



BROOKDALE
COMMUNITY COLLEGE



Report of Audit
Fiscal Year ended June 30, 2011

**Annual
Financial Report**

of the

Brookdale Community College

For the Year Ended June 30, 2011

Prepared by

Brookdale Community College

Finance Department

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FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
of the Board of Trustees
Brookdale Community College
Lincroft, New Jersey 07738

We have audited the accompanying statement of net assets of Brookdale Community College as of June 30, 2011, and the related statements of revenues, expenses and changes in net assets and the statement of cash flows for the year then ended. These financial statements are the responsibility of Brookdale Community College management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Brookdale Community College as of June 30, 2010 were audited by other auditors whose report dated October 11, 2010 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with U. S. generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, "Audits of State, Local Government and Non-Profit Organizations" and State of New Jersey OMB Circular 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 audits provide 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 as of June 30, 2011 and the changes in financial position and cash flows for the year ended June 30, 2011 in conformity with U. S. generally accepted accounting principles.

SUPLEE, CLOONEY & COMPANY

In accordance with Government Auditing Standards, we have also issued a report dated December 13, 2011, on our consideration of Brookdale Community College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 considered in assessing the results of our audit.

The Management's Discussion and Analysis and the other required supplementary information, respectively, are not a required part of the basic financial statements but are supplementary information required by the U.S. Generally Accepted Accounting Principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of expenditures of federal awards and state financial assistance as listed in the table of contents 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 New Jersey OMB's Circular 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid" and are not a required part of the basic financial statements of the Brookdale Community College. Such information, except for that portion marked unaudited on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly represented in all material respects in relation to the basic financial statements taken as a whole.

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

December 13, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

BROOKDALE COMMUNITY COLLEGE
(A Component Unit of the County of Monmouth)
Management's Discussion and Analysis
For the fiscal years ended June 30, 2011 and 2010

Management's Discussion and Analysis (MD&A) presents Brookdale Community College's (the College) financial performance during the fiscal years ended June 30, 2011 and 2010. This MD&A will provide various financial analyses comparing fiscal year 2011 to fiscal year 2010 as well as fiscal year 2009 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.

	2011	2010	2009	Change 2010-2011
Credit FTEs	11,992	11,981	11,118	11
Noncredit FTEs	707	662	807	45
Total FTEs	<u>12,699</u>	<u>12,643</u>	<u>11,925</u>	<u>56</u>

Full Time Equated (FTE) Enrollment for credit and non-credit enrollment in fiscal year 2011 was 12,699, compared to fiscal year 2010 FTE enrollment of 12,643. This represents a .4 percent increase.

- Credit enrollment increased from 11,981 FTEs in fiscal year 2010 to 11,992 in fiscal year 2011, which represents a .1 percent increase.
- Non-credit enrollment went from 662 FTEs in fiscal year 2010 to 707 FTEs in fiscal year 2011, which represents a 6.8 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:

	2011	Restated 2010	2009	Change 2010-2011
Current assets	\$ 41,781,091	39,529,878	42,353,933	2,251,213
Capital assets	158,162,705	149,344,425	129,280,820	8,818,280
Other noncurrent assets	2,384,857	12,306,363	30,791,642	(9,921,506)
Total noncurrent assets	<u>160,547,562</u>	<u>161,650,788</u>	<u>160,072,462</u>	<u>(1,103,226)</u>
Total assets	<u>\$ 202,328,653</u>	<u>201,180,666</u>	<u>202,426,395</u>	<u>1,147,987</u>
Current liabilities	14,835,917	15,962,846	17,321,667	(1,126,929)
Noncurrent liabilities	45,610,000	46,830,000	48,815,000	(1,220,000)
Total liabilities	<u>\$ 60,445,917</u>	<u>62,792,846</u>	<u>66,136,667</u>	<u>(2,346,929)</u>

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Summary of Assets and Liabilities (Cont'd)

The increase in current assets of \$2,251,213 is due to the following:

- A net increase of \$5,204,691 in cash, cash equivalents, investment, and deposits held by trustees resulting from an increase in cash and cash equivalents of \$5,396,079, an increase in short term investments of \$94,734 and a decrease in deposits held by trustees of \$286,122.
- A decrease in accounts receivable of \$2,127,463 as a result of decreases in county receivable of \$711,366, federal receivable of \$823,224 and other receivables of \$592,873.
- An increase in inventories of \$82,694 was the result of an increase in merchandise inventory in the college store of \$88,021 and a decrease in merchandise inventory in dining services of \$5,327.
- A decrease in prepaid expenses of \$847,433 was due to the decreases in the prepayments of insurance premiums of \$530,817, prepayments for institutional marketing of \$54,298, capital project prepayments of \$175,849 and various prepayments of \$86,469.
- A decrease in accrued interest receivable of \$61,276 was the result of lower interest rates and less funds invested in certificates of deposit at year end.

Noncurrent assets decreased by \$1,103,226 based upon the following changes: Capital Assets increased in the net by \$8,818,280, which is due to net additions and adjustments of \$13,675,168, less the net change in accumulated depreciation of \$4,856,888. Endowment assets of the Foundation increased by \$902,329 due to a reinvestment of assets. Deposits held by trustee decreased in the amount of \$10,823,835 due to funds withdrawn to fund the renovations and construction of the Big 4 projects.

The decrease in current liabilities of \$1,126,929 is due to the following:

- A decrease in accounts payable of \$1,302,638, was due to a decrease in capital accounts payable of \$1,348,197, which is the result of a decrease in the volume of construction and renovations associated with the Big 4 projects and an increase in operating accounts payable of \$45,559.
- A decrease in accrued expense payable in the amount of \$25,392 was due to a decrease in the accrued interest on the debt service for the Big 4 bond projects in the amount of \$257,814, an increase in accrued vacation pay of \$42,957, a decrease in accrued wages of \$164,811, an increase in the Public Employees retirement system pension plan of \$219,178, an increase in accrued utilities of \$22,405, and an increase in various accrued liabilities of \$163,477.
- An increase in deferred revenue of \$167,785 was due to an increase in deferred tuition and fees in the amount of \$177,505, and a decrease in deferred grant revenue of \$9,720.
- An increase in the current portion of long term liabilities in the amount of \$35,000 was due to an increase in debt service principal on Big 4 bond projects.

