

# ***Report of Audit***

*Fiscal Year Ended June 30, 2008*

# 08



**BROOKDALE**  
COMMUNITY COLLEGE



**BROOKDALE COMMUNITY COLLEGE**  
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# **INTRODUCTORY SECTION**

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**FOR THE FISCAL YEAR ENDING  
JUNE 30, 2008**

**BROOKDALE COMMUNITY COLLEGE**  
**MEMBERS OF THE BOARD OF TRUSTEES**

**AS OF JUNE 30, 2008**

<b><u>NAME</u></b>	<b><u>TERM EXPIRES</u></b>
Mr. Howard C. Birdsall, Chair	October 31, 2008
Mr. Jacob S. Elkes, Vice Chair	October 31, 2008
Dr. Lewis G. Anderson	October 31, 2011
Dr. Simon M. Bosco	October 31, 2011
Father Brian Butch	October 31, 2010
Dr. Paul M. DiLorenzo	January 31, 2008
Mr. Woodrow C. Holmes	October 31, 2009
Mrs. Sarah Lucille Jones	October 31, 2010
Mrs. Eugenia Lawson, County Superintendent of Schools (7/1/07-1/18/08)	Ex-Officio Member
Mr. Richard M. Maser	October 31, 2008
Mrs. Carole Knopp Morris, County Superintendent of Schools (Effective 1/21/08)	Ex-Officio Member
Ms. Joan Raymond	October 31, 2009
Ms. Michele Rizzuto, Graduate Trustee	October 31, 2007

**COLLEGE OFFICIALS**

Dr. Peter F. Burnham, President and Secretary to the Board

Dr. Margaret McMenamin, Executive Vice President of Educational Services

Mr. Louis Goetting, Executive Vice President of Administration, Operations, and Information Technology Services  
(7/1/07 – 12/31/07)

Dr. James Sulton, Jr., Interim Executive Vice President of Administration, Operations, and Information Technology Services (Effective 1/3/08)

Mr. George J. Fehr, Vice President for Business and Finance

Dr. Linda Milstein, Vice President for Outreach, Business, and Community Development

Dr. Webster Trammell, Vice President for Development, Governmental, and Community Relations

Mrs. Jean Karl, Confidential Assistant to the Board of Trustees and President's Cabinet

Mrs. Louise Horgan, Executive Assistant to the President

Mr. John Cantalupo, Esq., College Attorney

Mr. Matthew J. Giacobbe, Esq., Labor Attorney

# **FINANCIAL SECTION**

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**FOR THE FISCAL YEAR ENDING  
JUNE 30, 2008**

## **INDEPENDENT AUDITORS' REPORT**

To the Members of the Board of Trustees  
Brookdale Community College  
Lincroft, New Jersey 07738

We have audited the accompanying basic financial statements of Brookdale Community College (the College), State of New Jersey, a component unit of the County of Monmouth, State of New Jersey, as of and for the fiscal years ended June 30, 2008 and 2007. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Department of Treasury, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of Brookdale Community College Foundation (a blended component unit) were not audited in accordance with Government Auditing Standards. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

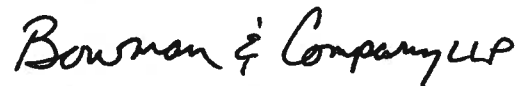
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Brookdale Community College, State of New Jersey, as of June 30, 2008 and 2007 and the respective changes in financial position and cash flows for the fiscal years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 14, 2008, on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The accompanying management's discussion and analysis (MD&A) as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the College. The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and are not a required part of the basic financial statements. Such information has been subject to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

Voorhees, New Jersey  
October 14, 2008



**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 Members of the Board of Trustees  
Brookdale Community College  
Lincroft, New Jersey 07738

We have audited the accompanying basic financial statements of Brookdale Community College (the College), State of New Jersey, a component unit of the County of Monmouth, State of New Jersey, as of and for the fiscal years ended June 30, 2008 and 2007, and have issued our report thereon dated October 14, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Department of Treasury, State of New Jersey. The financial statements of Brookdale Community College Foundation (a blended component unit) were not audited in accordance with Government Auditing Standards.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the College's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the College's financial statements that is more than inconsequential will not be prevented or detected by the College's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be presented or detected by the College's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

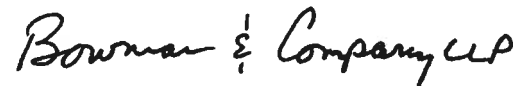


**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the College's financial statements are free of 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 audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards, and audit requirements as prescribed by the Department of Treasury, State of New Jersey.

This report is intended solely for the information and use of the board of trustees and management of the College, the Department of Treasury, State of New Jersey, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink that reads "Bowman & Company LLP". The signature is written in a cursive, flowing style.

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

Voorhees, New Jersey  
October 14, 2008

## **REQUIRED SUPPLEMENTARY INFORMATION**

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
**Management's Discussion and Analysis**  
For the fiscal years ended June 30, 2008 and 2007

Management's Discussion and Analysis (MD&A) presents Brookdale Community College's (the College) financial performance during the fiscal years ended June 30, 2008 and 2007. This MD&A will provide various financial analyses comparing fiscal year 2008 to fiscal year 2007 as well as fiscal year 2006 activity.

**Enrollment**

The College enrollment is comprised of credit and noncredit full-time equated (FTE) students. A full-time equated student represents a student or combination of students taking thirty (30) credits.

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>Change 2007-2008</u>
Credit FTEs	10,514	10,053	9,651	461
Noncredit FTEs	790	778	835	12
Total FTEs	<u>11,304</u>	<u>10,831</u>	<u>10,486</u>	<u>473</u>

Full Time Equated (FTE) Enrollment for credit and non-credit enrollment in fiscal year 2008 was 11,304, compared to fiscal year 2007 FTE enrollment of 10,831. This represents a 4.4 percent increase.

- Credit enrollment increased from 10,053 FTEs in fiscal year 2007 to 10,514 in fiscal year 2008, which represents a 4.6 percent increase.
- Non-credit enrollment went from 778 FTEs in fiscal year 2007 to 790 FTEs in fiscal year 2008, which represents a 1.5 percent increase.

**General Financial Information**

The College's basic financial statements include a statement of net assets, a statement of revenues, expenses and changes in net assets, and a statement of cash flows. The financial statements are prepared in accordance with the accounting principles established by the Governmental Accounting Standards Board (GASB).

**Summary of Assets and Liabilities**

Assets and liabilities for the periods ending June 30 were as follows:

	<u>2008</u>	<u>(Restated) 2007</u>	<u>2006</u>	<u>Change 2007-2008</u>
Current assets	\$ 32,260,695	31,231,767	33,893,450	1,028,928
Capital assets	126,325,865	124,999,212	121,229,490	1,326,653
Other noncurrent assets	3,101,761	3,232,375	2,057,708	(130,614)
Total noncurrent assets	129,427,626	128,231,587	123,287,198	1,196,039
Total assets	<u>\$ 161,688,321</u>	<u>159,463,354</u>	<u>157,180,648</u>	<u>2,224,967</u>
Current liabilities	12,760,606	12,501,168	15,754,564	259,438
Noncurrent liabilities	22,002,531	22,698,276	23,414,378	(695,745)
Total liabilities	<u>\$ 34,763,137</u>	<u>35,199,444</u>	<u>39,168,942</u>	<u>(436,307)</u>

(Continued)

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Management's Discussion and Analysis  
For the fiscal years ended June 30, 2008 and 2007

**Summary of Assets and Liabilities (Cont'd)**

The increase in current assets of \$1,028,928 is due to the following:

- A net increase of \$2,638,418, in cash, cash equivalents, investments and deposits held by trustees resulting from an increase in cash and cash equivalents of 1,492,355, an increase of \$1,135,778 in investments and an increase of \$10,285 in deposits held by trustees.
- A decrease in accounts receivable of \$1,837,906 was mainly as a result of a decrease in County receivable.
- A decrease in inventories of \$31,340 primarily due to increased control over inventory levels.
- An increase in prepaid expenses of \$307,627, due to the prepayment of workers compensation and short term disability amounting to \$217,263 and \$27,217, respectively and various prepayments of \$63,147.
- A decrease in accrued interest receivable of \$47,871 due to less overall investment income.

Capital Assets increased in the net by \$1,326,653, which is due to net additions of \$4,425,142, less the net change in accumulated depreciation of \$3,098,489. The decrease in non current assets of \$130,614 is due to a decrease in deposits held by trustee, and a reduction in investment earnings in the endowment portfolio.

The increase in current liabilities of \$259,438 is due to the following:

- A decrease of \$203,678 in accounts payable, and a increase of \$395,750 in accrued expenses primarily due to an increase in pension expense.
- An increase of \$265,292 in deferred student tuition and fees, which is due to enrollment and tuition rate increases, and a decrease of \$72,033 in deferred grant revenue.
- A decrease of \$20,357 in the current portion of long-term liabilities.
- A decrease of \$105,536 in deposits held for others, which was mainly the result of withdrawals from the Foundation for the Holocaust Center.

The decrease in noncurrent liabilities of \$695,745 is due to payments made against the debt principle for the Warner Student Life Center, the Western Monmouth Higher Education Center, and payments made on the debt for the Equipment Leasing Fund.

***Long-Term Debt***

The College financed two capital ventures in 2001 and 2003, to fund renovations to the Warner Student Life Center, and the acquisition of the Western Monmouth Higher Education Center, respectively. Principal payments are due on August 1, and interest is payable twice a year on February 1, and August 1. The total original amount financed was \$25,280,000, with the annual debt service on both bonds totaling approximately \$1,720,000 a year.

