

**BROOKDALE COMMUNITY COLLEGE  
FOUNDATION**  
(A Component Unit of Brookdale Community College)

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**FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**BROOKDALE COMMUNITY COLLEGE FOUNDATION**  
**(A Component Unit of Brookdale Community College)**

**Financial Statements**  
**June 30, 2019 and 2018**

**C O N T E N T S**

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## INDEPENDENT AUDITORS' REPORT

To the Honorable President and  
Members of the Board of Trustees of  
Brookdale Community College Foundation  
Lincroft, New Jersey

### Report on Financial Statements

We have audited the accompanying financial statements of Brookdale Community College Foundation (a component unit of Brookdale Community College) (the "Foundation"), which comprise the statements of financial position as of June 30, 2019 and 2018, the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Foundation as of June 30, 2019 and 2018, and the respective changes in net assets and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 2 to the financial statements, the Foundation adopted Accounting Standards Update 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2019, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

O'Connor and Duen, P.C.

**Certified Public Accountants**  
**Braintree, Massachusetts**

November 21, 2019

**BROOKDALE COMMUNITY COLLEGE FOUNDATION**  
(A Component Unit of Brookdale Community College)  
Statements of Financial Position  
June 30,

	<b>Assets</b>	<b><u>2019</u></b>	<b><u>2018</u></b>
Current assets:			
Cash and equivalents	\$	870,379	\$ 661,983
Contribution receivable		63,688	102,223
Prepaid expenses		<u>336</u>	<u>4,736</u>
Total current assets		<u>934,403</u>	<u>768,942</u>
Noncurrent assets:			
Cash restricted for long-term purposes		67,606	98,395
Investments		<u>5,819,591</u>	<u>5,725,671</u>
Total noncurrent assets		<u>5,887,197</u>	<u>5,824,066</u>
Total assets	\$	<u><u>6,821,600</u></u>	\$ <u><u>6,593,008</u></u>
<b>Liabilities and Net Assets</b>			
Current liabilities:			
Due to Brookdale Community College	\$	29,230	\$ 28,634
Accounts payable		<u>6,765</u>	<u>-</u>
Total current liabilities		<u>35,995</u>	<u>28,634</u>
Net Assets:			
Without donor restrictions		1,475,912	1,184,283
With donor restrictions		<u>5,309,693</u>	<u>5,380,091</u>
Total net assets		<u>6,785,605</u>	<u>6,564,374</u>
Total liabilities and net assets	\$	<u><u>6,821,600</u></u>	\$ <u><u>6,593,008</u></u>

*The accompanying notes are an integral part of these financial statements.*

**BROOKDALE COMMUNITY COLLEGE FOUNDATION**  
(A Component Unit of Brookdale Community College)  
Statements of Activities and Changes in Net Assets  
For the Years Ended June 30,

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue:</b>						
Contributions	\$ 72,011	\$ 511,616	\$ 583,627	\$ 30,559	\$ 381,461	\$ 412,020
Investment income	135,361	290,696	426,057	62,191	319,031	381,222
Special events	249,288	9,295	258,583	288,847	7,865	296,712
Donated services from College	165,289	-	165,289	159,407	-	159,407
Net assets released from restrictions	<u>882,005</u>	<u>(882,005)</u>	<u>-</u>	<u>637,185</u>	<u>(637,185)</u>	<u>-</u>
<b>Total Revenue</b>	<u>1,503,954</u>	<u>(70,398)</u>	<u>1,433,556</u>	<u>1,178,189</u>	<u>71,172</u>	<u>1,249,361</u>
<b>Expenses:</b>						
Program services	959,914	-	959,914	826,205	-	826,205
Management and general	158,508	-	158,508	153,135	-	153,135
Fundraising	<u>93,903</u>	<u>-</u>	<u>93,903</u>	<u>83,680</u>	<u>-</u>	<u>83,680</u>
<b>Total Expenses</b>	<u>1,212,325</u>	<u>-</u>	<u>1,212,325</u>	<u>1,063,020</u>	<u>-</u>	<u>1,063,020</u>
<b>Change in Net Assets</b>	291,629	(70,398)	221,231	115,169	71,172	186,341
Net Assets, Beginning of Year	<u>1,184,283</u>	<u>5,380,091</u>	<u>6,564,374</u>	<u>1,069,114</u>	<u>5,308,919</u>	<u>6,378,033</u>
<b>Net Assets, End of Year</b>	<u>\$ 1,475,912</u>	<u>\$ 5,309,693</u>	<u>\$ 6,785,605</u>	<u>\$ 1,184,283</u>	<u>\$ 5,380,091</u>	<u>\$ 6,564,374</u>