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- A decrease of deposits held for others of \$1,684.

▪ ***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 Branch Campus. 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 \$1,550,000 a year. In December 2009, the College refinanced the debt service on the Student Life Center bonds of 2001, in the amount of \$11,250,000.

In December 2008, the College financed the Big 4 projects in the amount of \$27,850,000. The debt service totals approximately \$1,935,000. Principal payments are due on August 1, and interest is payable twice a year on February 1 and August 1.

There was a decrease of \$1,220,000 in long term liabilities. The reduction was due to principal payments made on the various bonds.

Capital Assets

Capital asset activity for the fiscal year ended June 30, 2011 was as follows:

	2010	Additions	Retirements	2011
Land	\$ 5,882,462	—	—	5,882,462
Building and improvements	207,851,758	13,689,328	—	221,541,086
Furniture and equipment	7,940,621	688,921	(703,081)	7,926,461
Total	221,674,841	14,378,249	(703,081)	235,350,009
Less accumulated depreciation	(72,330,416)	(5,551,691)	694,803	(77,187,304)
Capital assets, net	\$ 149,344,425	8,826,558	(8,278)	158,162,705

The College contracted with American Appraisal Associates to perform a physical capital inventory. They provided the College a detailed report on capital assets, related additions, retirements, and depreciation.

(Continued)

BROOKDALE COMMUNITY COLLEGE
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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.

	2011	Restated 2010	2009	Change 2010-2011
Operating revenues:				
Tuition, net	\$ 23,110,007	24,229,330	23,277,150	(1,119,323)
Fees	6,840,631	6,653,248	5,888,475	187,383
Chargebacks to other counties	430,054	475,640	442,466	(45,586)
Community service income	3,008,326	3,392,387	3,193,010	(384,061)
Federal, state, and local grants	41,074,469	37,064,453	27,305,579	4,010,016
Other grants	82,889	118,667	79,558	(35,778)
Other operating revenues	923,025	1,316,580	961,936	(393,555)
Auxiliary enterprises, net	9,287,354	9,929,502	10,053,780	(642,148)
Other	281,908	264,979	199,613	16,929
Total operating revenues	85,038,663	83,444,786	71,401,567	1,593,877
Operating expenses	126,543,902	125,334,991	112,333,547	1,208,911
Operating loss	(41,505,239)	(41,890,205)	(40,931,980)	384,966
Nonoperating revenues (expenses):				
Federal Appropriations	—	668,724	—	(668,724)
State appropriations	10,685,964	10,706,157	12,196,625	(20,193)
Local appropriations	27,456,909	26,787,228	26,360,468	669,681
Contributions	444,107	319,228	947,020	124,879
Investment income	515,680	780,281	599,919	(264,601)
Other nonoperating revenues	4,851,134	4,297,026	4,788,177	554,108
Other nonoperating expenses	(703,081)	—	—	(703,081)
Interest expense	(2,323,792)	(2,731,789)	(1,745,670)	407,997
Net nonoperating revenues	40,926,921	40,826,855	43,146,539	100,066
Income (loss) before other revenues	(578,318)	(1,063,350)	2,214,559	485,032
Other revenues:				
Capital appropriations	4,073,234	3,161,442	7,149,985	911,792
Increase in net assets	3,494,916	2,098,092	9,364,544	1,396,824
Net assets as of beginning of year	138,387,820	136,289,728	126,925,184	2,098,092
Net assets as of end of year	\$ 141,882,736	138,387,820	136,289,728	3,494,916

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Revenue

Tuition, Fee, and Chargeback revenue overall decreased by \$977,526, as a result of a .4 percent increase in enrollment and per credit tuition costs, which was offset by an increase in scholarship allowances. The College charged \$118.50, per student credit hour (SCH) to a maximum of \$1,777.50, per term in fiscal year 2011. The tuition charged in fiscal year 2010 was \$115.00, per SCH to a maximum of \$1,725.00, per term. This represents an increase of 3 percent over the prior year's tuition rate. General Service Fees charged by the College were \$28.44, per student credit hour to a maximum of \$426.60, per term for fiscal year 2011, and \$27.60, per student credit hour to a maximum of \$414.00, per term in fiscal year 2010. The fiscal year 2011 fee is based upon 24 percent of tuition, of which 6 percent is dedicated to technology enhancements and 3 percent is dedicated to the Warner Student Life Center and the Big Four Building Funds.

The decrease in Tuition, Fee, and Chargeback revenue was offset by an increase in scholarship allowances of \$2,509,469. Without the scholarship allowance, tuition and fee revenue would have increased by \$1,531,943.

State Grants decreased by \$743,566. Tuition Aid Grants decreased by \$519,216, New Jersey Stars and Economic Opportunity Fund decreased by \$238,312 and \$3,027, respectively. All other State Grants increased by \$16,989.

Local Grants increased by \$5,412. Private gifts decreased by \$35,778.

Business and Community Development revenue decreased by \$384,061.

Other Operating Revenue decreased by \$393,555 due to decreases in International Education of \$328,901, Sports Camps of \$67,326, General Performances of the Performing Arts Center of \$17,344, offset by increases in Indirect Cost recovery on Grants of \$43,637, and the Fitness Lab of \$59,213. Other miscellaneous operating revenue decreased by \$82,834.

Auxiliary enterprises income decreased by \$642,148. The decrease was partially due to an increase in scholarship allowance of \$333,186. Without the scholarship allowance, Auxiliary enterprise revenue would have decreased by \$308,962. This represents decreases in Bookstore revenue of \$159,774, Dining Services revenue of \$40,778, WBJB Radio revenue of \$27,578, Arena events revenue of \$67,874 and miscellaneous auxiliary revenue of \$12,958.

Federal Aid decreased by \$668,724 due to a one time federal stimulus payment in FY10.

State Aid decreased by \$20,193, due to a reallocation of funding to the 19 community colleges based on audited FY10 enrollment data. State aid funding to the sector was flat in FY11.

County Operating Aid increased by \$669,681, which represents a 2-1/2 percent increase.

Investment income decreased by \$264,601. Investment income in the operating fund decreased by \$159,011 as a result of a reduction in bank interest rates.

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BROOKDALE COMMUNITY COLLEGE
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For the fiscal years ended June 30, 2011 and 2010

Expenses

The College had total expenses of \$128,867,694 in 2011 compared with \$128,066,780 in 2010. This reflects an increase of \$800,914 primarily attributed to negotiated salary increases. Interest expense decreased by \$407,997, and operating expenses increased by \$1,208,911.