(Continued)



**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Management's Discussion and Analysis  
For the fiscal years ended June 30, 2008 and 2007

***Capital Assets***

Capital asset activity for the fiscal year ended June 30, 2008 was as follows:

	<b>Balance Restated 2007</b>	<b>Additions</b>	<b>Retirements</b>	<b>2008</b>
Land	\$ 6,183,367	—	—	6,183,367
Building and improvements	172,879,726	5,447,410	—	178,327,136
Furniture and equipment	5,897,858	420,033	1,442,301	4,875,590
Total	184,960,951	5,867,443	1,442,301	189,386,093
Less accumulated depreciation	(59,961,739)	(4,463,276)	(1,364,787)	(63,060,228)
Capital assets, net	\$ 124,999,212	1,404,167	77,514	126,325,865

The College contracted with American Appraisal Associates to conduct a physical inventory at June 30, 2008. The inventory required the College to restate prior year's net assets in the amount of \$5,302,885, which is net of accumulated depreciation of \$3,057,592.

(Continued)

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Management's Discussion and Analysis  
For the fiscal years ended June 30, 2008 and 2007

**Summary of Revenues, Expenses, and Changes in Net Assets**

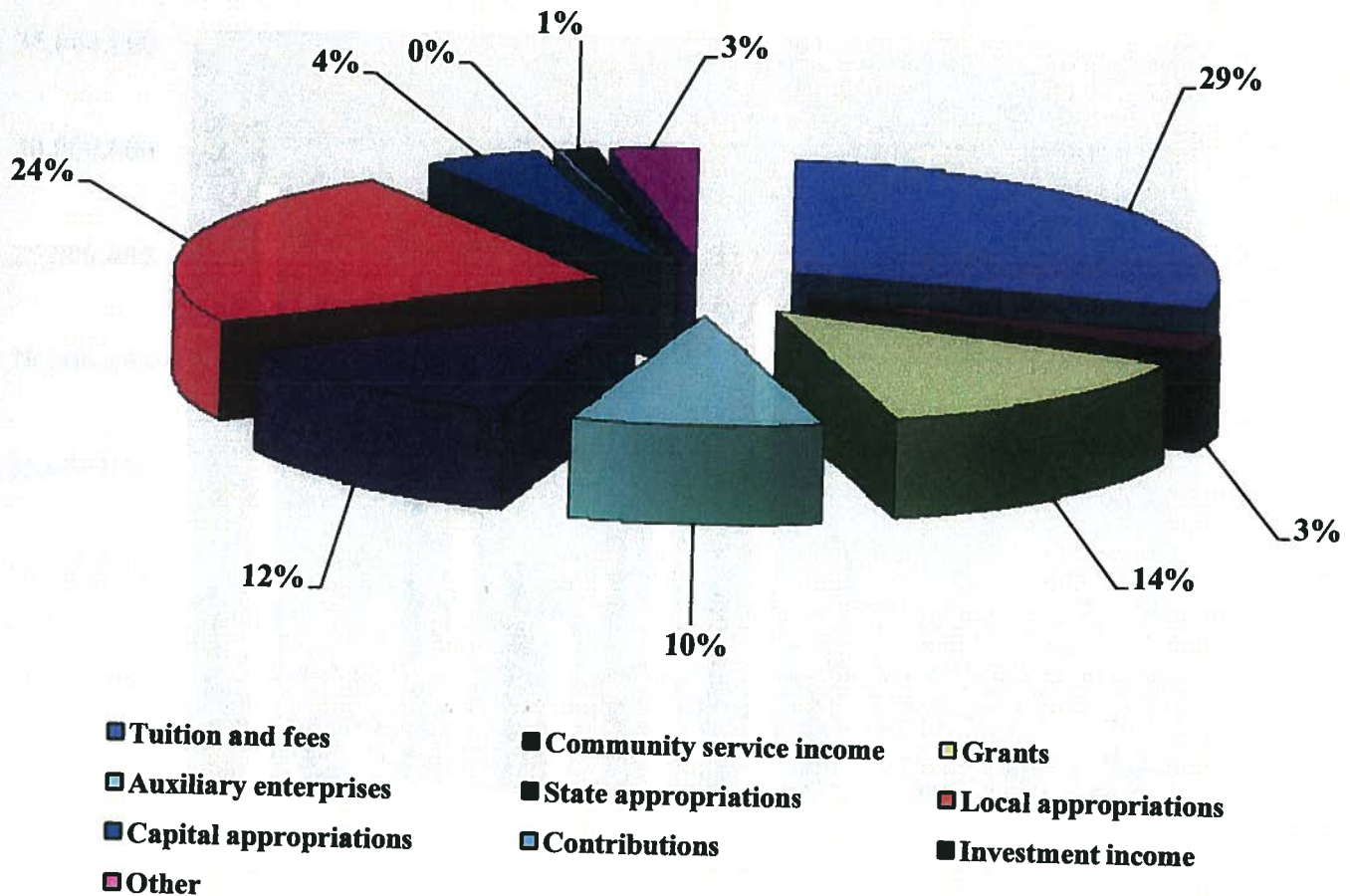
The College receives its revenue from three main sources: Tuition and Fees, State Aid, and County support. The balance of revenue was received from miscellaneous sources, which include Business and Community Development, Grants, Investment Income, Other Fees, and Other Income. The College also received capital appropriations from the County, State, and Federal Government.

	2008	(Restated) 2007	(Restated) 2006	Change 2007-2008
Operating revenues:				
Tuition, net	\$ 25,732,702	23,706,805	21,961,779	2,025,897
Fees	5,249,898	4,801,165	5,967,860	448,733
Chargebacks to other counties	424,897	404,875	387,600	20,022
Community service income	2,947,355	2,689,612	2,886,077	257,743
Federal, state, and local grants	14,639,500	13,221,860	12,728,734	1,417,640
Other grants	114,668	93,490	125,590	21,178
Other operating revenues	1,072,026	1,097,295	661,540	(25,269)
Auxiliary enterprises, net	10,321,556	9,494,183	8,075,105	827,373
Other	212,854	238,173	133,761	(25,319)
Total operating revenues	<u>60,715,456</u>	<u>55,747,458</u>	<u>52,928,046</u>	<u>4,967,998</u>
Operating expenses	104,535,614	(96,541,236)	(94,303,922)	201,076,850
Operating loss	<u>(43,820,158)</u>	<u>(40,793,778)</u>	<u>(41,375,876)</u>	<u>(3,026,380)</u>
Nonoperating revenues (expenses):				
State appropriations	13,367,316	12,652,501	13,123,834	714,815
Local appropriations	25,512,410	24,413,789	23,362,478	1,098,621
Contributions	317,950	427,726	458,698	(109,776)
Investment income	1,199,117	1,856,162	1,234,194	(657,045)
Other nonoperating revenues	2,308,446	2,137,545	72,886	170,901
Interest expense	(1,037,132)	(1,061,610)	(1,084,958)	24,478
Net nonoperating revenues	<u>41,668,107</u>	<u>40,426,113</u>	<u>37,167,132</u>	<u>1,241,994</u>
Loss before other revenues	<u>(2,152,051)</u>	<u>(367,665)</u>	<u>(4,208,744)</u>	<u>(1,784,386)</u>
Other revenues:				
Capital appropriations	4,813,325	11,922,753	8,684,807	(7,109,428)
Increase in net assets	<u>2,661,274</u>	<u>11,555,088</u>	<u>598,512</u>	<u>(8,893,814)</u>
Net assets as of beginning of year	124,263,910	112,708,822	112,110,310	11,555,088
Net assets as of end of year	<u>\$ 126,925,184</u>	<u>124,263,910</u>	<u>112,708,822</u>	<u>2,661,274</u>

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**BROOKDALE COMMUNITY COLLEGE**  
 (A Component Unit of the County of Monmouth)  
 Management's Discussion and Analysis  
 For the fiscal years ended June 30, 2008 and 2007

