Bergen Community College
(A Component Unit of the County of Bergen)

Basic Financial Statements,
Management's Discussion and Analysis and
Schedules of Expenditures of Federal Awards and
State Financial Assistance

June 30, 2022 and 2021

(With Independent Auditors' Reports Thereon)

Bergen Community College
(A Component Unit of the County of Bergen)

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Independent Auditors' Report

Board of Trustees
Bergen Community College

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Bergen Community College, State of New Jersey (the College), a component unit of the County of Bergen, State of New Jersey, as of and for the years ended June 30, 2022 and 2021, 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, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Bergen Community College as of June 30, 2022 and 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Bergen Community College Foundation (the Foundation), the discretely presented component unit of Bergen Community College. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Bergen Community College Foundation is based on the report of the other auditors. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

Basis for 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 Auditors' 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

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

Responsibilities of Management for the Financial Statements (continued)

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.

Auditors' 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 auditors' 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 judgement, 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 management's discussion and analysis on pages 4 through 11 and the required supplementary information on pages 58 through 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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, which consisted of inquiries of management regarding 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 an opinion on the financial statements that collectively comprise the College's basic financial statements. The Schedules of Expenditures of Federal Awards and State Financial Assistance on pages 62 through 63 as required by Title 2 U.S *Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB Circular Letter 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the 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 June 29, 2023. 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.

PKF O'Connor Davies, LLP

Woodcliff Lake, New Jersey
June 29, 2023

Bergen Community College
(A Component Unit of the County of Bergen)

Management's Discussion and Analysis (Unaudited)
June 30, 2022 and 2021

Overview of the Basic Financial Statements and Financial Analysis

This section of the audited financial statements for Bergen Community College (the College) presents management's discussion and analysis of the College's financial position for the years ended June 30, 2022 and 2021, with selected information pertaining to the year ended June 30, 2020. Management has prepared the financial statements and the related note disclosures, along with this discussion and analysis. Responsibility for the completeness and fairness of this information rests with management.

Financial Statements

Included in this report are the College's basic financial statements, which include the Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position and the Statements of Cash Flows. These basic financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) principles and accounting principles generally accepted in the United States of America.

The College adopted GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, as of July 1, 2003. GASB Statement No. 39 establishes criteria for determining whether certain organizations should be reported as component units of the financial reporting entity.

As a result, this report also includes the statements of financial position and statements of activities of the Bergen Community College Foundation (the Foundation). The Foundation is a legally separate component unit of the College and is exempt from tax under the Internal Revenue Code Section 501(c)(3). The Foundation's purpose is to obtain private funding to enhance the educational goals of the College. Because the resources of the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements. Complete financial statements can be obtained from the Bergen Community College Foundation at 400 Paramus Road, Paramus, NJ 07652.

Statements of Net Position

Net position represents the residual interest in the College's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted. Net position consists of three categories: net investment in capital assets, restricted and unrestricted. Net investment in capital assets, reflects the equity in capital assets. Restricted net position primarily includes grants and contracts and capital funds that are subject to regulations or restrictions governing their use. Unrestricted net position are available to the College for general purposes, but are internally designated for various academic and student programs.

Statements of Revenues, Expenses and Changes in Net Position

The statements of net position present the College's current and non-current assets, deferred outflows of resources, liabilities, deferred inflows of resources and the resultant net position. The statements of revenues, expenses, and changes in net position show the College's revenues and expenses segregated into operating and non-operating sections. It is important to note that the state and county appropriations, which are essential to the College's operations, are recorded as non-operating revenues. Therefore, the operating revenues less operating expenses show a loss (in Millions) of $54.2, $56.6, and $60.9, for fiscal years ended June 30, 2022, 2021 and 2020, respectively, while the net of non-operating revenues less non-operating expenses shows an excess of revenues over expenses of $60.9, $59.8, and $57.9 for fiscal years ended June 30, 2022, 2021 and 2020, respectively. The statements of cash flows show the sources and uses of the College's cash for operating activities, non-capital financing activities, capital and related financing activities and investing activities.

Because the statements of net position treat the College as a whole as opposed to a group of separate funds, all inter-fund receivables and payables have been eliminated.

Management's discussion and analysis of specific assets, liabilities, deferred outflows and inflows of resources, net position, revenues, and expenses follows this general discussion. For the most part, this analysis will utilize condensed portions of the basic financial statements with appropriate comments on specific items.

Bergen Community College
(A Component Unit of the County of Bergen)

Management's Discussion and Analysis (Unaudited)
June 30, 2022 and 2021

Financial Highlights
Condensed Schedule of Net Position (in Millions)

The following represents assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position of the College at June 30, 2022, 2021 and 2020:

	Net Position as of June 30,				
	2020	2021	Change from 2020	2022	Change from 2021
CURRENT ASSETS	$ 87.6	$ 102.5	$ 14.9	$ 108.0	$ 5.5
NONCURRENT ASSETS					
Capital assets, net of accumulated depreciation	128.5	128.0	(0.5)	128.7	0.7
Other noncurrent assets	25.2	27.2	2.0	30.8	3.6
Total Assets	241.3	257.7	16.4	267.5	9.8
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflow of pension resources	6.3	6.7	0.4	3.5	(3.2)
CURRENT LIABILITIES	17.0	22.7	5.7	23.2	0.5
NONCURRENT LIABILITIES					
Deposits held in trust	0.3	0.3	-	-	(0.3)
Long-term debt	15.0	14.3	(0.7)	13.8	(0.5)
Net pension liability	48.7	42.4	(6.3)	29.2	(13.2)
Other noncurrent liabilities	3.4	4.5	1.1	3.0	(1.5)
Total Liabilities	84.4	84.2	(0.2)	69.2	(15.0)
DEFERRED INFLOWS OF RESOURCES					
Deferred inflow of pension resources	22.0	22.3	0.3	23.6	1.3
NET POSITION					
Net investment in capital assets	112.2	112.2	-	113.4	1.2
Restricted	39.0	38.1	(0.9)	38.5	0.4
Unrestricted	(9.8)	7.6	17.4	26.2	18.6
Total Net Position	$ 141.4	$ 157.9	$ 16.5	$ 178.1	$ 20.2

This schedule is prepared from the College's statements of net position.

Condensed Schedule of Revenues, Expenses and Changes in Net Position (in Millions)

The statements of revenues, expenses and changes in net position present the College's changes in net position. The purpose of the statement is to present revenues earned by the College, both operating and non-operating and expenses incurred by the College, both operating and non-operating. A summary of the College's revenues for the years ended June 30, 2022, 2021 and 2020 follows:

	Years Ended June 30,				
	2020	2021	Change from 2020	2022	Change from 2021
OPERATING REVENUES					
Tuition and fees and auxiliary enterprises, net of scholarship allowances	$ 30.7	$ 28.4	$ (2.3)	$ 31.0	$ 2.6
Federal grants and contracts	21.2	28.0	6.8	32.8	4.8
State, county and private grants	8.2	9.7	1.5	8.7	(1.0)
Other operating revenues	1.1	0.2	(0.9)	0.7	0.5
Total	61.2	66.3	5.1	73.2	6.9
Less operating expenses	122.1	122.9	0.8	127.4	4.5
Operating Loss	(60.9)	(56.6)	4.3	(54.2)	2.4
NONOPERATING REVENUES (EXPENSES)					
State appropriations	10.8	10.9	0.1	12.5	1.6
County appropriations	21.7	22.0	0.3	22.6	0.6
Pell Grants	20.1	16.5	(3.6)	16.5	-
Investment income/(expenses), net	0.5	(0.4)	(0.9)	(0.6)	(0.2)
Other nonoperating revenues (expenses), net	4.8	10.8	6.0	9.9	(0.9)
Total	57.9	59.8	1.9	60.9	1.1
CAPITAL APPROPRIATIONS	14.1	13.3	(0.8)	13.5	0.2
INCREASE (DECREASE) IN NET POSITION	$ 11.1	$ 16.5	$ 5.4	$ 20.2	$ 3.7

State and county appropriations make up a significant portion of the College's annual revenues and should be viewed as an offset to net operating expenses. Overall net student revenues increased $2.6 million in comparison to the prior year. Federal grants and contracts, state, county, private grants and other operating revenues increased by $4.0 million. Pell Grants have been excluded from Operating Revenues.

Condensed Schedules of Operating Expenses (in Millions)

A summary of the College's operating expenses for the years ended June 30, 2022, 2021 and 2020 follows:

	Years Ended June 30,				
	2020	2021	Change from 2020	2022	Change from 2021
OPERATING EXPENSES					
Instruction	$ 50.2	$ 37.9	$ (12.3)	$ 39.9	$ 2.0
Academic support	8.0	5.1	(2.9)	5.5	0.4
Student services	12.5	14.9	2.4	20.0	5.1
Institutional support	25.0	39.6	14.6	34.2	(5.4)
Operation and maintenance of plant	13.6	12.6	(1.0)	13.9	1.3
Scholarships and fellowships	5.0	4.9	(0.1)	5.8	0.9
Auxiliary enterprises	0.4	0.2	(0.2)	0.3	0.1
Depreciation	7.4	7.7	0.3	7.8	0.1
Total	$ 122.1	$ 122.9	$ 0.8	$ 127.4	$ 4.5

Operating expenses include salaries, fringe benefits, and other personal services expenses. Fringe benefits are allocated to functional departments using various factors, including direct charges and headcounts. Operating expenses increased from the prior year due primarily to the increases in institutional support.

Schedule of Components of Net Position

The following represents the components of the College's net position at June 30, 2022 and 2021:

	Net Position as of June 30,				
	Net Investment in Capital Assets	Restricted	Unrestricted	Total FY 2022	Total FY 2021
NET INVESTMENT IN CAPITAL ASSETS	$ 113,369,669	$ -	$ -	$ 113,369,669	$ 112,196,691
RESTRICTED FOR:					
Unemployment reserve	-	2,352,875	-	2,352,875	1,710,780
Other reserves	-	-	-	-	230,562
Capital projects	-	36,130,434	-	36,130,434	36,169,459
BOARD-DESIGNATED FOR:					
Renewals and replacements of capital assets	-	-	38,054,672	38,054,672	34,346,998
Reserve for Workmen's Comp	-	-	284,190	284,190	284,190
UNDESIGNATED:					
Current funds	-	-	(12,103,659)	(12,103,659)	(27,032,822)
Total per Statements of Net Position	$ 113,369,669	$ 38,483,309	$ 26,235,203	$ 178,088,181	$ 157,905,858

Schedule of Components of Net Position (continued)

Balances on the statements of net position are shown as either invested in capital assets, net, restricted, or unrestricted. Restricted funds are those specifically restricted by the funding source. Certain unrestricted funds have been designated by the Board of Trustees for the renewal and replacement of capital assets and other reserves. All board-designated and undesignated net position are included in unrestricted net position on the statements of net position.