	<u>2011</u>	<u>Restated 2010</u>	<u>2009</u>	<u>Change 2010-2011</u>
Operating expenses:				
Instruction	\$ 43,234,818	43,029,947	39,441,500	204,871
Research	1,054,022	1,022,752	981,527	31,270
Public service	1,585,453	1,573,574	925,286	11,879
Academic support	15,547,603	15,322,017	14,398,310	225,586
Student services	10,907,254	10,723,495	9,967,906	183,759
Institutional support	14,496,749	13,984,922	12,110,316	511,827
Operation and maintenance of plant	10,777,200	11,777,949	11,473,058	(1,000,749)
Scholarships and fellowships	13,422,909	12,169,491	8,400,833	1,253,418
Auxiliary enterprises	10,661,006	10,681,318	10,414,151	(20,312)
Depreciation	4,856,888	5,049,526	4,220,660	(192,638)
Total operating expenses	126,543,902	125,334,991	112,333,547	1,208,911
Interest expense	2,323,792	2,731,789	1,745,670	(407,997)
Total expenses	<u>\$ 128,867,694</u>	<u>128,066,780</u>	<u>114,079,217</u>	<u>800,914</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, 2011 and 2010

Summary of Net Assets

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>Change 2010-2011</u>
Net assets:				
Unrestricted	\$ 31,593,986	31,882,803	26,642,659	(288,817)
Restricted (Scholarships)	891,380	746,212	605,703	145,168
Restricted expend. (DSR)	777,656	789,755	1,716,652	(12,099)
Investment in capital assets	106,623,115	103,004,066	105,444,492	3,619,049
Scholarships & Library (Endowed)	<u>1,996,599</u>	<u>1,964,984</u>	<u>1,880,222</u>	<u>31,615</u>
Total net assets	<u>\$ 141,882,736</u>	<u>138,387,820</u>	<u>136,289,728</u>	<u>3,494,916</u>

Other Information

Projects in Process

The College will complete the upgrading of the Utility Plant at an approximate cost of \$5M, which includes new boilers and chillers, and a Facilities Master Plan in the amount of \$375,000.

In fiscal year 2012, the College will be renovating Gorman Hall at an approximate cost of \$1,750,000 as well as renovating space for the Center for Holocaust, Human Rights and Genocide Education in the amount of \$550,000.

Chapter 12 funding has been approved for fiscal year 2012 in the amount of \$8,500,000. The funding will be used for infrastructure improvements on the Lincroft campus, the purchase and installation of replacement windows at the Western Monmouth Branch Campus and renovations needed for potential expansion necessary for program development at the Wall Higher Education Center and Sandy Hook.

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BASIC FINANCIAL STATEMENTS

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

Statements of Net Assets
As of June 30, 2011 and 2010

Assets	2011	Restated 2010
Current assets:		
Cash and cash equivalents (note 1 and 2)	\$ 24,591,156	19,195,077
Short-term investments (note 2)	12,051,211	11,956,477
Accounts receivable, net of allowance of approximately \$1,352,411 in 2011 and \$1,206,286 in 2010 (note 3)	3,016,027	5,143,490
Deposits held by trustees (note 2)	23,850	309,972
Inventories	1,460,915	1,378,221
Prepaid expenses	566,302	1,413,735
Accrued interest receivable	71,630	132,906
Total current assets	<u>41,781,091</u>	<u>39,529,878</u>
Noncurrent assets:		
Endowment investments (note 2)	1,595,098	692,769
Deposits held by trustees (note 2)	789,759	11,613,594
Capital assets, net of accumulated depreciation of \$77,187,304 in 2011 and \$72,330,416 in 2010 (note 5)	158,162,705	149,344,425
Total noncurrent assets	<u>160,547,562</u>	<u>161,650,788</u>
Total assets	<u>202,328,653</u>	<u>201,180,666</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses (notes 4 and 9)	10,797,660	12,125,690
Deferred student tuition and fees	2,578,033	2,400,528
Deferred grant revenue	232,709	242,429
Deferred revenue other	—	—
Deposits held for others	7,515	9,199
Long-term debt, current portion (note 6)	1,220,000	1,185,000
Total current liabilities	<u>14,835,917</u>	<u>15,962,846</u>
Noncurrent liabilities:		
Long-term debt (note 6)	45,610,000	46,830,000
Total liabilities	<u>60,445,917</u>	<u>62,792,846</u>
Net Assets		
Invested in capital assets, net of related debt	106,623,115	103,004,066
Restricted:		
Nonexpendable:		
Scholarships and library	891,380	746,212
Expendable:		
Debt service reserve	777,656	789,755
Scholarships	1,996,599	1,964,984
Unrestricted (note 7)	31,593,986	31,882,803
Total net assets	<u>\$ 141,882,736</u>	<u>138,387,820</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, 2011 and 2010