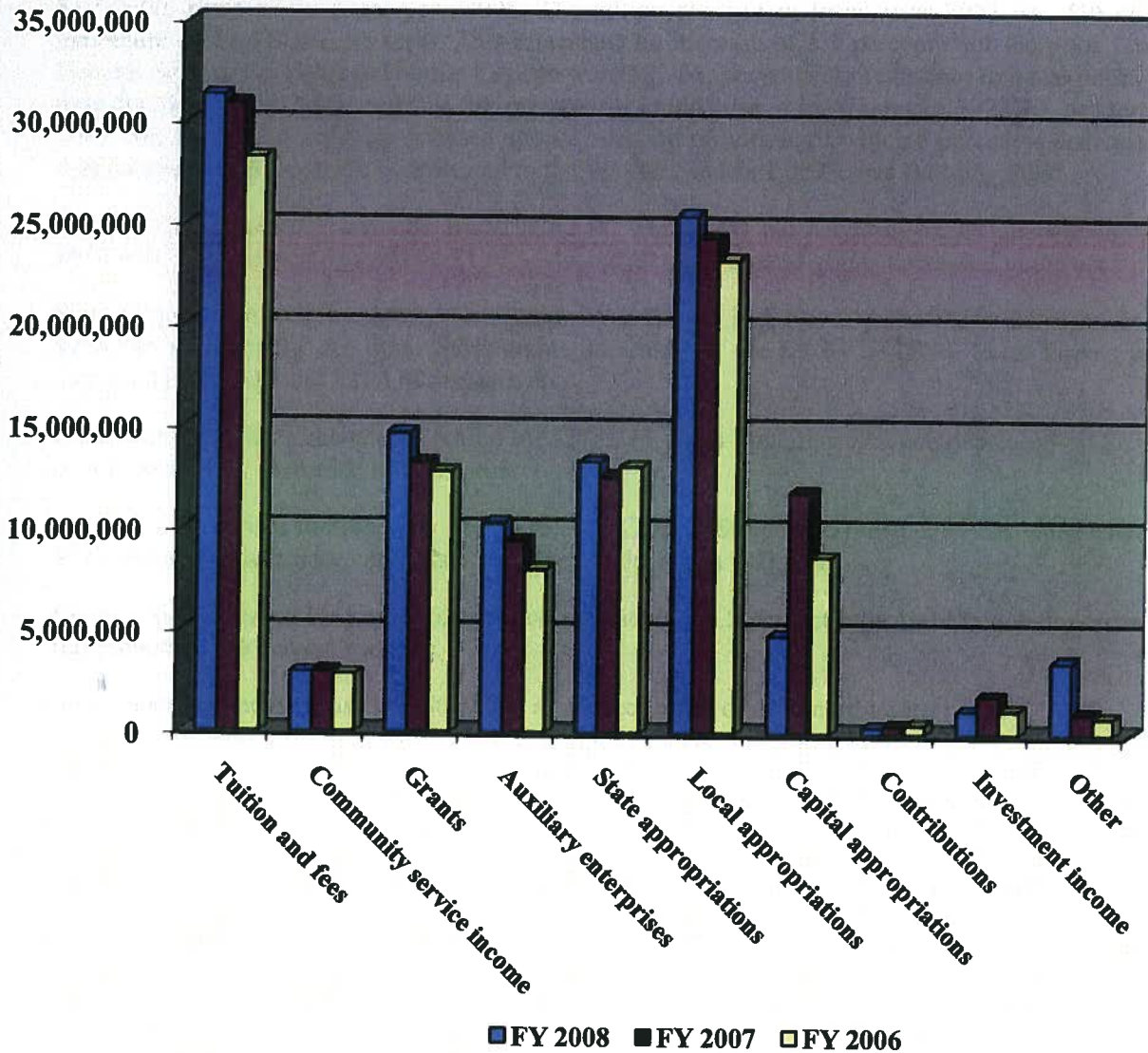
**FY 2008 Revenues**



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**BROOKDALE COMMUNITY COLLEGE**  
 (A Component Unit of the County of Monmouth)  
 Management's Discussion and Analysis  
 For the fiscal years ended June 30, 2008 and 2007

**Revenues**



(Continued)



**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Management's Discussion and Analysis  
For the fiscal years ended June 30, 2008 and 2007

***Revenue***

Tuition, Fee, and Chargeback revenue increased by \$2,494,652, which can be attributed to both an increase in FTEs and per credit tuition costs. The College charged \$103.00, per student credit hour (SCH) to a maximum of \$1,545.00, per term in fiscal year 2008. The tuition charged in fiscal year 2007 was \$98.00, per SCH to a maximum of \$1,470.00, per term. This represents an increase of 5.1 percent over the prior year's tuition rate. General Service Fees charged by the College were \$22.66, per student credit hour to a maximum of \$339.90, per term for fiscal year 2008, and \$21.56, per student credit hour a maximum of \$323.40, per term in fiscal year 2007. The fiscal year 2008 fee is based upon 22 percent of tuition, of which 6 percent is dedicated to technology enhancements and 1 percent is dedicated to the Warner Student Life Center Building Fund.

Grant revenue and Gifts increase by \$1,438,818, which was the net result of an increase in federal grants of \$914,436. Pell Grants increased by \$1,033,044 and all other federal grants decreased in the net by \$118,608.

State Grants increased by \$498,571. Tuition Aid Grants and New Jersey Stars increased by \$274,609 and \$238,885 respectively. All other State grants decreased in the net by \$14,923. Local Grants and private gifts increased by \$4,633 and \$21,178 respectively.

Community Service's income increased by \$257,743; other operating revenue decreased by \$25,269; other non operating revenue increased by \$170,901.

Auxiliary enterprises increased by \$827,373. The College Store and Dining Services represented an increase of \$743,737 and all auxiliary enterprises increased in the net by \$83,636.

County Aid increased by \$1,098,621, which represents a 4.5 percent increase; State Aid increased by \$714,815 representing a 5.6 percent increase.

Investment income decreased by \$657,045 as a direct result of decreased interest rates.

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**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Management's Discussion and Analysis  
For the fiscal years ended June 30, 2008 and 2007

**Expenses**

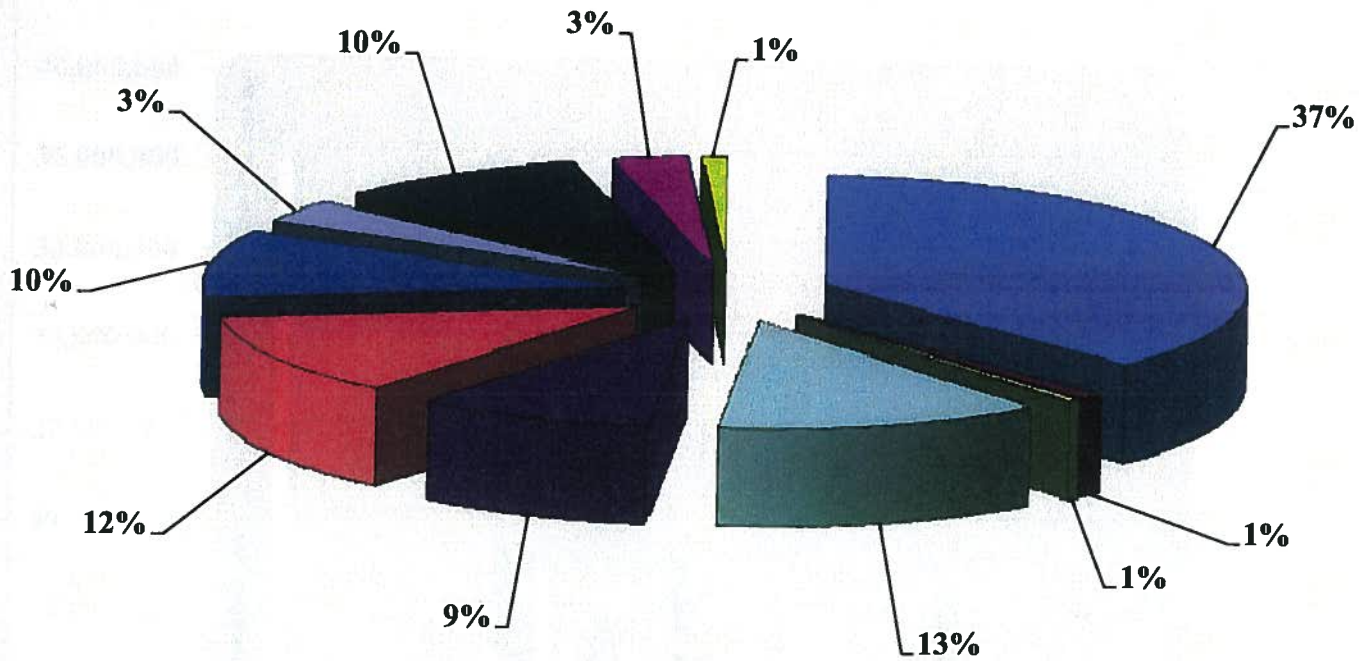
The College had total expenses of \$105,572,746 in 2008 compared with \$97,602,846 in fiscal year 2007. This reflects an increase of \$7,969,900 primarily attributed to enrollment growth, negotiated salary and benefit increases, and the higher price of electricity and natural gas. Included in this increase are capital expenditures and interest expense on debt service both totaling \$5,859,028.

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>Change 2007-2008</u>
Operating expenses:				
Instruction	\$ 39,487,709	36,185,574	34,743,138	3,302,135
Research	951,839	896,388	867,858	55,451
Public service	578,357	585,237	1,189,180	(6,880)
Academic support	13,384,054	12,900,634	12,334,812	483,420
Student services	9,505,327	8,734,551	8,436,110	770,776
Institutional support	12,798,427	12,218,653	12,673,210	579,774
Operation and maintenance of plant	10,760,354	8,628,909	9,163,069	2,131,445
Scholarships and fellowships	3,743,364	3,313,846	3,089,461	429,518
Auxiliary enterprises	10,227,695	8,979,612	7,931,080	1,248,083
Depreciation	3,098,488	4,097,832	3,876,004	(999,344)
Total operating expenses	104,535,614	96,541,236	94,303,922	7,994,378
Interest expense	1,037,132	1,061,610	1,084,958	(24,478)
Total expenses	\$ <u>105,572,746</u>	<u>97,602,846</u>	<u>95,388,880</u>	<u>7,969,900</u>