Schedule of Capital Assets Activity

Capital Assets Activity for the Year Ended June 30, 2022	Beginning Balance	Additions	Deletions	Ending Balance
Land	$ 3,113,469	$ -	$ -	$ 3,113,469
Land improvements	4,420,602	1,390,230	-	5,810,832
Buildings	112,639,761	-	-	112,639,761
Building improvements	77,181,023	3,986,135	-	81,167,158
Furniture and furnishings	1,702,978	429,329	-	2,132,307
Equipment	32,827,951	1,693,527	24,391	34,497,087
Vehicles	1,057,179	55,096	-	1,112,275
Machinery	123,246	-	-	123,246
Infrastructure	7,976,635	-	-	7,976,635
Capitalized software	3,217,681	64,575	-	3,282,256
Equipment leasing fund assets	2,309,838	-	-	2,309,838
Construction in progress	9,010,440	971,835	145,040	9,837,235
Total	255,580,803	8,590,727	169,431	264,002,099
Accumulated depreciation	127,546,662	7,817,710	24,391	135,339,981
Total per Statements of Net Position	$ 128,034,141	$ 773,017	$ 145,040	$ 128,662,118

Capital Assets Activity for the Year Ended June 30, 2021	Beginning Balance	Additions	Deletions	Ending Balance
Land	$ 3,113,469	$ -	$ -	$ 3,113,469
Land improvements	3,030,372	1,390,230	-	4,420,602
Buildings	112,639,761	-	-	112,639,761
Building improvements	76,013,500	1,167,523	-	77,181,023
Furniture and furnishings	1,653,834	49,144	-	1,702,978
Equipment	30,567,339	2,263,944	3,332	32,827,951
Vehicles	1,057,179	-	-	1,057,179
Machinery	123,246	-	-	123,246
Infrastructure	7,702,531	274,104	-	7,976,635
Capitalized software	2,973,353	244,328	-	3,217,681
Equipment leasing fund assets	2,310,605	-	767	2,309,838
Construction in progress	7,166,882	2,140,401	296,843	9,010,440
Total	248,352,071	7,529,674	300,942	255,580,803
Accumulated depreciation	119,811,806	7,738,955	4,099	127,546,662
Total per Statements of Net Position	$ 128,540,265	$ (209,281)	$ 296,843	$ 128,034,141

Schedule of Capital Assets Activity (continued)

Depreciation of capital assets is recorded on a straight-line basis over their estimated useful lives. Additional information related to capital assets and related depreciation can be found at Note 4 to the basic financial statements.

Debt Administration

At June 30, 2022, the College had $46,005,137 of outstanding long-term liabilities, including debt. Of this amount, $3,031,966 is for compensated absences, $13,758,557 is for the repayment of bonds issued by the Bergen County Improvement Authority and the remaining $29,214,614 represents the net pension liability.

For more detailed information, please refer to Notes 5 and 6 to the basic financial statements.

Economic Factors that Could Affect the Future

Rising inflation can have serious consequences for any consumer, especially those on the lower end of the economic spectrum. That includes many college students who may fit in this category. Inflation is the worst it has been over several decades. From gas to groceries, prices are going up across the country. And college students aren't immune. They in addition to their immediate families are experiencing higher prices on school supplies, necessities, and tuition. A normal inflation rate is around 2% but has currently raised steadily to the Pandemic-era inflation peaked rate of 9.1% at the end of June 2022. Continuous rising inflation could have a debilitating effect on enrollment or could have a positive impact on the college if students still want to continue their education in a cost-effective manner.

In 2023, Bergen Community College increased its tuition rates slightly by 2% for students, but enrollment has increased for fiscal year 2023 after several years of eliminating any tuition increases across the board. The College is proud of its designation as a Hispanic-Serving Institution (HSI). Bergen's fall 2022 enrollment amounted to 11,192 students.

The College's new Center for Online Learning was established to expand access and enable the College to offer a full, cohort-based online college experience. The fully virtual center will launch in spring 2023 with two degree-granting programs, psychology and business administration, and a complete complement of online services, resources and assets

Summary and Outlook

Founded in 1965, Bergen Community College enrolls more than 15,000 students in Associate in Arts, Associate in Science and Associate in Applied Science degree programs and certificate programs. More than 5,000 students are enrolled in non-credit, professional development courses through the Division of Continuing Education.

Bergen Community College programs prepare students for transfer to four-year colleges and universities, or for immediate entry into a career. Since its inception, Bergen Community College has offered open admissions, small classes, affordable tuition, dedicated faculty, outstanding student services, flexible scheduling and a student-centered campus.

Requests for Information

This financial report is designed to provide a general overview of Bergen Community College's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Bergen Community College, 400 Paramus Road, Paramus, New Jersey 07652.

FINANCIAL STATEMENTS

Bergen Community College
(A Component Unit of the County of Bergen)

Statements of Net Position

	June 30, 2022	June 30, 2021
ASSETS		
Current Assets		
Cash and cash equivalents	$ 37,342,005	$ 31,874,530
Restricted investments	4,341,483	4,330,171
Investments	54,419,833	57,885,481
Total Cash and Equivalents and Investments	96,103,321	94,090,182
Receivables - Student, net of allowance of $1,452,789 and $5,740,353, respectively	9,838,447	3,983,997
Other receivables	2,030,417	4,451,120
Total Receivables	11,868,864	8,435,117
Inventories	14,748	14,808
Total Current Assets	107,986,933	102,540,107
Noncurrent Assets		
County of Bergen receivable	30,788,890	27,240,570
Capital assets, net of accumulated depreciation of $135,339,981 and $127,546,662, respectively	128,662,118	128,034,141
Total Noncurrent Assets	159,451,008	155,274,711
Total Assets	267,437,941	257,814,818
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflow of pension resources	3,451,358	6,689,233
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Expenses		
Vendors	1,761,073	698,010
Accrued salaries and benefits	1,100,182	2,861,537
Compensated absences, current portion	3,493,647	3,572,589
Other accrued expenses	2,900,668	3,637,218
Total Accounts Payable and Accrued Expenses	9,255,570	10,769,354
Unearned student tuition and fees	4,147,690	2,529,459
Unearned grant revenue	9,212,983	8,821,475
Long-term debt, current portion	565,000	611,505
Total Current Liabilities	23,181,243	22,731,793
Noncurrent Liabilities		
Long-term debt, net	13,758,557	14,333,335
Deposits held in custody for others	-	252,415
Compensated absences	3,031,966	4,549,978
Net pension liability	29,214,614	42,399,396
Total Noncurrent Liabilities	46,005,137	61,535,124
Total Liabilities	69,186,380	84,266,917
DEFERRED INFLOWS OF RESOURCES		
Deferred inflow of pension resources	23,614,738	22,331,276
NET POSITION		
Net Investment in Capital Assets	113,369,669	112,196,691
Restricted Expendable for		
Unemployment	2,352,875	1,710,780
Other reserves	-	230,562
Capital projects	36,130,434	36,169,459
Unrestricted	26,235,203	7,598,366
Total Net Position	$ 178,088,181	$ 157,905,858

The accompanying notes are an integral part of the financial statements.

Bergen Community College Foundation
(A Component Unit of the County of Bergen)

Statements of Financial Position

	June 30, 2022	June 30, 2021
ASSETS		
Cash and cash equivalents	$ 340,470	$ 228,074
Investments	10,710,214	12,835,530
Pledges receivable	79,123	10,403
Other receivables	1,000	1,000
Prepaid expenses and other assets	92,799	79,586
Total Assets	$ 11,223,606	$ 13,154,593
LIABILITIES		
Scholarships and awards payable	$ 223,396	$ 205,990
Accounts payable and other liabilities	18,474	9,863
Total Liabilities	241,870	215,853
NET ASSETS		
Without donor restrictions	1,301,456	1,649,888
With donor restrictions	9,680,280	11,288,852
Total Net Assets	10,981,736	12,938,740
Total Liabilities and Net Assets	$ 11,223,606	$ 13,154,593

The accompanying notes are an integral part of the financial statements.

Bergen Community College
(A Component Unit of the County of Bergen)

Statements of Revenues, Expenses and Changes in Net Position

	Years Ended June 30,	
	2022	2021
OPERATING REVENUES		
Student revenues		
Tuition and fees	$ 60,699,570	$ 62,195,802
Auxiliary enterprises	142,952	101,283
Less scholarship allowance	(29,867,167)	(33,871,249)
Net student revenues	30,975,355	28,425,836
Federal grants and contracts	32,795,852	28,033,263
State, county, and private grants	8,701,997	9,679,547
Other operating revenues	665,615	186,553
Total Operating Revenues	73,138,819	66,325,199
OPERATING EXPENSES		
Instruction	39,907,621	37,884,832
Academic support	5,485,230	5,066,021
Student services	20,009,322	14,895,657
Institutional support	34,264,888	39,639,722
Operation and maintenance of plant	13,917,793	12,559,469
Scholarships and fellowships	5,764,308	4,895,995
Auxiliary enterprises	276,190	256,099
Depreciation	7,817,710	7,738,955
Total Operating Expenses	127,443,062	122,936,750
OPERATING LOSS	(54,304,243)	(56,611,551)
NONOPERATING REVENUES (EXPENSES)		
State appropriations	12,541,885	10,882,738
County appropriations	22,614,248	22,033,742
Pell grants	16,531,698	16,491,850
Investment income	227,376	487,985
Interest expense	(840,530)	(873,611)
Other nonoperating revenues/expenses, net	9,899,537	10,838,894
Net Nonoperating Revenues	60,974,214	59,861,598
INCOME (LOSS) BEFORE OTHER REVENUES	6,669,971	3,250,047
OTHER REVENUES		
Capital appropriations	13,512,352	13,279,274
INCREASE IN NET POSITION	20,182,323	16,529,321
NET POSITION		
Beginning of year	157,905,858	141,376,537
End of year	$ 178,088,181	$ 157,905,858

The accompanying notes are an integral part of the financial statements.

Bergen Community College Foundation
(A Component Unit of the County of Bergen)

Statements of Activities

	Year Ended June 30, 2022			Year Ended June 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING ACTIVITIES						
Support and Revenues						
Contributions	$ 3,862	$ 510,027	$ 513,889	$ 28,501	$ 290,049	$ 318,550
In-kind contributions	439,093	-	439,093	420,050	-	420,050
Interest and dividends	36,216	241,563	277,779	63,119	331,379	394,498
Total Support	479,171	751,590	1,230,761	511,670	621,428	1,133,098
Net assets released from restrictions	875,847	(875,847)	-	716,484	(716,484)	-
Reclassifications of net assets released from restrictions	28,627	(28,627)	-	(74,053)	74,053	-
	904,474	(904,474)	-	642,431	(642,431)	-
Total Support and Revenues	1,383,645	(152,884)	1,230,761	1,154,101	(21,003)	1,133,098
EXPENSES						
Program Services						
Computer software support	16,618	-	16,618	13,373	-	13,373
Scholarships and awards	686,712	-	686,712	428,402	-	428,402
College projects	88,255	-	88,255	46,181	-	46,181
Total Program Services	791,585	-	791,585	487,956	-	487,956
Supporting Services						
Management and general	397,503	-	397,503	375,390	-	375,390
Fundraising	324,749	-	324,749	345,700	-	345,700
Total Supporting Services	722,252	-	722,252	721,090	-	721,090
Total Expenses	1,513,837	-	1,513,837	1,209,046	-	1,209,046
Change in Net Assets from Operations	(130,192)	(152,884)	(283,076)	(54,945)	(21,003)	(75,948)
NONOPERATING ACTIVITIES						
Realized and unrealized gains (losses) on investments	(218,240)	(1,455,688)	(1,673,928)	392,036	2,058,187	2,450,223
CHANGE IN NET ASSETS	(348,432)	(1,608,572)	(1,957,004)	337,091	2,037,184	2,374,275
NET ASSETS						
Beginning of year	1,649,888	11,288,852	12,938,740	1,312,797	9,251,668	10,564,465
End of year	$ 1,301,456	$ 9,680,280	$ 10,981,736	$ 1,649,888	$ 11,288,852	$ 12,938,740

The accompanying notes are an integral part of the financial statements.