	<u>2011</u>	<u>Restated 2010</u>
Operating revenues:		
Student revenues:		
Tuition, net of scholarship allowances of \$22,473,246 for 2011 and \$19,963,777 for 2010	\$ 23,110,007	24,229,330
Chargebacks to other counties	430,054	475,640
	<u>23,540,061</u>	<u>24,704,970</u>
Auxiliary enterprises, net of scholarships of \$2,093,505 for 2011 and \$1,760,319 for 2010	9,287,354	9,929,502
Fees	<u>6,840,631</u>	<u>6,653,248</u>
Net student revenues	39,668,046	41,287,720
Community service income	3,008,326	3,392,387
Federal grants	35,042,074	30,293,904
State grants	5,583,454	6,327,020
Local grants	448,941	443,529
Other grants	82,889	118,667
Special events	281,908	264,979
Other operating revenues	<u>923,025</u>	<u>1,316,580</u>
Total operating revenues	<u>85,038,663</u>	<u>83,444,786</u>
Operating expenses:		
Instruction	43,234,818	43,029,947
Research	1,054,022	1,022,752
Public service	1,585,453	1,573,574
Academic support	15,547,603	15,322,017
Student services	10,907,254	10,723,495
Institutional support	14,496,749	13,984,922
Operation and maintenance of plant	10,777,200	11,777,949
Scholarships and fellowships	13,422,909	12,169,491
Auxiliary enterprises	10,661,006	10,681,318
Depreciation	<u>4,856,888</u>	<u>5,049,526</u>
Total operating expenses	<u>126,543,902</u>	<u>125,334,991</u>
Operating loss	<u>(41,505,239)</u>	<u>(41,890,205)</u>
Nonoperating revenues (expenses):		
State appropriations	10,685,964	10,706,157
Federal appropriations	—	668,724
Local appropriations	27,456,909	26,787,228
Contributions	444,107	319,228
Investment income	515,680	780,281
Other nonoperating revenues	4,851,134	4,297,026
Other nonoperating expenses	(703,081)	—
Interest expense	(2,323,792)	(2,731,789)
On-behalf payments - alternative benefit program:		
Revenues	2,119,021	2,090,245
Expenses	<u>(2,119,021)</u>	<u>(2,090,245)</u>
Net nonoperating revenues	<u>40,926,921</u>	<u>40,826,855</u>
Income (Loss) before other revenues	<u>(578,318)</u>	<u>(1,063,350)</u>
Other revenues (expenses):		
Capital appropriations	<u>4,073,234</u>	<u>3,161,442</u>
Increase in net assets	3,494,916	2,098,092
Net assets as of beginning of year	<u>138,387,820</u>	<u>136,289,728</u>
Net assets as of end of year	<u>\$ 141,882,736</u>	<u>138,387,820</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, 2011 and 2010

	2011	Restated 2010
Cash flows from operating activities:		
Student tuition and fees (including chargebacks to other counties)	\$ 30,532,138	28,214,602
Noncredit revenue	3,081,507	3,412,400
Grants and contracts	42,029,746	30,150,311
Grant payments	(41,157,358)	(37,183,120)
Payments to suppliers	(1,620,177)	(7,270,926)
Payments to employees	(53,236,950)	(52,765,099)
Payments for scholarships and fellowships	(13,422,909)	(12,169,491)
Auxiliary enterprises:		
Bookstore and dining services receipts	9,286,356	9,486,908
Bookstore and dining services payments	(8,784,620)	(8,942,788)
Other auxiliary services payments	(1,936,099)	(1,367,709)
Other operating receipts	1,204,933	1,581,559
Net cash used in operating activities	<u>(34,023,433)</u>	<u>(46,853,353)</u>
Cash flows from noncapital financing activities:		
State appropriations	10,685,964	10,706,157
Local appropriations	27,456,909	26,787,228
Federal appropriations	—	668,724
Contributions	444,107	319,228
Net cash provided by noncapital financing activities	<u>38,586,980</u>	<u>38,481,337</u>
Cash flows from capital financing:		
Proceeds (costs) from issuance of debt	—	(947,469)
Payments on capital debt	(1,185,000)	(1,037,531)
Defeased bonds	—	(12,050,000)
Capital appropriations	8,065,324	29,254,848
Interest paid on capital debt	(2,581,605)	(2,681,756)
Purchases of capital assets	(15,058,366)	(23,603,456)
Deposits held with trustees	11,109,957	18,055,408
Net cash provided by (used in) capital financing activities	<u>350,310</u>	<u>6,990,044</u>
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	36,547,633	36,984,032
Interest and dividends on investments	576,956	882,797
Purchases of investments	(36,642,367)	(31,151,554)
Net cash provided by (used in) investing activities	<u>482,222</u>	<u>6,715,275</u>
Net increase (decrease) in cash and cash equivalents	5,396,079	5,333,303
Cash and cash equivalents as of beginning of year	19,195,077	13,861,774
Cash and cash equivalents as of end of year	<u>\$ 24,591,156</u>	<u>19,195,077</u>
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$ (41,505,239)	(41,890,205)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	4,856,888	5,049,526
Changes in assets and liabilities:		
Grants and other receivables	1,416,093	(8,003,727)
Inventories	(82,694)	(69,748)
Prepaid expenses	847,433	(438,291)
Accounts payable and accrued expenses	276,301	1,167,508
Deferred student tuition and fees	177,505	(2,663,700)
Deferred grant revenue	(9,720)	(4,716)
Net cash used in operating activities	<u>\$ (34,023,433)</u>	<u>(46,853,353)</u>

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, 2011 and 2010

(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 Hazlet. 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 Fort Monmouth and Sandy Hook. Additionally, the College leads the Communiversity, an alliance of five 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, 2011 and 2010

(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 College'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 food service items, 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, 2011 and 2010

(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 – 50
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) Grants receivable represent amounts awarded to, but not yet received by the College. Revenues are recognized as the grants are expended.
- (g) 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.
- (h) Auxiliary enterprises expenses include direct and indirect administration and general costs related to their operations.
- (i) 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, 2011 and 2010

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

Other (Cont'd)

- (j) 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.
- (k) 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.
- (l) The College is exempt from Federal income taxes under Internal Revenue Code Section 115.
- (m) 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, 2011 and 2010, the College's bank balances of \$24,506,011 and \$22,247,892 were insured, collateralized or uninsured as follows:

	<u>2011</u>	<u>2010</u>
Insured	\$ 1,749,652	2,180,169
Collateralized under GUDPA	22,533,003	19,145,141
Uninsured	<u>223,356</u>	<u>922,582</u>
	<u>\$ 24,506,011</u>	<u>22,247,892</u>

(Continued)

BROOKDALE COMMUNITY COLLEGE
(A Component Unit of the County of Monmouth)
Notes to Financial Statements
For the fiscal years ended June 30, 2011 and 2010

(2) **Cash and Cash Equivalents, Investments, Endowment Investments and Deposits Held by Trustees (Cont'd)**

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 FY 2011 and FY 2010 are \$11,989,865 and \$12,016,812 in Certificates of Deposits at various banks and \$1,656,444 and \$632,434 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, 2011 and 2010, the College had the following investments and maturities:

<u>Investment</u>	<u>Maturity</u>	<u>Credit Rating</u>	<u>Fair Value</u>	
			<u>FY 2011</u>	<u>FY 2010</u>
Certificates of Deposits	> 3 months	N/A	\$ 11,989,865	12,016,812
Mutual Funds	N/A	N/A	1,656,444	632,434
			<u>\$ 13,646,309</u>	<u>12,649,246</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, 2011 and 2010