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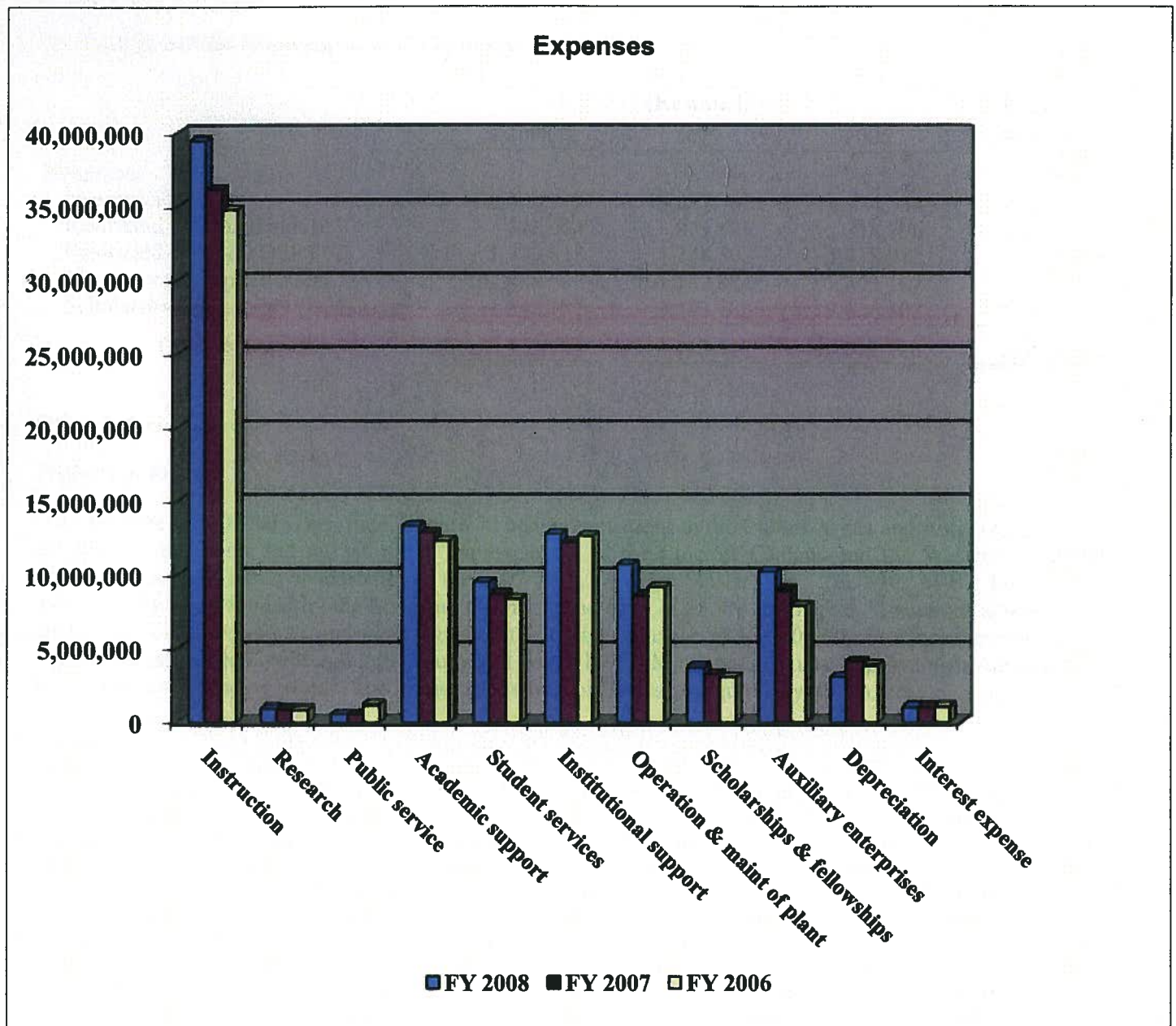
**BROOKDALE COMMUNITY COLLEGE**  
 (A Component Unit of the County of Monmouth)  
 Management's Discussion and Analysis  
 For the fiscal years ended June 30, 2008 and 2007

**FY 2008 Expenses**



- |                              |                              |                         |
|------------------------------|------------------------------|-------------------------|
| ■ Instruction                | ■ Research                   | □ Public service        |
| □ Academic support           | ■ Student services           | ■ Institutional support |
| ■ Operation & maint of plant | ■ Scholarships & fellowships | ■ Auxiliary enterprises |
| ■ Depreciation               | ■ Interest expense           |                         |

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Management's Discussion and Analysis  
For the fiscal years ended June 30, 2008 and 2007



(Continued)



**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Management's Discussion and Analysis  
For the fiscal years ended June 30, 2008 and 2007

**Summary of Net Assets**

The College had the following net assets as of June 30:

	<b>2008</b>	<b>(Restated) 2007</b>	<b>2006</b>	<b>Change 2007-2008</b>
Net assets:				
Unrestricted	\$ 20,400,712	19,047,162	16,924,334	1,353,550
Restricted (Scholarships)	746,984	821,489	318,796	(74,505)
Restricted expend. (DSR)	1,739,818	1,748,592	1,738,912	(8,774)
Investment in capital assets	102,489,537	101,162,884	97,393,162	1,326,653
Scholarships & Library (Endowed)	1,548,133	1,483,783	1,636,502	64,350
Total net assets	<u>\$ 126,925,184</u>	<u>124,263,910</u>	<u>118,011,706</u>	<u>2,661,274</u>

**Other Information**

***Projects in Process***

Over the next three fiscal years, the College will begin renovations to the Collins Arena and Auto Tech Building, as well as renovation and infrastructure improvements to the Lincroft Campus and the Western Monmouth Higher Education Center, as identified in the 2007-2015 Facilities Master Plan. The \$40.5M Big Four Projects will be collectively funded by the State and County in the form of \$5.4M in Chapter 12 support, approximately \$6.7M of College resources and most significantly, by the issuance of \$28,000,000 in Lease Revenue Bonds. The bonds, guaranteed by Monmouth County and issued by the Monmouth County Improvement Authority, will be used to pay for the renovation and infrastructure improvements as required by the Project.

# **BASIC FINANCIAL STATEMENTS**

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)

Statements of Net Assets  
As of June 30, 2008 and 2007

<b>Assets</b>	<b>2008</b>	<b>(Restated) 2007</b>
Current assets:		
Cash and cash equivalents (note 1 and 2)	\$ 17,923,734	16,431,379
Short-term investments (note 2)	8,959,457	7,823,679
Accounts receivable, net of allowance of approximately \$844,577 in 2008 and \$650,275 in 2007 (note 3)	2,294,876	4,132,782
Deposits held by trustees (note 2)	566,188	555,903
Inventories	1,163,591	1,194,931
Prepaid expenses	1,148,003	840,376
Accrued interest receivable	204,846	252,717
Total current assets	<u>32,260,695</u>	<u>31,231,767</u>
Noncurrent assets:		
Endowment investments (note 2)	1,361,943	1,483,783
Deposits held by trustees (note 2)	1,739,818	1,748,592
Capital assets, net of accumulated depreciation of \$63,060,228 in 2008 and \$63,019,332 in 2007 (note 5)	126,325,865	124,999,212
Total noncurrent assets	<u>129,427,626</u>	<u>128,231,587</u>
Total assets	<u>161,688,321</u>	<u>159,463,354</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and accrued expenses (notes 4 and 9)	8,609,076	8,417,004
Deferred student tuition and fees	2,724,559	2,459,267
Deferred grant revenue	269,788	341,821
Deposits held for others	461,438	566,974
Long-term debt, current portion (note 6)	695,745	716,102
Total current liabilities	<u>12,760,606</u>	<u>12,501,168</u>
Noncurrent liabilities:		
Long-term debt (note 6)	22,002,531	22,698,276
Total liabilities	<u>34,763,137</u>	<u>35,199,444</u>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	102,489,537	101,162,884
Restricted:		
Nonexpendable:		
Scholarships and library	746,984	821,489
Expendable:		
Debt service reserve	1,739,818	1,748,592
Scholarships	1,548,133	1,483,783
Unrestricted	20,400,712	19,047,162
Total net assets	<u>\$ 126,925,184</u>	<u>124,263,910</u>

See accompanying notes to financial statements.

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
**Statements of Revenues, Expenses, and Changes in Net Assets**  
For the fiscal years ended June 30, 2008 and 2007

	<u>2008</u>	<u>(Restated) 2007</u>
Operating revenues:		
Student revenues:		
Tuition, net of scholarship allowances of \$8,350,887 for 2008 and \$7,188,752 for 2007	\$ 25,732,702	23,706,805
Chargeback's to other counties	424,897	404,875
	<u>26,157,599</u>	<u>24,111,680</u>
Auxiliary enterprises, net of scholarships of \$789,821 for 2008 and \$667,494 for 2007	10,321,556	9,494,183
Fees	5,249,898	4,801,165
Net student revenues	<u>41,729,053</u>	<u>38,407,028</u>
Community service income	2,947,355	2,689,612
Federal grants	9,437,922	8,523,486
State grants	4,773,990	4,275,419
Local grants	427,588	422,955
Other grants	114,668	93,490
Special events	212,854	238,173
Other operating revenues	1,072,026	1,097,295
Total operating revenues	<u>60,715,456</u>	<u>55,747,458</u>
Operating expenses:		
Instruction	39,487,709	36,185,574
Research	951,839	896,388
Public service	578,357	585,237
Academic support	13,384,054	12,900,634
Student services	9,505,327	8,734,551
Institutional support	12,798,427	12,218,653
Operation and maintenance of plant	10,760,354	8,628,909
Scholarships and fellowships	3,743,364	3,313,846
Auxiliary enterprises	10,227,695	8,979,612
Depreciation	3,098,488	4,097,832
Total operating expenses	<u>104,535,614</u>	<u>96,541,236</u>
Operating loss	<u>(43,820,158)</u>	<u>(40,793,778)</u>
Nonoperating revenues (expenses):		
State appropriations	13,367,316	12,652,501
Local appropriations	25,512,410	24,413,789
Contributions	317,950	427,726
Investment income	1,199,117	1,856,162
Other nonoperating revenues	2,308,446	2,137,545
Interest expense	(1,037,132)	(1,061,610)
On-behalf payments - alternative benefit program:		
Revenues	1,868,824	1,766,706
Expenses	(1,868,824)	(1,766,706)
Net nonoperating revenues	<u>41,668,107</u>	<u>40,426,113</u>
Loss before other revenues	<u>(2,152,051)</u>	<u>(367,665)</u>
Other revenues:		
Capital appropriations	4,813,325	11,922,753
Increase in net assets	2,661,274	11,555,088
Net assets as of beginning of year	<u>124,263,910</u>	<u>112,708,822</u>
Net assets as of end of year	<u>\$ 126,925,184</u>	<u>124,263,910</u>

See accompanying notes to financial statements.



