

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

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**FINANCIAL STATEMENTS**

**JUNE 30, 2024 and 2023**

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

**Financial Statements**

**June 30, 2024**

**CONTENTS**

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<b>Independent Auditor's Report</b>	1 - 3
<b>Management's Discussion and Analysis (Unaudited)</b>	4 - 10
<b>Financial Statements:</b>	
Statement of Net Position	11
Statements of Revenues, Expenses, and Changes in Net Position	12
Statement of Cash Flows	13
Notes to Financial Statements	14 - 49
<b>Required Supplementary Information:</b>	
Schedules of Proportionate Share of the Net Pension Liability (Unaudited)	50
Schedules of Contributions - Pension (Unaudited)	51 - 53
Schedule of Changes in the College's Proportionate Share of Total OPEB Liability (Unaudited)	54
Notes to the Required Supplementary Information (Unaudited)	55
<b>Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i></b>	56 - 57
<b>Independent Auditor's Report on Compliance For Each Major Federal and State of New Jersey Program; Report on Internal Control Over Compliance Required By Uniform Guidance and State of New Jersey OMB Circular 15-08</b>	58 - 60

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

**Financial Statements**

**June 30, 2024**

**CONTENTS – CONTINUED**

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**Single Audit Section – Continued:**

Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2024	61
Schedule of Expenditures of State of New Jersey Awards for the Year Ended June 30, 2024	62
Notes to Schedules of Expenditures of Federal and State of New Jersey Awards	63
Schedule of Findings and Questioned Costs	64 - 68
Management's Summary of Prior Year Audit Findings	69 – 70
Management's Corrective Action Plan	71

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of  
Brookdale Community College:

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of Brookdale Community College (the "College"), a component unit of the County of Monmouth, State of New Jersey, and its discretely presented component unit, Brookdale Community College Foundation, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College, and the discretely presented component unit, as of June 30, 2024, and respective change in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

## Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State of New Jersey Awards, as listed in the table of contents, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and State of New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State of New Jersey Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February XX, 2025 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

February XX, 2025

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Management's Discussion and Analysis - Continued  
For the fiscal year ended June 30, 2024 and 2023  
Management's Discussion and Analysis  
For the fiscal year ended June 30, 2024 and 2023

Management's Discussion and Analysis ("MD&A") presents the financial performance of Brookdale Community College (the "College") during the fiscal year ended June 30, 2024. This MD&A will provide various financial analyses for fiscal year 2024.

### Enrollment

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

	<u>2024</u>	<u>2023</u>	<u>Change 2023-2024</u>
Credit FTEs	6,878	6,740	138
Noncredit FTEs	<u>555</u>	<u>401</u>	<u>154</u>
Total FTEs	<u><u>7,433</u></u>	<u><u>7,141</u></u>	<u><u>292</u></u>

Full-time equated enrollment for credit and noncredit enrollment in fiscal year 2024 was 7,433, compared to fiscal year 2023 FTE enrollment of 7,141. This represents a 4.1 percent increase.

- Credit enrollment increased from 6,740 FTEs in fiscal year 2023 to 6,878 FTEs in fiscal year 2024, which represents a 2.0 percent increase.
- Noncredit enrollment increased from 401 FTEs in fiscal year 2023 to 555 FTEs in fiscal year 2024, which represents a 38.4 percent increase.

### General Financial Information

The College's basic financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, 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").

The College uses a single proprietary fund, which reports the business-type activities to the College. The Statement of Net Position presents financial information on all of the College's assets, liabilities, and deferred inflows/outflows of recourses, with the difference reported as net position. Over time, increases or decrease in net position may serve as a useful indicator of whether the financial position of the College is improving or deteriorating.

The Statement of Revenue, Expenses, and Changes in Net Position present information showing how the College's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The notes to the financial statements provide additional information that is necessary to acquire a full understanding of the data provided in the financial statements.

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the College's progress in funding its obligation to provide pension and OPEB benefits to its employees.



**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Management's Discussion and Analysis - Continued  
For the fiscal year ended June 30, 2024 and 2023

The financial statements also include the activities of Brookdale Community College Foundation, a legally separated entity for which the College is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the College itself.

**Financial Highlights**

**Condensed Schedule of Net Position**

The following represents assets, liabilities, and net position of the College as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>	<u>Change 2023-2024</u>
Current Assets	\$ 34,433,283	\$ 33,931,740	\$ 501,543
Noncurrent Assets:			
Capital Assets	<u>149,562,693</u>	<u>156,138,447</u>	<u>(6,575,754)</u>
Total Assets	<u>\$ 183,995,976</u>	<u>\$ 190,070,187</u>	<u>\$ (6,074,211)</u>
Deferred Outflow of Resources	<u>\$ 5,327,800</u>	<u>\$ 5,998,367</u>	<u>\$ (670,567)</u>
Current Liabilities	\$ 14,460,337	\$ 16,306,649	\$ (1,846,312)
Noncurrent Liabilities	<u>50,665,657</u>	<u>52,736,239</u>	<u>(2,070,582)</u>
Total Liabilities	<u>\$ 65,125,994</u>	<u>\$ 69,042,888</u>	<u>\$ (3,916,894)</u>
Deferred Inflows of Resources	<u>\$ 3,677,323</u>	<u>\$ 6,783,677</u>	<u>\$ (3,106,354)</u>
Net Position:			
Net Investment in Capital Assets	\$ 122,507,510	\$ 127,553,875	\$ (5,046,365)
Restricted	41,668	72,692	(31,024)
Unrestricted	<u>(2,028,719)</u>	<u>(7,384,578)</u>	<u>5,355,859</u>
Total Net Position	<u>\$ 120,520,459</u>	<u>\$ 120,241,989</u>	<u>\$ 278,470</u>

The increase in current assets of \$501,543 is due to the following:

- An increase in cash and equivalents of \$5,362,466.
- A decrease in accounts receivable of \$4,997,451.
- An increase in prepaid expenses of \$136,528.

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Management's Discussion and Analysis - Continued  
For the fiscal year ended June 30, 2024 and 2023

**Financial Highlights – Continued**

**Condensed Schedule of Net Position – Continued**

Deferred outflows of resources decreased \$670,567 due to an decrease in net pension liability of \$489,460 and deferred gain on bond refinancing of \$181,107.

The decrease in current liabilities of \$1,846,312 is due to the following:

- Accounts payable and accrued expenses decreased \$1,863,474
- Unearned student tuition and fees increased \$28,314.
- Unearned grant revenue decreased \$116,645.
- Current portion of long-term debt increased \$105,493.

Non-current liabilities increased \$2,070,582 due to the following:

- Long-term debt decreased to \$1,815,991.
- Net pension liability decreased \$254,591 representing the net pension liability allocated to Brookdale Community College in the State of New Jersey Public Employees' Retirement System and State of New Jersey Police and Firemen's Retirement System audit reports.

**Capital Asset Activity**

Capital asset activity for the fiscal year ended June 30, 2024 was as follows:

	<u>2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>2024</u>
Depreciable Assets:				
Buildings and Building Improvements	\$ 280,929,796	\$ 9,667,749	\$ (13,657,420)	\$ 276,940,125
Equipment	18,556,110	850,484	(213,377)	19,193,217
Total	<u>299,485,906</u>	<u>10,518,233</u>	<u>(13,870,797)</u>	<u>296,133,342</u>
Less Accumulated Depreciation:	<u>(149,229,921)</u>	<u>(3,223,190)</u>	<u>-</u>	<u>(152,453,111)</u>
Depreciable Assets, net	150,255,985	7,295,043	(13,870,797)	143,680,231
Nondepreciable Asset - land	<u>5,882,462</u>	<u>-</u>	<u>-</u>	<u>5,882,462</u>
Capital Assets, net	<u>\$ 156,138,447</u>	<u>\$ 7,295,043</u>	<u>\$ (13,870,797)</u>	<u>\$ 149,562,693</u>

As a best practice, the College contracts with a third-party firm to conduct an independent physical inventory of all College assets every 5 years, and as such, conducted a physical inventory during fiscal year 2023.

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Management's Discussion and Analysis - Continued  
For the fiscal year ended June 30, 2024 and 2023

**Debt Activity**

The College currently holds three lease revenue bonds (Series 2012, Series 2015, and Series 2019) issued by MCIA. The College's mortgage obligation to MCIA is collateralized by certain land, buildings, and building improvements. The College currently holds one equipment leasing bond (ELF 208-01) issued by the NJ Educational Facilities Authority. The total principal and interest payments due on the bonds collectively from now until 2039 is \$33,974,018 and is broken down as follows:

	<u>Maturity Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<b>Series 2012</b>	2026	\$ 1,830,000	\$ 100,345	\$ 1,930,345
<b>Series 2015</b>	2039	20,015,000	5,783,842	25,798,842
<b>Series 2019</b>	2032	4,990,000	772,642	5,762,642
<b>ELF 208-01</b>	2033	385,841	96,348	482,189
		<u>\$ 27,220,841</u>	<u>\$ 6,753,177</u>	<u>\$ 33,974,018</u>

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Management's Discussion and Analysis - Continued  
For the fiscal year ended June 30, 2024 and 2023

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

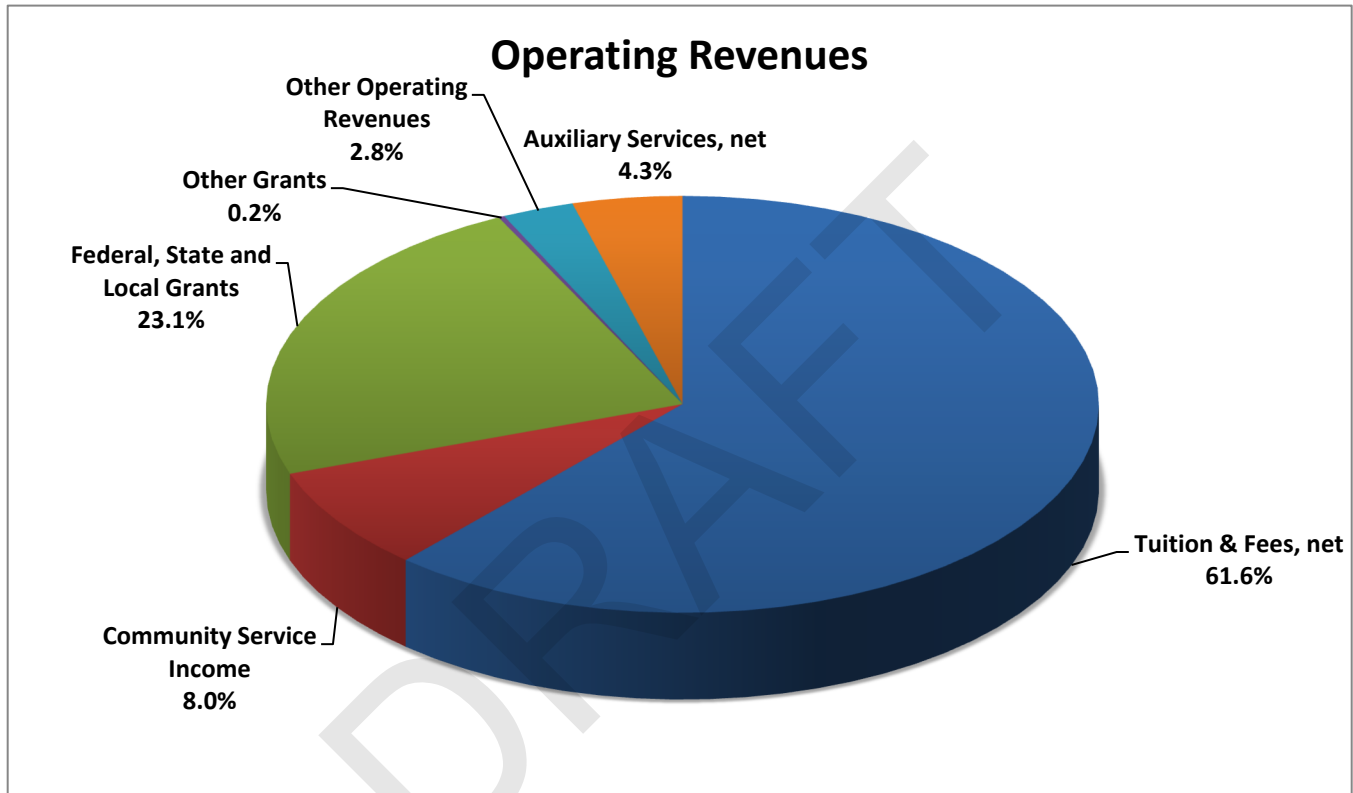
The College receives revenue from three main sources: student tuition and fees, State aid, and County support. The balance of revenue is from miscellaneous sources, which include Continuing Professional Services, Grants and Auxiliary services.