(3) Accounts Receivable

Accounts receivable consisted of the following as of June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Federal, state, and local grants receivable	\$ 1,190,896	3,053,520
Student accounts receivable	2,556,770	2,384,587
Community development receivables	253,802	326,983
Other receivables	<u>366,970</u>	<u>584,686</u>
	4,368,438	6,349,776
Less allowance for doubtful accounts	<u>1,352,411</u>	<u>1,206,286</u>
	<u>\$ 3,016,027</u>	<u>5,143,490</u>

(4) Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following as of June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Vendors	\$ 1,050,366	1,004,808
Construction	1,669,806	3,275,816
Payroll	2,276,744	2,398,418
Vacation	2,768,076	2,725,119
State of New Jersey unemployment	500,000	534,158
Other	<u>2,532,668</u>	<u>2,187,371</u>
	<u>\$ 10,797,660</u>	<u>12,125,690</u>

(Continued)

BROOKDALE COMMUNITY COLLEGE
(A Component Unit of the County of Monmouth)
Notes to Financial Statements
For the fiscal years ended June 30, 2011 and 2010

(5) Capital Assets

The fiscal year 2011 and 2010 activity in capital assets and accumulated depreciation was as follows:

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2011</u>
Depreciable assets:				
Buildings and building improvements	207,851,758	13,689,328	-	221,541,086
Equipment	<u>7,940,621</u>	<u>688,921</u>	<u>(703,081)</u>	<u>7,926,461</u>
	<u>215,792,379</u>	<u>14,378,249</u>	<u>(703,081)</u>	<u>229,467,547</u>
Less accumulated depreciation:				
Buildings and building improvements	(67,736,661)	(4,804,052)	-	(72,540,713)
Equipment	<u>(4,593,755)</u>	<u>(747,639)</u>	<u>694,803</u>	<u>(4,646,591)</u>
	<u>(72,330,416)</u>	<u>(5,551,691)</u>	<u>694,803</u>	<u>(77,187,304)</u>
Depreciable assets, net	143,461,963	8,826,558	(8,278)	152,280,243
Nondepreciable asset - land	<u>5,882,462</u>	<u>-</u>	<u>-</u>	<u>5,882,462</u>
Capital Assets, Net	<u>149,344,425</u>	<u>8,826,558</u>	<u>(8,278)</u>	<u>158,162,705</u>
	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2010</u>
Depreciable assets:				
Buildings and building improvements	184,028,373	23,823,385	-	207,851,758
Equipment	<u>6,650,874</u>	<u>1,310,045</u>	<u>(20,298)</u>	<u>7,940,621</u>
	<u>190,679,247</u>	<u>25,133,430</u>	<u>(20,298)</u>	<u>215,792,379</u>
Less accumulated depreciation:				
Buildings and building improvements	(63,384,323)	(4,352,338)	-	(67,736,661)
Equipment	<u>(3,896,566)</u>	<u>(717,487)</u>	<u>20,298</u>	<u>(4,593,755)</u>
	<u>(67,280,889)</u>	<u>(5,069,825)</u>	<u>20,298</u>	<u>(72,330,416)</u>
Depreciable assets, net	123,398,358	20,063,605	-	143,461,963
Nondepreciable asset - land	<u>5,882,462</u>	<u>-</u>	<u>-</u>	<u>5,882,462</u>
Capital Assets, Net	<u>129,280,820</u>	<u>20,063,605</u>	<u>-</u>	<u>149,344,425</u>

(Continued)

BROOKDALE COMMUNITY COLLEGE
(A Component Unit of the County of Monmouth)
Notes to Financial Statements
For the fiscal years ended June 30, 2011 and 2010

(6) Long-Term Debt

The activity in long-term debt for the years ended June 30, 2011 and 2010 was as follows:

	<u>June 30,</u> <u>2010</u>	<u>In crease</u>	<u>Decrease</u>	<u>June 30,</u> <u>2011</u>
A. Lease revenue bonds – Series 2003 issue:				
Serial bonds (interest rates between 3.5% to 4.7% due on various dates through fiscal year 2026)	\$ 9,225,000		(385,000)	8,840,000
B. Lease revenue bonds – Series 2008 issue:				
Serial bonds (interest rates between 3.25% to 5.25% due on various dates through fiscal year 2025)	9,160,000		(450,000)	8,710,000
Term bonds (interest rate between 5.25% to 6.00% due in fiscal years 2027, 2029, 2032 and 2039)	18,380,000		—	18,380,000
C. Lease revenue bonds – Series 2009 issue:				
Serial bonds (interest rates between 2.0% to 5.125% due on various dates through fiscal year 2023)	5,555,000		(350,000)	5,205,000
Term bonds (interest rate between 3.5% to 4.0% due in fiscal years 2024 - 2032)	5,695,000		—	5,695,000
	<u>48,015,000</u>	<u>—</u>	<u>(1,185,000)</u>	<u>46,830,000</u>
Less current portion				1,220,000
				<u>\$ 45,610,000</u>

(Continued)

BROOKDALE COMMUNITY COLLEGE
(A Component Unit of the County of Monmouth)
Notes to Financial Statements
For the fiscal years ended June 30, 2011 and 2010

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

	<u>June 30,</u> <u>2009</u>	<u>Increase</u>	<u>Decrease</u>	<u>Defeased</u>	<u>June 30,</u> <u>2010</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)	\$ 7,105,000		(315,000)	(6,790,000)	—
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)	9,600,000		(375,000)		9,225,000
C. Lease revenue bonds – Series 2008 issue:					
Serial bonds (interest rates between 3.25% to 5.25% due on various dates through fiscal year 2025)	9,470,000		(310,000)		9,160,000
Term bonds (interest rate between 5.25% to 6.00% due in fiscal years 2027, 2029, 2032 and 2039)	18,380,000		—		18,380,000
D. Lease revenue bonds – Series 2009 issue:					
Serial bonds (interest rates between 2.0% to 5.125% due on various dates through fiscal year 2023)		5,555,000			5,555,000
Term bonds (interest rate between 3.5% to 4.0% due in fiscal years 2024 - 2032)		5,695,000			5,695,000
E. Equipment Leasing Fund obligation	37,531		(37,531)		—
	<u>49,852,531</u>	<u>11,250,000</u>	<u>(1,037,531)</u>	<u>(12,050,000)</u>	<u>48,015,000</u>
Less current portion					1,185,000
					\$ <u>46,830,000</u>

(Continued)

BROOKDALE COMMUNITY COLLEGE
(A Component Unit of the County of Monmouth)
Notes to Financial Statements
For the fiscal years ended June 30, 2011 and 2010

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

- A. 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.