**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)

Statements of Cash Flows  
For the fiscal years ended June 30, 2008 and 2007

	2008	2007
Cash flows from operating activities:		
Student tuition and fees (including chargebacks to other counties)	\$ 31,620,627	27,646,374
Noncredit revenue	3,014,873	3,066,090
Grants and contracts	14,678,934	13,347,979
Grant payments	(14,754,168)	(13,270,447)
Payments to suppliers	(14,489,872)	(8,498,654)
Payments to employees	(58,690,625)	(58,179,200)
Payments for scholarships and fellowships	(3,580,403)	(3,183,122)
Auxiliary enterprises:		
Bookstore and dining services receipts	9,059,141	8,193,076
Bookstore and dining services payments	(8,391,294)	(7,518,881)
Other auxiliary services payments	(556,681)	(404,121)
Other operating receipts	1,075,645	755,591
Net cash used in operating activities	(41,013,823)	(38,045,315)
Cash flows from noncapital financing activities:		
State appropriations	13,367,316	12,652,501
Local appropriations	25,512,410	24,413,789
Contributions	317,950	427,726
Net cash provided by noncapital financing activities	39,197,676	37,494,016
Cash flows from capital financing:		
Payments on capital debt	(695,745)	(716,101)
Capital appropriations	8,494,621	11,719,204
Interest paid on capital debt	(1,047,372)	(1,071,365)
Purchases of capital assets	(4,741,578)	(13,168,434)
Deposits held with trustees	1,163,476	(79,323)
Net cash used in capital financing activities	3,173,402	(3,316,019)
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	25,747,413	28,463,301
Interest and dividends on investments	1,270,878	1,529,594
Purchases of investments	(26,883,191)	(25,845,728)
Net cash provided by investing activities	135,100	4,147,167
Net increase in cash and cash equivalents	1,492,355	279,849
Cash and cash equivalents as of beginning of year	16,431,379	16,151,530
Cash and cash equivalents as of end of year	\$ 17,923,734	16,431,379
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$ (43,820,158)	(38,716,555)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	3,098,488	4,097,832
Changes in assets and liabilities:		
Grants and other receivables	(196,812)	34,935
Inventories	31,338	(214,723)
Prepaid expenses	(307,627)	(180,809)
Accounts payable and accrued expenses	(585,092)	40,121
Deferred student tuition and fees	841,373	(3,139,033)
Deferred grant revenue	(75,333)	32,917
Net cash used by operating activities	\$ (41,013,823)	(38,045,315)

See accompanying notes to financial statements.

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements  
For the fiscal years ended June 30, 2008 and 2007

**(1) Organization and Summary of Significant Accounting Policies**

***Organization***

Brookdale Community College (the College) was established in 1967 as a unit of the New Jersey Master Plan for Higher Education and became part of a statewide network of 19 county colleges. The College offers pre-baccalaureate preparation (A.S. and A.A. degrees) as well as programs and certificates which are designed to prepare students for employment (A.A.S. degrees). The College also maintains a comprehensive Outreach, Business and Community Development operation which provides lifelong learning opportunities to the citizens and businesses of Monmouth County. The College opened its doors to students on September 29, 1969.

The work of the College is centered on the main campus in Lincroft, New Jersey, on the site of the former Brookdale Farm. The main campus is spread across more than 200 acres of woodlands and rolling hills and includes 27 buildings comprised of classrooms, library, theatre/auditorium, student center, bookstore, gymnasium, dining services, administrative offices, maintenance shop, day care center, and the Monmouth Museum.

The College also operates the Western Monmouth Branch Campus at Freehold, as well as three Higher Education Centers (HECs) located throughout Monmouth County in Neptune, Long Branch and Northern Monmouth. Offerings at these sites include GED preparation, Adult Basic Education, English as a Second Language, and a variety of credit courses. The College also provides certain programs on-site at local military installations at Sandy Hook. Additionally, the College leads the Communiversity, an alliance of six New Jersey higher education institutions offering select associate, bachelors and masters degree programs in Monmouth County.

***Summary of Significant Accounting Policies***

***Basis of Presentation***

The accounting policies of the College conform to accounting principles generally accepted in the United States of America as applicable to colleges and universities. In addition to complying with all applicable Governmental Accounting Standards Board (GASB) pronouncements, the College's financial statements comply with the guidance provided by the Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and the Committee on Accounting Procedure issued on or before November 30, 1989. GASB pronouncements take precedence when there is a conflict or contradiction between pronouncements. The College has elected not to apply FASB pronouncements issued after November 30, 1989.

***Reporting Entity***

The College organized Brookdale Community College Foundation (the Foundation) in 1973 for the sole benefit of the College, faculty, and students. The Chairman of the Board of Trustees of the College, with the approval of the Board of Trustees of the College, appoints trustees to the Board of the Foundation. Although the Foundation is a legally separate, not-for-profit organization, because of the significance of its operational and financial relationships with the College it is considered a component unit of the College and the College's financial statements include the financial statements of the Foundation. Copies of the Foundation's financial statements can be obtained by writing to Brookdale Community College Foundation, Lincroft, New Jersey.

(Continued)

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements  
For the fiscal years ended June 30, 2008 and 2007

**(1) Organization and Summary of Significant Accounting Policies (cont'd)**

***Accrual Basis***

The accompanying financial statements have been prepared on the accrual basis using the economic resources measurement focus. The College reports as a business type activity, as defined by GASB Statement No. 35. Business type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

***Net Assets***

The College classifies its resources into three net asset categories:

- *Invested in capital assets, net of related debt:* Capital assets, net of accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.
- *Restricted:*
  - Nonexpendable* – Net assets subject to externally-imposed stipulations that must be maintained permanently.
  - Expendable* – Net assets whose use by the College is subject to externally-imposed stipulations that can be fulfilled by actions of College pursuant to the stipulations or that expire by the passage of time.
- *Unrestricted:* Net assets that are not subject to externally-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of management or the board of trustees or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net assets are designated for academic programs and initiatives and capital programs.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the University's policy is to first apply the expense towards restricted resources and then towards unrestricted resources.

***Other***

Other significant accounting policies followed in the preparation of the accompanying financial statements are outlined below:

- (a) Cash and cash equivalents consist of cash on deposit with banks and money market funds with a maturity of three months or less.
- (b) Inventories consist of dining service items, stockroom supplies, books, clothing, and other bookstore merchandise and are recorded at the lower of cost or market using the average cost.
- (c) Investments are stated at fair value and consist of U.S. Government and Agency obligations, certificates of deposit, money market funds and mutual funds.

(Continued)

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements  
For the fiscal years ended June 30, 2008 and 2007

**(1) Organization and Summary of Significant Accounting Policies (cont'd)**

*Other (Cont'd)*

- (d) Capital assets are recorded at historical cost and include land, buildings and building improvements and furniture and equipment over \$5,000. The costs of normal maintenance and repairs that do not add value to the asset are not capitalized. Major outlays for capital assets are capitalized as the projects are constructed and transferred to the appropriate asset category upon completion. Capital assets are depreciated using the straight-line method over the following useful lives:

	<u>Useful lives</u>
Buildings and building improvements	10 – 45
Furniture and equipment	5 – 10

- (e) The County of Monmouth is generally responsible for the issuance of bonds and notes for the College's capital expenditures which are financed by bond ordinances. Unexpended bond ordinances are available for capital expenditures in subsequent years. The County is also responsible for the payment of interest on this issued debt and the retirement of such obligations. Accordingly, this debt is reported in the financial statements of the County of Monmouth and is not included in the accompanying financial statements of the College. However, The Monmouth County Improvement Authority has issued Lease Revenue Bonds for which the College is responsible for future debt service payments (see note 6).
- (f) The College, as well as other colleges and universities in the State of New Jersey, have lease agreements with the New Jersey Educational Facilities Authority (NJEFA) for equipment purchased under the New Jersey Equipment Leasing Fund (ELF) program (see note 6). This program was funded by the proceeds of a NJEFA bond issue and, although the agreement with NJEFA is in the form of a lease, it is the policy of the College to treat their portion of the ELF obligation as long-term debt.
- (g) Grants receivable represent amounts awarded to, but not yet received by the College. Revenues are recognized as the grants are expended.
- (h) Student revenues are recognized in the period earned. Deferred student tuition and fees represent tuition and fees collected for courses that are held subsequent to June 30.
- (i) Auxiliary enterprises expenses include direct and indirect administration and general costs related to their operations.
- (j) Chargebacks to other counties represent the amount the College charges the counties in which out-of-county students reside for their portion of the College's operating expenses, as provided in the laws, and by the criteria and procedures specified by the State of New Jersey Department of Treasury, Office of Management and Budget.