Bergen Community College
(A Component Unit of the County of Bergen)

Statements of Cash Flows

	Years Ended June 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Student tuition and fees (including chargebacks to other counties)	$ 26,596,194	$ 28,751,148
Federal grants and contracts	32,795,852	28,033,263
State, county, and private grants	8,701,997	9,679,547
Payments to suppliers	(35,590,312)	(31,815,451)
Payments to utilities	(1,814,642)	(2,081,111)
Payments to employees	(59,947,365)	(52,489,369)
Payments for benefits	(23,362,510)	(28,813,863)
Payments for scholarships and fellowships	(5,764,308)	(4,895,995)
Auxiliary enterprises	142,952	101,283
Other receipts (payments)	(1,615,995)	3,970,993
Net Cash from Operating Activities	(59,858,137)	(49,559,555)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	12,541,885	10,882,738
County appropriations	22,614,248	22,033,742
Pell grant	16,531,698	16,491,850
Loan program receipts	10,453,797	12,911,535
Loan program disbursements	(10,453,797)	(12,911,535)
Other non-capital financing activities	9,899,537	10,838,894
Net Cash from Noncapital Financing Activities	61,587,368	60,247,224
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments on capital debt	(621,283)	(597,851)
County capital appropriation	9,964,032	11,225,864
Interest and bonding paid on capital debt	(840,530)	(873,611)
Purchase of capital assets and construction in progress	(8,445,687)	(7,232,831)
Net Cash from Capital and Related Financing Activities	56,532	2,521,571
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends on investments	227,376	487,985
(Purchases) maturities of investments	3,454,336	(10,671,317)
Net Cash from Investing Activities	3,681,712	(10,183,332)
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,467,475	3,025,908
CASH AND CASH EQUIVALENTS		
Beginning of year	31,874,530	28,848,622
End of year	$ 37,342,005	$ 31,874,530

The accompanying notes are an integral part of the financial statements.

Bergen Community College
(A Component Unit of the County of Bergen)

Statements of Cash Flows

	Years Ended June 30, 2022	2021
RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating loss	$ (54,304,243)	$ (56,611,551)
Adjustments to reconcile operating loss to net cash from operating activities		
Depreciation	7,817,710	7,738,955
Changes in operating assets and liabilities		
Student accounts and other receivables, net	(3,433,747)	(1,273,626)
Inventories	60	275
Prepaid expenses and other	-	53,977
Deferred outflows of pension resources	(8,663,445)	(6,293,700)
Accounts payable and accrued expenses	(3,031,796)	1,354,678
Unearned student tuition and fees	1,618,231	(461,898)
Unearned grant revenue	391,508	5,933,335
Deposits held in custody for others	(252,415)	-
Net Cash Flows Used in Operating Activities	$ (59,858,137)	$ (49,559,555)

The accompanying notes are an integral part of the financial statements.

1. Organization

Bergen Community College ("the College") was established as a unit of the New Jersey Master Plan for Higher Education and is one of 19 county colleges in the State of New Jersey. The College offers pre-baccalaureate preparation (A.S. and A.A. degrees), as well as programs and certificates that are designed to prepare students for employment (A.A.S. degrees). The College also maintains a comprehensive community development operation which provides lifelong learning opportunities to the citizens and businesses of the County of Bergen. The College is a component unit of the County of Bergen, State of New Jersey.

Bergen Community College Foundation ("the Foundation") is a legally separate component unit of Bergen Community College, exempt from tax under the Internal Revenue Code Section 501(c)(3). The Foundation's purpose is to obtain private funding to enhance the educational goals of the College. Because the resources of the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements. Complete financial statements can be obtained from the Bergen Community College Foundation at 400 Paramus Road, Paramus, New Jersey 07652.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accounting policies of the College conform to U.S. generally accepted accounting principles as applicable to public colleges and universities. The College's reports are based on all applicable GASB authoritative literature in accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

GASB Statement No. 35 *Basic Financial Statements – and Management's Discussion and Analysis – Public Colleges and Universities* and GASB No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* establish standards for external financial reporting for public colleges and universities and require that resources be classified for accounting and reporting purposes into the following 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.

- *Restricted:*

  Nonexpendable – Net position subject to externally imposed stipulations that they be maintained permanently by the College. There were no nonexpendable restricted net positions at June 30, 2022 and 2021.

  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.

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

Basis of Presentation (continued)

- *Unrestricted*:
  Net position not subject to externally imposed stipulations that may be designated for specific purposes by action of management or the Board of Trustees or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net positions are designated for academic programs and initiatives and capital programs.

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

Measurement Focus and Basis of Accounting

The accompanying financial statements of the College have been prepared on the accrual basis of accounting using the economic resources measurement focus. The College reports as a business-type activity, as defined by GASB Statements No. 34 and 35. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain 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 those estimates.

Recently Adopted Accounting Standards

In June 2017, GASB issued Statement No. 87, *Leases*, effective for the College's fiscal year beginning July 1, 2021. This statement establishes a single approach to accounting for and reporting leases based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Limited exceptions to the single-approach guidance are provided for short-term leases, defined as lasting a maximum of twelve months at inception, including any options to extend, financed purchases, leases of assets that are investments and certain regulated leases. The College adopted GASB Statement No. 87 effective July 1, 2021, however, management has determined that there were no material leases that require the College to record a lease liability and an intangible right-to-use asset for fiscal year ending June 30, 2022.

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

New Accounting Standards

GASB has issued several accounting standards that are required to be adopted by the College in future years. The College is evaluating the impact of the adoption of these standards on its financial statements as discussed below.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of Statement No. 94 is to address issues related to situations in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset. In addition, it addresses an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining or operating a nonfinancial asset. The College is evaluating the impact of the adoption of this standard on its financial statements. The provisions in Statement No. 94 are effective for the fiscal years beginning after June 15, 2022.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. The objective of Statement No. 96 is to provide the capitalization criteria for outlays other than subscription payments including implementation costs of a SBITA and the required note disclosures. The College is evaluating the impact of the adoption of this standard on its financial statements. The provisions in Statement No. 96 are effective for the fiscal years beginning after June 15, 2022.

The GASB issued Statement No. 99, *Omnibus 2022* in April 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement are effective for periods beginning after June 15, 2022. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 101, *Compensated Absences* in June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for periods beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has not determined the impact of the Statement on the financial statements.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and short-term, highly liquid investments that are readily convertible to known amounts of cash and that have original maturities of three months or less when purchased.

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

Investments

The College carries investments in certificates of deposit at cost which approximates fair market value; interest income is included in investment income in the accompanying statements of revenues, expenses, and changes in net position.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable, students and other, 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. Student accounts receivable are deemed uncollectible if payment is not received within one academic year. The College will reserve for each individual student receivable deemed uncollectible by the end of the next fiscal year. The allowance as of June 30, 2022 and 2021 was $1,452,789 and $5,740,353, respectively.

Inventories

Inventories consist of stock room supplies at cost. Cost is determined by the first-in, first-out (FIFO) method.

Capital Assets

Capital assets with acquisition costs of at least $300 and useful lives of at least two years are recorded at historical cost if purchased or constructed. Construction-in-progress is recorded as costs are incurred during construction. Donated capital assets are recorded at estimated fair market value at the date of donation.

Capital assets of the College are depreciated using the straight-line method over the following estimated useful lives:

Buildings	50 years
Building improvements	50 years
Land improvements	20 years
Infrastructure	20 years
Equipment, furniture and furnishings machinery, vehicles and capitalized software	4-20 years

Deferred Outflows and Deferred Inflows of Resources

Deferred outflows of resources are defined as a consumption of net assets that is applicable to a future reporting period. Deferred inflows of resources are defined as an acquisition of net assets that is applicable to a future reporting period. Changes in net pension liability not included in pension expense are reported as deferred outflows of resources or deferred inflows of resources.

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

Revenue Recognition and Unearned Revenue

Student tuition and fees 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 periods earned. Student tuition and fees collected before year end for courses that are held subsequent to year end are recorded as unearned student tuition and fees in the accompanying statements of net position.

Grants and contracts revenue is comprised mainly of revenues received from grants from the State of New Jersey, the Federal government and the County of Bergen are recognized as the related expenses are incurred. Amounts received from grants which have not yet been earned under the terms of the agreement are recorded as unearned grant revenue in the accompanying statements of net position.

Revenue from federal, state and county appropriations is recognized in the fiscal years during which the United States, State of New Jersey and the County of Bergen appropriate the funds to the College.

Scholarship Allowance

Student tuition and fees and residence life revenues are reported net of scholarship allowances in the statement of revenues, expenses and changes in net position.

Scholarship allowances are the difference between the stated charge for tuition and services provided by the College and the amount that is paid to students and/or third parties making payments on students' behalf. To the extent that revenues from such programs are used to satisfy tuition and fees and other student services, the College has recorded a scholarship allowance.

Classification of Revenue and Expense

For the purpose of the statements of revenues, expenses, and changes in net position, the College's policy is to define operating activities as those that serve the College's principal purpose and generally result from exchange transactions, such as the payment received for services or the payment made for the purchase of goods and services. Examples include, student tuition and fees, and residence life, net of scholarship allowances; sales and services of auxiliary enterprises; and most Federal, State, local and other grants and contracts. Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as operating and capital appropriations from the State, Pell grants, and net investment income and gifts and non-exchange grants.

Interest expense is reported as a nonoperating activity.

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

Financial Dependency

Significant sources of revenue include appropriations from the State of New Jersey and the County of Bergen. The College is economically dependent on these appropriations to carry on its operations.

County of Bergen Capital Support

The County of Bergen is responsible for the issuance of certain bonds and notes for the College's capital expenditures which are authorized by county bond ordinances. The County of Bergen is also responsible for the payment of interest on issued debt and the retirement of such obligations. Accordingly, such debt is not included in the accompanying statement of net position. Unexpended money in the current year is available for capital expenditures in subsequent years.

Bergen County Improvement Authority

The Bergen County Improvement Authority ("Authority") is responsible for the issuance of certain lease revenue bonds and notes for the College's capital expenditures which are financed by revenues which include rental payments made by the College pursuant to lease agreements between the Authority and the College. The Bergen County Improvement Authority is responsible for the payment of interest on issued debt and the retirement of such obligations solely from the revenues associated with such bonds. The obligation of the College to pay rent under the lease is a direct obligation of the College and is recorded as long-term debt in the accompanying statements of net position.

Income Taxes

The College is exempt from Federal income taxes under Internal Revenue Code Section 115(1). The Foundation is exempt from Federal income taxes under the Internal Revenue Code Section 501(c)(3) and, therefore, has made no provision for Federal income taxes. The Foundation is subject to the accounting standard for uncertain tax positions and has determined that no liabilities are required to be recorded for uncertain tax positions. The Foundation is no longer subject to Federal tax examinations for its Federal Form 990 and for the State of New Jersey Form CRI-300R for years prior to June 30, 2019.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is June 29, 2023.

3. Cash and Cash Equivalents and Investments

Deposits

As of June 30, 2022 and 2021, the College's carrying amount of deposits was $37,342,005 and $31,874,530, respectively, and the bank balance was $27,459,530 and $29,628,799, respectively.

GASB Statement No. 40 requires that the College disclose whether its deposits are exposed to custodial credit risk (risk that in the event of failure of the counterparty, the College would not be able to recover the value of its deposit or investment). Deposits are considered to be exposed to custodial credit risk if they are: uncollateralized (securities are not pledged to the depositor), collateralized with the securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the name of the College.

Of the above amounts, $250,000 of the total deposits was insured by the Federal Deposit Insurance Corporation (the FDIC) as of June 30, 2022 and 2021, respectively, and the remainder was covered by a collateral pool maintained by the bank as required by New Jersey statutes in accordance with the New Jersey Government Unit Deposit Protection Act.

Credit Risk and Custodial Credit Risk

The College does not have a policy for either credit risk or custodial credit risk. However, it is the College's policy only to invest with banks that are approved by the Board of Trustees and insured by FDIC and covered by the New Jersey Government Unit Deposit Protection Act (GUDPA).

New Jersey statutes permit the deposit of public funds into the State of New Jersey Cash Management Fund or into institutions located in New Jersey that are insured by the FDIC or by any other agencies of the United States that insure deposits. New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

(a) The market value of the collateral must equal 5% of the average daily balance of public funds, or

(b) If the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than $25,000,000.