*The accompanying notes are an integral part of these financial statements.*

**BROOKDALE COMMUNITY COLLEGE FOUNDATION**  
(A Component Unit of Brookdale Community College)  
Statements of Functional Expenses  
For the Years Ended June 30,

	2019				2018			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Scholarships and grants to the College	\$ 841,031	\$ -	\$ -	\$ 841,031	\$ 713,055	\$ -	\$ -	\$ 713,055
Salaries and benefits	118,883	77,532	10,338	206,753	113,150	73,793	9,839	196,782
Fundraising events	-	-	83,565	83,565	-	-	73,841	73,841
Supplies and other services	-	46,610	-	46,610	-	45,649	-	45,649
Rent and utilities	-	34,366	-	34,366	-	33,693	-	33,693
	<u>-</u>	<u>34,366</u>	<u>-</u>	<u>34,366</u>	<u>-</u>	<u>33,693</u>	<u>-</u>	<u>33,693</u>
Total expenses	\$ <u>959,914</u>	\$ <u>158,508</u>	\$ <u>93,903</u>	\$ <u>1,212,325</u>	\$ <u>826,205</u>	\$ <u>153,135</u>	\$ <u>83,680</u>	\$ <u>1,063,020</u>

*The accompanying notes are an integral part of these financial statements.*

**BROOKDALE COMMUNITY COLLEGE FOUNDATION**

(A Component Unit of Brookdale Community College)

## Statements of Cash Flow

June 30,

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ 221,231	\$ 186,341
Adjustments to reconcile change in net assets to net cash applied to operating activities:		
Net realized and unrealized gains on investments	(303,288)	(280,386)
Changes in assets and liability:		
Contribution receivable	38,535	95,956
Prepaid expenses	4,400	(597)
Due to Brookdale Community College	596	(7,874)
Accounts payable	<u>6,765</u>	<u>-</u>
Net cash applied to operating activities	<u>(31,761)</u>	<u>(6,560)</u>
Cash flows from investing activities:		
Proceeds from sale of investments	658,919	412,622
Purchases of investments	<u>(449,551)</u>	<u>(303,203)</u>
Net cash provided by investing activities	<u>209,368</u>	<u>109,419</u>
Net increase in cash and equivalents	177,607	102,859
Cash and equivalents at beginning of year	<u>760,378</u>	<u>657,519</u>
Cash and equivalents at end of year	\$ <u><u>937,985</u></u>	\$ <u><u>760,378</u></u>
Cash and equivalents:		
Cash and equivalents	\$ 870,379	\$ 661,983
Cash restricted for long-term purposes	<u>67,606</u>	<u>98,395</u>
	\$ <u><u>937,985</u></u>	\$ <u><u>760,378</u></u>

*The accompanying notes are an integral part of these financial statements.*



# **BROOKDALE COMMUNITY COLLEGE FOUNDATION**

(A Component Unit of Brookdale Community College)

Notes to Financial Statements

June 30, 2019 and 2018

## **(1) Organization**

Brookdale Community College Foundation (the “Foundation”) is a not-for-profit organization created in 1973 under the laws of the State of New Jersey. The purposes of the Foundation are to receive, hold, invest, administer, encourage, and solicit contributions from the general public for the benefit of Brookdale Community College (the “College”). The Foundation’s efforts benefit the College in the development and construction of physical facilities on campus; in the undertaking of projects which foster and promote educational philosophy, mission, and goals of the College; in providing funds for the development of curriculum and education media; and in the creation of scholarships. Although the Foundation is legally a separate, not-for-profit organization, due to the significance of its operational and financial relationships with the College, it is considered a component unit of the College.

The Foundation is an organization described under Section 501(c)(3) of the Internal Revenue Code (“Code”) and therefore is exempt from federal income taxes under Section 501(a) of the Code.

## **(2) Summary of Significant Accounting Policies**

### ***Method of Accounting***

The accompanying financial statements have been prepared utilizing the accrual basis of accounting in accordance with generally accepted accounting principles (“U.S. GAAP”).