(Continued)

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements  
For the fiscal years ended June 30, 2008 and 2007

- (k) The College receives appropriations from the State of New Jersey and the County of Monmouth. The College is economically dependent on these appropriations to carry on its operations and is considered to be a component unit of the County of Monmouth.
- (l) The College's policy for defining operating activities in the statement of revenues, expenses, and changes in net assets are those that serve the College's principal purpose and generally result from exchange transactions such as payments received for services and payments made for the purchase of goods and services. Examples include (1) student tuition and fees, net of scholarship allowances, (2) sales and services of auxiliary enterprises and (3) most federal, state, and local grants and contracts. Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as operating appropriations from the State of New Jersey and County of Monmouth, contributions and investment income.
- (m) The College is exempt from Federal income taxes under Internal Revenue Code Section 115.
- (n) The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**(2) Cash and Cash Equivalents, Investments, Endowment Investments and Deposits Held by Trustees**  
**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the College's deposits may not be returned to it. Although the College does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. Any funds designated below as uninsured are assets of the Foundation. As of June 30, 2008 and 2007, the College's bank balances of \$19,823,478 and \$14,815,203 were insured, collateralized or uninsured as follows:

	<u>2008</u>	<u>2007</u>
Insured	\$ 597,682	473,772
Collateralized under GUDPA	18,743,631	13,273,909
Uninsured	<u>482,166</u>	<u>1,067,522</u>
	<u>\$ 19,823,479</u>	<u>14,815,203</u>

(Continued)



**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements  
For the fiscal years ended June 30, 2008 and 2007

**Investments**

**Custodial Credit Risk** – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the College, and are held by either the counterparty or the counterparty's trust department or agent but not in the College's name. The College's investments for fiscal year 2008 and fiscal year 2007 are \$8,792,371 and \$7,409,550 in Certificates of Deposits at various banks and \$1,529,029 and \$1,897,912 in Mutual Funds.

**Interest Rate Risk** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. While the College does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, in order to mitigate this risk, the majority of investments purchased have a maturity date of no more than one year.

**Credit Risk** – Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. N.J.S.A. does not limit the investment types that County Colleges may purchase and the College has no investment policy that would limit its investment choices.

**Concentration of Credit Risk** – The College does not place a limit on the amount that may be invested in any one issuer.

As of June 30, 2008 and 2007, the College had the following investments and maturities:

<u><b>Investment</b></u>	<u><b>Maturity</b></u>	<u><b>Credit Rating</b></u>	<u><b>Fair Value</b></u>	
			<u><b>2008</b></u>	<u><b>2007</b></u>
Certificates of Deposits	> 3 months	N/A	\$ 8,792,371	7,409,550
Mutual Funds	N/A	N/A	<u>1,529,029</u>	<u>1,897,912</u>
			<u>\$ 10,321,400</u>	<u>9,307,462</u>

**Deposits Held by Trustees**

Deposits held by trustees represent assets held by trustees under the terms of various capital lease agreements. Deposits held by trustees are carried in the financial statements at fair value and consist entirely of cash and cash equivalents.

(Continued)

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements  
For the fiscal years ended June 30, 2008 and 2007

**(3) Accounts Receivable**

Accounts receivable consisted of the following as of June 30, 2008 and 2007:

	<b>2008</b>	<b>2007</b>
Federal, state, and local grants receivable	\$ 1,004,936	2,679,942
Student accounts receivable	1,449,309	1,186,722
Community development receivables	209,123	276,641
Other receivables	476,086	639,752
	<u>3,139,453</u>	<u>4,783,057</u>
Less allowance for doubtful accounts	844,577	650,275
	<u>\$ 2,294,876</u>	<u>4,132,782</u>

**(4) Accounts Payable and Accrued Expenses**

Accounts payable and accrued expenses consisted of the following as of June 30, 2008 and 2007:

	<b>2008</b>	<b>2007</b>
Vendors	\$ 692,122	653,283
Construction	1,324,909	1,575,484
Payroll	2,005,318	1,888,572
Vacation	2,425,412	2,226,304
State of New Jersey unemployment	464,773	506,533
Other	1,696,542	1,566,828
	<u>\$ 8,609,076</u>	<u>8,417,004</u>

(Continued)

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements  
For the fiscal years ended June 30, 2008 and 2007

**(5) Capital Assets**

The College contracted with a private firm to conduct an inspection and physical inventory and as a result of this inventory the College restated the June 30, 2007 balances. The restatements included \$8,360,477 of adjustments to buildings, building improvements and equipment, as well as an adjustment to the respective accumulated depreciation of \$3,507,592. The fiscal year 2008 and 2007 activity in capital assets and accumulated depreciation was as follows:

	Balance July 1, 2007 Originally Reported	Adjustments	Balance July 1, 2007 Restated	Additions	Retirements	Balance June 30, 2008
Depreciable assets:						
Buildings and building improvements	\$174,031,224	(1,151,498)	172,879,726	5,447,410	-	178,327,136
Equipment	13,106,837	(7,208,979)	5,897,858	420,033	(1,442,301)	4,875,590
	187,138,061	(8,360,477)	178,777,584	5,867,443	(1,442,301)	183,202,726
Less accumulated depreciation:						
Buildings and building improvements	(54,577,307)	(1,298,483)	(55,875,790)	(3,884,989)	-	(59,760,779)
Equipment	(8,442,025)	4,356,076	(4,085,949)	(578,286)	1,364,787	(3,299,449)
	(63,019,332)	3,057,592	(59,961,740)	(4,463,275)	1,364,787	(63,060,228)
Depreciable assets, net	124,118,729	(5,302,885)	118,815,845	1,404,168	(77,514)	120,142,498
Nondepreciable asset - land	6,183,367	-	6,183,367	-	-	6,183,367
Capital Assets, Net	<u>\$130,302,096</u>	<u>(5,302,885)</u>	<u>124,999,212</u>	<u>1,404,168</u>	<u>(77,514)</u>	<u>126,325,865</u>

	June 30, 2006	Additions	Retirements	June 30, 2007
Depreciable assets:				
Buildings and building improvements	\$165,221,391	8,809,833	—	174,031,224
Furniture and equipment	10,056,635	3,498,364	448,162	13,106,837
	175,278,026	12,308,197	448,162	187,138,061
Less accumulated depreciation:				
Buildings and building improvements	50,988,362	3,588,945	—	54,577,307
Furniture and equipment	8,378,566	508,887	445,428	8,442,025
	59,366,928	4,097,832	445,428	63,019,332
Depreciable assets, net	115,911,098	8,210,365	2,734	124,118,729
Nondepreciable asset - land	5,318,392	864,975	—	6,183,367
	<u>\$121,229,490</u>	<u>9,075,340</u>	<u>2,734</u>	<u>130,302,096</u>

(Continued)

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements  
For the fiscal years ended June 30, 2008 and 2007

**(6) Long-Term Debt**

The activity in long-term debt for the years ended June 30, 2008 and 2007 was as follows:

	<u>June 30, 2007</u>	<u>Decrease</u>	<u>June 30, 2008</u>
A. Lease revenue bonds – Series 2001 issue:			
Serial bonds (interest rates between 4.25% to 5.0% due on various dates through fiscal year 2025)	\$ 7,695,000	(290,000)	7,405,000
Term bonds (interest rate at 5.0% due in fiscal years 2027, 2030 and 2032)	5,260,000	—	5,260,000
B. Lease revenue bonds – Series 2003 issue:			
Serial bonds (interest rates between 3.5% to 4.7% due on various dates through fiscal year 2026)	10,310,000	(350,000)	9,960,000
C. Equipment Leasing Fund obligation	<u>149,378</u>	<u>(76,102)</u>	<u>73,276</u>
	<u>\$ 23,414,378</u>	<u>(716,102)</u>	<u>22,698,276</u>
Less current portion			<u>695,745</u>
			<u>\$ 22,002,531</u>

	<u>June 30, 2006</u>	<u>Decrease</u>	<u>June 30, 2007</u>
A. Lease revenue bonds – Series 2001 issue:			
Serial bonds (interest rates between 4.25% to 5.0% due on various dates through fiscal year 2025)	\$ 7,970,000	(275,000)	7,695,000
Term bonds (interest rate at 5.0% due in fiscal years 2027, 2030 and 2032)	5,260,000	—	5,260,000
B. Lease revenue bonds – Series 2003 issue:			
Serial bonds (interest rates between 3.5% to 4.7% due on various dates through fiscal year 2026)	10,645,000	(335,000)	10,310,000
C. Equipment Leasing Fund obligation	<u>222,436</u>	<u>(73,058)</u>	<u>149,378</u>
	<u>\$ 24,097,436</u>	<u>(683,058)</u>	<u>23,414,378</u>
Less current portion			<u>716,102</u>
			<u>\$ 22,698,276</u>

(Continued)

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements  
For the fiscal years ended June 30, 2008 and 2007

- A. The lease revenue bonds – Series 2001 were issued by The Monmouth County Improvement Authority (MCIA) pursuant to an agreement with the College for the purpose of funding for the construction of a multi-purpose student life center on the Lincroft campus of the College. The agreement with MCIA requires the pledging of certain revenues to meet the sinking fund requirements of the issue. The College's mortgage obligation to MCIA is collateralized by certain land, buildings and building improvements, and equipment.

Except for extraordinary optional redemption as described in the debt agreement, the Series 2001 Bonds are not subject to redemption prior to August 1, 2010, and are redeemable thereafter at par plus accrued interest.

The term bonds mature in lump sum payments of \$1,325,000 in fiscal year 2027, \$2,245,000 in fiscal year 2030 and \$1,690,000 in fiscal year 2032.

- B. The lease revenue bonds – Series 2003 were issued by The Monmouth County Improvement Authority (MCIA) pursuant to an agreement with the College for the purpose of funding for the acquisition of the Western Monmouth Higher Education Center. The agreement with MCIA requires the pledging of certain rental revenues to meet the sinking fund requirements of the issue. The College's mortgage obligation to MCIA is collateralized by certain land, building and building improvements.