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

Investments

The College's investment policy is to invest in certificates of deposit with maturities of less than one year as approved by the Board of Trustees. As of June 30, 2022 and 2021, unrestricted certificates of deposit were $54,419,833 and $57,885,481, respectively, with interest rates ranging from 0.25% to 2.16%, and restricted certificates of deposit were $4,341,483 and $4,330,171, respectively, with interest rates ranging from 1.35% to 2.55%. Of the above amounts, $250,000 of the certificates of deposit were insured by the FDIC at June 30, 2022 and 2021, respectively, and the remainder was covered by collateral pool maintained by the bank as required by New Jersey statutes in accordance with the New Jersey Government Unit Deposit Protection Act.

Interest Rate Risk

The College does not have a policy to limit interest rate risk. Investments consist of certificates of deposit with original maturities of greater than three months and less than one year.

4. Capital Assets

Capital assets activity for the years ended June 30, 2022 and 2021 is comprised of the following:

	Year Ended June 30, 2022			
	Beginning Balance	Acquisition and Other Increases	Dispositions and Other Decreases	Ending Balances
DEPRECIABLE ASSETS				
Land improvements	$ 4,420,602	$ 1,390,230	$ -	$ 5,810,832
Buildings	112,639,761	-	-	112,639,761
Building improvements	77,181,023	3,986,135	-	81,167,158
Furniture & furnishings	1,702,979	429,329	-	2,132,308
Equipment	32,827,952	1,693,527	24,391	34,497,088
Vehicles	1,057,179	55,096	-	1,112,275
Machinery	123,246	-	-	123,246
Infrastructure	7,976,635	-	-	7,976,635
Capitalized software	3,217,680	64,575	-	3,282,255
Equipment leasing fund assets	2,309,837	-	-	2,309,837
Total Depreciable Assets	$ 243,456,894	$ 7,618,892	$ 24,391	$ 251,051,395

5. Capital Assets *(continued)*

	Year Ended June 30, 2022			
	Beginning Balance	Acquisition and Other Increases	Dispositions and Other Decreases	Ending Balances
ACCUMULATED DEPRECIATION				
Land improvements	$ 2,531,988	$ 87,303	$ -	$ 2,619,291
Buildings	49,850,834	1,632,598	-	51,483,432
Building improvements	37,576,226	2,532,338	-	40,108,564
Furniture & furnishings	1,241,246	209,648	-	1,450,894
Equipment	25,507,900	2,932,322	24,391	28,415,831
Vehicles	905,564	41,588	-	947,152
Machinery	41,304	4,173		45,477
Infrastructure	4,913,970	139,510	-	5,053,480
Capitalized software	2,671,868	238,230	-	2,910,098
Equipment leasing fund assets	2,305,762	-	-	2,305,762
Total Depreciation	127,546,662	7,817,710	24,391	135,339,981
DEPRECIABLE ASSETS, NET	115,910,232	(198,818)	-	115,711,414
NONDEPRECIABLE ASSETS				
Land	3,113,469	-	-	3,113,469
Construction in progress	9,010,440	971,835	145,040	9,837,235
Total Nondepreciable Assets	12,123,909	971,835	145,040	12,950,704
End of year	$ 128,034,141	$ 773,017	$ 145,040	$ 128,662,118

	Year Ended June 30, 2021			
	Beginning Balance	Acquisition and Other Increases	Dispositions and Other Decreases	Ending Balances
DEPRECIABLE ASSETS				
Land improvements	$ 3,030,372	$ 1,390,230	$ -	$ 4,420,602
Buildings	112,639,761	-	-	112,639,761
Building improvements	76,013,500	1,167,523	-	77,181,023
Furniture & furnishings	1,653,835	49,144	-	1,702,979
Equipment	30,567,340	2,263,944	3,332	32,827,952
Vehicles	1,057,179	-	-	1,057,179
Machinery	123,246	-	-	123,246
Infrastructure	7,702,531	274,104	-	7,976,635
Capitalized software	2,973,352	244,328	-	3,217,680
Equipment leasing fund assets	2,310,604	-	767	2,309,837
Total Depreciable Assets	$ 238,071,720	$ 5,389,273	$ 4,099	$ 243,456,894

4. Capital Assets *(continued)*

	Year Ended June 30, 2021			
	Beginning Balance	Acquisition and Other Increases	Dispositions and Other Decreases	Ending Balances
ACCUMULATED DEPRECIATION				
Land improvements	$ 2,494,495	$ 37,493	$ -	$ 2,531,988
Buildings	48,218,236	1,632,598	-	49,850,834
Building improvements	35,097,085	2,479,141	-	37,576,226
Furniture & furnishings	1,056,305	184,941	-	1,241,246
Equipment	22,485,106	3,026,126	3,332	25,507,900
Vehicles	854,701	50,863	-	905,564
Machinery	37,131	4,173	-	41,304
Infrastructure	4,783,342	130,628	-	4,913,970
Capitalized software	2,478,876	192,992	-	2,671,868
Equipment leasing fund assets	2,306,529	-	767	2,305,762
Total Depreciation	119,811,806	7,738,955	4,099	127,546,662
DEPRECIABLE ASSETS, NET	118,259,914	(2,349,682)	-	115,910,232
NONDEPRECIABLE ASSETS				
Land	3,113,469	-	-	3,113,469
Construction in progress	7,166,882	2,140,401	296,843	9,010,440
Total Nondepreciable Assets	10,280,351	2,140,401	296,843	12,123,909
End of year	$ 128,540,265	$ (209,281)	$ 296,843	$ 128,034,141

Estimated costs to complete the projects classified as construction in progress as of June 30, 2022 and 2021 were $971,835 and $2,140,401, respectively. The projects are expected to be funded primarily from County Capital, New Jersey Chapter 12, and College funds. Depreciation expense for the years ended June 30, 2022 and 2021 was $7,817,710 and $7,738,955, respectively.

5. Summary of Changes in Noncurrent Liabilities

The following tables summarize the changes in noncurrent liabilities during the years ended June 30, 2022 and 2021:

Year Ended June 30, 2022	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Long-term debt	$ 14,944,840	$ -	$ 621,283	$ 14,323,557	$ 565,000
Net pension liability	42,399,396	-	13,184,782	29,214,614	-
Deposits held in custody for others	252,415	-	252,415	-	-
Compensated absences	8,122,567	-	1,596,954	6,525,613	3,493,647
	$ 65,719,218	$ -	$ 15,655,434	$ 50,063,784	$ 4,058,647

Year Ended June 30, 2021	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Long-term debt	$ 15,542,691	$ -	$ 597,851	$ 14,944,840	$ 611,505
Net pension liability	48,666,341	-	6,266,945	42,399,396	-
Deposits held in custody for others	252,415	-	-	252,415	-
Compensated absences	7,774,442	1,114,245	766,120	8,122,567	3,572,589
	$ 72,235,889	$ 1,114,245	$ 7,630,916	$ 65,719,218	$ 4,184,094

6. Long-Term Debt

On March 16, 2010, the Bergen County Improvement Authority (the “Authority”) issued $20,555,000 of Bergen County Secured Lease Revenue Bonds, Series 2010 (Bergen Community College Building Project), consisting of $5,335,000 County Secured Lease Revenue Bonds, Series 2010A and $15,220,000 County Secured Lease Revenue Bonds, Series 2010B. Both series are guaranteed by the County of Bergen. Series 2010B are federally taxable and are Build America Bonds. Build America Bonds entitle the Authority to receive a cash subsidy from the United States Treasury equal to 35% of the interest payable. The bonds were issued to provide funds to the Authority for various improvements to the facilities at The Bergen Community College (the College), including the acquisition, reconstruction, alteration and renovation of a 118,000 square foot building in the Township of Lyndhurst, New Jersey to be used as satellite campus for the College and for financing other capital projects of the College and for the payment of certain costs of issuance of the Bonds.

Concurrent with the bond issuance the Authority entered into a Lease Agreement with the College for the lease and purchase of the facilities described above. The lease terminates when all of the 2010A and 2010B bonds are no longer outstanding. Under the terms of the lease, the College is required to make annual rental payments to the Authority sufficient to pay debt service on the 2010 bonds and other expenses of the Authority.

6. Long-Term Debt

The Bonds are special obligations of the Authority payable solely by certain revenues of the Authority, including the rental payments to be made by the College to the Authority pursuant to a Lease Agreement by and between the Authority and the College, dated March 1, 2010. The obligation of the College to pay Rentals under the Lease is the direct obligation of the College.

The principal on the bonds is payable on June 1 of each year and interest is payable semiannually on June 1 and December 1 in each year commencing November 1, 2016.

On January 1, 2016, the Board of Trustees of the College and the New Jersey Educational Facilities Authority (the "Authority") have entered into an agreement whereby the College is given funds to pay the costs of acquiring and installing higher education equipment and the College agrees to make lease payments equal to the related debt and interest payments of the underlying revenue bonds issued by the Authority. The College has pledged all net revenues generated.

The principal on the bonds is payable on May 1 of each year and interest is payable semiannually on May 1 and November 1 in each year commencing November 1, 2016.

The following principal payments due the Authority were outstanding at June 30, 2022 and 2021:

	Interest Rate	2022	2021
Bergen County Improvement Authority Revenue Bonds:			
Series 2010 B, due serially to 2040	5.66% to 5.76%	$ 14,150,000	$ 14,695,000
NJ Educational Facilities Authority Revenue Bonds:			
2014 Higher Education Equipment Leasing Fund Program 004-03	1.75% to 3.50%	-	66,505
		14,150,000	14,761,505
Plus: Bond premiums		173,557	183,335
		14,323,557	14,944,840
Less: current portion		565,000	611,505
Total long-term debt, non-current portion		$ 13,758,557	$ 14,333,335

6. Long-Term Debt *(continued)*

Payments due on long-term debt for the next five years and thereafter are as follows as of June 30, 2022:

	Principal	Interest
Year ending June 30:		
2023	$ 565,000	$ 768,368
2024	585,000	735,280
2025	610,000	700,778
2026	630,000	665,146
2027	655,000	628,099
2028-2032	3,655,000	2,550,704
2033-2037	4,395,000	1,403,888
2038-2040	3,055,000	240,889
	$ 14,150,000	$ 7,693,152

7. Retirement Plans

The College participates in two major retirement plans for its employees – the State of New Jersey Public Employees' Retirement System ("PERS") and the Alternate Benefit Program ("ABP"). PERS is a cost-sharing, multiple-employer defined benefit plan administered by the State of New Jersey ("State"), Division of Pensions and Benefits (the "Division"). For additional information about PERS, please refer to Division's Annual Comprehensive Financial Report ("ACFR"), which can be found at https://www.state.nj.us/treasury/pensions/annual-reports.shtml. ABP is a defined contribution program and administered by a separate board of trustees. Generally, all employees, except certain part-time employees, participate in one of these plans.

PERS was established under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement healthcare, to substantially all full-time employees of the State of New Jersey or public agencies, provided the employee is not a member of another retirement system administered by the State of New Jersey.

In addition to the two plans referred to above, certain faculty members of the College participate in Teachers' Pension Annuity Fund ("TPAF"), which is a State of New Jersey cost-sharing, multiple employer defined benefit pension plan with special-funding situation by which the State is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive ("ERI") contributions. TPAF is administered by the State Division and established under the provisions of N.J.S.A. 18A:66 to provide coverage, including post-retirement healthcare, to substantially all full-time public school employees in the State. The plan's eligibility requirements are similar to PERS' requirement. PERS replaced this plan for all new employees and members of TPAF were able to transfer to PERS. For additional information about TPAF, please refer to Division's Annual Comprehensive Financial Report (ACFR), which can be found at https://www.state.nj.us/treasury/pensions/annual-reports.shtml.

7. Retirement Plans

Public Employees' Retirement System

Plan Description

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

Tier	Definition
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 22, 2010
4	Members who were eligible to enroll on or after May 22, 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 1/60th 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 years or more 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.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021 measurement date, the State's pension contribution was less than the actuarial determined amount.