	<u>2024</u>	<u>2023</u>	<u>Change 2023-2024</u>
Operating Revenues:			
Tuition, net	\$ 18,051,392	\$ 17,754,973	\$ 296,419
Fees	8,085,535	7,913,699	171,836
Chargebacks to Other Counties	215,319	204,130	11,189
Community Service Income	3,429,954	2,968,620	461,334
Federal, State and Local Grants	9,900,976	16,339,305	(6,438,329)
Other Grants	98,655	50,052	48,603
Other Operating Revenues	1,193,714	1,662,978	(469,264)
Auxiliary Services, net	<u>1,829,121</u>	<u>1,503,781</u>	<u>325,340</u>
Total Operating Revenues	42,804,666	48,397,538	(5,592,872)
Operating Expenses	<u>92,499,127</u>	<u>97,939,785</u>	<u>(5,440,658)</u>
Operating Loss	<u>(49,694,461)</u>	<u>(49,542,247)</u>	<u>(152,214)</u>
Nonoperating Revenues (Expenses):			
Federal Grants	7,668,978	13,281,347	(5,612,369)
State Appropriations	11,773,290	10,247,335	1,525,955
Local Appropriations	20,277,019	20,277,016	3
Pell Grants	12,545,599	11,116,542	1,429,057
Other Nonoperating Revenues	7,584,429	3,536,398	4,048,031
Other Nonoperating Expenses	(13,883,331)	(10,266,179)	(3,617,152)
Interest Expense	<u>(1,077,470)</u>	<u>(1,140,093)</u>	<u>62,623</u>
Net Nonoperating Revenues	<u>44,888,514</u>	<u>47,052,366</u>	<u>(2,163,852)</u>
Profit (Loss) Before Other Revenues	(4,805,947)	(2,489,881)	(2,316,066)
Other Revenues:			
Capital Appropriations	<u>5,084,417</u>	<u>4,912,728</u>	<u>171,689</u>
Increase in Net Position	<u>278,470</u>	<u>2,422,847</u>	<u>(2,144,377)</u>
Net Position as of Beginning of Year	<u>120,241,989</u>	<u>117,819,142</u>	<u>2,422,847</u>
Net Position as of End of Year	<u>\$ 120,520,459</u>	<u>\$ 120,241,989</u>	<u>\$ 278,470</u>

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Management's Discussion and Analysis - Continued  
For the fiscal year ended June 30, 2024 and 2023

**Revenues**

The College charged \$158.00 per student credit hour ("SCH") to a maximum of \$2,370.00 per term in fiscal year 2024. In addition, the College charged a General Service Fee of 25% of tuition, or \$39.38 per student credit hour, to a maximum of \$596.70 during the same period. Those fees helped fund technology enhancements, student life and activities, capital improvements, and debt service obligations.



Net tuition, fee, and chargeback revenue increased \$479,444 as a result of a 2% increase in FTE enrollment while raising tuition \$5 per credit hour and reducing general student fees by 1%. In addition, scholarship allowances increased \$1,645,816.

The College's Auxiliary Services revenue, (Bookstore, Event Management, and Dining Services) increased \$325,340.

**Nonoperating Revenues**

State aid increased by \$1,525,955. County aid of \$20,277,019 reflects no change from the prior year.

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Management's Discussion and Analysis - Continued  
For the fiscal year ended June 30, 2024 and 2023

***Expenses***

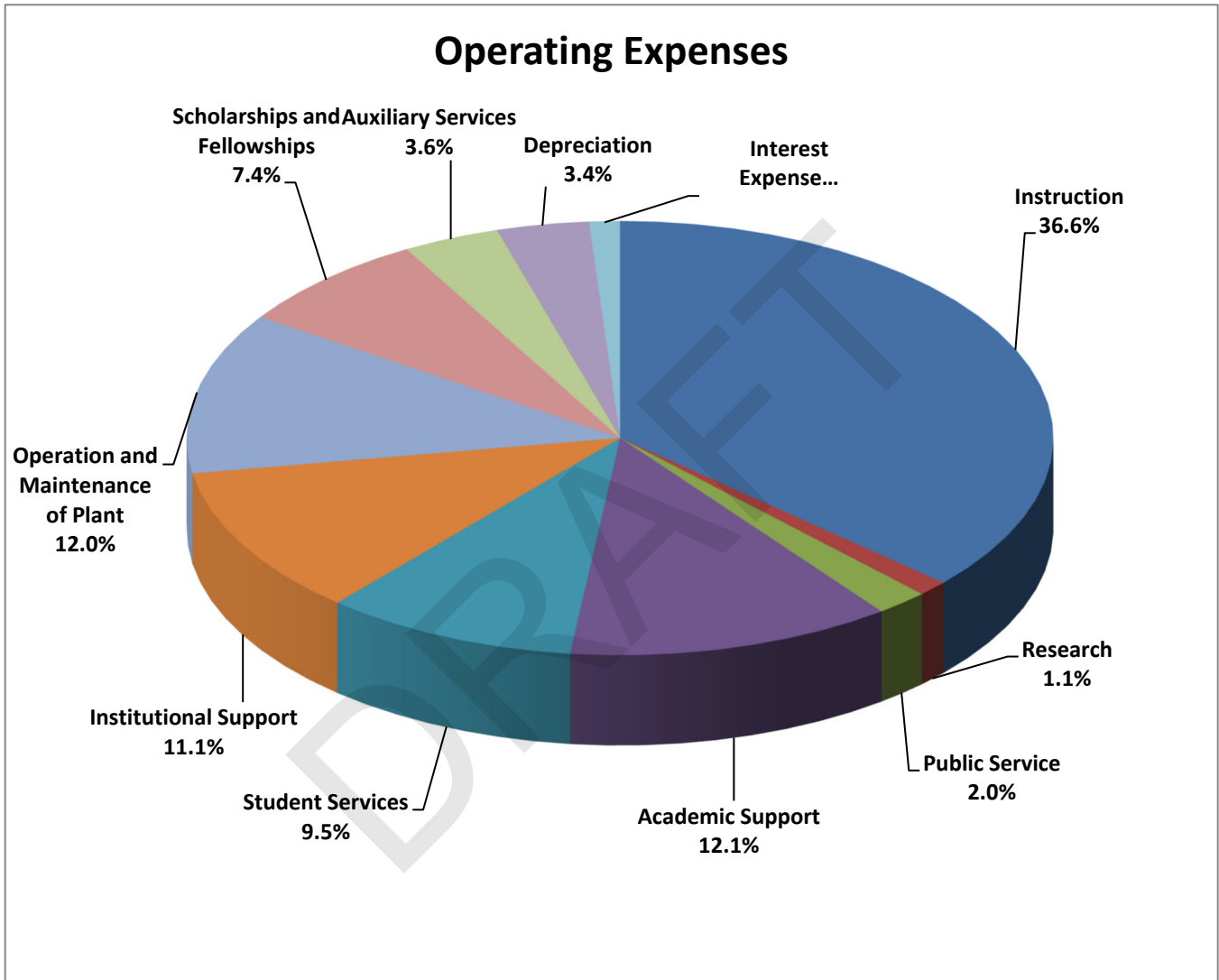
Operating expenses are those expenses paid by the College to acquire or produce goods and services to fulfill its mission. Naturally, the majority of expenses were integral to the College's core mission – student success. The College had total operating and interest expenses of \$93,576,597 in FY24 compared to \$99,079,878 in FY23. The operating expenses of the College by functional classification for the year ended June 2024 were:

	<u>2024</u>	<u>2023</u>	<u>Change 2023-2024</u>
Operating Expenses:			
Instruction	\$ 34,270,891	\$ 32,182,925	\$ 2,087,966
Research	1,054,598	911,469	143,129
Public Service	1,832,380	1,349,858	482,522
Academic Support	11,356,660	17,098,861	(5,742,201)
Student Services	8,850,134	10,952,519	(2,102,385)
Institutional Support	10,374,378	10,173,100	201,278
Operation and Maintenance of Plant	11,241,215	10,531,979	709,236
Scholarships and Fellowships	6,913,521	7,637,067	(723,546)
Auxiliary Services	3,382,160	2,351,719	1,030,441
Depreciation	<u>3,223,190</u>	<u>4,750,288</u>	<u>(1,527,098)</u>
Total Operating Expenses	92,499,127	97,939,785	(5,440,658)
Interest Expense	<u>1,077,470</u>	<u>1,140,093</u>	<u>(62,623)</u>
Total Operating and Interest Expenses	<u>\$ 93,576,597</u>	<u>\$ 99,079,878</u>	<u>\$ (5,503,281)</u>

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Management's Discussion and Analysis - Continued  
For the fiscal year ended June 30, 2024 and 2023

***Expenses – Continued***

Operating and interest expenses in fiscal year 2024 decreased \$5,503,281 from fiscal year 2023.



**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Management's Discussion and Analysis - Continued  
For the fiscal year ended June 30, 2024 and 2023

**Summary of Net Position**

The College had the following net position as of June 30,:

	<u>2024</u>	<u>2023</u>	<u>Change 2023-2024</u>
Net Position:			
Unrestricted	\$ 21,911,774	\$ 19,427,399	\$ 2,484,375
Restricted	41,668	72,692	(31,024)
Impact of GASB 68	<u>(23,940,493)</u>	<u>(26,811,977)</u>	<u>2,871,484</u>
	(1,987,051)	(7,311,886)	5,324,835
Net Investment in Capital Assets	<u>122,507,510</u>	<u>127,553,875</u>	<u>(5,046,365)</u>
Total Net Position	<u>\$ 120,520,459</u>	<u>\$ 120,241,989</u>	<u>\$ 278,470</u>

**Request for Information**

This financial report is designed to provide a general overview of the College's finances for all those with an interest in the College's finances. Questions concerning any of the information provides in this report or request for additional information should be addressed to the Office of Vice President Finance & Operations/CFO, 765 Newman Springs Road, Lincroft, New Jersey, 07738.



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

**As of June 30, 2024 and 2023**

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Statements of Net Position  
As of June 30 , 2024 and 2023

	Brookdale Community College	Brookdale Community College	Brookdale Community College Foundation	Brookdale Community College Foundation
<b>Assets</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Current Assets:				
Cash and Cash Equivalents (Note 3)	\$ 29,423,411	24,029,921	666,949	1,597,011
Accounts Receivable, Net of Allowance of \$1,064,773 and \$1,413,052 in 2024 and 2023, respectively	4,106,488	9,103,939	838	986
Deposits Held by Trustees (Note 3)	41,668	72,692	—	—
Prepaid Expenses	861,716	725,188	—	—
Total Current Assets	34,433,283	33,931,740	667,787	1,597,997
Noncurrent Assets:				
Investments (Note 3)	—	—	9,123,860	6,469,700
Capital Assets, Net of Accumulated Depreciation of \$152,452,109 and \$149,229,921 in 2024 and 2023, respectively (Note 6)	149,562,693	156,138,447	—	—
Total Noncurrent Assets	149,562,693	156,138,447	9,123,860	6,469,700
Total Assets	183,995,976	190,070,187	9,791,647	8,067,697
<b>Deferred Outflows of Resources</b>				
Related to Pensions	3,286,313	3,775,774	—	—
Deferred Loss on Bond Refinancing (Note 7)	2,041,487	2,222,593	—	—
	5,327,800	5,998,367	—	—
<b>Liabilities</b>				
Current Liabilities:				
Accounts Payable and Accrued Expenses (Note 5)	10,109,749	11,973,223	108,490	268,114
Unearned Student Tuition and Fees	2,269,787	2,241,473	—	—
Unearned Grant Revenue	100,308	216,953	—	—
Long-Term Debt, Current Portion (Note 7)	1,980,493	1,875,000	—	—
Total Current Liabilities	14,460,337	16,306,649	108,490	268,114
Noncurrent Liabilities:				
Long-Term Debt, Net of Current Portion (Note 7)	27,116,174	28,932,165	—	—
Net Pension Liability	23,549,483	23,804,074	—	—
Total Noncurrent Liabilities	50,665,657	52,736,239	—	—
Total Liabilities	65,125,994	69,042,888	108,490	268,114
<b>Deferred Inflows of Resources</b>				
Related to Pensions	3,677,323	6,783,677	—	—
<b>Net Position</b>				
Net Investment in Capital Assets	122,507,510	127,553,875	—	—
Restricted:				
Nonexpendable:				
Scholarships	—	—	3,163,047	2,942,982
Expendable:				
Capital	41,668	72,692	—	—
Scholarships	—	—	5,023,618	3,581,925
Unrestricted (Note 8)	(2,028,719)	(7,384,578)	1,496,492	1,274,675
Total Net Position	\$ 120,520,459	120,241,989	9,683,157	7,799,582

(A Component Unit of the County of Monmouth)  
Statements of Revenues, Expenses, and Changes in Net Position  
For the Year Ended June 30, 2024 and 2023