### ***Financial Statement Presentation***

Assets revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expenses for any purpose in performing the objectives of the Foundation.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without restrictions in the statements of activities and changes in net assets. Restricted contributions in which the restrictions are met in the same year are reported as without donor-restricted revenue.

### ***Measure of Operations***

The statements of activities report all changes in net assets. Operating activities consist of those items attributable to the Foundation’s on-going purpose and the return earned on investments. Non-operating activities are limited to resources that generate and other activities considered to be of a more unusual nonrecurring nature.

**BROOKDALE COMMUNITY COLLEGE FOUNDATION**

(A Component Unit of Brookdale Community College)

Notes to Financial Statements

June 30, 2019 and 2018

**(2) Summary of Significant Accounting Policies (continued)**

*Use of Estimates*

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions about future events. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as reported amounts of revenues and expenses during the reporting period. Management evaluates the estimates and assumptions on an ongoing basis using historical experience and other factors that management believes to be reasonable under the circumstances. Adjustments to estimates and assumptions are made as facts and circumstances require. As future events and their effects cannot be determined with certainty, actual results may differ from the estimates used in preparing the accompanying financial statements.

*Cash and Equivalents*

Cash and equivalents consist of cash on deposit with banks and money market funds with the exception of cash restricted for specific purposes and original maturities of three months or less.

*Grants and Contributions*

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor-restrictions, depending on the nature of restriction. When a restriction expires that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets released from restrictions.

*Unconditional Promises to Give*

Unconditional promises to give are recorded when made and considered to be available for without donor restrictions use unless specifically restricted by the donor. A present value is determined on all promises when it is determined the promise will not be received within a year, or it cannot be determined when it will be received. As of June 30, 2019 and 2018, the Foundation had no unconditional promises to give that exceeded one year in nature.

*Allowance for Doubtful Accounts*

Pledges and accounts receivable are stated net of an allowance for doubtful accounts. The Foundation estimates the allowance based on the analysis of specific donors, taking into consideration the age of past due amounts and an assessment of the donor's ability to pay. The Foundation has determined that there is no allowance for doubtful accounts required at June 30, 2019 and 2018.

*Investments*

Investments are recorded at cost, if purchased, or at fair value, if donated. Therefore, investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as investments return in the statements of activities and changes in net assets.

## **BROOKDALE COMMUNITY COLLEGE FOUNDATION**

(A Component Unit of Brookdale Community College)

Notes to Financial Statements

June 30, 2019 and 2018

### **(2) Summary of Significant Accounting Policies (continued)**

#### ***Fair Value Measurements***

Promulgations of the Financial Accounting Standards Board have established a framework for measuring fair value, which provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under are described as follows:

- |         |   |
|---------|---|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.   |
| Level 2 | Inputs to the valuation methodology include: <ul style="list-style-type: none"><li>• Quoted prices for similar assets or liabilities in active markets;</li><li>• Quoted prices for identical or similar assets or liabilities in inactive markets;</li><li>• Inputs other than quoted prices that are observable for the asset or liability; and</li><li>• Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.</li><li>• If the asset or liability has a specified (contractual) term, the input must be observable for substantially the full term of the asset or liability.</li></ul> |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement.   |

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

#### ***Income Taxes***

U.S. GAAP requires an entity to assess the probability that a tax position has a "more likely than not" sustainability after review by tax authorities. If a tax position is deemed not to meet this threshold, any unrecognized tax benefits and costs are estimated and recognized. Tax returns are routinely open for review by the tax authorities for three years from their due date. In certain circumstances, the statute of limitations may remain open indefinitely. As a not-for-profit entity exempt from income taxes, the Foundation may, however, be subject to tax on unrelated business income.

#### ***In-Kind Support***

Donated materials are recorded at fair market value as both revenue and expense in the statements of activities and changes in net assets. The Foundation receives a significant amount of contributed time from volunteers that does not meet the requirements of a monetary contribution and accordingly, the value of these services has not been reflected in these financial statements.

**BROOKDALE COMMUNITY COLLEGE FOUNDATION**

(A Component Unit of Brookdale Community College)

Notes to Financial Statements

June 30, 2019 and 2018

**(2) Summary of Significant Accounting Policies (continued)**

***Office Furnishings and Equipment***

Costs of office furnishings and equipment are charged to expense because the Foundation does not deem such amounts to be sufficiently material to warrant capitalization and depreciation.

