435	23,123	21,377	20,555
<b>Total Net Assets, End of Year</b>	<b>\$ 32,878</b>	<b>\$ 28,901</b>	<b>\$ 25,057</b>	<b>\$ 24,727</b>	<b>\$ 23,107</b>	<b>\$ 23,435</b>	<b>\$ 23,123</b>	<b>\$ 21,377</b>

Ridgewater College  
FINANCIAL STATEMENTS  
Year Ended June 30, 2011

RIDGEWATER COLLEGE										
Comparative Statement of Revenue, Expenses, and Changes in Net Assets (Unaudited)										
For the Years Ended June 30, 2011 - 2004										
(In Thousands)										
	Change									
	2011	\$	%	2010	2009	2008	2007	2006	2005	2004
<b>Operating Revenues</b>										
Tuition, net	\$ 9,786	\$ 57	0.6%	\$ 9,729	\$ 9,648	\$ 9,280	\$ 10,436	\$ 10,341	\$ 9,686	\$ 10,839
Fees, net	1,544	7	0.5%	1,537	1,669	1,580	-	-	-	-
Sales and service, net	2,464	(765)	-23.7%	3,229	712	1,356	-	-	-	-
Other Income	310	2	0.6%	308	309	227	229	212	176	208
<b>Total Operating Revenues</b>	<b>14,104</b>	<b>(699)</b>	<b>-4.7%</b>	<b>14,803</b>	<b>12,338</b>	<b>12,443</b>	<b>10,665</b>	<b>10,553</b>	<b>9,862</b>	<b>11,047</b>
<b>Operating Expenses</b>										
Salaries & Benefits	25,636	(979)	-3.7%	26,615	27,295	26,024	24,350	23,736	22,581	22,636
Purchased Supplies	3,299	(167)	-4.8%	3,466	3,322	3,284	3,219	3,097	2,604	2,541
Supplies	4,727	(670)	-12.4%	5,397	2,750	2,496	2,582	2,355	2,282	2,458
Repairs and maintenance	787	(439)	-35.8%	1,226	1,025	1,343	922	1,377	801	766
Depreciation	1,984	216	12.2%	1,768	1,712	1,699	1,802	1,850	1,861	1,856
Financial Aid, net	1,346	(206)	-13.3%	1,552	733	830	1,003	880	916	2,725
Other expense	1,753	(136)	-7.2%	1,889	2,212	1,884	2,030	1,425	1,355	1,459
<b>Total Operating Expenses</b>	<b>39,532</b>	<b>(2,381)</b>	<b>-5.7%</b>	<b>41,913</b>	<b>39,049</b>	<b>37,560</b>	<b>35,908</b>	<b>34,720</b>	<b>32,400</b>	<b>34,441</b>
<b>Operating Income (loss)</b>	<b>(25,428)</b>	<b>1,682</b>	<b>-6.2%</b>	<b>(27,110)</b>	<b>(26,711)</b>	<b>(25,117)</b>	<b>(25,243)</b>	<b>(24,167)</b>	<b>(22,538)</b>	<b>(23,394)</b>
<b>Nonoperating Revenue (Expenses)</b>										
Appropriations	15,156	(810)	-5.1%	15,966	17,413	17,530	16,290	16,402	15,223	15,561
Federal Grants	9,856	1,152	13.2%	8,704	5,741	5,161	5,062	4,696	5,087	5,268
State Grants	1,493	(669)	-30.9%	2,162	2,253	2,473	2,942	2,349	2,465	2,300
Private Grants	138	(113)	-45.0%	251	401	42	18	10	95	393
Interest Income	373	352	1676.2%	21	15	13	12	16	13	15
Interest expense	(168)	(6)	3.7%	(162)	(131)	(193)	(174)	(170)	(161)	(167)
Grants to other organizations	-	-	0.0%	-	(1)	(1)	(1)	(1)	(1)	(1)
<b>Total nonoperating Revenues (expenses)</b>	<b>26,848</b>	<b>(94)</b>	<b>-0.3%</b>	<b>26,942</b>	<b>25,691</b>	<b>25,025</b>	<b>24,149</b>	<b>23,302</b>	<b>22,721</b>	<b>23,369</b>
<b>Income (Loss) Before Other Revenues, Expenses, Gains, or Losses</b>	<b>1,420</b>	<b>1,588</b>	<b>-945.2%</b>	<b>(168)</b>	<b>(1,020)</b>	<b>(92)</b>	<b>(1,094)</b>	<b>(865)</b>	<b>183</b>	<b>(25)</b>
Capital appropriations	2,407	(1,500)	-38.4%	3,907	1,351	1,687	701	1,164	1,557	880
Donated assets and supplies	152	104	216.7%	48	6	30	22	13	1	-
Gain (loss) on disposal of capital assets	(2)	(59)	-103.5%	57	(7)	(5)	43		5	(33)
<b>Change in net assets</b>	<b>3,977</b>	<b>133</b>	<b>3.5%</b>	<b>3,844</b>	<b>330</b>	<b>1,620</b>	<b>(328)</b>	<b>312</b>	<b>1,746</b>	<b>822</b>
Total Net Assets, Beginning of Year	28,901			25,057	24,727	23,107	23,435	23,123	21,377	21,417
Change in Reporting Entity					-	-	-		-	(862)
Total Net Assets, Beginning of Year, as Restated	28,901			25,057	24,727	23,107	23,435	23,123	21,377	20,555
<b>Total Net Assets, End of Year</b>	<b>\$ 32,878</b>	<b>\$ 3,977</b>	<b>13.8%</b>	<b>\$ 28,901</b>	<b>\$ 25,057</b>	<b>\$ 24,727</b>	<b>\$ 23,107</b>	<b>\$ 23,435</b>	<b>\$ 23,123</b>	<b>\$ 21,377</b>