PERS members are required to contribute 7.50% for the years ended June 30, 2022 and 2021, respectively, of their annual covered salary and the College is required to contribute at an actuarially determined rate. The contribution requirements of the plan members and the College are established and may be amended by the State of New Jersey.

7. Retirement Plans *(continued)*

Public Employees' Retirement System (continued)

Employer contributions to the PERS include the College's normal contribution plus any accrued liability, which ensures adequate funding for future pension system liability. The College's contribution, equal to the required contribution for each fiscal year, was as follows:

Fiscal Year	Normal Contribution	Accrued Liability	Total Liability	Funded by State	Paid by College
2022	$ 482,826	$ 2,405,260	$ 2,888,086	$ -	$ 2,888,086
2021	462,193	2,382,092	2,844,285	-	2,844,285

Net Pension Liability, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

Net pension liability, pension expense, deferred outflows of resources, and deferred inflows of resources amounts recorded to reflect the provisions of GASB 68 are reflective of the respective plan's published financial statements and actuarial valuations as of June 30, 2021 ("Measurement Date").

The College's respective net pension liability, deferred outflows of resources, deferred inflows of resources, and net pension expense related to PERS at and for the fiscal year ended June 30, 2022 and 2021, are as follows:

	2022	2021
Proportionate share of the net pension liability ($)		
2021	$ 29,214,614	$ -
2020	42,399,396	42,399,396
2019	-	48,666,341
Proportionate share of the net pension liability (%)		
2021	0.244%	-
2020	0.258%	0.258%
2019	-	0.268%
Deferred outflows of resources	3,451,358	6,689,233
Deferred inflows of resources	23,614,738	22,331,276
Pension expense (benefit)	(8,713,074)	473,727

The College's proportionate share of each respective plan's net pension liability was based on the State contribution to the respective plans from July 1, 2020 to June 30, 2021 relative to the total contributions from all participating employers.

7. Retirement Plans *(continued)*

Public Employees' Retirement System (continued)

Net Pension Liability, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (continued)

The components of pension related deferred outflows of resources and deferred inflows of resources as of the Measurement Date for the fiscal year ended June 30, 2022 and 2021, are as follows:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 460,752	$ 209,142	$ 772,023	$ 149,943
Changes in assumptions	152,149	10,400,592	1,375,484	17,753,029
Net differences between projected and actual earnings on pension plan investments	-	7,695,897	1,449,245	-
Changes in proportion	-	5,309,107	204,395	4,428,304
College contributions subsequent to the measurement date	2,838,457	-	2,888,086	-
	$ 3,451,358	$ 23,614,738	$ 6,689,233	$ 22,331,276

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ended June 30,	
2023	$ (8,961,884)
2024	(6,398,766)
2025	(4,362,873)
2026	(3,279,579)
2027	1,265
	$ (23,001,837)

7. Retirement Plans *(continued)*

Public Employees' Retirement System (continued)

Net Pension Liability, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (continued)

Collective balances for the local education group at June 30, 2021 and 2020 are as follows:

	2021	2020
Deferred outflows of resources	$ 248,531,007	$ 1,383,360,202
Deferred inflows of resources	$ 7,422,916,600	$ 6,885,726,332
Net Pension Liability	$ 11,972,782,878	$ 16,435,616,426
Collective pension expense (benefit)	$ (1,599,674,464)	$ 407,705,399

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) was determined using the following recognition periods:

Measurement Date Ending June 30,	Expected Remaining Service Lives (Yrs.)
2021	5.13
2020	5.16
2019	5.21
2018	5.63
2017	5.48
2016	5.57
2015	5.72
2014	6.44

7. Retirement Plans *(continued)*

Public Employees' Retirement System (continued)

Net Pension Liability, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (continued)

Actuarial Assumptions

The College's net pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The College's net pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The actuarial valuation used the following actuarial assumptions for the June 30, 2021 and 2020 measurement date:

	2022	2021
Inflation rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary increases:		
Through 2026	2.00 - 6.00% Based on years of service	2.00 - 6.00% Based on years of service
Thereafter	3.00 - 7.00% Based on years of service	3.00 - 7.00% Based on years of service
Investment rate of return	7.00%	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the periods July 1, 2014 to June 30, 2018 for PERS.

7. Retirement Plans *(continued)*

Public Employees' Retirement System (continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021 and 2020 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the plan's actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates 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 percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 and 2020 are summarized in the following table:

	2021		2020	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	3.35%	3.00%	3.40%
Cash Equivalents	4.00%	0.50%	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%	5.00%	1.94%
Investment Grade Credit	8.00%	1.68%	8.00%	2.67%
High Yield	2.00%	3.75%	2.00%	5.95%
Private Credit	8.00%	7.60%	8.00%	7.59%
Real Assets	3.00%	7.40%	3.00%	9.73%
Real Estate	8.00%	9.15%	8.00%	9.56%
U.S. Equity	27.00%	8.09%	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.71%	13.50%	8.57%
Emerging Market Equity	5.50%	10.96%	5.50%	10.23%
Private Equity	13.00%	11.30%	13.00%	11.42%

7. Retirement Plans *(continued)*

Public Employees' Retirement System (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021 and 2020, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members will be made at the current member contribution rates and that contributions from the employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term rate on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the College's proportionate share of the collective net pension liability of the plans as of June 30, 2021 and 2020 calculated using the discount rate as disclosed above, as well as what the College's proportionate share of the collective net pension 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 rate:

	2021		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
College's proportionate share of the net pension liability	$ 39,784,380	$ 29,214,614	$ 20,244,670

	2020		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
College's proportionate share of the net pension liability	$ 53,373,766	$ 42,399,396	$ 33,087,343

7. Retirement Plans *(continued)*

Teachers' Pension and Annuity Fund

Plan Description

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

Tier	Definition
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 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of $1/55^{th}$ 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 $1/60^{th}$ 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 years or more of service credit before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. 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.

Contributions

The contribution policy for TPAF is set by N.J.S.A 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization on the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

Allocated employer contributions provided by the State and recognized by the plan from the College totaled $42,145 and $32,655 for the years ending June 30, 2022 and 2021.

7. Retirement Plans *(continued)*

Teachers' Pension and Annuity Fund (continued)

Net Pension Liability

At June 30, 2022 and 2021, the State's proportionate share of the TPAF net pension liability associated with the College was $691,393 and $948,928, respectively. The College's proportionate share was $0.

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The June 30, 2021 and 2020 actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement:

	2021	2020
Inflation rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary increases:		
Through 2026	1.55 - 4.45% Based on years of service	1.55 - 4.45% Based on years of service
Thereafter	2.75% - 5.65% Based on years of service	2.75% - 5.65% Based on years of service
Investment rate of return	7.00%	7.00%

For the July 1, 2020 and 2019 valuations, pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021 (June 30, 2021 measurement date) and Scale MP-2020 (June 30, 2020 measurement date).

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018. The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

7. Retirement Plans *(continued)*

Teachers' Pension and Annuity Fund (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 5.40% as of June 30, 2021 and 2020 measurement date, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% and 78% of the actuarily determined contributions for the State as of June 30, 2021 and 2020. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the College as of June 30, 2021 and 2020, calculating using the discount rate as disclosed above as well as what the College's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	2021		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Net Pension Liability	$ 56,988,413,045	$ 48,165,991,182	$ 40,755,711,186
Allocation Percentage	0.0014381500%	0.0014381500%	0.0014381500%
State's Proportionate Share of the TPAF Net Pension Liability Associated with the College	$ 819,579	$ 691,393	$ 586,128

	2020		
	At 1% Decrease (4.40%)	At Current Discount Rate (5.40%)	At 1% Increase (6.40%)
Net Pension Liability	$ 77,517,093,055	$ 65,993,498,688	$ 56,425,087,777
Allocation Percentage	0.0014410707%	0.0014410707%	0.0014410707%
State's Proportionate Share of the TPAF Net Pension Liability Associated with the College	$ 1,117,076	$ 948,928	$ 813,125

7. Retirement Plans *(continued)*

Teachers' Pension and Annuity Fund (continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021 and 2020 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates 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 percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 and 2020 measurement date are summarized in the following table:

	2021		2020	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	3.35%	3.00%	3.40%
Cash Equivalents	4.00%	0.50%	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%	5.00%	1.94%
Investment Grade Credit	8.00%	1.68%	8.00%	2.67%
High Yield	2.00%	3.75%	2.00%	5.95%
Private Credit	8.00%	7.60%	8.00%	7.59%
Real Assets	3.00%	7.40%	3.00%	9.73%
Real Estate	8.00%	9.15%	8.00%	9.56%
U.S. Equity	27.00%	8.09%	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.71%	13.50%	8.57%
Emerging Markets Equity	5.50%	10.96%	5.50%	10.23%
Private Equity	13.00%	11.30%	13.00%	11.42%

7. Retirement Plans *(continued)*

Teachers' Pension and Annuity Fund (continued)

Components of Net Pension Liability

The components of the net pension liability of the participating employers for TPAF as of June 30, 2021 and 2020 measurement date are as follows:

	2021	2020
	State	State
Total pension liability	$ 74,699,133,697	$ 87,522,678,686
Plan fiduciary net position	26,533,142,515	21,529,179,998
Net Pension Liability	$ 48,165,991,182	$ 65,993,498,688
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	35.52%	24.60%
	College	College
Net pension liability	$ 48,165,991,182	$ 65,993,498,688
Allocation percentage	0.0014381500%	0.0014410707%
State's Proportionate Share of the TPAF Net Pension Liability Associated with the College	$ 691,393	$ 948,928

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the College. The College's portion of the non-employer contributing entities' total proportionate share of the net pension liability was $691,393 as of June 30, 2022 and $948,928 as of June 30, 2021. The College records their proportionate share of the pension expense as a revenue and expense in the accompanying Statements of Revenues, Expenses, and Changes in Net Position. The amount was $16,269 in 2022 and $59,008 in 2021.

7. Retirement Plans *(continued)*

Alternative Benefit Program (APB) Information

ABP provides the choice of seven investment carriers, all of which are privately operated, defined contribution retirement plans. These carriers are Teachers' Insurance and Annuity Association (TIAA), VOYA, Metropolitan Life Insurance (MetLife), AIG VALIC, Mass Mutual, AXA Equitable and Prudential. The College assumes no liability for ABP members other than payment of contributions. ABP provides retirement and death benefits for, or on behalf of, those 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 accumulations and the retirement income option selected. Employee contributions immediately vest and employer contributions 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% of salary, up to the maximum Federal statutory limit, on a pre-tax basis. Employer contributions are 8% of participating employee base salary. During the years ended June 30, 2022 and 2021, ABP investment carriers received employer and employee contributions that were approximately as follows:

	2022	2021
Employer contributions	$ 3,254,944	$ 3,336,037
Employee contributions	2,032,404	2,084,849
Basis for contributions -		
Participating employee salaries	40,648,083	41,696,982

Employer contributions to ABP are paid by the State of New Jersey and are reflected in the accompanying financial statements as nonoperating revenue as State Appropriations and as expenses in various functional expense categories. The maximum compensation to be considered for employer contributions is $175,000 per New Jersey state law Chapter 31, P.L. 2018. This law was effective as of July 1, 2018.

8. Post-Retirement Benefits

Plan Description

The College participates in the New Jersey State Health Benefits Program (the "SHBP"), a multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP provides medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295.

8. Post-Retirement Benefits *(continued)*

Funding Policy

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

As the employer contributions for local government education employers are legally required to be funded by the State, this constitutes a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity.

The State is also responsible for the cost attributable P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (APB) who retired from a board of education or county college with 25 years of service.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

The State provides OPEB benefits through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

The following members were covered by the benefit terms:

Local Education	June 30, 2021	June 30, 2020
Active Plan Members	213,901	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	150,427	149,304
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-	-
Total Plan Members	364,328	366,108

8. Post-Retirement Benefits *(continued)*

Total Nonemployer OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The College's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the College did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. The State's proportionate share of the net OPEB liability associated with the College as of June 30, 2022 and 2021 was $145,016,437 and $171,589,283, or 0.24% and 0.25%, respectively. Additional information can be obtained from the State of New Jersey's annual comprehensive financial report.