***Endowment Funds***

The Foundation has interpreted the New Jersey Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the organization
- (7) The investment policies of the organization

The Foundation’s investment policy for endowment funds is intended to preserve capital to the extent possible and provide a reasonably predictable stream of revenue to provide appropriate funding to the programs supported by endowment funds.

As of both June 30, 2019 and 2018, the Foundation did not have endowment funds with an aggregate fair value less than donor stipulated levels. These would be commonly referred to as “underwater”.

***Functional Allocations of Expenses***

Expenses are categorized by program services, management and general or fundraising on a direct identification based where practical and on a percentage allocation basis based on management’s judgement. A variety of cost allocation techniques are used such as time and effort and square footage.

## **BROOKDALE COMMUNITY COLLEGE FOUNDATION**

(A Component Unit of Brookdale Community College)

Notes to Financial Statements

June 30, 2019 and 2018

### **(2) Summary of Significant Accounting Policies (continued)**

#### ***Adoption of New Accounting Standard***

In August 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-14, Not-for-Profit Entities - *Presentation of Financial Statements for Not-for-Profit Entities*. The adoption of this pronouncement had a material effect on the presentation of the financial statements but did not necessitate an adjustment to total net assets of prior periods or operations of the current period. The pronouncement changes the net asset classification and investment return and enhances the disclosures for information about liquidity and availability of resources and expenses. The ASU has been applied retrospectively to all periods presented.

#### ***New Accounting Pronouncement***

*Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, an amendment to Topic 958 - Not-for-Profit Entities - FASB issued ASU 2018-08. The purpose of this amendment is to provide guidance in determining whether resource providers and resource recipients are participating in an exchange transaction, or if the transfer of funds is a contribution, by evaluating whether the resource provider is receiving commensurate value in return for the resources transferred. For non-public resource recipients, the amendment is effective for periods beginning after December 15, 2018. For non-public resource providers, the amendment is effective for periods beginning after December 15, 2019. Management is in the process of evaluating this standard and has not yet determined its impact on the financial statements.

#### ***Reclassification***

Certain amounts in the 2018 financial statements have been reclassified to conform to the 2019 presentation.

### **(3) Cash and Equivalents**

The Foundation maintains cash balances in bank deposit accounts that, at times, may exceed federally insured limits. The Foundation has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk on cash. As of June 30, 2019 and 2018, \$688,328 and \$598,634 was exposed to custodial risk, respectively.

### **(4) Cash Restricted for Long-Term Purposes**

Cash restricted for long-term purposes consists of \$67,606 and \$98,395 as of June 30, 2019 and 2018, respectively, of funds that are part of the endowment funds which when combined with the endowment fund investments, represent the total of the nonexpendable net assets.

### **(5) Investments**

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2019 and 2018.

*Common stocks, preferred stocks and equities:* Valued at the closing price recorded on the active market on which the individual securities are traded.

**BROOKDALE COMMUNITY COLLEGE FOUNDATION**

(A Component Unit of Brookdale Community College)

Notes to Financial Statements

June 30, 2019 and 2018

**(5) Investments (continued)**

*Mutual Funds:* Valued at the net asset value of the shares held by the Foundation at year end.

*Corporate bonds, municipal bonds, foreign bonds and U.S Government Securities:* Valued based upon quotes from independent pricing vendors based upon independent pricing models or other model-based valuation techniques such as present value of the stream of expected cash flows adjusted for the security's credit rating and other factors such as credit loss assumptions.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table set forth, by level, the Foundation's marketable securities as of June 30,:

	<b>2019</b>			
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Corporate bonds	\$ -	1,086,983	-	1,086,983
Government bonds	-	474,508	-	474,508
Foreign bonds	-	19,746	-	19,746
Mutual funds	9,987	-	-	9,987
Preferred stock	131,668	-	-	131,668
Equities	4,096,699	-	-	4,096,699
	<u>\$ 4,238,354</u>	<u>1,581,237</u>	<u>-</u>	<u>5,819,591</u>
	<b>2018</b>			
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Corporate bonds	\$ -	991,934	-	991,934
Government bonds	-	369,299	-	369,299
Municipal bonds	-	113,692	-	113,692
Foreign bonds	-	34,039	-	34,039
Mutual funds	9,849	-	-	9,849
Preferred stock	132,203	-	-	132,203
Equities	4,074,655	-	-	4,074,655
	<u>\$ 4,216,707</u>	<u>1,508,964</u>	<u>-</u>	<u>5,725,671</u>