	Brookdale Community College	Brookdale Community College	Brookdale Community College Foundation	Brookdale Community College Foundation
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Operating revenues:				
Student revenues:				
Tuition, Net of Scholarship Allowances of \$17,397,510 and \$15,751,694 in 2024 and 2023, respectively	\$ 18,051,392	17,754,973	—	—
Chargebacks to Other Counties	215,319	204,130	—	—
	<u>18,266,711</u>	<u>17,959,103</u>	<u>—</u>	<u>—</u>
Auxiliary services, net of scholarships of \$511,680 and \$468,240 for 2024 and 2023, respectively	1,829,121	1,503,781	—	—
Fees	8,085,535	7,913,699	—	—
Net Student Revenues	<u>28,181,367</u>	<u>27,376,583</u>	<u>—</u>	<u>—</u>
Community Service Income	3,429,954	2,968,620	—	—
Federal Grants	—	7,995,941	—	—
State Grants	9,057,483	7,966,210	—	—
Local Grants	843,493	377,154	—	—
Other Grants	98,655	50,052	—	—
Special Events	—	—	245,020	397,867
Other Operating Revenues	1,193,714	1,662,978	—	—
Total operating revenues	<u>42,804,666</u>	<u>48,397,538</u>	<u>245,020</u>	<u>397,867</u>
Operating Expenses:				
Instruction	34,270,891	32,182,925	—	—
Research	1,054,598	911,469	—	—
Public Service	1,832,380	1,349,858	—	—
Academic Support	11,356,660	17,098,861	—	—
Student Services	8,850,134	10,952,519	—	—
Institutional Support	10,374,378	10,173,100	—	—
Operation and Maintenance of Plant	11,241,215	10,531,979	254,836	249,590
Scholarships and Fellowships	6,913,521	7,637,067	789,752	700,742
Auxiliary Services	3,382,160	2,351,719	—	—
Depreciation	3,223,190	4,750,288	—	—
Total Operating Expenses	<u>92,499,127</u>	<u>97,939,785</u>	<u>1,044,588</u>	<u>950,332</u>
Operating Loss	<u>(49,694,461)</u>	<u>(49,542,247)</u>	<u>(799,568)</u>	<u>(552,465)</u>
Nonoperating Revenues (Expenses):				
Federal grants	7,668,978	13,281,347	—	—
State Appropriations	11,773,290	10,247,335	—	—
Local Appropriations	20,277,019	20,277,016	—	—
Pell Grants	12,545,599	11,116,542	—	—
Contributions	—	—	2,014,536	595,142
Investment Income	—	—	668,607	401,270
Other Nonoperating Revenues	7,584,429	3,536,398	—	—
Other Nonoperating Expenses	(12,534)	(54,960)	—	—
Loss on Disposition of Capital Assets	(13,870,797)	(10,211,219)	—	—
Interest Expense	(1,077,470)	(1,140,093)	—	—
On-Behalf Payments - Other Post-Employment Benefits				
Revenues	2,543,007	3,596,483	—	—
Expenses	(2,543,007)	(3,596,483)	—	—
On-Behalf Payments - Alternate Benefit Program				
Revenues	2,263,382	2,081,398	—	—
Expenses	(2,263,382)	(2,081,398)	—	—
On-Behalf Payments - Police & Firemen's Retirement System				
Revenues	63,755	65,632	—	—
Expenses	(63,755)	(65,632)	—	—
Net Nonoperating Revenues	<u>44,888,514</u>	<u>47,052,366</u>	<u>2,683,143</u>	<u>996,412</u>
Income (loss) before other revenues	<u>(4,805,947)</u>	<u>(2,489,881)</u>	<u>1,883,575</u>	<u>443,947</u>
Other Revenues				
Capital Appropriations	5,084,417	4,912,728	—	—
Increase in Net Position	278,470	2,422,847	1,883,575	443,947
Net Position as of Beginning of Year	<u>120,241,989</u>	<u>117,819,142</u>	<u>7,799,582</u>	<u>7,355,635</u>
Net Position as of End of Year	<u>\$ 120,520,459</u>	<u>120,241,989</u>	<u>9,683,157</u>	<u>7,799,582</u>

See accompanying notes to financial statements.

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

Statements of Cash Flows  
For the Years Ended June 30,

	Brookdale Community College	
	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities:		
Student Tuition and Fees (including chargebacks to other counties)	\$ 19,779,912	26,563,184
Noncredit Revenue	3,132,015	2,998,106
Grants and Contracts	21,239,774	15,489,445
Grant Payments	(30,214,208)	(40,787,247)
Payments to Suppliers	(13,092,111)	(6,955,927)
Payments to Employees	(46,553,763)	(45,192,478)
Payments for Scholarships and Fellowships	(7,425,201)	(8,182,119)
Auxiliary Services:		
Bookstore and Dining Services Receipts	222,275	145,200
Bookstore and Dining Services Payments	(370,540)	(88,721)
Other Auxiliary Services Payments	5,366,281	3,719,154
Other Operating Receipts	1,193,714	1,662,978
Net Cash used in Operating Activities	<u>(46,721,852)</u>	<u>(50,628,425)</u>
Cash Flows from Noncapital financing Activities:		
Federal Grants	7,668,978	9,791,993
State Appropriations	11,773,290	10,247,335
Local Appropriations	20,277,019	20,277,016
Pell Grants	12,545,599	11,116,542
Other Non-Operating Revenues and Expenses	(6,298,902)	(6,679,781)
Net Cash Provided by Noncapital Financing Activities	<u>45,965,984</u>	<u>44,753,105</u>
Cash Flows from Capital Financing Activities:		
Payments on Capital Debt	(1,529,391)	(2,021,340)
Capital Appropriations	5,397,073	4,912,728
Interest Paid on Capital Debt	(1,101,911)	(994,173)
Purchases of Capital Assets	3,352,563	(726,912)
Net Cash Provided by (used in) Capital Financing Activities	<u>6,118,334</u>	<u>1,170,303</u>
Change in Cash and Equivalents	5,362,466	(4,755,014)
Cash and Equivalents, Beginning of Year	24,102,613	28,857,627
Cash and Equivalents, End of Year	<u>\$ 29,465,079</u>	<u>24,102,613</u>
Reconciliation of Operating Loss to Net Cash used in operating activities:		
Operating Loss	\$ (49,694,461)	(46,052,893)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:		
Depreciation Expense	3,223,190	4,750,288
Net Pension Expense	(2,871,484)	(5,127,281)
Changes in Assets and Liabilities:		
Grants and Other Receivables	4,684,795	(4,649,636)
Prepaid Expenses	(136,528)	(519,192)
Accounts Payable and Accrued Expenses	(1,839,033)	158,559
Unearned Student Tuition and Fees	28,314	819,284
Unearned Grant Revenue	(116,645)	(7,554)
Net Cash Used in Operating Activities	<u>\$ (46,721,852)</u>	<u>(50,628,425)</u>

See accompanying notes to financial statements.

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements  
June 30, 2024 and 2023

**(1) 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 18 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 Continuing and Professional Studies operation which provides lifelong learning opportunities to the citizens and businesses of the County of Monmouth (the “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, sports arena, dining facilities, administrative offices, maintenance shop, and the Monmouth Museum.

The College also operates at five Higher Education Centers located throughout the County in Freehold, Wall, 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. Additionally, the College has developed unique partnerships with four-year institutions to offer Brookdale students the ability to earn associate, bachelor and master’s degrees at all Brookdale locations.

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

***Component Unit***

The College organized Brookdale Community College Foundation (the “Foundation”), a legally separate component unit, in 1973, under the laws of the State of New Jersey (the “State”), for the sole benefit of the College, faculty, and students. The purpose of the Foundation is to receive, hold, invest, administer, encourage, and solicit contributions from the general public for the benefit of the College. The Foundation’s efforts benefit the College in the undertaking of projects which foster and promote educational philosophy and the mission and goals of the College; in providing funds for the development of curriculum and education media; and in the creation of scholarships. The financial statements of the Foundation are presented discretely in the College’s financial statements because of the nature and significance of its relationship with the College, including its ongoing financial support of the College. Copies of the Foundation’s financial statements can be obtained by writing to Brookdale Community College Foundation, Lincroft, New Jersey.

***Deferred Outflows and Deferred Inflows of Resources***

The statements of net position report separate sections for deferred inflows of resources and deferred outflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reports after total liabilities, represents an increase of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements (continued)  
June 30, 2024 and 2023

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

***Deferred Outflows and Deferred Inflows of Resources (continued)***

Transactions are classified as deferred outflows of resources and deferred inflow of resources only when specifically prescribed by the Governmental Accounting Standards Board (“GASB”). The College is required to report the following as deferred outflows of resources and deferred inflows of resources:

***Defined Benefit Pension Plans*** – The difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the College’s proportion of expenses and liabilities to the pension as a whole, differences between the College’s pension contribution and its proportionate share of contributions, and the College’s pension contributions subsequent to the pension valuation measurement date.

***Deferred Loss on Bond Refinancing*** – In a transaction involving current refundings or advance refundings resulting in defeasance of debt, any difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized to interest expense over a period of time that is the shorter of the remaining life of the old debt or the life of the new debt.

***Pensions***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees’ Retirement System (“PERS”) and Police and Fire Retirement System (“PFRS”) and additions to/deductions from PERS’s and PFRS’s fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***Adoption of New Governmental Accounting Pronouncement***

As of July 1, 2023, the College adopted GASB Statement 100 – *Accounting Changes and Error Corrections – an amendment of GASB 62* is effective for reporting periods beginning after June 15, 2023. The objective of this statement is to provide consistency for changes in accounting principles, accounting estimates, and the reporting entity and corrections of errors.

There was no change to net position as of July 1, 2023, upon the implementation of GASB 100.

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements (continued)  
June 30, 2024 and 2023

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

***New Government Accounting Pronouncements***

GASB Statement 101 – *Compensated Absences* is effective for reporting periods beginning after December 15, 2023. The objective of this statement is to update the recognition and measurement for compensated absences.

Management has not completed its review of the requirements of these standards and their applicability.

***Basis of Accounting and Measurement Focus***

The accompanying financial statements have been prepared on the accrual basis of accounting using the economic resources measurement focus in accordance with accounting principles generally accepted in the United States of America, as applied to government units, which is established by the Governmental Accounting Standards Board (“GASB”). The College reports its financial statements as a business-type activity, as defined by GASB Statement 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 Position***

The College classifies its resources into three net position categories:

- *Net investment in capital assets*: Capital assets, net of accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- *Restricted*:
  - Nonexpendable* – Net position subject to externally-imposed stipulations that must be maintained permanently by the College.
  - Expendable* – Net position whose use by the College is subject to externally-imposed stipulations that can be fulfilled by actions of the College pursuant to the stipulations or that expire by the passage of time.
- *Unrestricted* – Net position that does not meet the definition of the preceding categories that may be designated for specific purposes by action of management or the College’s Board of Trustees or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net position is 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.

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements (continued)  
June 30, 2024 and 2023

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

***Other***

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

- (a) Cash and equivalents consist of cash on deposit with banks, certificate of deposits and money market funds with original maturities of three months or less when purchased.
- (b) Investments are stated at fair value, which is based upon quoted market prices, and consist of certificates of deposit, equities, bonds and notes, and mutual funds. Interest, dividends, and changes in the fair value of investments consisting of both realized and unrealized gains or losses, are reported as investment income on the statements of revenues, expenses, and changes in net position.
- (c) 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. Land is not depreciated. However, the other capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Useful Lives</u>
Buildings and building improvements	10 - 45 years
Furniture and equipment	5 - 10 years

- (d) The County is generally responsible for the issuance of certain bonds and notes for the College's capital expenditures which are financed by County 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 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 7).
- (e) Compensated absences are those absences for which employees will be paid for vacation when used. A liability is accrued for compensated absences that are earned and unused in accordance with the College's policy at June 30<sup>th</sup> of each fiscal year. Eligible employees earn a right to vacation benefits based on seniority.
- (f) Student tuition and fees and auxiliary services are presented net of scholarships applied to student accounts, while other payments made directly to students are presented as scholarship expense and are recognized in the period incurred. Student tuition and fees collected for courses that are held subsequent to fiscal year-end are recorded as unearned student tuition and fees in the accompanying statements of net position.



**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements (continued)  
June 30, 2024 and 2023

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

***Other (continued)***

- (g) Grants receivable represent amounts awarded to, but not yet received by, the College. Revenues are recognized as the grants are expended. Amounts received from grants which have not yet been earned under the terms of the agreements are recorded as unearned grant revenue in the accompanying statements of net position.
- (h) Revenue from State of New Jersey and the County appropriations is recognized in the fiscal years during which the State of New Jersey and the County appropriate the funds to the College.
- (i) Accounts receivable are reported at net realizable value. Accounts are written off when they are determined to be uncollectible based upon management's assessment of individual accounts. The allowance for doubtful accounts is estimated based on the College's historical losses and periodic review of individual accounts.
- (j) Auxiliary services expenses include direct and indirect administration and general costs related to their operations.
- (k) 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 by the criteria and procedures specified in the Statement of Auditing and Accounting Standards for County Colleges recommended by the Council of County Colleges and for use by the Department of Treasury pursuant to New Jersey Statutes Annotated ("N.J.S.A.") 18A:64A-22 and 29.
- (l) The College receives appropriations from the State of New Jersey and the County. The College is economically dependent on these appropriations to carry on its operations. The College is considered a component unit of the County.
- (m) Grants and contributions are recorded as unrestricted revenue or restricted net position depending on the absence or existence of any donor restrictions. Unconditional grants and contributions are recognized as revenue when the related promise to give is disclosed.
- (n) Donor-restricted grants and contributions whose restrictions are satisfied in the same period as funds are recognized and are reported as unrestricted support in the statements of revenues, expenses and changes in net position.
- (o) The College's policy defines operating activities in the statements of revenues, expenses, and changes in net position as 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 services, 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 the County, contributions, and investment income. Interest expense is reported as a nonoperating expense.

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements (continued)  
June 30, 2024 and 2023

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

***Other (continued)***

- (p) The College is exempt from federal income taxes under Internal Revenue Code Section 115. The Foundation is an organization described under Section 501(c)(3) of the Internal Revenue Code (“Code”) and therefore is exempt from federal income taxes under 501(a) of the Code.
- (q) 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. Significant estimates and assumptions are required as part of estimating an allowance for doubtful accounts, depreciation, and determining the net pension and OPEB liabilities.

**(3) Cash and Equivalents and Investments**

**Cash and Equivalents**

***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. 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 (“GUDPA”). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies.