- B. The lease revenue bonds – Series 2008 were issued by The Monmouth County Improvement Authority (MCIA) pursuant to an agreement with the College for the purpose of funding for the Big Four Projects, which is comprised of renovations to the Collins Arena, Autotech, the Western Monmouth Branch Campus and infrastructure improvements on the Lincroft campus. 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 2008 Bonds are not subject to redemption prior to August 1, 2018, and are redeemable thereafter at par plus accrued interest.

The term bonds mature in lump sum payments of \$1,810,000 in fiscal year 2027, \$2,015,000 in fiscal year 2029, \$3,495,000 in fiscal year 2032 and \$11,060,000 in fiscal year 2039.

- C. The lease revenue bonds – Series 2009 were issued by The Monmouth County Improvement Authority (MCIA) pursuant to an agreement with the College for the purpose of refinancing the funding for 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 2009 Bonds are not subject to redemption prior to August 1, 2019, and are redeemable thereafter at par plus accrued interest.

The term bonds mature in lump sum payments of \$1,110,000 in fiscal year 2025, \$1,190,000 in fiscal year 2027, \$1,280,000 in fiscal year 2029 and \$2,115,000 in fiscal year 2032.

(Continued)

BROOKDALE COMMUNITY COLLEGE
(A Component Unit of the County of Monmouth)
Notes to Financial Statements
For the fiscal years ended June 30, 2011 and 2010

(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, 2011:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2012	1,220,000	2,257,181	3,477,181
2013	1,260,000	2,219,444	3,479,444
2014	1,310,000	2,177,388	3,487,388
2015	1,355,000	2,123,025	3,478,025
2016	1,410,000	2,072,491	3,482,491
2017-2021	8,530,000	9,353,833	17,883,833
2022-2026	10,425,000	7,350,358	17,775,358
2027-2031	6,035,000	5,028,252	11,063,252
2032-2036	4,225,000	2,705,428	6,930,428
2037-2039	11,060,000	491,248	11,551,248
	<u>\$ 46,830,000</u>	<u>35,778,648</u>	<u>82,608,648</u>

Interest charges incurred in fiscal years 2011 and 2010 were \$2,323,792 and \$2,731,789, respectively.

(Continued)

BROOKDALE COMMUNITY COLLEGE
(A Component Unit of the County of Monmouth)
Notes to Financial Statements
For the fiscal years ended June 30, 2011 and 2010

(7) Designations of Unrestricted Net Assets

As of June 30, 2011 and 2010, the College had designated portions of its unrestricted net assets as follows:

	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
June 30, 2011:			
Designated:			
Auxiliary enterprises	\$ 6,324,642	—	6,324,642
Risk management	—	215,165	215,165
ADA compliance	—	715,221	715,221
Campus construction projects	—	6,573,540	6,573,540
Appropriation to succeeding fiscal years' budgets	17,765,418	—	17,765,418
	<u>\$ 24,090,060</u>	<u>7,503,926</u>	<u>31,593,986</u>
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
June 30, 2010:			
Designated:			
Auxiliary enterprises	\$ 2,707,533	—	2,707,533
Risk management	—	221,628	221,628
ADA compliance	—	815,000	815,000
Campus construction projects	—	22,047,399	22,047,399
Utility Upgrade	—	2,622,425	2,622,425
Appropriation to succeeding fiscal years' budgets	3,068,818	—	3,068,818
Undesignated	250,000	150,000	400,000
	<u>\$ 6,026,351</u>	<u>25,856,452</u>	<u>31,882,803</u>

(Continued)

BROOKDALE COMMUNITY COLLEGE
(A Component Unit of the County of Monmouth)
Notes to Financial Statements
For the fiscal years ended June 30, 2011 and 2010

(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, 2011, 2010 and 2009. During the years ended June 30, 2011, 2010 and 2009, the College’s annual contributions to PERS were \$1,834,875, \$1,645,500 and \$1,360,000 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, 2011, 2010 and 2009. 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 2011, 2010 and 2009, College contributions to PFRS were \$282,503, \$252,700 and \$227,000 respectively. The contribution requirements of the plan members and the College are established and may be amended by the State of New Jersey.

DCRP Information

In September, 2010, the State of New Jersey mandated that employees otherwise eligible to enroll in PERS or TPAF, who do not work the minimum number of hours per week required for PERS or TPAF, but who earn salary of at least \$5,000 annually are now being enrolled in a defined contribution retirement program (DCRP). DCRP members are required to contribute 5.5% of their annual salary and the College is required to contribute 3%. The contribution requirements of the plan 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, 2011 and 2010

(8) Retirement Plans (Cont'd)

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, some of which are reimbursed by the State, are 8%.

During the year ended June 30, 2011, ABP contributions, based upon participating employee salaries of approximately \$26,487,761, were \$1,511,824 from employees and \$2,654,536 from the College. The State of New Jersey reimbursed the College \$2,119,021 for qualified employees and this amount is included in the accompanying financial statements as on-behalf payments.

During the year ended June 30, 2010, ABP contributions, based upon participating employee salaries of approximately \$26,128,062, were \$1,477,002 from employees and \$2,592,059 from the College. The State of New Jersey reimbursed the College \$2,090,245 for qualified employees and this amount is included in the accompanying financial statements as on-behalf payments.

Mandatory Health Benefit Contribution

In March, 2010, the State legislature and the Governor established several new laws affecting pension and health benefits for public employees. One of these laws, Chapter 2, P.L. 2010, mandated an employee contribution of 1.5% of base pay for all School Employee Health Benefit Program participants. The contribution applies to full-time and part-time regular employees, not to hourly employees or adjunct instructors. College employees are able to tax defer these contributions under the College's Section 125 plan. The contributions went into effect for most employees July 1, 2010, with the settlement and/or expiration of collective bargaining agreements.