Ridgewater College  
FINANCIAL STATEMENTS  
Year Ended June 30, 2011

RIDGEWATER COLLEGE								
Comparative Revenue, Expenses, and Changes in Net Assets (Unaudited)								
<i>Internal Summary Document</i>								
For the Years Ended June 30, 2011 - 2004								
(In Thousands)								
	2011	2010	2009	2008	2007	2006	2005	2004
Operating Revenues								
Tuition, auxiliary, and sales, net	\$ 13,794	\$ 14,495	\$ 12,029	\$ 12,216	\$ 10,436	\$ 10,341	\$ 9,686	\$ 10,839
Other Income	310	308	309	227	229	212	176	208
Total Operating Revenues	14,104	14,803	12,338	20,077	18,669	17,598	17,414	18,615
Nonoperating Revenue and Other								
Appropriations	15,156	15,966	17,413	17,530	16,290	16,402	15,223	15,561
Grants	11,487	11,117	7,994	7,634	8,004	7,045	7,552	7,568
Capital appropriations	2,407	3,907	1,351	1,687	701	1,164	1,557	880
Other	525	126	442	151	55	47	134	424
Total Nonoperating Revenue and Other	29,575	31,116	27,200	19,368	17,046	17,613	16,914	16,865
<b>TOTAL REVENUE AND OTHER</b>	<b>43,679</b>	<b>45,919</b>	<b>39,538</b>	<b>39,445</b>	<b>35,715</b>	<b>35,211</b>	<b>34,328</b>	<b>35,480</b>
Operating Expenses								
Salaries	25,636	26,615	27,295	26,024	24,350	23,736	22,581	22,636
Non Personnel	13,896	15,298	11,774	11,559	11,561	10,991	9,834	11,801
Total Operating Expenses	39,532	41,913	39,069	37,583	35,911	34,727	32,415	34,437
Other	170	162	139	242	132	172	167	221
<b>TOTAL EXPENSES AND OTHER</b>	<b>39,702</b>	<b>42,075</b>	<b>39,208</b>	<b>37,825</b>	<b>36,043</b>	<b>34,899</b>	<b>32,582</b>	<b>34,658</b>
<b>CHANGE IN NET ASSETS</b>	<b>3,977</b>	<b>3,844</b>	<b>330</b>	<b>1,620</b>	<b>(328)</b>	<b>312</b>	<b>1,746</b>	<b>822</b>

Ridgewater College  
FINANCIAL STATEMENTS  
Year Ended June 30, 2011

RIDGEWATER COLLEGE								
Reconciliation of Net Assets to Budgetary Fund Balance - General Fund (Unaudited)								
For the Years Ended June 30, 2011-2004								
(In thousands)								
	2011	2010	2009	2008	2007	2006	2005	2004
Total Net Assets	\$ 32,878	\$ 28,901	\$ 25,057	\$ 24,727	\$ 23,107	\$ 23,435	\$ 23,123	\$ 21,377
Less Restricted Assets								
Invested in capital assets	(21,306)	(20,241)	(17,038)	(16,940)	(16,649)	(17,252)	(17,606)	(17,532)
Restricted net assets	(437)	(448)	(393)	(389)	(404)	(382)	(614)	(366)
Total unrestricted net assets	<b>11,135</b>	<b>8,212</b>	<b>7,626</b>	<b>7,398</b>	<b>6,054</b>	<b>5,801</b>	<b>4,903</b>	<b>3,479</b>
Less Non-General Fund Unrestricted Net Assets								
Enterprise Fund	(3,258)	(2,832)	(2,603)	(2,225)	(1,772)	(1,550)	(1,628)	(1,496)
Special Revenue Fund	(511)	(266)	(229)	(219)	(183)	(264)	(228)	(202)
General Fund - Unrestricted Net Assets	<b>7,366</b>	<b>5,114</b>	<b>4,794</b>	<b>4,954</b>	<b>4,099</b>	<b>3,987</b>	<b>3,047</b>	<b>1,781</b>
GAAP Accruals Not Recognized in Budget								
Compensated Absences/Early Termination/ Other compensation benefits	3,983	3,836	3,867	3,649	3,524	3,063	2,563	2,642
Other accruals, net	(586)	(690)	(1,144)	(835)	(312)	(223)	(446)	(265)
General Fund - unrestricted budgetary fund balance	<b>10,763</b>	<b>8,260</b>	<b>7,517</b>	<b>7,768</b>	<b>7,311</b>	<b>6,827</b>	<b>5,164</b>	<b>4,158</b>
Less Budgetary Designations								
External programs	-	-	-	-	-	-	(17)	(28)
Faculty contract obligations	-	-	(8)	(4)	(6)	(9)	(15)	(15)
Prior year encumbrances	(5)	(75)	(100)	(68)	(95)	(98)	(116)	(57)
Board required reserve	(2,577)	(2,100)	(2,160)	(2,399)	(2,207)	(2,189)	(1,906)	(1,643)
Designated for programs	(6,481)	(4,585)	(3,549)	(3,510)	(4,503)	(3,166)	(1,814)	(2,415)
Planned for next budget	(1,000)	(500)	(600)	(654)	(500)	(400)	(546)	-
Planned for next budget out two years	(700)	(1,000)	(1,100)	(1,133)	-	(965)	(750)	-
Undesignated budgetary fund balance	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>