As of June 30, 2024 and 2023, the College’s and Foundation’s combined bank balance of \$30,132,028 and \$25,699,624, respectively, was insured, collateralized, or uninsured as follows:

	Brookdale Community College		Brookdale Community College Foundation	
	2024	2023	2024	2023
Insured	\$ 1,250,000	\$ 1,000,000	\$ 250,000	\$ 250,000
Collateralized Under GUDPA	28,169,065	23,025,485	-	-
Uninsured	46,014	77,128	416,949	1,347,011
	<u>\$ 29,465,079</u>	<u>\$ 24,102,613</u>	<u>\$ 666,949</u>	<u>\$ 1,597,011</u>

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements (continued)  
June 30, 2024 and 2023

**(3) Cash and Equivalents and Investments (continued)**

***Cash and Equivalents (continued)***

***Custodial Credit Risk (continued)***

Deposits held by trustees represent assets held by trustees under the terms of various agreements with the New Jersey Educational Facilities Authority (“NJEFA”) and another financial institution. Deposits held by trustees are carried in the financial statements at fair value and consist entirely of cash and equivalents. As of June 30, 2024 and 2023, the College’s deposits held by trustees was \$41,668 and \$72,692, respectively.

**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, or are held by either the counterparty or the counterparty’s trust department or agent but not in the College’s name. The Foundation’s investments for the years ended June 30, 2024 and 2023 were \$9,123,860 and \$6,469,700 respectively, in certificates of deposit, mutual funds, bonds and notes, and equities at various financial institutions.

***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, to mitigate this risk, most investments purchased have a maturity date of no more than one year. The Foundation monitors the investment maturities of bond investments as a means of managing its exposure to fair value losses arising from increasing interest rates.

***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 limits its investment choices. The Foundation’s investment policy establishes guidelines for permissible investments, which include certificates of deposit, mutual funds, equities, and bonds.

**Foreign Currency Credit Risk**

For the years ended June 30, 2024 and 2023, the Foundation did not hold any foreign investments.

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements (continued)  
June 30, 2024 and 2023

**(3) Cash and Equivalents and Investments (continued)**

*Investments (continued)*

***Concentration of Credit Risk***

The College and the Foundation do not place a limit on the amount that may be invested in any one issuer. The risk categories for the bond fund holdings held by the Foundation as of June 30, are as follows:

<u>Investment rating*</u>	<u>2024</u>	<u>2023</u>
AAA	\$ 1,192,364	\$ 485,875
A+	83,135	87,547
A	16,796	88,182
A-	136,566	69,232
BBB+	12,943	-
BBB	84,907	89,048
BBB-	138,265	111,654
BB+	18,986	24,481
BB	-	23,575
NR	190,505	-
	<u>\$ 1,874,468</u>	<u>\$ 979,594</u>

\*These ratings are determined by Standard & Poor's, a division of McGraw-Hill Companies, Inc. All ratings represent the opinions of the research provider and are disclaimed as not representations or guarantees of performance.

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements (continued)  
June 30, 2024 and 2023

**(3) Cash and Equivalents and Investments (continued)**

*Investments (continued)*

*Concentration of Credit Risk (continued)*

The Foundation's investments as of June 30, are stated at fair value and consist of the following:

<b>2024</b>					
<b>Investment Maturities (in years)</b>					
<b><u>Investment Type</u></b>	<b><u>Market Value</u></b>	<b><u>Less than 1</u></b>	<b><u>1-5 years</u></b>	<b><u>6-10 years</u></b>	<b><u>More than 10 years</u></b>
Corporate bonds	\$ 682,103	99,095	323,167	212,691	47,150
Government bonds	1,192,364	64,752	881,751	245,862	-
Foreign bonds	-	-	-	-	-
	<u>1,874,468</u>	<u>163,846</u>	<u>1,204,918</u>	<u>458,553</u>	<u>47,150</u>

**Other Investments**

Mutual funds	608,090
Preferred stock	83,831
Equities	<u>6,557,471</u>
	<u>\$ 9,123,860</u>

<b>2023</b>					
<b>Investment Maturities (in years)</b>					
<b><u>Investment Type</u></b>	<b><u>Market Value</u></b>	<b><u>Less than 1</u></b>	<b><u>1-5 years</u></b>	<b><u>6-10 years</u></b>	<b><u>More than 10 years</u></b>
Corporate bonds	\$ 507,190	51,283	210,508	245,399	-
Government bonds	472,404	190,703	197,281	84,421	-
Foreign bonds	-	-	-	-	-
	<u>979,594</u>	<u>241,986</u>	<u>407,789</u>	<u>329,819</u>	<u>-</u>

**Other Investments**

Mutual funds	9,724
Preferred stock	42,917
Equities	<u>5,437,465</u>
	<u>\$ 6,469,700</u>

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements (continued)  
June 30, 2024 and 2023

**(3) Cash and Equivalents and Investments (continued)**

***Fair Value Hierarchy***

The fair value hierarchy categorizes inputs to valuation techniques used to measure fair value into three levels. Level 1 inputs are quoted market prices for identical assets or liabilities in active markets that a government can access at the measurement date. Level 2 inputs are inputs, other than quoted prices included within Level 1 that are observable for an asset or liability, directly or indirectly. Level 3 inputs are unobservable inputs. The highest priority is assigned to Level 1 inputs and the lowest to Level 3 inputs. If the fair value is measured using inputs from more than one level of the hierarchy, the measurement is considered to be based on the lowest priority input level that is significant to the entire measurement. Valuation techniques used should maximize the use of the observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2024.

*Preferred stock and equities:* Valued at the closing price recorded on the active market on which the individual securities are traded.

*Corporate and government bonds:* Valued either by using pricing models maximizing the use of observable inputs for similar securities or valued by the investment manager.

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

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements (continued)  
June 30, 2024 and 2023

**(3) Cash and Equivalents and Investments (continued)**

***Fair Value Hierarchy (continued)***

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

The following table sets forth, by level, the College's investments:

	<b>2024</b>			
	Level 1	Level 2	Level 3	Total
Corporate Bonds	\$ -	\$ 682,103	\$ -	\$ 682,103
Government Bonds	-	1,192,364	-	1,192,364
Foreign Bonds	-	-	-	-
Mutual Funds	608,090	-	-	608,090
Preferred Stock	83,831	-	-	83,831
Equities	6,557,471	-	-	6,557,471
Total Assets Subject to Fair Value	<u>\$ 7,249,392</u>	<u>\$ 1,874,468</u>	<u>\$ -</u>	<u>\$ 9,123,860</u>

	<b>2023</b>			
	Level 1	Level 2	Level 3	Total
Corporate Bonds	\$ -	\$ 507,190	\$ -	\$ 507,190
Government Bonds	-	472,404	-	472,404
Foreign Bonds	-	-	-	-
Mutual Funds	9,724	-	-	9,724
Preferred Stock	42,917	-	-	42,917
Equities	5,437,465	-	-	5,437,465
Total Assets Subject to Fair Value	<u>\$ 5,490,106</u>	<u>\$ 979,594</u>	<u>\$ -</u>	<u>\$ 6,469,700</u>

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements (continued)  
June 30, 2024 and 2023

**(4) Accounts Receivable**

Accounts receivable consisted of the following as of June 30,:

	Brookdale Community College		Brookdale Community College Foundation	
	2024	2023	2024	2023
Federal, State and Local Grants Receivable	\$ 2,074,008	\$ 7,489,154	\$ -	\$ -
Student Accounts Receivable	2,271,138	2,306,468	-	-
Community Development Receivables	474,987	177,048	-	-
Other Receivables	351,128	544,321	838	986
	5,171,261	10,516,991	838	986
Less Allowance for Doubtful Accounts	1,064,773	1,413,052	-	-
	<u>\$ 4,106,488</u>	<u>\$ 9,103,939</u>	<u>\$ 838</u>	<u>\$ 986</u>

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

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

	Brookdale Community College	Brookdale Community College Foundation	Brookdale Community College	Brookdale Community College Foundation
	2024	2024	2023	2023
Vendors	\$ 1,248,005	\$ -	\$ 2,325,923	\$ -
Construction	464,434	-	488,875	-
Payroll	3,238,151	-	3,158,725	-
Pension Contribution	1,985,402	-	2,258,811	-
Compensated Absences - Vacation	2,126,539	-	2,114,449	-
State of New Jersey Unemployment	796,613	-	880,815	-
Other	250,605	108,490	745,625	268,115
	<u>\$ 10,109,749</u>	<u>\$ 108,490</u>	<u>\$ 11,973,223</u>	<u>\$ 268,115</u>



**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements (continued)  
June 30, 2024 and 2023

**(6) Capital Assets**

Capital assets consisted of the following as of June 30,:

	<b>2023</b>	<b>Additions</b>	<b>Retirements</b>	<b>2024</b>
Depreciable Assets:				
Buildings and Building Improvements	\$ 280,929,796	\$ 9,667,749	\$ (13,657,420)	\$ 276,940,125
Equipment	<u>18,556,110</u>	<u>850,484</u>	<u>(213,377)</u>	<u>19,193,217</u>
Total	<u>299,485,906</u>	<u>10,518,233</u>	<u>(13,870,797)</u>	<u>296,133,342</u>
Less Accumulated Depreciation:	<u>(149,229,921)</u>	<u>(3,223,190)</u>	<u>-</u>	<u>(152,453,111)</u>
Depreciable Assets, net	150,255,985	7,295,043	(13,870,797)	143,680,231
Nondepreciable Asset - land	<u>5,882,462</u>	<u>-</u>	<u>-</u>	<u>5,882,462</u>
Capital Assets, net	<u>\$ 156,138,447</u>	<u>\$ 7,295,043</u>	<u>\$ (13,870,797)</u>	<u>\$ 149,562,693</u>
	<b>2022</b>	<b>Additions</b>	<b>Retirements</b>	<b>2023</b>
Depreciable Assets:				
Buildings and Building Improvements	\$ 282,959,008	\$ 5,441,277	\$ (7,470,489)	\$ 280,929,796
Equipment	<u>16,307,327</u>	<u>4,989,513</u>	<u>(2,740,730)</u>	<u>18,556,110</u>
Total	<u>299,266,335</u>	<u>10,430,790</u>	<u>(10,211,219)</u>	<u>299,485,906</u>
Less Accumulated Depreciation:	<u>(144,479,633)</u>	<u>(4,750,288)</u>	<u>-</u>	<u>(149,229,921)</u>
Depreciable Assets, net	154,786,702	5,680,502	(10,211,219)	150,255,985
Nondepreciable Asset - land	<u>5,882,462</u>	<u>-</u>	<u>-</u>	<u>5,882,462</u>
Capital Assets, net	<u>\$ 160,669,164</u>	<u>\$ 5,680,502</u>	<u>\$ (10,211,219)</u>	<u>\$ 156,138,447</u>

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements (continued)  
June 30, 2024 and 2023

**(7) Long-Term Debt**

Long-term debt consisted of the following as of June 30,:

	<u>June 30, 2023</u>	<u>Decrease</u>	<u>June 30, 2024</u>
A. Lease Revenue Bonds - Series 2012 Issue: Serial Bonds (Interest rates from 2.0% to 5.0%; due on various dates through fiscal year 2026):	\$ 2,405,000	\$ (575,000)	\$ 1,830,000
B. Lease Revenue Bonds - Series 2015 Issue Serial Bonds (Interest rates from 3.0% to 5.0%; due on various dates through fiscal year 2036):	15,910,000	(900,000)	15,010,000
Term Bonds (Interest rate 3.5%; due through fiscal year 2039):	5,005,000	-	5,005,000
C. Lease Revenue Bonds - Series 2019 Issue: Serial Bonds (Interest rates from 3.0% to 5.0%; due on various dates through fiscal year 2032):	5,390,000	(400,000)	4,990,000
D. Equipment Leasing Bonds - ELF 208-01 Lease Bonds (Interest rate 5.0% through 2034)	-	385,841	385,841
E. Bond Premium	2,097,165	(221,339)	1,875,826
Sub-total Bonds	30,807,165	(1,710,498)	29,096,667
F. Net Pension Liability	23,804,074	(254,591)	23,549,483
Total Liabilities	<u>\$ 54,611,239</u>	<u>\$ (1,965,089)</u>	52,646,150
Less: Current Portion of Bonds			<u>(1,980,493)</u>
Total Long-Term Debt			<u>\$ 50,665,657</u>

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements (continued)  
June 30, 2024 and 2023

**(7) Long-Term Debt (continued)**

	<u>June 30, 2022</u>	<u>Decrease</u>	<u>June 30, 2023</u>
A. Lease Revenue Bonds - Series 2012 Issue:			
Serial Bonds (Interest rates from 2.0% to 5.0%; due on various dates through fiscal year 2026):	\$ 2,960,000	\$ (555,000)	\$ 2,405,000
B. Lease Revenue Bonds - Series 2015 Issue			
Serial Bonds (Interest rates from 3.0% to 5.0%; due on various dates through fiscal year 2036):	16,765,000	(855,000)	15,910,000
Term Bonds (Interest rate 3.5%; due through fiscal year 2039):	5,005,000	-	5,005,000
C. Lease Revenue Bonds - Series 2019 Issue:			
Serial Bonds (Interest rates from 3.0% to 5.0%; due on various dates through fiscal year 2032):	5,780,000	(390,000)	5,390,000
D. Equipment Leasing Bonds - ELF 208-01			
Lease Bonds (Interest rate 5.0% through 2034)	-	-	-
E. Bond Premium	2,318,504	(221,339)	2,097,165
Sub-total Bonds	32,828,504	(2,021,339)	30,807,165
F. Net Pension Liability	19,283,864	4,520,210	23,804,074
Total Liabilities	<u>\$ 52,112,368</u>	<u>\$ 2,498,871</u>	54,611,239
Less: Current Portion of Bonds			<u>(1,875,000)</u>
Total Long-Term Debt			<u>\$ 52,736,239</u>

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements (continued)  
June 30, 2024 and 2023

**(7) Long-Term Debt (continued)**

- A. The lease revenue bonds – Series 2012 were issued to MCIA pursuant to an agreement with the College for the purpose of providing funds to MCIA to fund an escrow, the proceeds of which were used for the purpose of refunding all of MCIA’s outstanding Lease Revenue Bonds - Series 2003 and paying certain costs in connection with the issuance of the bonds. As a result, the Series 2003 was considered to be defeased and the liability has been removed from the financial statements. 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, buildings, and building improvements.