Health Benefit Reform

The State of New Jersey has changed the 1-1/2% mandatory health benefit contribution to a tiered four-year phased-in contribution based upon base salary. The effective date was May 22, 2010 for employees not covered by a binding contract. The legislation establishes 1-1/2% of base salary as the minimum employee contribution. Outlined below is a summary of contribution requirements:

An individual hired after June 28, 2011 in a position that is not in a bargaining unit must immediately pay the full standard contribution without regard to the four-year phase in.

(Continued)

BROOKDALE COMMUNITY COLLEGE
(A Component Unit of the County of Monmouth)
Notes to Financial Statements
For the fiscal years ended June 30, 2011 and 2010

An individual hired after June 28, 2011 in a position covered by a bargaining unit where the contract has expired must pay the full standard contribution without regard to the four-year phase-in.

An individual hired after June 28, 2011 in a position covered by an existing contract in effect on June 28, 2011 is covered by the contract and their contribution begins upon the expiration of the contract. At that time, the four-year phase in begins.

(9) Commitments and Contingencies

Commitments

The College leases certain buildings used in general operations. Net rental expenses were approximately \$156,900 and \$156,900 in 2011 and 2010, respectively. The leases are noncancelable and have been classified as operating leases which will expire in July 2012. Minimum annual rental commitments, net of sublease rentals, approximate the following:

	Amount
Year ending June 30:	
2012	156,900

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 \$2,768,076 and \$2,725,119 as of June 30, 2011 and 2010, 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.

(11) Other Postemployment Benefits

Plan Description - The College contributes to the New Jersey State Health Benefits Program ("the SHBP"), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP provides medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program Act is found in the New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the

(Continued)

BROOKDALE COMMUNITY COLLEGE
(A Component Unit of the County of Monmouth)
Notes to Financial Statements
For the fiscal years ended June 30, 2011 and 2010

program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295.(11) Other Postemployment Benefits (Cont'd)

Funding Policy - P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2009, there were 84,590 retirees eligible for postemployment medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a school district or county college with 25 years of service. The State paid \$116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in Fiscal Year 2009.

(12) Litigation

The College was a defendant in a legal proceeding which resulted in a settlement which was not in favor of the College. The College is required to make certain improvements to existing buildings and infrastructure, over a five year period, in order to make the College more ADA accessible. The estimated cost of these improvements is approximately \$200,000 each year. The College is in the fourth year of the required improvements.

(13) Financial Statement Restatement

As of July 1, 2010, the College as a result of an accounting error restated its financial statements to reflect an overstatement of Other Revenue of \$16,878,992 and Operating Expense of \$16,878,992. In addition, Accounts Receivable was reduced by \$5,625,040 and Other Revenue by \$5,625,040. The effect of this correct of the errors results in a decrease in Unrestricted Net Assets of \$5,625,040.

(Continued)

SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

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

The Honorable President and Members
of the Board of Trustees
Brookdale Community College
Lincroft, New Jersey 07738

We have audited the basic financial statements of Brookdale Community College as of and for the year ended June 30, 2011, and have issued our report thereon dated December 13, 2011. We conducted our audit in accordance with U. S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Brookdale Community College's financial statements will not be prevented, or detected and corrected on a timely basis.

SUPLEE, CLOONEY & COMPANY

Our consideration of the internal control over financial reporting was limited for the purposes 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. However, we noted other immaterial matters involving the internal control over financial reporting that we reported to management in a separate letter dated December 13, 2011.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Brookdale Community College's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of basic 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 or other matters that are required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to management in a separate letter dated December 13, 2011.

This report is intended solely for the information of Brookdale Community College and federal and state audit agencies and is not intended to be and should not be used by anyone other than these specified parties.

December 13, 2011

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



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL
AND STATE FINANCIAL ASSISTANCE PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A -133 AND NEW JERSEY OMB CIRCULAR 04-04

The Honorable President and Members
of the Board of Trustees
Brookdale Community College
Lincroft, New Jersey 07738

Compliance

We have audited the compliance of Brookdale Community College with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and State of New Jersey, State Grant Compliance Supplement that are applicable to each of its major federal and state programs for the year ended June 30, 2011. Brookdale Community 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 Brookdale Community College's management. Our responsibility is to express an opinion on Brookdale Community College's compliance based on our audit.

We conducted our audit of compliance in accordance with U. S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133 "Audits of State, Local Governments and Non-Profit Organizations" and State of New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions 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 and state program occurred. An audit includes examining, on a test basis, evidence about Brookdale Community 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 Brookdale Community College's compliance with those requirements.

SUPLEE, CLOONEY & COMPANY

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 year ended June 30, 2011.

Internal Control Over Compliance

The management of Brookdale Community 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 Brookdale Community 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04 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 Brookdale Community College's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the 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 for the information of Brookdale Community College and federal and state audit agencies and is not intended to be and should not be used by anyone other than these specified parties.

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

December 13, 2011

BROOKDALE COMMUNITY COLLEGE

Schedule of Expenditures of Federal Awards

Year ended June 30, 2011

Federal grantor/ pass-through grantor/ program or cluster title	Federal CFDA/grant number	Current year expenditures
U.S. Department of Education:		
Student Financial Assistance Cluster:		
William D Ford Federal Direct Loan	84.268	\$ 14,002,721
Federal Supplemental Educational Opportunity Grant (including administrative cost allowance of \$18,953)	84.007	303,253
Federal Pell Grant	84.063	17,690,113
Federal Work-Study (including administrative cost allowance of \$8,704)	84.033	182,781
Academic Competitiveness Grant	375A	464,712
Job Locator		29,186
Total Student Financial Assistance Cluster		32,672,766
Asbury Park / Neptune Enrichment and Student Success Center	84.215K	57,358
U.S> Department of Labor		
Community Based Job Training Grant	17.269	538,456
Center for Excellence in Technology, Telecommunications and Economic Development(CETTED) Program	17.261	83,817
Passed through State of New Jersey Department of Labor & Worforce Development:		
Adult Basic Skills & Integated English Literacy	84.002	483,298
Civics Education Program	84.002	138,040
Passed through State of New Jersey Department of Education:		
Voc Ed Disadvantaged Component	84.048	512,351
US Dept of Justice		
Office of Juvenile Justice& Delinquency-Optimist III	16.541	1,354
U.S. Small Business Administration:		
Small Business Administration and Seminars	59	23,254
Passed through Rutgers University:		
Small Business Development Center	59.037	224,172
Small Business Job Act	59.037	1,150
US Dept of Health and Human Services		
HITS Grant	93.703	269,481
Health Profession Opportunity Grant	93.093	36,577
Total restricted expenditures of Federal awards		35,042,074

See accompanying notes to schedules of expenditures of Federal and State of New Jersey awards.