The total nonemployer OPEB liability associated with the College at June 30, 2022 and 2021 were determined by an actuarial valuation as of June 30, 2020 which was rolled forward to the measurement date of June 30, 2021 and June 30, 2019, which was rolled forward to the measurement date of June 30, 2020, respectively. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in.

Actuarial Assumptions and Other Inputs

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	2021		2020	
Inflation rate	2.50%		2.50%	
	TPAF/ABP	**PERS**	**TPAF/ABP**	**PERS**
Salary increases:				
Through 2026	1.55 - 4.45% based on service years	2.00 - 6.00% based on service years	1.55 - 4.45% based on years of service	2.00 - 6.00% based on years of service
Thereafter	2.75 - 5.65% based on service years	3.00 - 7.00% based on service years	1.55 - 4.45% based on years of service	3.00 - 7.00% based on years of service

8. Post-Retirement Benefits *(continued)*

Actuarial Assumptions and Other Inputs (continued)

The June 30, 2020 valuation used pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS) and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections 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 projections from the central year using scale MP-2021. Future disability mortality was based on the Pub-2010 “Teachers” (TPAF/ABP), “General” (PERS) and “Safety” (PFRS) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2021. Current disabled retirees mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The June 30, 2019 valuation used pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS) and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using scale MP-2020. Disability mortality was based on the Pub-2010 “Teachers” (TPAF/ABP), “General” (PERS) and “Safety” (PFRS) headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2020.

Certain actuarial assumptions used in the June 30, 2020 and 2019 valuation were based on the results of actuarial experience studies of the State of New Jersey’s defined benefit plans, including PERS (July 1, 2014 through June 30, 2018), ABP (using the experience of the Teacher’s Pension and Annuity Fund – July 1, 2015 through June 30, 2018), and PFRS July 1, 2013 through June 30, 2018).

Healthcare Trend Assumptions

For pre-Medicare medical benefits in the June 30, 2021 valuation, the trend is initially 5.65% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO, the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.5% after 11 years. For HMO, the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and deceases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long-term trend rate after seven years. For Medicare Part B reimbursement, the trend rate is 5.0%.

For pre-Medicare medical benefits in the June 30, 2020 valuation, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to a 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For Medicare Part B reimbursement, the trend rate is 5.0%.

8. Post-Retirement Benefits *(continued)*

Discount Rate

The discount rate for June 30, 2021 and 2020 was 2.16% and 2.21%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is 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 is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Trends

The following represents sensitivity of the State's proportionate share of the net OPEB liability associated with the College to changes in the discount rate as disclosed above as well as what the liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	2021		
	At 1% Decrease (1.16%)	At Current Discount Rate (2.16%)	At 1% Increase (3.16%)
Net OPEB Liability (Allocable to the College and the responsibility of the State)	$ 172,511,389	$ 145,016,437	$ 121,581,814

	2020		
	At 1% Decrease (1.21%)	At Current Discount Rate (2.21%)	At 1% Increase (3.21%)
Net OPEB Liability (Allocable to the College and the responsibility of the State)	$ 204,371,025	$ 171,589,283	$ 142,278,598

The following presents the State's proportionate share of the net OPEB liability associated with the College calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	2021		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability (Allocable to the College and the responsibility of the State)	$ 116,583,332	$ 145,016,437	$ 180,861,580

	2020		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability (Allocable to the College and the responsibility of the State)	$ 136,846,221	$ 171,589,283	$ 208,437,957

8. Post-Retirement Benefits *(continued)*

Changes in the Total Nonemployer OPEB Liability

The following represents the change in the State's proportionate share of the OPEB liability associated with the College:

	2021		2020	
Balance at beginning of year		$ 171,589,283		$ 103,911,513
Increased by:				
Service cost	$ 8,419,908		$ 4,853,258	
Interest cost	3,761,879		3,756,511	
Member contributions	96,173		90,543	
		12,277,960		8,700,312
		183,867,243		112,611,825
Decreased by:				
Differences between expected and actual experiences	35,876,217		(30,621,220)	
Changes of assumptions	11,282		(31,343,466)	
Gross benefit payments	2,963,307		2,987,228	
		38,850,806		(58,977,458)
Balance at end of year		$ 145,016,437		$ 171,589,283

OPEB Expense and Deferred Outflows of resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022 and 2021, the College recognized on-behalf OPEB expense and revenue in the government-wide financial statements of $9,887,696 and $10,592,540 for OPEB expenses incurred by the State.

Collective balances of the Local Education Group at measurement year ending June 30, 2021 and 2020 are as follows:

	2022	2021
Deferred outflows of resources	$ 21,546,947,255	$ 24,023,298,802
Deferred inflows of resources	$ 26,769,148,209	$ 19,101,933,244
Collective OPEB expense	$ 3,527,672,060	$ 3,337,755,596
Collective net OPEB liability	$ 60,007,650,970	$ 67,809,962,608

8. Post-Retirement Benefits *(continued)*

OPEB Expense and Deferred Outflows of resources and Deferred Inflows of Resources Related to OPEB (continued)

For the years ended June 30, 2021 and 2020, the State reported deferred outflows of resources and deferred inflows of resources related to retired college employee's non-employer OPEB liability associated with the College from the following sources:

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 21,860,594	$ 43,522,011	$ 26,051,723	$ 23,205,948
Changes in assumptions	24,600,199	15,558,912	29,186,772	19,579,309
Net difference between projected and actual earnings on OPEB plan investments	-	-	-	-
Changes in proportion	11,992,902	7,128,760	13,953,523	881,333
	$ 58,453,695	$ 66,209,683	$ 69,192,018	$ 43,666,590

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired college employee's non-employer OPEB liability associated with the College will be recognized in OPEB expense as follows:

Year Ended June 30,	
2023	$ (1,755,951)
2024	(1,755,951)
2025	(1,755,951)
2026	(1,755,951)
2027	(1,248,457)
Thereafter	516,273
	$ (7,755,988)

9. Compensated Absences

The College has recorded a liability for compensated absences of $6,525,613 and $8,122,567 as of June 30, 2022 and 2021, respectively, which is included in accounts payable and accrued expenses and non-current liabilities in the accompanying statements of net position. The liability is calculated based upon employees' accrued vacation, sick leave and compensatory time as of the statement of net position date. Vacation, sick leave and compensatory time provisions are documented in the employees' collective bargaining agreements.

10. Contingencies and Commitments

The College receives support from Federal and State of New Jersey grant programs, primarily for student financial assistance. Entitlement to the resources requires compliance with terms of the grant agreements and applicable regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors.

There have been no significant reductions in insurance coverage from the prior year and there have been no settlements in the prior three years that exceeded insurance coverage.

Department of Education Finding

The U.S. Department of Education (DOE) conducted a program review at Bergen Community College (BCC) from April 28, 2014 to May 1, 2014 for academic years 2012/2013 and 2013/2014. The focus of the review was to determine BCC's compliance with specific regulations as they pertain to the Colleges' administration of the Federal student aid programs under Title IV of the Higher Education Act of 1965, as amended, for the 2012-2013 and 2013-2014 award years. The DOE issued its Program Review Report (PRR) on August 23, 2018, for which BCC submitted a response on April 2, 2019. The DOE issued a Final Program Review Determination (FPRD) report on October 25, 2021, which was rescinded, with a revised FPRD issued on November 30, 2021.

Derived from the revised FPRD report were fourteen (14) findings, with ten (10) deemed "Resolved Findings/Findings Without Liabilities". The remaining four (4) findings are identified as "Findings with Established Liabilities", of which two (2) have assessed financial liabilities. The financial liability plus interest for these two findings total $1,019,481 to be paid over a 7-year period of equal installments of $129,993 plus interest with an initial payment on December 1, 2022 of $145,640. The College has not recorded this financial liability in the financial statements as of June 30, 2022.

10. Contingencies and Commitments *(continued)*

Department of Education Finding (continued)

Findings with Established Liabilities:

A. **Improper Awarding of Title IV Funds**: There were three elements identified in this finding, which generated the majority of the financial liability to the College.

   1. **Exceeding Credit Required for Program:**
   Finding - BCC failed to adequately monitor student enrollment. While BCC confirmed that students were adhering to their satisfactory academic progress (SAP) requirements per the College's policy, students were able to take classes not required for their course of study with intervention by BCC, and these students were awarded aid for classes outside their program requirements. BCC agreed that Title IV aid disbursed to several students in this finding were not appropriately decreased as required for courses outside their programs of study.

   2. **Exceeding Remedial Credits:**
   Finding - BCC failed to adequately identify when students had exceeded the allowable remedial credits, which are capped at 30 credits. In the case of one student reviewed, he was over awarded a Pell award. BCC agreed that it awarded and disbursed Title IV funds to a student for 31 remedial credits instead of 30 credits.

   3. **Non-Matriculated Students:**
   Finding - It was not clearly documented if some students at BCC intended to be in the program in which they were enrolled, and thus it was not apparent whether they should have been considered enrolled in an eligible program for the purpose of Title IV eligibility. BCC agreed that one student under review was not enrolled in a Title IV eligible program.

B. **Return of Title IV Errors/Failure to Follow Policy:** Relates to PELL, SEOG and non-compliance in the Direct Loan program (subsidized and unsubsidized).

An institution may disburse Title IV funds to a student or parent for a payment period only if the student is enrolled in classes for that payment period and is eligible to receive the funds. If a student does not begin attending in a payment or enrollment period, the institution must return all Title IV program funds. If a student's enrollment status changes in a payment/enrollment period, the institution must recalculate the student's Title IV award. Findings were as follows:

- BCC has a process for identifying students who never attend classes and such that their aid and charges can be appropriately adjusted. In cases where BCC did not have documentation to demonstrate that its grading policy was properly adhered to, it was deemed an instance of an unmade Return of Title IV.

- Amounts classified by BCC from Return of Title IV calculations for the Spring 2013 term were not always returned within the regulatory 45-day timeframe.

10. Contingencies and Commitments *(continued)*

Department of Education Finding (continued)

Findings with Established Liabilities: *(continued)*

BCC has responded to all the findings, and has taken significant steps to implement corrective actions for full compliance with the standards and regulations set by the Department of Education. Actions taken included securing external expertise to conduct additional independent reviews, hiring a new Associate Vice President of Financial Aid Services, and establishing a Compliance Director to enhance compliance and oversight.

11. Components of Net Position

At June 30, 2022 and 2021, the College's components of net position consisted of the following:

	Net Investment in Capital Assets	Restricted	Unrestricted	Total FY 2022	Total FY 2021
NET INVESTMENT IN CAPITAL ASSETS	$113,369,669	$ -	$ -	$113,369,669	$112,196,691
RESTRICTED FOR:					
Unemployment reserve	-	2,352,875	-	2,352,875	1,710,780
Other reserves	-	-	-	-	230,562
Capital projects	-	36,130,434	-	36,130,434	36,169,459
BOARD-DESIGNATED FOR:					
Renewals and replacements of capital assets	-	-	38,054,672	38,054,672	34,346,998
Reserve for Workmen's Comp	-	-	284,190	284,190	284,190
UNDESIGNATED					
Current funds	-	-	(12,103,659)	(12,103,659)	(27,032,822)
Total per Statements of Net Position	$113,369,669	$38,483,309	$ 26,235,203	$178,088,181	$157,905,858

12. Component Unit – Bergen Community College Foundation

Bergen Community College Foundation (the Foundation) is a legally separate, tax exempt component unit of Bergen Community College. The Foundation acts primarily as a fundraising organization to supplement the resources that are available to the College in support of its programs. The Foundation's board is comprised of community leaders from the public and private sector. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources and income thereon that the Foundation holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by or for the benefit of the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements.