Except for extraordinary optional redemption as described in the debt agreement, the Series 2012 bonds are not subject to redemption prior to August 1, 2023 and are redeemable thereafter at par plus accrued interest.

Bond principal payments are due August 1 of each year starting in the year 2012 and ending in the year 2026. A bond principal payment of \$575,000 was made on August 1, 2023. A bond principal payment of \$585,000 is due on August 1, 2024; subsequent bond principal payments incrementally increase thereafter to a maximum of \$635,000 on August 1, 2026.

- B. The lease revenue bonds – Series 2015 were issued by MCIA pursuant to an agreement with the College for the purpose of providing funds to MCIA to fund an escrow, the proceeds of which are to be used for the purpose of refunding all but \$1,775,000 of MCIA’s presently outstanding Lease Revenue Bonds – Series 2008 and pay certain costs in connection with the issuance of the bonds. As a result, the Series 2008 is considered partially defeased and the liability in the amount of \$22,820,000 has been reduced to \$1,775,000. The purpose of the original bond was for the Big Four Projects, which was comprised of renovations to the Collins Arena, Fitness Center, Autotech and the Freehold 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 2015 bonds are not subject to redemption prior to August 1, 2025 and are redeemable thereafter at par plus accrued interest.

Bond principal payments are due August 1 of each year starting in fiscal year 2017 and ending in the year 2039. A bond principal payment of \$900,000 was made on August 1, 2023. A bond principal payment of \$945,000 is due on August 1, 2024; subsequent bond principal payments incrementally increase thereafter to a maximum of \$1,730,000 on August 1, 2038.

- C. The lease revenue bonds – Series 2019 were issued by MCIA in June 2019 pursuant to an agreement with the College for the purpose of refunding the \$7,690,000 to MCIA’s presently outstanding Lease Revenue Bonds – Series 2009 and pay certain costs in connection with the issuance of the bonds. The proceeds from this debt issuance were included within the College's deposits held by trustee at June 30, 2019. These bonds were defeased on August 1, 2019. The original purpose of the bonds was to fund the construction of a multi-purpose student life center on the Lincroft Campus of the College.

Bond principal payments are due August 1 of each year starting in fiscal year 2020 and ending in the year 2032. A bond principal payment of \$400,000 was made on August 1, 2023. A bond principal payment of \$420,000 is due on August 1, 2024; subsequent bond principal payments incrementally increase thereafter to a maximum of \$725,000 on August 1, 2031.

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements (continued)  
June 30, 2024 and 2023

**(7) Long-Term Debt (continued)**

- D. The lease equipment bond - Equipment Leasing Fund ELF 208-01 was issued by the New Jersey Educational Facilities Authority in September 2023 pursuant to an agreement with the College for the purpose of funding equipment for the Culinary Education Center in the amount of \$1,646,922.

Bond principal payments are due August 1 of each year starting fiscal year 2025 and ending in the year 2034. A bond principal payment of \$30,493 is due on August 1, 2024; subsequent bond principal payments incrementally increase thereafter to a maximum of \$47,827 on August 1, 2033.

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	1,980,493	1,037,946	3,018,439
2026	2,212,057	929,588	3,141,644
2027	2,318,701	814,097	3,132,798
2028	1,765,429	723,520	2,488,949
2029	1,857,246	637,091	2,494,336
2030-2034	9,031,916	2,005,379	11,037,294
2035-2039	8,055,000	605,557	8,660,557
	<u>\$ 27,220,841</u>	<u>\$ 6,753,177</u>	<u>\$ 33,974,018</u>

Interest expense for fiscal years 2024 and 2023 was \$1,077,470 and \$1,140,093 respectively.

- E. In connection with the refinancing of the Lease Revenue Bonds - Series 2003 with the Lease Revenue Bonds - Series 2012, the premium on the bond refinancing was \$764,690 and deferred loss on the bond refinancing was \$415,734. Bond premium and deferred loss on the bond refinancing are amortized over 15 years (the life of the bond). As of June 30, 2024 and 2023, the balance of the bond premium was \$146,566 and \$197,545 and the deferred loss was \$79,654 and \$107,369, respectively. The premium on the bond is included in long-term debt on the statements of net position. Deferred loss on the bond refinancing is included in deferred outflows of resources on the statements of net position. For fiscal years 2024 and 2023, the amount of premium charged as a reduction of interest expense was \$50,979 and the amount of deferred loss charged as a reduction of interest expense was \$27,716.

In connection with the refinancing of the Lease Revenue Bonds - Series 2008 with the Lease Revenue Bonds - Series 2015, the premium on the bond refinancing was \$1,934,479 and deferred loss on the bond refinancing was \$3,170,549. Bond premium and deferred loss on the bond refinancing are amortized over 22 years (the life of the bond). As of June 30, 2024 and 2023, the balance of the bond premium was \$1,157,756 and \$1,245,687 respectively and the deferred loss was \$1,897,525 and \$2,041,641 respectively. The premium on the bond is included in long-term debt on the statements of net position. Deferred loss on the bond refinancing is included in deferred outflows of resources on the statements of net position. For fiscal years 2024 and 2023, the amount of premium charged as a reduction of interest expense was \$87,931 and the amount of deferred loss charged as a reduction of interest expense was \$144,116.

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements (continued)  
June 30, 2024 and 2023

**(7) Long-Term Debt (continued)**

In connection with the refinancing of the Lease Revenue Bonds - Series 2009 with the Lease Revenue Bonds - Series 2019, the premium on the bond refinancing was \$989,142 and deferred loss on the bond refinancing was \$111,302. Bond premium and deferred loss on the bond refinancing are amortized over 12 years (the life of the bond). As of June 30, 2024 and 2023, the balance of the bond premium was \$571,505 and \$653,933 respectively, and the deferred loss was \$64,308 and \$73,583 respectively. The premium on the bond is included in long-term debt on the statement of net position. Deferred loss on the bond refinancing is included in deferred outflows of resources on the statements of net position. For fiscal years 2024 and 2023, the amount of premium charged as a reduction of interest expense was \$82,429 and the amount of deferred loss charged as a reduction of interest expense was \$9,275.

**(8) Designations of Unrestricted Net Position (Deficit)**

The College had designated portions of its unrestricted net position (deficit) of the following as of June 30,:

	<u>2024</u>	<u>2023</u>
Unrestricted net position prior to GASB 68 adjustment	\$ 21,911,774	\$ 19,427,404
Impact of GASB 68 Adjustments	<u>(23,940,493)</u>	<u>(26,811,977)</u>
	<u>\$ (2,028,719)</u>	<u>\$ (7,384,573)</u>

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements (continued)  
June 30, 2024 and 2023

**(9) Retirement Plans**

***Plan Descriptions***

The College participates in four major retirement plans for its employees – the State of New Jersey Public Employees’ Retirement System (“PERS”), Police and Firemen’s Retirement System (“PFRS”), Defined Contribution Retirement Program (“DCRP”), and Alternate Benefit Program (“ABP”). ABP presently makes contributions to Teachers Insurance and Annuity Association – College Retirement Equities Fund (“TIAA/CREF”), VOYA Financial, AXA Equitable Life Insurance, MASS Mutual, MetLife, VALIC, and Prudential Retirement. 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.

The State issues a publicly available Annual Comprehensive Financial Report (“ACFR”) of the State of New Jersey Division of Pensions and Benefits, which includes financial statements, required supplementary information, and detailed information about the PERS plan fiduciary net position. This ACFR can be obtained by writing to, or by visiting the website below.

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295  
<http://www.nj.gov/treasury/pensions/annual-reports.shtml>

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements (continued)  
June 30, 2024 and 2023

**(9) Retirement Plans (continued)**

***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 of New Jersey-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.

***PERS Benefits Provided***

The following represents the membership tiers for PERS:

**Tier Definitions**

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

***PFRS Benefits Provided***

The following represents the membership tiers for PFRS:

**Tier Definitions**

- 1 Members who were enrolled prior to May 22, 2010
- 2 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 3 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years, but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.



**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements (continued)  
June 30, 2024 and 2023

**(9) Retirement Plans (continued)**

***PERS Funding Policy***

PERS members are required to contribute 7.5% of their annual covered salary for the year ended June 30, 2024 and 2023. The College is required to contribute at an actuarially determined rate. During the years ended June 30, 2024 and 2023, the College's annual contribution to PERS was \$1,879,981 and \$1,892,321, respectfully. 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 10% of their annual covered salary for the years ended June 30, 2024 and 2023. 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 ended June 30, 2024 and 2023, the College's contribution to PFRS was \$105,421 and \$366,490, respectfully. 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, who do not work the minimum required number of hours per week for PERS, 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 base salary and the College is required to contribute 3%. During the fiscal years ended June 30, 2024 and 2023, the College's contribution to DCRP was \$8,942 and \$5,997, respectfully. The contribution requirements of the plan are established and may be amended by the State of New Jersey.

***Alternate Benefit Program Information***

ABP is organized under Section 410(a) of the Internal Revenue Code and provides the choice of seven 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 are established by the State of New Jersey Retirement and Social Security Law. Benefits are determined by the amount of individual accumulation 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 of New Jersey, are 8% of base salary.

During the years ended June 30, 2024 and 2023, ABP contributions, based upon participating employee salaries of \$28,292,269 and \$26,017,473, respectfully, were \$1,420,848 and \$1,412,611, respectfully, from employees and \$2,812,485 and \$2,481,814, respectfully, from the College. During the years ended June 30, 2024 and 2023, the State of New Jersey reimbursed the College \$2,263,382 and \$2,081,398, respectfully, for qualified employees and this amount is included in the accompanying financial statements as on-behalf payments.

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements (continued)  
June 30, 2024 and 2023

**(9) Retirement Plans (continued)**

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

A special funding situation exists for the Local employers of the Police and Fire Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers. The amount recognized by the College as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the College as of the June 30, 2024 and 2023, measurement date are as follows:

	<u>2024</u>	<u>2023</u>
College's Proportionate Share of Net Pension Liability	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the College	<u>560,490</u>	<u>568,868</u>
	<u>\$ 560,490</u>	<u>\$ 568,868</u>

The following information is related to the PERS and PFRS cost sharing multiple-employer defined benefit pension plans:

As of June 30, 2024 and 2023, the College reported a liability of \$23,549,483 and \$23,804,074, respectfully, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 and 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 and 2021. The College's proportion of the net pension liability was based on a projection of the College's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The College's proportion of the net pension liability was based on its share of the State of New Jersey's collective pension amounts allocated on the basis of actual fringe benefits charges assessed to the College for the fiscal years 2024 and 2023. The State of New Jersey's proportionate share was based on actual employer contributions to the PERS and PFRS for fiscal years 2024 and 2023 related to total contributions of all participating employers for the fiscal years. At June 30, 2024 and 2023, the College's proportion was 0.06% for PERS and 0.02% for PFRS. For the years ended June 30, 2024 and 2023, the College recognized pension income \$882,085 and \$2,657,990, respectfully, for PERS and expense \$10,212 and income \$208,602, respectfully, for PFRS.