BROOKDALE COMMUNITY COLLEGE

Schedule of Expenditures of State of New Jersey Awards

Year ended June 30, 2011

State of New Jersey grantor/program or cluster title	Grant number/ State of New Jersey account number	Award amount	Grant period	Current year expenditures
State of New Jersey grants – restricted:				
N.J. Department of Treasury:				
Student Financial Assistance Cluster:				
Educational Opportunity Fund Summer and Regular Awards	2401-100-074-2401-002-kkk-6140	\$ 359,016	07/01/10-06/30/11	\$ 339,301
Bloustein Dist Scholarships	–	6,045	07/01/10-06/30/11	6,045
N.J. Urban Scholarships	–	6,045	07/01/10-06/30/11	6,045
Tuition Aid Grant	–	3,991,288	07/01/10-06/30/11	3,991,288
NJ Stars		763,531	07/01/10-06/30/11	763,531
Total Student Financial Assistance Cluster				5,106,210
Educational Opportunity Fund – Article IV:				
Educational Opportunity Fund Summer	2401-100-074-2401-002-KKK-6140	17,656	07/01/10-06/30/11	17,650
Educational Opportunity Fund Regular	2401-100-074-002-KKK-6140	186,097	07/01/10-06/30/11	186,097
N.J. Department of Education:				
General Education Development Testing	5063-100-034-5063-324-H302-3620	13,585	07/01/10-06/30/11	9,945
Alternate Route Teacher Preparation Program		57,238	09/09/09 - 10/15/10	310
Career Tech Ed Prov Teacher Piolot	11-100-034-5062-032-H200	200,346	10/15/10-9/30/11	100,059
N.J. Department of Community Affairs:				
Displaced Homemaker	2011-15863-0025-00	120,314	07/01/10-06/30/11	120,314
N.J. Department of Human Services:				
Family Friendly	11ASNP	45,463	07/01/10-06/30/11	42,423
Higher Education Student Assistance Authority/ Commission of Higher Education				
NJ College Access Challenge Grant	2405-100-074-A532-001-KKKK-6150	7,500	3/1/11-8/31/11	447
Total restricted				<u>5,583,455</u>
State of New Jersey appropriations – unrestricted:				
N.J. Department of Treasury:				
Operational Costs – County Colleges	01-100-082-2155-015	10,706,157	07/01/10-06/30/11	10,685,964
Alternate Benefit Program	–	2,090,245	07/01/10-06/30/11	2,119,021
Total expenditures of State of New Jersey awards				<u>\$ 18,388,440</u>

See accompanying notes to schedules of expenditures of Federal and State of New Jersey awards.

BROOKDALE COMMUNITY COLLEGE

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2011

NOTE 1: GENERAL

The accompanying schedules of expenditures of awards and financial assistance present the activity of all federal awards and state financial assistance programs of Brookdale Community College. The College is defined in the Notes to the College's basic financial statements. All federal awards and state financial assistance received directly from federal or state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented using the accrual basis of accounting.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the College's basic financial statements.

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

BROOKDALE COMMUNITY COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

Section I - Summary of Auditor's Results

Financial Statements

- | | |
|--|-------------|
| (1) Type of Auditor's Report Issued: | Unqualified |
| (2) Internal Control Over Financial Reporting: | |
| (a) Material weakness identified? | No |
| (b) Significant deficiencies identified that are not considered to be material weaknesses? | N/A |
| (3) Noncompliance material to the basic financial statements noted? | No |

Federal Program(s)

- | | |
|---|-------------|
| (1) Internal Control Over Major Federal Programs: | |
| (a) Material weakness identified? | No |
| (b) Significant deficiencies identified that are not considered to be material weaknesses? | N/A |
| (2) Type of Auditor's Report issued on compliance for major federal program(s)? | Unqualified |
| (3) Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133 and listed in Section III of this schedule? | No |

BROOKDALE COMMUNITY COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

Federal Program(s) (Continued)

(4) Identification of Major Federal Program(s):

<u>Program</u>	<u>CFDA</u>
Federal PELL Grant	84.063
Supplemental Educational Opportunity Grant	84.007
Federal Work Study	84.033
Federal Direct Student Loan Program	84.268
Academic Competitiveness Grant	84.375
Job Locator	84.000

(5) Program Threshold Determination:

 Type A Federal Program Threshold > \$1,051,262.00

 Type B Federal Program Threshold <= \$1,051,262.00

(6) Auditee qualified as a low-risk auditee under OMB Circular A-133? No

State Program(s)

(1) Internal Control Over Major State Programs:

 (a) Material weakness identified? No

 (b) Significant deficiencies identified that are not considered
 to be material weaknesses? N/A

(2) Type of Auditor's Report issued on compliance for major
 state program(s)? Unqualified

(3) Any audit findings disclosed that are required to be reported
 in accordance with N.J. OMB Circular 04-04 and listed in
 Section III of this Schedule? No

BROOKDALE COMMUNITY COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

State Program(s) (Continued)

(4) Identification of Major State Program(s):

<u>Program</u>	<u>Grant Number</u>
Student Financial Aid Cluster:	
Educational Opportunity Fund (EOF)	10-100-074-2401-001
Bloustein Distinguish Scholarships	10-100-074-2405-278
N.J. Urban Scholarships	Unknown
Tuition Aid Grant (TAG)	10-100-074-2405-007
New Jersey Stars Program	10-100-074-2405-313
Educational Opportunity Fund (EOF) – Article IV	10-100-074-2401-002
Operational Costs	10-100-082-2155-015

(5) Program Threshold Determination:

 Type A State Program Threshold > \$551,653.00

 Type B State Program Threshold <= \$551,653.00

(6) Auditee qualified as a low-risk auditee under OMB Circular A-133? No

**Section II - Financial Statement Audit - Reported Findings Under
Government Auditing Standards**

Internal Control Findings

None Reported

Compliance Findings

None Reported

Section III - Findings and Questioned Costs Relative to Major Federal and State Programs

Federal Programs – None Reported

State Programs – None Reported

Status of Prior Audit Findings

Federal Programs - None Reported

State Programs - None Reported