12. Component Unit – Bergen Community College Foundation *(continued)*

The Foundation is a private nonprofit organization that conforms with Statement of Financial Accounting Standards Board Accounting Standards Certification (FASB ASC) Topic 958, *"Financial Statements for Non-for-Profit Organizations".* Thus, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity to account for these differences.

Basis of Presentation

The financial statements of the Foundation have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and the board of directors.

Net Assets with Donor Restrictions - Net assets subject to stipulations imposed by donors, and granters. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values on the Statements of Financial Position. Unrealized gains and losses are included in the changes in net assets without donor restriction for the gains and losses that are unrestricted, and in the changes in net assets with donor restriction for the gains and losses that are restricted for the support of certain programs. Investment fees are netted against the investment income.

12. Component Unit – Bergen Community College Foundation *(continued)*

Fair Value Measurement

U.S. GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements).

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

> ***Level 1*** - Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date;
>
> ***Level 2*** - Inputs other than quoted prices that are observable for the assets or liability either directly or indirectly, including inputs that are not considered to be active;
>
> ***Level 3*** - Inputs that are unobservable.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad criteria data, liquidity statistics, and other factors. An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Foundation. The Foundation considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, provided by multiple, independent sources that are actively involved in the relevant market.

The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the Foundation's perceived risk of that investment.

Investment securities are carried at fair value based on quoted prices in active markets (all level 1 measurements) and consist of the following at June 30:

	2022		2021	
	Cost	Carrying Value	Cost	Carrying Value
Bonds	$2,643,457	$ 2,576,719	$3,030,396	$ 3,066,334
Stocks	5,308,035	8,133,495	5,574,035	9,769,196
	$7,951,492	$ 10,710,214	$8,604,431	$ 12,835,530

12. Component Unit – Bergen Community College Foundation *(continued)*

Endowment

The Foundation's endowments consist of donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor imposed restrictions.

The Board of Directors of the Foundation is responsible for the long-term investment policies for donor restricted endowment funds. No such distribution shall be made that would reduce the value of the endowed historic corpus.

The Foundation interprets Uniform Prudent Management of Institutional Funds Act (UPMIFA) of the State of New Jersey as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Earnings attributable to the donor-restricted endowment funds are classified as net assets with donor restrictions or without donor restrictions in accordance with donor stipulations until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with the Act, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds.

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

The market value of assets associated with the donor restricted endowment funds may fall below the level that the donor requires the Foundation to retain as a fund perpetual duration. Deficiencies of that nature would be reported in unrestricted net assets.

Pledges Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

12. Component Unit – Bergen Community College Foundation *(continued)*

Pledges Receivable (continued)

As of June 30, 2022 and 2021, the Foundation's pledges receivable consisted of unconditional promises to give in the amounts of $79,123 and $10,403, respectively, all of which are expected to be collected within one year.

Revenue

The Foundation recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

In-kind Contributions and Contributed Services

In-kind contributions are reflected as contributions at their fair value at date of donation and are reported as support without donor restrictions unless explicit donor stipulations specify how donated assets must be used. Donated specialized services have been recognized on the accompanying financial statements. These donated services require professional skills, and would typically be purchased if not provided by donation. The Foundation benefited from donated salaries and related benefits, legal services, printing services, facility costs, and materials, which were valued at $407,080 and $403,035 during the years ended June 30, 2022 and 2021, respectively. The Foundation also benefited from donated textbooks for students valued at $32,013 and $17,015 during the years ended June 30, 2022 and 2021, respectively.

Complete financial statements for the Foundation can be obtained from the administrative office at 400 Paramus Road, Paramus, New Jersey 07652.

13. CARES Act Financial Assistance

The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was passed by the United States Congress and signed by the President of the United States on March 27, 2020. Part of the funding package, known as the Higher Education Emergency Relief Fund ("HEERF"), was designated for direct aid to colleges and universities to provide direct financial assistance to students who were impacted by the Coronavirus pandemic and the disruption of campus operations, as well as to support additional costs incurred by the institution resulting from COVID-19. The College was awarded $9,007,574. Secondly, The Higher Education Emergency Relief Fund II ("HEERF II") was authorized by the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 ("CRRSAA"), Public Law 116-260, signed into law on Dec. 27, 2020. In total, the CRRSAA authorizes $81.88 billion in support for education, in addition to the $30.75 billion expeditiously provided last spring through the Coronavirus Aid, Recovery, and Economic Security ("CARES Act"). The college was awarded $17,577,677.

The College was awarded in aggregate $26,585,251 from the HEERF / HEERF II which was split for the benefit of student aid and institutional aid as of June 30, 2021. The student aid funding provided to institutions allowed for emergency financial assistance to students whose lives had been impacted financially by COVID-19. The institutional aid portion provided funding to institutions to cover costs associated with the impacts of COVID-19, including lost revenue.

The Higher Education Emergency Relief Fund III ("HEERF III") was authorized by the American Rescue Plan ("ARP"), Public Law 117-2, signed into law on March 11, 2021, providing $39.6 billion in support to institutions of higher education to serve students and ensure learning continues during the COVID-19 pandemic. The College was awarded $29,362,297 and forecasted to be evenly spent between student aid and institutional aid.

Subsequent to June 30, 2020, additional monies for Federal Coronavirus Relief under the CARES Act and the Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSAA") were awarded to states, which were made available to higher educational institutions subject to state program requirements. For the College, these have included the Governor's Emergency Education Relief Fund ("GEERF") and the Coronavirus Relief Fund ("CRF I" & "CRF II") that are funded through the State. As a result, the College obtained additional State relief funds for the GEERF, CRF I, and CRF II grant categories for $1,124,546, $1,925,709, and $2,604,760, respectively. The funds for the CRF II grant are reserved for direct relief grants to students. The College will reflect the impact of these and any future federal and state coronavirus financial assistance in the period in which they are earned.

The College expects to spend the federal relief assistance awards by the appropriate deadlines in fiscal year 2023. The College has currently drawdown $33,116,524.

* * * * *

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

Bergen Community College
(A Component Unit of the County of Bergen)

Required Supplementary Information (Unaudited)
Schedule of the College's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years *

	2022	2021	2020	2019	2018	2017	2016	2015
Public Employees' Retirement System								
College's proportion of the net pension liability	0.2466096821%	0.2600012008%	0.2700912221%	0.2795840485%	0.2873561677%	0.2950525824%	0.2849969012%	0.3039268359%
College's proportionate share of the net pension liability	$ 29,214,614	$ 42,399,396	$ 48,666,341	$ 55,048,706	$ 66,891,923	$ 87,386,112	$ 63,976,093	$ 56,903,416
College's covered-employee payroll (as of the measurement date)	$ 17,537,728	$ 17,394,725	$ 18,645,838	$ 19,504,831	$ 19,916,489	$ 20,221,358	$ 20,235,765	$ 20,417,421
College's proportionate share of the net pension liability as a percentage of its covered-employee payroll	166.58%	243.75%	261.00%	282.23%	335.86%	432.15%	316.15%	278.70%
Plan fiduciary net position as a percentage of the total pension liability	70.33%	59.49%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%
Teachers' Pension and Annuity Fund								
State's proportion of the net pension liability associated with the College	0.0014381500%	0.0014410707%	0.0014479168%	0.0013971179%	0.0014150702%	0.0014223399%	0.0027595246%	0.0027769103%
State's proportionate share of the net pension liability associated with the College	$ 691,393	$ 948,928	$ 888,600	$ 888,816	$ 954,091	$ 1,118,903	$ 1,744,137	$ 1,484,168
College's covered-employee payroll (as of the measurement date)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%

* Ten year data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions.*

See Notes to Required Supplementary Information

Bergen Community College
(A Component Unit of the County of Bergen)

Required Supplementary Information (Unaudited)
Schedule of the College's Contributions
Public Employees' Retirement System
Last 10 Years *

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 2,888,086	$ 2,844,285	$ 2,364,140	$ 2,789,084	$ 2,687,467	$ 2,621,205	$ 2,450,209	$ 2,505,529
Contributions in relation to the contractually required contribution	$ 2,888,086	$ 2,844,285	$ 2,364,140	$ 2,784,084	$ 2,687,467	$ 2,621,205	$ 2,450,209	$ 2,505,529
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's covered-employee payroll (as of fiscal year end)	$ 17,537,728	$ 17,394,725	$ 18,645,838	$ 19,504,831	$ 19,916,489	$ 20,221,358	$ 20,235,765	$ 20,417,421
Contributions as a percentage of covered-employee payroll	16.47%	16.35%	12.68%	14.27%	13.49%	12.96%	12.11%	12.27%

* Ten year data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions.*

See Notes to Required Supplementary Information

Bergen Community College
(A Component Unit of the County of Bergen)

Required Supplementary Information (Unaudited)
Schedule of the State's Proportionate Share of the OPEB Liability Associated With the College
State Health Benefit Local Education Retired Employees Plan

	Year Ended June 30, 2022		Year Ended June 30, 2021		Year Ended June 30, 2020		Year Ended June 30, 2019	
State's proportion of the OPEB Liability associated with the College		0.24%		0.25%		0.25%		0.23%
College's proportionate share of the OPEB liability		$ -		$ -		$ -		$ -
State's proportionate share of the OPEB liability associated with the College		$ 145,016,437		$ 171,589,283		$ 103,911,513		$ 105,309,653
Total proportionate share of the OPEB liability associated with the College		$ 145,016,437		$ 171,589,283		$ 103,911,513		$ 105,309,653
Balance at beginning of year		$ 171,589,283		$ 103,911,513		$ 105,309,653		$ 123,656,003
Increased by:								
Service cost	$ 8,419,908		$ 4,853,258		$ 4,596,255		$ 7,367,455	
Interest cost	3,761,879		3,756,511		4,194,034		4,642,404	
Member contributions	96,173		90,543		94,554		97,323	
		12,277,960		8,700,312		8,884,843		12,107,182
		183,867,243		112,611,825		114,194,496		135,763,185
Decreased by:								
Differences between expected and actual experiences	$ 35,876,217		$ (30,621,220)		$ 8,642,538		$ 15,552,780	
Changes of assumptions	11,282		(31,343,466)		(1,549,329)		12,084,810	
Gross benefit payments	2,963,307		2,987,228		3,189,774		2,815,942	
		38,850,806		(58,977,458)		10,282,983		30,453,532
Balance at end of year		$ 145,016,437		$ 171,589,283		$ 103,911,513		$ 105,309,653
Covered employee payroll		$ 17,537,728		$ 17,394,725		$ 18,645,838		$ 19,504,831
Total OPEB liability as a percentage of covered employee payroll		826.88%		986.44%		557.29%		539.92%

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

See Notes to Required Supplementary Information

1. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)

Benefit Changes

There were none.

Changes of Assumptions

The mortality improvement scale was updated from MP-2020 as of June 30, 2020 to MP-2021 as of June 30, 2021 based on guidance from the Division of Pensions and Benefits. The discount rate remained 7.00% as of June 30, 2020 and June 30, 2021 measurement dates.

2. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.40% as of June 30, 2020 to 7.00% as of June 30, 2021.

3. NONEMPLOYER OPEB LIABILITY FOR THE STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN

Benefit Changes

Effective April 16, 2019, the State Health Benefits Program Plan Design Committee approved and adopted a new PPO plan design (referred to as the “NJDIRECT Plan” but also includes the “CWA Unity Plan” for retirees affiliated with the CWA) which replaces all current PPO plan offerings for State pre-Medicare future retirees. Any State pre-Medicare retiree who enrolls in the NJDIRECT Plan will be required to contribute a percentage of their retirement allowance instead of a percentage of the cost of health coverage as required under Chapter 78.