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements (continued)  
June 30, 2024 and 2023

**(9) Retirement Plans (continued)**

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)***

At June 30, 2024 and 2023, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2024					
	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences Between Expected and Actual Experience	\$ 196,080	\$ 130,244	\$ 326,324	\$ 83,829	\$ 145,068	\$ 228,897
Changes of Assumptions	45,051	6,565	51,616	1,242,853	205,395	1,448,248
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	94,440	154,914	249,354	-	-	-
Changes in Proportion and Differences Between College's Contributions and Proportionate Share of Contributions	673,617	-	673,617	1,615,690	384,488	2,000,178
College's Contributions Subsequent to the Measurement Date	1,879,981	105,421	1,985,402	-	-	-
	<u>\$ 2,889,169</u>	<u>\$ 397,144</u>	<u>\$ 3,286,313</u>	<u>\$ 2,942,372</u>	<u>\$ 734,951</u>	<u>\$ 3,677,323</u>
	2023					
	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences Between Expected and Actual Experience	\$ 148,737	\$ 144,678	\$ 293,415	\$ 131,165	\$ 195,824	\$ 326,989
Changes of Assumptions	63,849	8,760	72,609	3,085,782	402,366	3,488,148
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	852,932	292,698	1,145,630	-	-	-
Changes in Proportion and Differences Between College's Contributions and Proportionate Share of Contributions	5,309	-	5,309	2,461,479	507,061	2,968,540
College's Contributions Subsequent to the Measurement Date	1,892,321	366,490	2,258,811	-	-	-
	<u>\$ 2,963,148</u>	<u>\$ 812,626</u>	<u>\$ 3,775,774</u>	<u>\$ 5,678,426</u>	<u>\$ 1,105,251</u>	<u>\$ 6,783,677</u>

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements (continued)  
June 30, 2024 and 2023

**(9) Retirement Plans (continued)**

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)***

As of June 30, 2024 and 2023, \$1,985,402 and \$2,258,811, respectfully, reported as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net position liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follow:

<u>Year Ending June 30,</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2024	\$ (109,301,966)	\$ (893,231)	\$ (110,195,197)
2025	(61,008,165)	(857,214)	(61,865,379)
2026	85,254,829	1,379,170	86,633,998
2027	(15,257,256)	(118,620)	(15,375,875)
2028	<u>259,488</u>	<u>42,338</u>	<u>301,826</u>
	<u>\$ (100,053,070)</u>	<u>\$ (447,557)</u>	<u>\$ (100,500,627)</u>

***Actuarial Assumptions***

The total pension liability was determined using the following actuarial assumptions applied to all periods included in the measurement for the fiscal years June 30, 2024 and 2023 (measurement years June 30, 2023 and 2022):

	<u>PERS</u>	<u>PFRS</u>
Inflation		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:		
Through 2027	2.75 - 6.55%	3.25 - 16.25%
	based on years of service	based on years of service
Investment Rate of Return	7.00%	7.00%
Mortality Rate Table	Pub-2010	PubS-2010

The 2024 pension liability with a June 30, 2023 measurement date was determined by an actuarial valuation of July 1, 2022. The 2023 pension liability with a June 30, 2022 measurement date was determined by an actuarial valuation of July 1, 2021.

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements (continued)  
June 30, 2024 and 2023

**(9) Retirement Plans (continued)**

*Actuarial Assumptions* (continued)

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023 and 2022) is determined by the State Treasurer, after consultation with Directors of Division on Investment and Division of Pension and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plans' target asset allocation as of the June 30, 2023 and 2022 measurement date (see the discussion of the pension plans investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>2024</u>			
	<u>PERS</u>		<u>PFRS</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	28.00%	8.98%	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%	12.75%	9.22%
International Small Cap Equity	1.25%	0.0922	0.0125	0.0922
Emerging Markets Equity	5.50%	11.13%	5.50%	11.13%
Private Equity	13.00%	12.50%	13.00%	12.50%
Real Estate	8.00%	8.58%	8.00%	8.58%
Real Assets	3.00%	8.40%	3.00%	8.40%
High Yield	4.50%	6.97%	4.50%	6.97%
Private Credit	8.00%	9.20%	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%	7.00%	5.19%
Cash Equivalents	2.00%	3.31%	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%	3.00%	6.21%
	<u>100.00%</u>		<u>100.00%</u>	

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements (continued)  
June 30, 2024 and 2023

**(9) Retirement Plans (continued)**

*Actuarial Assumptions* (continued)

<u>2023</u>				
<u>Asset Class</u>	<u>PERS</u>		<u>PFRS</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%	5.50%	10.33%
Private Equity	13.00%	11.80%	13.00%	11.80%
Real Estate	8.00%	11.19%	8.00%	11.19%
Real Assets	3.00%	7.60%	3.00%	7.60%
High Yield	4.00%	4.95%	4.00%	4.95%
Private Credit	8.00%	8.10%	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%	7.00%	3.38%
Cash Equivalents	4.00%	1.75%	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%	3.00%	4.91%
	<u>100.00%</u>		<u>100.00%</u>	

***Discount Rate***

The discount rate used to measure the total pension liabilities of the PERS plan as of June 30, 2023 (measurement date) is 7.0% and for PFRS plan is 7.0%. The discount rate used to measure the total pension liabilities of the PERS plan as of June 30, 2022 (measurement date) is 7.0% and for PFRS plan is 7.0%. The projections of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate, contributions from employers will be made at contractually required rates (actuarially determined), and contributions from the State will be made at current statutorily required rates. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following represents the College's proportionate share of the net pension liability calculated using the above discount rates with a measurement date as of June 30, 2023 and 2022, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements (continued)  
June 30, 2024 and 2023

**(9) Retirement Plans (continued)**

***Discount Rate*** (continued)

<b>June 30, 2023</b>			
<b>PERS</b>			
	<b>1% Decrease <u>6.00%</u></b>	<b>Current Discount Rate <u>7.00%</u></b>	<b>1% Increase <u>8.00%</u></b>
College's Proportionate Share of the Net Pension Liability	\$ 21,002,475	\$ 17,049,881	\$ 11,156,709
<b>PFRS (Non-Special Funding Situation)</b>			
	<b>1% Decrease <u>6.00%</u></b>	<b>Current Discount Rate <u>7.00%</u></b>	<b>1% Increase <u>8.00%</u></b>
College's Proportionate Share of the Net Pension Liability	\$ 2,864,622	\$ 2,233,985	\$ 1,145,834
<b>June 30, 2022</b>			
<b>PERS</b>			
	<b>1% Decrease <u>6.00%</u></b>	<b>Current Discount Rate <u>7.00%</u></b>	<b>1% Increase <u>8.00%</u></b>
College's Proportionate Share of the Net Pension Liability	\$ 20,828,347	\$ 17,049,881	\$ 11,597,693
<b>PFRS (Non-Special Funding Situation)</b>			
	<b>1% Decrease <u>6.00%</u></b>	<b>Current Discount Rate <u>7.00%</u></b>	<b>1% Increase <u>8.00%</u></b>
College's Proportionate Share of the Net Pension Liability	\$ 2,839,829	\$ 2,233,985	\$ 1,231,334

***Pension Plan Fiduciary Net Position***

Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated above.

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements (continued)  
June 30, 2024 and 2023

**(10) Other Post-Employment Benefits**

***General Information about the OPEB Plan***

The College is in a “special funding situation,” as described in GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (“GASB Statement 75”), in that OPEB contributions and expenses are legally required to be made by, and are the sole responsibility of, the State of New Jersey, not the College.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. In accordance with GASB Statement 75, the State Health Benefit Local Education Retired Employees Plan is classified as a single employer defined benefit other post-employment benefit (“OPEB”) plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB Statement 75. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or County College with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Public Employees’ Retirement System (“PERS”), the Police and Firemen’s Retirement System (“PFRS”), or the Alternate Benefit Program (“ABP”). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The total non-employer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits is the responsibility of the individual local education employers.

The OPEB plan is administered by the State of New Jersey Division of Pensions and Benefits (the “Division”) and is part of the New Jersey State Health Benefits Program. The Division issues a publicly available financial report that includes financial reports which can be obtained by writing to or at the following website:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295  
<http://www.nj.gov/treasury/pensions/financial-reports.shtml>



**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements (continued)  
June 30, 2024 and 2023

**(10) Other Post-Employment Benefits (continued)**

***Actuarial Assumptions***

The total non-employer OPEB liability as of June 30, 2024 and 2023 (measurement date June 30, 2023 and 2022) was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

	Inflation Rate	2.50%	
	<b>TPAF/ABP</b>	<b>PERS</b>	<b>PFRS</b>
Salary increases:	2.75% to 4.25% based on years of service	2.75% to 6.55% based on years of service	3.25% to 16.25% based on years of service

Preretirement mortality rates were based on the Pub-2010 Health “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projects from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projects from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disable mortality table with fully generational mortality improvement projects from the central year using Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2019 to June 30, 2022. The actuarial assumptions used in the July 1, 2021 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

***Plan Membership***

At June 30, 2024, the Program membership consisted of the following:

	<b>Measurement Date</b>
	<b>June 30, 2023</b>
Active Plan Members	217,212
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	152,383
	<u>369,595</u>
	<b>June 30, 2022</b>
Active Plan Members	213,148
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	151,669
	<u>364,817</u>

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements (continued)  
June 30, 2024 and 2023

**(10) Other Post-Employment Benefits (continued)**

***OPEB Liabilities, Expense and Deferred Outflows of Resources and Deferred Inflows of Resources***

For the year ended June 30, 2024 and 2023, the College recognized OPEB expense of \$2,543,007 and \$3,596,483, respectfully, as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Statement 75, in which there is a special funding situation.

In accordance with a special funding situation, there is no allocation of the OPEB liability or recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2024 and 2023, according to the State's audited OPEB plan report, deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**June 30, 2024**

Deferred Outflows of Resources Related to OPEB

Difference between actual and expected experience	\$ 7,639,717,639
Changes in assumptions	<u>7,445,895,322</u>
Total	<u><u>\$ 15,085,612,961</u></u>

Contributions made in fiscal year ending June 30, 2024 after  
June 30, 2023 measurement date

TBD

Deferred Inflows of Resources Related to OPEB

Difference between actual and expected experience	\$ 13,791,541,217
Changes in assumptions	<u>14,449,948,556</u>
Total	<u><u>\$ 28,241,489,773</u></u>

**June 30, 2023**

Deferred Outflows of Resources Related to OPEB

Difference between actual and expected experience	\$ 9,042,402,619
Changes in assumptions	<u>8,765,620,577</u>
Total	<u><u>\$ 17,808,023,196</u></u>

Contributions made in fiscal year ending June 30, 2023 after  
June 30, 2022 measurement date

TBD

Deferred Inflows of Resources Related to OPEB

Difference between actual and expected experience	\$ 15,462,950,679
Changes in assumptions	<u>17,237,289,230</u>
Total	<u><u>\$ 32,700,239,909</u></u>

<sup>1</sup> Employer contributions are reported as a deferred outflow of resources but are not amortized in expense.

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements (continued)  
June 30, 2024 and 2023

**(10) Other Post-Employment Benefits (continued)**

***OPEB Liabilities, Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)***

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows for the state:

<b><u>Fiscal Year</u></b> <b><u>Ended June 30,</u></b>	<b><u>Total</u></b>
2024	\$ (2,611,225,301)
2025	(2,611,225,301)
2026	(2,269,523,460)
2027	(1,338,024,839)
2028	(273,877,609)
Thereafter	(4,052,000,302)
	\$ (13,155,876,812)

***Health Care Trend Assumptions***

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

***Discount Rate***

The discount rate used to measure the total OPEB liability was 3.65%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather than the discount rate set at the municipal bond rate.

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements (continued)  
June 30, 2024 and 2023

**(10) Other Post-Employment Benefits (continued)**

***Sensitivity of the College's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate***

The following presents the College's proportionate share of the net OPEB liability, as well as what the College's share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

**June 30, 2023 (Measurement Date)**

	1.0% Decrease 2.65%	Current Discount Rate 3.65%	1.0% Increase 4.65%
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the College	\$ 142,050,023	\$ 121,169,147	\$ 104,404,228
State of New Jersey's Total Nonemployer OPEB Liability	\$61,385,066,712	\$52,361,668,239	\$45,116,926,835

**June 30, 2022 (Measurement Date)**

	1.0% Decrease 2.54%	Current Discount Rate 3.54%	1.0% Increase 4.54%
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the College	\$ 137,745,677	\$ 117,190,986	\$ 100,717,429
State of New Jersey's Total Nonemployer OPEB Liability	\$59,529,589,697	\$50,646,462,966	\$43,527,080,995

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements (continued)  
June 30, 2024 and 2023

**(10) Other Post-Employment Benefits (continued)**

***Sensitivity of the College's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates***

The following presents the College's proportionate share of the net OPEB liability, as well as what the College's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage point higher than the current healthcare cost trend rates:

<b>June 30, 2023 (Measurement Date)</b>			
	<u>1.0% Decrease</u>	<u>Current Healthcare Cost Trend Rates</u>	<u>1.0% Increase</u>
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the College	\$ 100,589,073	\$ 121,169,147	\$ 148,098,227
State of New Jersey's Total Nonemployer OPEB Liability	\$43,468,257,358	\$ 52,361,668,239	\$63,998,719,320

<b>June 30, 2022 (Measurement Date)</b>			
	<u>1.0% Decrease</u>	<u>Current Healthcare Cost Trend Rates</u>	<u>1.0% Increase</u>
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the College	\$ 96,865,513	\$ 117,190,986	\$ 143,889,729
State of New Jersey's Total Nonemployer OPEB Liability	\$41,862,397,291	\$ 50,646,462,966	\$62,184,866,635

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements (continued)  
June 30, 2024 and 2023

**(10) Other Post-Employment Benefits (continued)**

*Changes in the State of New Jersey's Total OPEB Liability*

The changes in the State of New Jersey's Total OPEB liability and the College's portion for the fiscal year ended June 30, 2024 (measurement date June 30, 2023) is as follows:

	<u><b>State OPEB Liability</b></u>	<u><b>College Portion of OPEB Liability</b></u>
Balance at June 30, 2021 Measurement date	<u>\$ 60,007,650,970</u>	<u>\$ 146,137,051</u>
Changes recognized for the fiscal year		
Service cost	2,770,618,025	6,339,889
Interest on the total OPEB liability	1,342,187,139	3,105,690
Changes of benefit terms	-	-
Difference between expected and actual experiences	1,399,200,736	(3,976,522)
Changes of assumptions	(13,586,368,097)	(31,437,533)
Contributions from members	42,650,252	98,689
Gross benefit payments by the state	<u>(1,329,476,059)</u>	<u>(3,076,278)</u>
Net changes	(9,361,188,004)	(28,946,065)
Balance at June 30, 2022 Measurement date	<u>\$ 50,646,462,966</u>	<u>\$ 117,190,986</u>
Changes recognized for the fiscal year		
Service cost	2,136,235,476	4,341,560
Interest on the total OPEB liability	1,844,113,951	4,267,429
Changes of benefit terms	-	-
Difference between expected and actual experiences	(980,424,863)	(1,657,883)
Changes of assumptions	105,539,463	244,227
Contributions from members	47,258,104	109,359
Gross benefit payments by the state	<u>(1,437,516,858)</u>	<u>(3,326,531)</u>
Net changes	1,715,205,273	3,978,161
Balance at June 30, 2023 Measurement date	<u>\$ 52,361,668,239</u>	<u>\$ 121,169,147</u>

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements (continued)  
June 30, 2024 and 2023

**(11) Operating Expenses**

The College's operating expenses on a natural classification basis are comprised of the following at June 30,:

	<u>2024</u>	<u>2023</u>
Compensation and Benefits	\$ 60,139,456	\$ 58,617,913
Supplies and Services	22,222,960	26,934,517
Depreciation and Amortization	3,223,190	4,750,288
Scholarships and Fellowships	<u>6,913,521</u>	<u>7,637,067</u>
	<u>\$ 92,499,127</u>	<u>\$ 97,939,785</u>

**(12) 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, and 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.

**(13) Compensated Absences**

The College has recorded a liability for compensated absences, which is included in accounts payable and accrued expenses in the accompanying statements of net position. The liability is based upon employees' accrued vacation leave as of fiscal 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. Compensated absences consist of the following at June 30,:

June 30, 2023	\$ 2,114,449
Additions	<u>12,090</u>
June 30, 2024	<u>\$ 2,126,539</u>

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Financial Statements (continued)  
June 30, 2024 and 2023

**(14) Related Party Transactions**

The Foundation utilized office space and received certain administrative assistance from the College at no charge during the years ended June 30, 2024, and 2023. The fair value of this space and these services is estimated at \$187,131 and \$116,518 respectively, and is included in the Foundation's statements of revenues, expenses, and changes in net position for the years ended June 30, 2024 and 2023.

During the fiscal years 2024 and 2023, certain services and expenses are received and paid between the Foundation and the College. All such expenses are put on account and settled periodically between the two parties. As of June 30, 2024 and 2023, the Foundation was indebted to the College in the amount of \$108,490 and \$268,115 respectively, representing student scholarships and operating expenses paid by the College on behalf of the Foundation. This amount is non-interest-bearing and is currently payable.

**(15) Litigation**

The College is also a party to various legal actions arising in the ordinary course of business. Although it is not possible to predict the outcome of these actions, it is the opinion of management that there is no exposure to such matters that, if decided adversely, would be material to the College's financial position or are not adequately covered by insurance.



**REQUIRED SUPPLEMENTARY  
INFORMATION**

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Schedules of Required Supplementary Information  
Schedules of Proportionate Share of Net Pension Liability  
Public Employee's Retirement System ("PERS")  
(Unaudited)

	Plan Measurement Date Ending June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
College's proportion of the net pension liability	0.05%	0.05%	0.05%	0.06%	0.07%	0.07%	0.07%	0.09%	0.09%	0.10%
College's proportionate share of the net pension liability	\$ 20,507,667	\$ 20,607,657	\$ 17,049,881	\$ 24,173,710	\$ 28,008,498	\$ 30,922,123	\$ 36,509,491	\$ 51,541,272	\$ 42,539,037	\$ 39,460,262
College's covered payroll	\$ 11,545,680	\$ 11,006,063	\$ 10,525,312	\$ 10,346,073	\$ 10,592,756	\$ 10,777,437	\$ 10,960,631	\$ 10,660,882	\$ 11,066,065	\$ 12,617,839
College's proportionate share of the net pension liability as a percentage of its covered payroll	177.62%	187.24%	161.99%	233.65%	264.41%	286.92%	333.10%	483.46%	384.41%	312.73%
Plan fiduciary net position as a percentage of the total pension liability	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

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Notes:

The GASB pronouncement requiring the presentation of the information on this schedule became effective for years beginning after June 15, 2014 and is intended to provide data for the most recent ten years.

See accompanying notes to the required supplementary information.

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Schedules of Required Supplementary Information  
Schedules of Contributions - Pension  
Police and Firemen's Retirement System ("PFRS")  
(Unaudited)

	Plan Measurement Date Ending June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
College's proportion of the net pension liability	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.03%	0.02%	0.03%
College's proportionate share of the net pension liability	\$ 3,041,816	\$ 3,196,417	\$ 2,233,985	\$ 3,965,766	\$ 3,814,135	\$ 4,608,040	\$ 5,351,455	\$ 6,888,643	\$ 5,487,577	\$ 459,789
College's covered payroll	\$ -	\$ 522,990	\$ 713,252	\$ 721,266	\$ 705,077	\$ 722,813	\$ 704,241	\$ 730,814	\$ 710,851	\$ 676,551
College's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	611.18%	313.21%	549.83%	540.95%	637.51%	759.89%	942.60%	771.97%	67.96%
Plan fiduciary net position as a percentage of the total pension liability	70.16%	68.33%	77.26%	65.00%	62.48%	62.48%	58.60%	51.01%	56.31%	62.14%

Notes:

The GASB pronouncement requiring the presentation of the information on this schedule became effective for years beginning after June 15, 2014 and is intended to provide data for the most recent ten years.

See accompanying notes to the required supplementary information.

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Schedules of Required Supplementary Information  
Schedules of Contributions - Pension  
Public Employee's Retirement System ("PERS")  
(Unaudited)

Plan Measurement Date Ending June 30,

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$ 1,879,981	\$ 1,892,321	\$ 1,721,993	\$ 1,685,510	\$ 1,621,648	\$ 1,515,273	\$ 1,565,765	\$ 1,459,999	\$ 1,546,015	\$ 1,629,195
Contributions in relation to the contractually required contributions	<u>(1,879,981)</u>	<u>(1,892,321)</u>	<u>(1,721,993)</u>	<u>(1,685,510)</u>	<u>(1,621,648)</u>	<u>(1,515,273)</u>	<u>(1,565,765)</u>	<u>(1,459,999)</u>	<u>(1,546,015)</u>	<u>(1,629,195)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll	\$ 11,545,680	\$ 11,006,063	\$ 10,525,312	\$ 10,346,073	\$ 10,592,756	\$ 10,777,437	\$ 10,960,631	\$ 10,660,882	\$ 11,066,065	\$ 12,617,839
Contributions as a percentage of covered payroll	16.28%	17.19%	16.36%	16.29%	15.31%	14.06%	14.29%	13.69%	13.97%	12.91%

Notes:

The GASB pronouncement requiring the presentation of the information on this schedule became effective for years beginning after June 15, 2014 and is intended to provide data for the most recent ten years.

*See accompanying notes to the required supplementary information.*

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Schedules of Required Supplementary Information  
Schedules of Contributions - Pension  
Police and Firemen's Retirement System ("PFRS")  
(Unaudited)

	Plan Measurement Date Ending June 30,									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$ 105,421	\$ 366,490	\$ 363,182	\$ 356,215	\$ 342,878	\$ 314,819	\$ 332,926	\$ 306,783	\$ 294,023	\$ 267,798
Contributions in relation to the contractually required contributions	<u>(105,421)</u>	<u>(366,490)</u>	<u>(363,182)</u>	<u>(356,215)</u>	<u>(342,878)</u>	<u>(314,819)</u>	<u>(332,926)</u>	<u>(306,783)</u>	<u>(294,023)</u>	<u>(267,798)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll	\$ -	\$ 522,990	\$ 713,252	\$ 721,266	\$ 705,077	\$ 722,813	\$ 704,241	\$ 730,814	\$ 710,851	\$ 676,551
Contributions as a percentage of covered payroll	0.00%	70.08%	50.92%	49.39%	48.63%	43.55%	47.27%	41.98%	41.36%	39.58%

Notes:

The GASB pronouncement requiring the presentation of the information on this schedule became effective for years beginning after June 15, 2014 and is intended to provide data for the most recent ten years.

*See accompanying notes to the required supplementary information.*

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Schedules of Required Supplementary Information  
Schedule of Changes in the College's Proportionate  
Share of Total OPEB Liability  
(Unaudited)

	Measurement Date Ending	Measurement Date Ending	Measurement Date Ending	Measurement Date Ending	Measurement Date Ending	Measurement Date Ending	Measurement Date Ending
	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
<b>Total OPEB Liability</b>							
Service cost	\$ 4,341,560.00	\$ 6,339,889	\$ 6,952,401	\$ 4,004,961	\$ 3,569,788	\$ 6,423,813	\$ 7,653,957
Interest on the total OPEB liability	4,267,429	3,105,690	3,790,949	3,701,032	4,156,729	4,669,942	3,969,249
Changes of benefit terms	-	-	(155,545)	-	-	-	-
Difference between expected and actual experiences	(1,657,883)	(3,976,522)	(30,386,851)	29,860,188	(8,402,492)	(16,291,698)	-
Changes of assumptions	244,227	(31,437,533)	144,175	30,812,261	1,537,981	(12,090,691)	(16,463,392)
Contributions from members	109,359	98,689	96,916	89,008	93,861	97,370	106,925
Gross benefit payments by the state	(3,326,531)	(3,076,278)	(2,986,206)	(2,936,601)	(3,166,409)	(2,817,313)	(2,903,823)
<b>Net Change in Total OPEB Liability</b>	3,978,161	(28,946,065)	(22,544,161)	65,530,849	(2,210,542)	(20,008,577)	(7,637,084)
<b>Total OPEB Liability - Beginning</b>	117,190,986	146,137,051	168,681,212	103,150,363	105,360,905	125,369,482	133,006,566
<b>Total OPEB Liability - Ending</b>	<u>\$ 121,169,147</u>	<u>\$ 117,190,986</u>	<u>\$ 146,137,051</u>	<u>\$ 168,681,212</u>	<u>\$ 103,150,363</u>	<u>\$ 105,360,905</u>	<u>\$ 125,369,482</u>
College's proportionate share	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share	<u>\$ 121,169,147</u>	<u>\$ 117,190,986</u>	<u>\$ 146,137,051</u>	<u>\$ 168,681,212</u>	<u>\$ 103,150,363</u>	<u>\$ 105,360,905</u>	<u>\$ 125,369,482</u>
Total OPEB Liability - Ending	<u>\$ 121,169,147</u>	<u>\$ 117,190,986</u>	<u>\$ 146,137,051</u>	<u>\$ 168,681,212</u>	<u>\$ 103,150,363</u>	<u>\$ 105,360,905</u>	<u>\$ 125,369,482</u>
<b>Covered Payroll</b>	\$ 11,481,294	\$ 11,443,470	\$ 11,238,564	\$ 11,067,339	\$ 11,161,802	\$ 11,315,288	\$ 11,462,224
<b>Total OPEB Liability as a Percentage of Covered Payroll</b>	1055.36%	1024.09%	1300.32%	1524.14%	924.14%	931.14%	1093.76%

Notes:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

The GASB pronouncement requiring the presentation of the information on this schedule became effective for years beginning after June 15, 2017 and is intended to provide data for the most recent ten years.

See accompanying notes to the required supplementary information.

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to the Required Supplementary Information  
(Unaudited)  
June 30, 2024

**(1) State of New Jersey Public Employees' Retirement System (PERS) - Pension**

Change in Benefit Terms

None

Change in Assumptions

The discount rate was 7.00%, 7.00%, 7.00%, 7.00%, 6.28%, 5.66%, 5.00%, 3.98%, 4.90% and 5.39% for the measurement dates June 30, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014, respectively.

**(2) Police and Firemen's Retirement System (PFRS) - Pension**

Change in Benefit Terms

None

Change in Assumptions

The discount rate was 7.00%, 7.00%, 7.00%, 7.00%, 6.85%, 6.51%, 6.14%, 5.55%, 5.79% and 6.32% for the measurement dates June 30, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014, respectively.

**(3) State Health Benefit Local Education Retired Employees Plan - OPEB**

Change in Benefit Terms

None

Changes in Assumptions

The discount rate was 3.65%, 3.54%, 2.16%, 3.87%, 3.50%, 3.87%, 3.58%, and 2.58% for the measurement dates June 30, 2023, 2022, 2021, 2020, 2019, 2018, 2017, and 2016, respectively.

# 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

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of  
Brookdale Community College:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of Brookdale Community College (a Component Unit of the County of Monmouth) (the "College"), which comprise the statement of net position as of June 30, 2024, and the related statements of revenues, expenses, changes in net position and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated February XX, 2025.

### Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

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

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



## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

## Purpose of This Report

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

February XX, 2025

## **SINGLE AUDIT SECTION**

# **REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE OF NEW JERSEY PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND STATE OF NEW JERSEY DEPARTMENT OF THE TREASURY, OMB POLICY CIRCULAR 15-08-OMB**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees of  
Brookdale Community College:

### **Report on Compliance for Each Major Federal and State of New Jersey Program**

#### **Opinion on Each Major Federal and State of New Jersey Program**

We have audited Brookdale Community College's (the "College") compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget ("OMB") *Compliance Supplement* and *State of New Jersey Compliance Supplement* that could have a direct and material effect on each of the College's major federal and state of New Jersey programs for the year ended June 30, 2024. The College's major federal and state of New Jersey programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state of New Jersey programs for the year ended June 30, 2024.