Except for extraordinary optional redemption as described in the debt agreement, the Series 2003 Bonds are not subject to redemption prior to August 1, 2013, and are redeemable thereafter at par plus accrued interest.

- C. New Jersey Educational Facilities Authority (NJEFA) has leased certain equipment to the College. The equipment was purchased with the proceeds of a NJEFA bond issuance. The College's share of the bonds are to be paid with the funds from the College's lease payments. At the completion of the lease term in fiscal year 2008, title to the equipment will be transferred to the College.

(Continued)



**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements  
For the fiscal years ended June 30, 2008 and 2007

**(6) Long-Term Debt (Cont'd)**

The following is a schedule, by year, of future minimum payments under long-term debt as of June 30, 2008:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2009	\$ 695,745	1,026,531	1,722,276
2010	727,531	996,009	1,723,540
2011	710,000	968,159	1,678,159
2012	740,000	939,309	1,679,309
2013	770,000	909,170	1,679,170
2014-2018	4,360,000	4,020,416	8,380,416
2019-2023	5,425,000	2,929,329	8,354,329
2024-2028	6,045,000	1,479,650	7,524,650
2029-2032	3,225,000	332,125	3,557,125
	<u>\$ 22,698,276</u>	<u>13,600,698</u>	<u>36,298,974</u>

Interest charges incurred in fiscal years 2008 and 2007 were \$1,037,132 and \$1,061,610, respectively.

(Continued)

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements  
For the fiscal years ended June 30, 2008 and 2007

**(7) Designations of Unrestricted Net Assets**

As of June 30, 2008, the College had designated portions of its unrestricted net assets as follows:

	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
<b>June 30, 2008:</b>			
Designated:			
Auxiliary enterprises	\$ 3,104,418	—	3,104,418
Risk management	—	224,240	224,240
Reserve for purchase orders	700,000	—	700,000
Campus construction projects	—	12,105,128	12,105,128
New telephone system	—	1,600,000	1,600,000
Sick leave buyout program	1,000,000	—	1,000,000
Appropriation to succeeding fiscal years' budgets	2,381,679	—	2,381,679
Undesignated	250,000	150,000	400,000
	<u>\$ 7,436,097</u>	<u>14,079,368</u>	<u>21,515,465</u>
Foundation net assets			2,920,182
Invested in capital assets, net of related debt			<u>102,489,537</u>
			<u>\$ 126,925,184</u>

	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
<b>June 30, 2007:</b>			
Designated:			
Auxiliary enterprises	\$ 5,144,546	—	5,144,546
Risk management	—	233,340	233,340
Reserve for purchase orders	500,000	438,800	938,800
Campus construction projects	—	8,763,000	8,763,000
New telephone system	—	1,155,236	1,155,236
Early retirement initiative	1,000,000	—	1,000,000
Appropriation to succeeding fiscal years' budgets	2,497,605	—	2,497,605
Undesignated	250,000	150,000	400,000
	<u>\$ 9,392,151</u>	<u>10,740,376</u>	<u>20,132,527</u>
Foundation net assets			2,968,499
Invested in capital assets, net of related debt			<u>101,162,884</u>
			<u>\$ 124,263,910</u>

(Continued)

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements  
For the fiscal years ended June 30, 2008 and 2007

**(8) Retirement Plans**

***Plan Descriptions***

The College participates in three major retirement plans for its employees – Public Employees’ Retirement System (PERS), Police and Fireman’s Retirement System (PFRS) and Alternate Benefit Program (ABP). ABP presently makes contributions to Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA/CREF), ING Life Insurance, Equitable Life Insurance, The Hartford Life Insurance, Metlife, and VALIC. ABP alternatives are administered by a separate board of trustees. PERS and PFRS are cost-sharing, multiple-employer defined benefit pension plans administered by the State of New Jersey. Generally all employees, except certain part-time employees, participate in one of these plans.

***PERS and PFRS Information***

PERS was established under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full-time employees of the State of New Jersey or public agency provided the employee is not a member of another State-administered retirement system. PFRS was established under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full-time county and municipal police or firemen and state of New Jersey firemen appointed after June 30, 1994. The State of New Jersey issues a publicly available financial report that includes financial statements and required supplementary information for PERS and PFRS. This report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pension and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

***PERS Funding Policy***

PERS members are required to contribute 5.5% of their annual covered salary and the College is required to contribute at an actuarially determined rate for the years ended June 30, 2008 and 2007. During the year ended June 30, 2008 and 2007, the College’s annual contributions to PERS were \$1,200,000 and \$828,000, respectively. The contribution requirements of the plan members and the College are established and may be amended by the State of New Jersey.

***PFRS Funding Policy***

PFRS members are required to contribute 8.5% of their annual covered salary for the years ended June 30, 2008 and 2007. The College contribution is based upon annual actuarially determined percentages of total compensation of all active members. The College’s annual contribution approximates the actuarially determined pension cost for the year and is included in the accompanying financial statements. During fiscal years 2008 and 2007, College contributions to PFRS were \$238,325 and \$185,000, respectively. The contribution requirements of the plan members and the College are established and may be amended by the State of New Jersey.

(Continued)

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements  
For the fiscal years ended June 30, 2008 and 2007

*Alternate Benefit Program Information*

ABP provides the choice of six investment carriers all of which are privately operated defined contribution retirement plans. The College assumes no liability for ABP members other than payment of contributions. ABP provides retirement and death benefits for or on behalf of these full-time professional employees and faculty members electing to participate in this optional retirement program. Participation eligibility as well as contributory and noncontributory requirements is established by the State of New Jersey Retirement and Social Security Law. Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits vest after the completion of one year of service. Individually owned annuity contracts that provide for full ownership of retirement and survivor benefits are purchased at the time of vesting.

Participating College employees are required to contribute 5% and may contribute voluntary additional contributions of salary up to the maximum Federal statutory limit, on a pre-tax basis. Employer contributions are 8%. During the year ended June 30, 2008, ABP received employer and employee contributions of approximately \$1,868,824 and \$1,297,948, respectively, which was based on participating employee salaries of approximately \$23,360,304. During the year ended June 30, 2007, ABP received employer and employee contributions of approximately \$1,766,706 and \$1,227,665, respectively, which was based on participating employee salaries of approximately \$22,083,823.

Most employer contributions to ABP are paid by the State of New Jersey and are not included in the accompanying financial statements. However, employer contributions for certain employees amounting to approximately \$274,485 and \$218,746, respectively, for the years ended June 30, 2008 and 2007 are paid by the College and are included in the accompanying financial statements.

(Continued)

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements  
For the fiscal years ended June 30, 2008 and 2007

**(9) Commitments and Contingencies**

*Commitments*

The College leases certain buildings used in general operations. Net rental expenses were approximately \$136,500 and \$161,167 in 2008 and 2007, respectively. The leases are cannot be cancelled and have been classified as operating leases which will expire in July 2012. Minimum annual rental commitments approximate the following:

	<b>Amount</b>
Year ending June 30:	
2009	\$ 142,000
2010	142,000
2011	142,000
2012	142,000
	<u>568,000</u>

*Contingencies*

The College is exposed to various risks of loss related to damage and destruction of assets, injuries to employees, damage to the environment or noncompliance with environmental requirements, and natural and other unforeseen disasters. The College has insurance to cover all buildings, contents or related risks in case of loss, insures its vehicles and equipment for claims and assessments arising from bodily injury, property damages and other perils. Unfavorable judgments, claims or losses incurred by the College are covered by these policies.

**(10) Compensated Absences**

The College recorded a liability for compensated absences in the amount of \$2,425,412 and \$2,226,304 as of June 30, 2008 and 2007, respectively, which is included in accounts payable and accrued expenses in the accompanying statement of net assets. The liability is based upon employees' accrued vacation leave as of year-end. No amounts are recorded for accrued sick leave as the College does not make payments for accrued sick leave to employees upon termination.

(Continued)



**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements  
For the fiscal years ended June 30, 2008 and 2007

**(11) Prior Period Adjustment**

As indicated in Note 5, the College contracted with an appraisal company to perform an inventory of its capital assets at June 30, 2008. As a result of this inventory, it was necessary to write down buildings, building improvements and equipment. The cumulative effect on the financial statement as reported for June 30, 2007 is as follows:

	<u>As Reported June 30, 2007</u>	<u>Prior Period Adjustment</u>	<u>Restated June 30, 2007</u>
Investment in capital assets, net of related debt	\$106,465,768	(5,302,884)	101,162,884
Total net assets	\$129,566,794	(5,302,884)	124,263,910

**(12) Reclassifications**

Certain data for June 30, 2007 has been reclassified to be more comparable to that of June 30, 2008.

**(13) Litigation**

The College is a defendant in two legal proceedings which could result in a settlement which is not in favor of the College.

In one case, the plaintiff is seeking that the College make certain improvements to existing buildings and infrastructure in order to make the College more ADA accessible. The estimated cost of these improvements could be approximately \$200,000 for each of the next five years.

In the other case, the plaintiff is seeking that the College pay approximately \$500,000 in lease payments for a building the College occupied in Asbury Park.

The College is vigorously defending both cases and their outcome is undeterminable at this time.

(Continued)

# **SINGLE AUDIT SECTION**

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**FOR THE FISCAL YEAR ENDING  
JUNE 30, 2008**

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133 AND STATE OF NEW JERSEY CIRCULAR 04-04-OMB**

To the Members of the Board of Trustees  
Brookdale Community College  
Lincroft, New Jersey 07738

**Compliance**

We have audited the compliance of Brookdale Community College (the College) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey State Grant Compliance Supplement that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2008. The College's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the College's management. Our responsibility is to express an opinion on the College's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Department of Treasury, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133, and State of New Jersey Circular 04-04-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the College's compliance with those requirements.