Changes of Assumptions

Mortality rate improvement assumptions, trend rate assumptions, repealment of the excise tax and discount rate assumptions have been updated from the June 30, 2020 valuation to be consistent with industry standards. The discount rate changed from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021.

OTHER SUPPLEMENTARY INFORMATION

Bergen Community College
(A Component Unit of the County of Bergen)

Schedule of Expenditures of Federal Awards
June 30, 2022

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Additional Award Identification	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through To Subrecipients	Total Federal Expenditures
Student Financial Assistance Cluster					
U.S. Department of Education					
Direct Awards:					
Federal Pell Grant Program		84.063		$ -	$ 16,531,698
Federal Supplemental Educational Opportunity Grants		84.007		-	749,190
Federal Direct Student Loans		84.268		-	10,453,797
Federal Work-Study Program		84.033		-	261,548
Total Student Financial Assistance Cluster				-	27,996,233
Passed through the State of New Jersey					
Career and Technical Education - Basic Grants to States		84.048		-	323,007
Higher Education Institutional Aid					
STEMatics Grant		84.031C		-	763,260
Title V: 1.2.3 CONNECT Pathway Scholars Program		84.031S		-	206,545
Child Care Access Means Parents in School		84.335A		-	174,339
Total Higher Education Institutional Aid				-	1,144,144
Transition Programs for Students with Intellectual Disabilities into Higher Education					
Phase 3		84.407A	unavailable	-	47,006
Education Stabilization Fund Under The Coronavirus Aid, Relief, and Economic Security Act					
Direct Programs:					
COVID-19 - Higher Education Emergency Relief Fund (HEERF) Student Aid Portion	COVID-19	84.425E		-	8,708,184
COVID-19 - Higher Education Emergency Relief Fund (HEERF) Institutional Portion	COVID-19	84.425F		-	8,429,904
COVID-19 - Higher Education Emergency Relief Fund (HEERF) Minority Serving Institutions	COVID-19	84.425L		-	231,862
				-	17,369,950
Pass-through from the State of New Jersey, Department of Education					
COVID-19 - Governor's Emergency Education Relief Fund (GEERF):					
Opportunity Meets Innovation Challenge Grant	COVID-19	84.425C	unavailable	-	69,933
Total Education Stabilization Fund Under The Coronavirus Aid, Relief, and Economic Security Act				-	17,439,883
Total U.S. Department of Education				-	46,950,273
Other Federal Programs					
U.S. Department of the Treasury					
Passed through the State of New Jersey					
COVID-19, Coronavirus Relief Fund for Higher Education (CRF)	COVID-19	21.019		-	4,333
U.S. Department of Labor, Employment and Training Administration					
Direct Program:					
H-1B Job Training Grants		17.268	unavailable	1,475,087	2,219,976
Passed through New Jersey Department of Labor and Workforce Development					
Registered Apprenticeships		17.201	unavailable	-	224,984
Total U.S. Department of Labor, Employment and Training Administration				1,475,087	2,444,960
Total Other Federal Programs				1,475,087	2,449,293
Total Expenditures of Federal Awards				$ 1,475,087	$ 49,399,566

See independent auditors' report and accompanying notes to schedules of expenditures of Federal Awards and State Financial Assistance

Bergen Community College
(A Component Unit of the County of Bergen)

Schedule of Expenditures of State Financial Assistance
Year Ended June 30, 2022

State of New Jersey Grantor/Program or Cluster Title	Grant/Account or Other I.D. Number	Grant Period	Fiscal Year Grant Expenditures	Total Grant Expenditures To Date
Student Financial Assistance Cluster:				
New Jersey Commission of Higher Education:				
Tuition Aid Grant	100-074-2405-007	7/1/21-6/30/22	$ 4,190,609	$ 4,190,609
EOF Article III	100-074-2401-001	7/1/21-6/30/22	196,963	196,963
EOF Article III Summer	100-074-2601-001	7/1/21-6/30/22	68,694	68,694
New Jersey STARS	100-074-2405-313	7/1/21-6/30/22	363,762	363,762
Community College Opportunity Grant	CCOGS	7/1/21-6/30/22	2,232,975	2,232,975
Survivors Tuition Benefits (STB)	CCOGS	7/1/21-6/30/22	2,047	2,047
Total Student Financial Assistance Cluster	100-074-2405-009		7,055,050	7,055,050
Other State of New Jersey Programs:				
New Jersey Commission on Higher Education				
Operational Costs - County Colleges	01-100-082-2155-015	7/1/21-6/30/22	12,541,885	12,541,885
Alternate Benefit Program	01-100-082-2155-017	7/1/21-6/30/22	1,426,038	1,426,038
EOF Title IV	100-074-2401-002	7/1/21-6/30/22	117,841	117,841
New Jersey Department of Education				
Integrated English Literature & Civics Education	ABS-FY16002	7/1/21-6/30/22	343,776	343,776
New Jersey Department of Community Affairs				
Uniform Construction Code	8015-100-022-8015 036-F311-6130	7/1/21-6/30/22	84,118	84,118
New Jersey Council of County Colleges				
College Readiness Now	17-100-074-2400-055	7/1/21-6/30/22	76,760	76,760
New Jersey Department of Treasury				
Community College Opportunity Grant	*unavailable*	7/1/21-6/30/22	280,622	280,622
NJ Hiring and Retention Grant	*unavailable*	7/1/21-6/30/22	5,000	5,000
Higher Education Capital Grant Programs Cluster				
Building Our Future Bond Act	004-01	7/1/21-6/30/22	16,217	12,180,382
Higher Education Equipment Leasing Fund Program	004-03	7/1/21-6/30/22	-	1,977,915
Higher Education Technology Infrastructure Fund Program	004-04	7/1/21-6/30/22	-	961,994
Total Higher Education Capital Grant Programs Cluster			16,217	15,120,291
Total Other State of New Jersey Programs			14,892,257	29,996,331
Total Expenditures of State Financial Assistance			$ 21,947,307	$ 37,051,381

See independent auditors' report and accompanying notes to schedules of expenditures of Federal Awards and State Financial Assistance

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
June 30, 2022

1. Basis of Presentation

The accompanying schedules of expenditures of Federal Awards and State Financial Assistance include the federal and state grant activity of Bergen Community College (the College) and are presented on the accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey Office of Management and Budget Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of the basic financial statements. For the purposes of these schedules, Federal Awards and State Awards include any assistance provided by a Federal and State agency directly or indirectly in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, direct appropriations and other non-cash assistance. Because these schedules present only a selected portion of the activities of the College, it is not intended to, and does not, present the financial position, changes in net position and other changes of the College in conformity with generally accepted accounting principles.

The accounting practices followed by the College in preparing the accompanying schedules are as follows:

Expenditures for direct costs are recognized as incurred using the accrual method of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance. Under those cost principles, certain types of expenditures are not allowable or are limited as to reimbursement.

2. Federal Direct Student Loan Program

Bergen Community College is responsible only for the performance of certain administrative duties with respect to the Federal Direct Student Loan Program. It is not practical to determine the balance of loans outstanding to students of Bergen Community College under this program as of June 30, 2022. During the fiscal year ended June 30, 2022, the College processed $10,453,797 under the Federal Direct Student Loan Program.

3. Indirect Cost Rate

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

4. Alternate Benefit Program

During the year ended June 30, 2022, the State of New Jersey, Department of Treasury made payments on behalf of Bergen Community College to the Alternate Benefit Program of $1,426,038. These benefits are reimbursed by the State of New Jersey for faculty only, all other disbursement for administration, professional and support staff are reflected in the accompanying basic financial statements for the year ended June 30, 2022. The June 30, 2022 benefit reimbursement for faculty is included in the accompanying Schedule of Expenditures of State Financial Assistance.

5. Subrecipients

Of the federal expenditures presented in the Schedule of Federal Awards, the College passed through federal awards to subrecipients for the H-1B Job Training Grants (NJ Healthworks Apprenticeship Grant, Assistance Listing Number 17.268) of $1,475,087 for the year ended June 30, 2022.

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 Auditors' Report

The Board of Trustees
Bergen Community College
Paramus, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component unit of Bergen Community College (the College), a component unit of the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated June 29, 2023. Our report includes a reference to other auditors who audited the financial statements of the Bergen County College Foundation (the Foundation), a discretely presented component unit as described in our report on the College's financial statements. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

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 opinions 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our 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 were not 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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.

PKF O'Connor Davies, LLP

Woodcliff Lake, New Jersey
June 29, 2023

Report on Compliance for Each Major Federal and State Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB Circular Letter 15-08

Independent Auditors' Report

The Board of Trustees
Bergen Community College
Paramus, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Bergen Community College's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and *New Jersey State Aid Grant Compliance Supplement* that could have a direct and material effect on each of Bergen Community College's major federal and state programs for the year ended June 30, 2022. Bergen Community College's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Bergen Community College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State 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; 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 New Jersey OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively. Our responsibilities under those standards, the Uniform Guidance and the New Jersey OMB Circular Letter 15-08 are further described in the Auditors' 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 program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

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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 College's federal and state programs.

Auditors' 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 New Jersey OMB Circular Letter 15-08 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 program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey OMB Circular Letter 15-08, 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 New Jersey OMB Circular Letter 15-08, 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 program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. 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 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 Auditors' Responsibilities for the Audit of Compliance section above 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, 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 New Jersey OMB Circular Letter 15-08. Accordingly, this report is not suitable for any other purpose.

PKF O'Connor Davies, LLP

Woodcliff Lake, New Jersey
June 29 2023

Bergen Community College
(A Component Unit of the County of Bergen)

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Section 1 - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified	
Internal control over financial reporting:		
• Material weakness(es) identified?	____ Yes	X No
• Significant deficiency(ies) identified?	____ Yes	X None reported
Noncompliance material to financial statements noted?	____ Yes	X No

Federal Awards and State Financial Assistance

Internal control over major federal and state programs:		
• Material weakness(es) identified?	____ Yes	X No
• Significant deficiency(ies) identified?	____ Yes	X None reported
Type of auditors' report issued on compliance for major federal and state programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or NJ OMB Circular Letter 15-08?	____ Yes	X No

Identification of major federal programs:

Assistance Listing Number/ State Account Number	Name of Federal Program or Cluster
84.425E	COVID-19 - Higher Education Emergency Relief Fund (HEERF) Student Aid Portion (CARES ACT)
84.425F	COVID-19 - Higher Education Emergency Relief Fund (HEERF) Institutional Portion (CARES ACT)
84.425L	COVID-19 - Higher Education Emergency Relief Fund (HEERF) Minority Serving Institutions (CARES ACT)
84.425C	COVID-19 - Governor's Emergency Education Relief Fund (GEERF) Opportunity Meets Innovation Challenge Grant

Bergen Community College
(A Component Unit of the County of Bergen)

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022
(Continued)

Section 1 – Summary of Auditors' Results *(continued)*

Identification of major state programs:

Assistance Listing Number/ State Account Number	Name of State Program or Cluster
	Student Financial Assistance Cluster:
100-074-2405-007	Tuition Aid Grant
100-074-2401-001	EOF Article III
100-074-2601-001	EOF Article III Summer
100-074-2405-313	New Jersey STARS
CCOGS	Community College Opportunity Grant
100-074-2405-009	Survivors Tuition Benefits (STB)

Dollar threshold used to distinguish between Type A and Type B programs:	$1,481,987 (Federal Awards) $750,000 (State Financial Assistance)
Auditee qualified as low-risk auditee?	__X__Yes ____No

Section 2 – Financial Statement Findings

During our audit, we noted no findings for the year ended June 30, 2022.

Section 3 – Federal Awards and State Financial Assistance Findings and Questioned Costs

During our audit, we noted no instances of non-compliance for the year ended June 30, 2022.

Bergen Community College
(A Component Unit of the County of Bergen)

Summary Schedule of Prior Year Findings
June 30, 2022

There were no findings in the prior year.