**BROOKDALE COMMUNITY COLLEGE FOUNDATION**

(A Component Unit of Brookdale Community College)

Notes to Financial Statements

June 30, 2019 and 2018

**(6) Net Assets**

Net assets with donor restrictions consists of the following at June 30,:

	<u>2019</u>	<u>2018</u>
With restrictions (purpose - scholarships and grants)	\$ 3,016,323	\$ 3,146,554
With restrictions (perpetuity)	<u>2,293,370</u>	<u>2,233,537</u>
	<u>\$ 5,309,693</u>	<u>\$ 5,380,091</u>

*Net Assets Released from Restrictions*

Net assets with donor restrictions were released from restrictions by incurring expenses satisfying the purpose specified by the donors for the years ended June 30, 2019 and 2018 were \$932,005 and \$637,185, respectively.

**(7) Endowment Net Assets**

Change to the endowment for the years ended June 30, 2019 and 2018 are as follows:

<b>June 30, 2017</b>	\$ 2,895,303
Investment return	249,614
Contributions	24,538
Amounts appropriated for expenditure	<u>(103,649)</u>
<b>June 30, 2018</b>	<b>3,065,806</b>
Investment return	161,868
Contributions	30,248
Amounts appropriated for expenditure	<u>(43,694)</u>
<b>June 30, 2019</b>	<b>\$ <u>3,214,228</u></b>

**(8) In-Kind Contributions**

The Foundation received the following in-kind contributions from the College that have been reported as donated services from College on the accompanying statements of activities and changes in net position for the years ended June 30,:

	<u>2019</u>	<u>2018</u>
Salary and benefits	\$ 116,372	\$ 113,214
Rent and utilities	34,367	33,693
Professional fees	12,000	10,000
Outside services	<u>2,550</u>	<u>2,500</u>
	<u>\$ 165,289</u>	<u>\$ 159,407</u>

## BROOKDALE COMMUNITY COLLEGE FOUNDATION

(A Component Unit of Brookdale Community College)

Notes to Financial Statements

June 30, 2019 and 2018

### (9) Related Party Transactions

During the fiscal years 2019 and 2018, certain services and expenses are received and paid between the Foundation and the College. All such expenses are put on account and settled periodically between the two parties. As of June 30, 2019 and 2018, the Foundation was indebted to the College in the amount of \$29,230 and \$28,634, respectively, representing student scholarships and operating expenses paid by the College on behalf of the Foundation. This amount is noninterest-bearing and is payable on demand.

### (10) Availability and Liquidity

The following represents the Foundation's assets available to meet general expenditures within one year at June 30,:

	<u>2019</u>	<u>2018</u>
Financial assets at year-end:		
Cash and equivalents	\$ 870,379	\$ 661,983
Contribution receivable	<u>63,688</u>	<u>102,223</u>
 Financial assets available to meet general expenditures within one year:	 <u>\$ 934,067</u>	 <u>\$ 764,206</u>

The Foundation regularly monitors liquidity required to meet its operating needs and other commitments, while also striving to maximize the investment of its available funds. The Foundation has various sources of liquidity at its disposal, including cash and equivalents and marketable securities.

In addition to financial assets available to meet general expenditures over the next 12 months, the Foundation operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. At June 30, 2019 and 2018, management believes the Foundation has no liquidity issues.

### (11) Subsequent Events

Management has evaluated subsequent events through November 21, 2019, the date for which the financial statements were available for issuance. Management accepted the financial statements and did not identify any events subsequent to June 30, 2019 requiring disclosure in these financial statements.



**Independent Auditors' Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Combined  
Financial Statements Performed in Accordance with  
*Government Auditing Standards***



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable President and  
Members of the Board of Trustees of  
Brookdale Community College Foundation  
Lincroft, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Brookdale Community College Foundation (a component unit of Brookdale Community College) (the "Foundation"), which comprise the statements of net position as of June 30, 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements and have issued our report thereon dated November 21, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audits of the financial statements, we considered the Foundation's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audits we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

O'Connor and Drew, P.C.

**Certified Public Accountants  
Braintree, Massachusetts**

November 21, 2019