In our opinion, Brookdale Community College complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2008.

**Internal Control Over Compliance**

The management of the College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the College's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the College's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the College's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the College's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the board of trustees and management of the College, the Department of Treasury, State of New Jersey, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

Voorhees, New Jersey  
October 14, 2008

**BROOKDALE COMMUNITY COLLEGE**

## Schedule of Expenditures of Federal Awards

For the fiscal year ended June 30, 2008

<b>Federal grantor/ pass-through grantor/ program or cluster title</b>	<b>Federal CFDA/grant number</b>	<b>Current year expenditures</b>
U.S. Department of Education:		
Student Financial Assistance Cluster (Direct Funding):		
Federal Family Education Loan Program	84.032	\$ 7,918,193
Federal Supplemental Educational Opportunity Grant (including administrative cost allowance of \$17,333)	84.007	277,324
Federal Pell Grant	84.063	7,535,400
Federal Work-Study (including administrative cost allowance of \$8,540)	84.033	179,334
Academic Competitiveness Grant	84.375	263,125
Job Locator	84.xxx	29,246
Total Student Financial Assistance Cluster		<u>16,202,622</u>
U.S. Department of Labor (Direct Funding):		
Community Based Job Training Grant	17.269	1,384
Passed through State of New Jersey Department of Labor & Workforce Development:		
Adult Basic Education	84.002	507,515
Passed through State of New Jersey Department of Education:		
Voc Ed Disadvantaged Component - Perkins	84.048	408,278
Tech - Prep Education	84.243A	2,061
National Science Foundation (Direct Funding):		
Westpower	47.076	36
U.S. Dept of Justice (Direct Funding):		
Office of Juvenile Justice & Delinquency-Optimist II	16.541	44,624
U.S. Small Business Administration:		
Small Business Administration and Seminars (Direct Funding)	59.xxx	1,123
Passed through Rutgers University:		
Small Business Development Center	59.037	<u>188,473</u>
Total expenditures of Federal awards		\$ <u><u>17,356,116</u></u>

See accompanying notes to schedules of expenditures of Federal and State Financial Assistance.



**BROOKDALE COMMUNITY COLLEGE**  
Schedule of Expenditures of State Financial Assistance  
For the fiscal year ended June 30, 2008

State of New Jersey grantor/program or cluster title	Grant number/ State of New Jersey account number	Award amount	Grant period	Current year expenditures	Cumulative expenditures
State of New Jersey grants – restricted:					
N.J. Department of Treasury:					
Student Financial Assistance Cluster:					
Educational Opportunity Fund Summer and Regular Awards	08-100-074-2401-001	\$ 418,763	07/01/07-06/30/08	\$ 418,763	418,763
Blaustein Dist Scholarships	08-100-074-2405-278	11,555	07/01/07-06/30/08	11,555	11,555
N.J. Urban Scholarships	Unknown	13,950	07/01/07-06/30/08	13,950	13,950
Tuition Aid Grant	08-100-074-2405-007	2,940,619	07/01/07-06/30/08	2,940,619	2,940,619
N.J. Stars	08-100-074-2405-313	1,003,432	07/01/07-06/30/08	1,003,432	1,003,432
Total Student Financial Assistance Cluster				4,388,319	4,388,319
Educational Opportunity Fund – Article IV:					
Educational Opportunity Fund Summer	08-100-074-2401-002	11,305	07/01/07-06/30/08	11,305	11,305
Educational Opportunity Fund Regular	08-100-074-2401-002	181,384	07/01/07-06/30/08	181,384	181,384
N.J. Department of Education:					
General Education Development Testing	5064-100-034-5064-050-H0403620	6,440	07/01/07-06/30/08	6,440	6,440
N.J. Department of Community Affairs:					
Displaced Homemaker	08-100-022-8051-036-F863-6130	141,000	07/01/07-06/30/08	141,000	141,000
N.J. Department of Human Services:					
Family Friendly	FFC05006	45,542	07/01/07-06/30/08	45,542	45,542
Total restricted				4,773,990	4,773,990
State of New Jersey appropriations – unrestricted:					
N.J. Department of Treasury:					
Operational Costs – County Colleges	08-100-082-2155-015	13,367,316	07/01/07-06/30/08	13,367,316	13,367,316
Alternate Benefit Program	08-100-082-2155-017	1,868,824	07/01/07-06/30/08	1,868,824	1,868,824
Total expenditures of State of New Jersey awards				\$ 20,010,130	20,010,130

See accompanying notes to schedules of expenditures of Federal and State Financial Assistance.

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the fiscal year ending June 30, 2008

**(1) Basis of Presentation**

The accompanying schedules of expenditures of federal awards and state financial assistance include the Federal and State of New Jersey grant activity of Brookdale Community College (the College) and are presented on the accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the New Jersey Office of Management and Budget Circular 04-04 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

**(2) Student Loan Programs**

The College is responsible only for the performance of certain administrative duties with respect to the Federal Family Educational Loan Program (FFELP), accordingly, these loans are not included in the College's basic financial statements. It is not practical to determine the balance of loans outstanding to students of the College under this program as of June 30, 2008.

**(3) Major Programs**

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

**BROOKDALE COMMUNITY COLLEGE**

Schedule of Findings and Questioned Costs  
For the fiscal year ending June 30, 2008

**Section 1- Summary of Auditors' Results****Financial Statements**

Type of auditors' report issued Unqualified

Internal control over financial reporting:

Material weaknesses identified?        yes   X   no

Were significant deficiencies identified that were not considered to be a material weakness?        yes   X   none reported

Noncompliance material to financial statements noted?        yes   X   no

**Federal Awards**

Internal control over compliance:

Material weaknesses identified?        yes   X   no

Were significant deficiencies identified that were not considered to be material weaknesses?        yes   X   none reported

Type of auditors' report on compliance for major programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a))?        yes   X   no

Identification of major programs:

**CFDA Numbers****Name of Federal Program or Cluster**

<u>84.063</u>	<u>Federal Pell Grant Program (PELL)</u>
<u>84.033</u>	<u>Federal Work Study Program (FWS)</u>
<u>84.007</u>	<u>Federal Suppl. Educational Opportunity Grant (FSEOG)</u>
<u>84.032</u>	<u>Federal Family Educational Loan Program (FFEL)</u>
<u>84.375</u>	<u>Academic Competitiveness Grant</u>
<u>84.xxx</u>	<u>Job Locator</u>
<u>      </u>	<u>      </u>

Dollar threshold used to determine Type A programs \$520,683

Auditee qualified as low-risk auditee?   X   yes        no

**BROOKDALE COMMUNITY COLLEGE**

Schedule of Findings and Questioned Costs

For the fiscal year ending June 30, 2008

**Section 1- Summary of Auditors' Results (Cont'd)****State Financial Assistance**

Internal control over compliance:

Material weaknesses identified?

\_\_\_\_\_ yes      X   noWere significant deficiencies identified that were not  
considered to be material weaknesses?\_\_\_\_\_ yes      X   none reported

Type of auditors' report on compliance for major programs

UnqualifiedAny audit findings disclosed that are required to be reported in  
accordance with OMB Circular A-133 (section .510(a)) or  
New Jersey Circular 04-04-OMB?\_\_\_\_\_ yes      X   no

Identification of major programs:

**GMIS Numbers****Name of State Program**08-100-074-2401-001Educational Opportunity Fund (EOF) - Article III08-100-074-2401-002Educational Opportunity Fund (EOF) - Article IV08-100-074-2405-007Tuition Aid Grant (TAG)08-100-074-2405-278Distinguished Scholarship Program08-100-074-2405-313New Jersey Stars Program08-100-082-2155-015Operational Costs08-100-082-2155-017Alternative Benefit Program

Dollar threshold used to determine Type A programs

\$600,303

Auditee qualified as low-risk auditee?

  X   yes    \_\_\_\_\_ no

**BROOKDALE COMMUNITY COLLEGE**  
Schedule of Findings and Questioned Costs  
For the fiscal year ended June 30, 2008

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*Section 2- Schedule of Financial Statement Findings*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Department of Treasury, State of New Jersey.

**No Current Year Findings**

28500

**BROOKDALE COMMUNITY COLLEGE**  
Schedule of Findings and Questioned Costs  
For the fiscal year ended June 30, 2008

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*Section 3- Schedule of Federal Award Findings and Questioned Costs*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by OMB Circular A-133.

**No Current Year Findings**

**BROOKDALE COMMUNITY COLLEGE**  
Schedule of Findings and Questioned Costs  
For the fiscal year ended June 30, 2008

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*Section 4- Schedule of State Financial Assistance Findings and Questioned Costs*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

**No Current Year Findings**



**BROOKDALE COMMUNITY COLLEGE**  
Summary Schedule of Prior Year Audit Findings  
And Questioned Costs as Prepared by Management

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This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with Government Auditing Standards, OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

**FINANCIAL STATEMENT FINDINGS**

No Prior Year Findings

**FEDERAL AWARDS**

No Prior Year Findings

**STATE FINANCIAL ASSISTANCE PROGRAMS**

No Prior Year Findings

**ACKNOWLEDGEMENT**

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We received the complete cooperation of all of the officials of Brookdale Community College and we greatly appreciate the courtesies extended to us.

Respectfully submitted,

*Bowman & Company LLP*

Bowman & Company LLP  
Certified Public Accountants  
& Consultants