#### **Basis for Opinion on Each Major Federal and State of New Jersey Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and State of New Jersey, Department of the Treasury, OMB Policy Circular 15-08-OMB ("NJ Circular 15-08-OMB"). Our responsibilities under those standards, the Uniform Guidance and NJ Circular 15-08-OMB are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state of New Jersey program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

#### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal and state of New Jersey programs.

## Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and NJ Circular 15-08-OMB will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of each major federal and state of New Jersey program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and NJ Circular 15-08-OMB, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJ Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on 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 of New Jersey program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 of New Jersey program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state of New Jersey program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and NJ Circular 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

February XX, 2025

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**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2024

Federal/Pass-Through Grantor/Cluster-Program Title	Assistance Listing Numb	Pass-Through Entity	PR/Award Identifier (FAIN)	Current Year Expenditures	Through to Subrecipients
<b>STUDENT FINANCIAL AID (SFA) CLUSTER</b>					
<b>U.S. Department of Education:</b>					
<b>Direct Awards</b>					
Federal Direct Student Loan (FDSL) - Subsidized	84.268	N/A	N/A	\$ 2,166,481	\$ —
Federal Direct Student Loan (FDSL) - Unsubsidized	84.268	N/A	N/A	2,538,819	—
Federal Direct Student Loan (FDSL) - Plus Loans	84.268	N/A	N/A	174,844	—
				4,880,144	—
Federal Pell Grant Program	84.063	N/A	N/A	12,545,599	—
Federal Supplemental Educational Opportunity Grant (FSEOG)	84.007	N/A	N/A	216,010	—
Federal Work-Study Program	84.033	N/A	N/A	193,936	—
<b>Total Student Financial Assistance Cluster</b>				17,835,689	—
<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER</b>					
<b>U.S. National Science Foundation (NSF):</b>					
<b>Direct Awards</b>					
NSF Scholarships in STEM (S-STEM)	47.076	N/A	N/A	128,229	—
<b>Pass Through Awards</b>					
NSF National Engineering and Vehicle Technology Exchange (NEVTEX)	47.076	Central Oregon Community College	2301095	67,154	—
<b>National Aeronautics and Space Administration (NASA):</b>					
<b>Pass Through Awards</b>					
National Space Grant College and Fellowship: STEM Scholars	43.008	Rutgers, The State University of NJ	80NSSC20M0066 - P00005	11,676	—
<b>Total Research and Development (R&amp;D) Cluster</b>					
<b>OTHER CLUSTERS</b>					
<b>U.S. National Security Agency (NSA):</b>					
<b>Direct Awards</b>					
2020 CAE Moraine Valley Community College/K-12 Pipeline	12.905	N/A	N/A	106,474	—
<b>U.S. Department of Education:</b>					
<b>Direct Awards</b>					
CARES ACT - Higher Education Emergency Relief Fund (HEERF) - Student Aid Portion*	84.425E	N/A	P425E200679 - 20B	1,120	—
American Rescue Plan Act 2021 (ARP)	21.027	N/A	N/A	8,786	—
The Center for Excellence in Cybersecurity Education (CECE)	84.116Z	N/A	N/A	228,011	—
<b>Pass Through Awards</b>					
CRRSA ACT - GEERF II: Opportunity Meets Innovation Challenge	84.425C	State of NJ: Office of Secretary of Higher Education	20-100-074-2400-072	157,288	—
Open Textbook Collaborative	84.116T	Middlesex College	P116T200028	14,375	—
<b>U.S. Department of Labor:</b>					
<b>Pass Through Awards</b>					
Trade Adjustment Assistance Community College and Career Training (TAACCCT) - HealthWorks	17.282	Bergen Community College	PO6828	371,549	—
<b>U.S. Small Business Administration:</b>					
<b>Direct Awards</b>					
Small Business Administration and Seminars	59.000	N/A	N/A	18,022	—
<b>Pass Through Awards</b>					
Small Business Development Centers (SBDC)	59.037	Rutgers, The State University of NJ	5865	138,926	—
Small Business Development Centers (SBDC)	59.037	Rutgers, The State University of NJ		65,087	—
				204,013	—
<b>U.S. Department of Education - Office of Career, Technical, and Adult Education (OCTAE):</b>					
<b>Pass Through Awards</b>					
Adult Education (ABE) - Basic Grants to States	84.002	New Jersey Department of Labor & Workforce Development	None	627,389	—
Adult Education (ABE) - Online Teaching and Learning	84.002	New Jersey Department of Labor & Workforce Development	None	47,421	—
Adult Education (ABE) - Skills for Success	84.002	New Jersey Department of Labor & Workforce Development	None	7,970	—
				682,779	—
Career & Technical Education (CTE) - Basic Grants to the States (Perkins)	84.048A	New Jersey Department of Education	25 7111	536,700	—
<b>Total expenditures of federal awards</b>				\$ 20,371,865	\$ —

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

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Schedule of Expenditures of State of New Jersey Awards  
Year ended June 30, 2024

State Grantor/Program Title	State NJ Grant Number	Award Amount	Grant Period	Current Year Expenditures	Total Grant Expenditures To Date
<b>STUDENT FINANCIAL AID (SFA) CLUSTER</b>					
<b>N.J. Office of the Secretary of Higher Education:</b>					
Educational Opportunity Fund (EOF) - Article III	100-074-2401-001	\$ 392,262	06/01/23 - 07/31/24	\$ 392,262	\$ 392,262
Educational Opportunity Fund (EOF) - Article III, Summer	100-074-2401-001	12,800	06/01/23 - 08/31/24	12,800	12,800
<b>N.J. Higher Education Student Assistance Authority:</b>					
Tuition Aid Grant (TAG)	100-074-2405-007	3,097,475	07/01/23 - 06/30/24	3,097,475	3,097,475
NJ Stars (NJSTARS)	100-074-2405-313	450,522	07/01/23 - 06/30/24	450,522	450,522
Community College Opportunity Grant (CCOG)	100-074-2405-332	3,226,781	07/01/23 - 06/30/24	3,226,781	3,226,781
<b>Total Student Financial Assistance Cluster</b>				<u>7,179,840</u>	<u>7,179,840</u>
<b>NON-CLUSTER:</b>					
<b>N.J. Office of the Secretary of Higher Education:</b>					
Educational Opportunity Fund (EOF) - Article IV	100-074-2401-002	234,726	06/01/23 - 08/31/24	208,237	208,237
Educational Opportunity Fund (EOF) - Article IV, Summer	100-074-2401-002	42,316	07/01/23 - 08/31/24	32,875	32,875
Educational Opportunity Fund (EOF) - Special Projects	100-074-2401-002	—	07/01/23 - 06/30/24	100,664	100,664
				<u>341,776</u>	<u>341,776</u>
<b>N.J. Council of County Colleges:</b>					
College Readiness Now X Project	Unavailable	21,885	07/01/23 - 08/15/24	56,100	56,100
College Readiness Now IX Project	Unavailable	69,000	07/01/22 - 08/15/23	6,977	6,977
Community College Opportunity Grant (CCOG)	Unavailable	314,819	09/01/23 - 08/30/24	303,912	303,912
				<u>366,989</u>	<u>366,989</u>
<b>N.J. Educational Facilities Authority:</b>					
Securing Our Children's Future Bond Act Grant (SOCFBAG)	100-082-2155-036	2,724,303	01/01/14 - Completion	824,078	1,153,625
<b>County College-Based Center for Adult Transitions Grant:</b>					
Adult Transitions Grant	N/A	202,568	07/01/23 - 06/30/24	260,803	260,803
Adult Transitions Grant II	N/A	—	07/01/23 - 06/30/24	123,599	123,599
				<u>384,402</u>	<u>384,402</u>
<b>Mental Health Community Provider Partner &amp; Prof Devel Grant</b>					
Leveraging Community Provider Partnerships	N/A	234,425	12/31/24 - 12/31/26	12,530	12,530
<b>Gaining Early Awareness and Readiness for Undergraduate Prog.</b>					
NJ Gear Up	N/A	307,230	07/1/24 - 06/30/27	52,720	52,720
<b>N.J. Department of Children and Families:</b>					
Displaced Homemaker Grant	2011-15863028-01	159,664	07/01/23 - 06/30/24	146,427	146,427
<b>N.J. Department of Treasury - Higher Education Administration:</b>					
Operational Costs – County Colleges	100-082-2155-015	10,553,897	07/01/23 - 06/30/24	8,794,915	8,794,915
Alternate Benefit Program	100-082-2155-017	1,770,918	07/01/23 - 06/30/24	1,770,918	1,770,918
P.L. 1971, Chapter 12 Debt Service	100-082-2155-016	4,686,822	07/01/23 - 06/30/24	1,525,126	1,525,126
Special Purpose Request - Wellness Center Grant	N/A	550,000	07/01/23 - 06/30/24	25,777	25,777
Special Purpose Request - VentureHive Entrepreneurial Ecosystem	N/A	250,000	07/01/23 - 06/30/24	234,517	234,517
				<u>12,351,253</u>	<u>12,351,253</u>
<b>Total expenditures of State of New Jersey awards</b>				<u>\$ 21,660,015</u>	<u>\$ 21,989,562</u>

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Notes to Schedules of Expenditures of Federal and State of New Jersey Awards  
June 30, 2024

**(1) General**

The accompanying Schedules of Expenditures of Federal and State of New Jersey Awards includes the Federal award activity of Brookdale Community College (the “College”) under programs of the Federal Government for the year ended June 30, 2024. The information on this schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net position or cash flows of the College.

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

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance.

**(3) Indirect Cost Rate**

The College has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**(4) Federal Student Loan Programs**

The College disbursed \$4,880,144 of loans under the Federal Direct Student Loans program, which include Stafford Subsidized and Unsubsidized Loans and Parent Plus Loans. It is not practical to determine the balances of the loans outstanding to students of the College under the program as of June 30, 2024. The College is only responsible for the performance of certain administrative duties and, accordingly, these loans are not included in the College’s financial statements.



**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Findings and Questioned Costs  
For the Year Ended June 30, 2024

**Section I - Summary of Auditors' Results:**

***Financial Statements***

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? ☐ yes ☒ no
- Significant deficiencies identified that are not considered to be material weaknesses? ☐ yes ☒ no

Noncompliance material to the financial statements noted? ☐ yes ☒ no

***Federal Awards***

Type of auditors' report issued on compliance for major programs: Unmodified

Internal control over major programs:

- Material weaknesses identified? ☐ yes ☒ no
- Significant deficiencies identified that are not considered to be material weaknesses? ☐ yes ☒ no

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? ☐ yes ☒ no

***Identification of Major Programs***

Name of Federal Program or Cluster	Assistance Listing Number
Student Financial Assistance Cluster	
Federal Supplemental Education Opportunity Grant Program	<b>84.007</b>
Federal Work-Study Program	<b>84.033</b>
Federal Pell Grant Program	<b>84.063</b>
Federal Direct Student Loans (Note 4)	<b>84.268</b>

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Findings and Questioned Costs - Continued  
For the Year Ended June 30, 2024

**Section I - Summary of Auditors' Results – Continued**

Dollar threshold used to distinguish between  
type A and type B programs:

\$750,000

Auditee qualified as a low-risk auditee?

☒ yes      ☐ no

***State of New Jersey***

Type of auditors' report issued on compliance  
for major programs:

Unmodified

Internal control over major programs:

- Material weaknesses identified? ☐ yes      ☒ no
- Significant deficiencies identified that are  
not considered to be material weaknesses? ☐ yes      ☒ no

Any audit findings disclosed that are required  
to be reported in accordance with State of  
New Jersey OMB Circular 15-08 and listed  
in Section V of this schedule?

☐ yes      ☒ no

***Identification of Major Programs:***

Name of State Program or Cluster	State of New Jersey Account or Grant Number
Student Financial Assistance Cluster	
Educational Opportunity Fund	100-074-2401-001
Tuition Aid Grant	100-074-2405-007
Community College Opportunity Grant	100-074-2405-332
NJ Stars	100-074-2405-313
Non-Cluster	
Securing Our Children's Future Bond Act Grant	100-082-2155-036

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Findings and Questioned Costs - Continued  
For the Year Ended June 30, 2024

**Section II – Financial Statement Findings:**

None

DRAFT

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Findings and Questioned Costs - Continued  
For the Year Ended June 30, 2024

**Section III – Federal Award Findings and Questioned Costs:**

None in current or prior year.

DRAFT

**BROOKDALE COMMUNITY COLLEGE**  
(A Component Unit of the County of Monmouth)  
Findings and Questioned Costs - Continued  
For the Year Ended June 30, 2024

**Section IV – State of New Jersey Award Findings and Questioned Costs:**

None in current or prior year.

DRAFT

Management's Summary of Prior Year Audit Findings - Continued  
For the Year Ended June 30, 2024

**Section VI – Management's Summary of Prior Year State of New Jersey Audit Findings**

None

DRAFT

Management's Corrective Action Plan  
For the Year Ended June 30, 2024

**Section VII – Management's Corrective Action Plan - Federal Awards**

None

DRAFT

Management's Corrective Action Plan  
For the Year Ended June 30, 2024

**Section VII – Management's Corrective Action Plan - Federal Awards**

None

DRAFT