

**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, 2025 and 2024

(With Independent Auditors' Reports Thereon)

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

Financial Statements  
June 30, 2025 and 2024

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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, Bergen Community College Foundation, 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, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, 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, 2025 and 2024, 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 the 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.

#### *Emphasis of Matter*

##### *Change in Accounting Principle*

As discussed in Note 10 to the financial statements, the College adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, during the year ended June 30, 2025. As a result, beginning net position as of July 1, 2024 was restated. Our opinion is not modified with respect to this matter.

***Emphasis of Matter (continued)***

*Restatement of Previously Issued Financial Statements*

Also discussed in Note 10 to the financial statements, the June 30, 2024 financial statements have been restated to correct an error related to capital assets whereby certain construction in progress amounts were not transferred out of construction in progress after the related assets were placed in service in prior years. Accordingly, beginning net position as of July 1, 2024 and certain 2024 amounts previously reported have been adjusted. Our opinion is not modified with respect to this matter.

***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.

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.

***Auditors' Responsibilities for the Audit of the Financial Statements (continued)***

- 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 5 through 12 and the required supplementary information on pages 56 through 59 be presented to supplement the basic financial statements. Such information is the responsibility of management and 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 60 through 61 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 March 11, 2026. 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  
March 11, 2026

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

Management's Discussion and Analysis (Unaudited)  
*(Required Supplementary Information)*  
Years Ended June 30, 2025 and 2024

**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, 2025 and 2024, with selected information pertaining to the year ended June 30, 2023. 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.

In accordance with GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, 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 discretely presented 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.

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

Management's Discussion and Analysis (Unaudited)  
*(Required Supplementary Information)*  
Years Ended June 30, 2025 and 2024

**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 may be internally designated for various academic and student programs.

In fiscal year 2025, the College implemented GASB Statement No.101, *Compensated Absences*. As a result of this implementation, the College reviewed and adjusted its methodology for estimating compensated absences liabilities. The cumulative effect of applying this new standard required a restatement of beginning net position as of July 1, 2024. The recalculation of compensated absences liabilities resulted in a decrease of net position of approximately \$2.5 million.

During 2025, the College identified an error in previously issued financial statements related to construction in progress (CIP). Certain capital projects that had been placed into service in prior years were appropriately transferred into depreciable capital assets within the fixed asset system; however, the related amounts remained on a manually maintained CIP rollforward schedule. As a result, construction in progress and total capital assets were overstated in prior periods. The College corrected this error by reducing capital assets and beginning net position as of July 1, 2024 by \$8.4 million. This adjustment did not affect the College's current year operating results. Management has implemented additional procedures to strengthen controls over capital asset reconciliations. Certain fiscal year 2024 comparative amounts have been restated to correct the error related to construction in progress and are more fully described in Note 10.

**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 \$67.7, \$66.3, and \$52.6, for fiscal years ended June 30, 2025, 2024 and 2023, respectively, while the net of non-operating revenues less non-operating expenses shows an excess of revenues over expenses of \$74.0, \$69.6, and \$60.3 for fiscal years ended June 30, 2025, 2024 and 2023, 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)  
*(Required Supplementary Information)*  
Years Ended June 30, 2025 and 2024

**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, 2025, 2024 and 2023:

	Net Position as of June 30,				
	2023	2024	Change from 2023	2025	Change from 2024
<b>CURRENT ASSETS</b>	\$ 113.2	\$ 118.2	\$ 5.0	\$ 126.9	\$ 8.7
<b>NONCURRENT ASSETS</b>					
Capital assets, net of accumulated depreciation	129.7	121.1	(8.6)	118.5	(2.6)
Right-to-use subscription assets, net of accumulated amortization	1.6	2.4	0.8	1.6	(0.8)
Other noncurrent assets	34.4	45.8	11.4	46.8	1.0
Total Assets	<u>278.9</u>	<u>287.5</u>	<u>8.6</u>	<u>293.8</u>	<u>6.3</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension related	4.9	4.9	-	4.5	(0.4)
<b>CURRENT LIABILITIES</b>	21.2	20.5	(0.7)	23.0	2.5
<b>NONCURRENT LIABILITIES</b>					
Long-term debt	13.2	12.5	(0.7)	11.9	(0.6)
Net pension liability	34.0	34.0	-	29.6	(4.4)
Other noncurrent liabilities	3.5	3.6	0.1	2.7	(0.9)
Total Liabilities	<u>71.9</u>	<u>70.6</u>	<u>(1.3)</u>	<u>67.2</u>	<u>(3.4)</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension related	12.0	6.5	(5.5)	6.2	(0.3)
<b>NET POSITION</b>					
Net investment in capital assets	116.1	108.1	(8.0)	106.0	(2.1)
Restricted	40.1	40.6	0.5	41.0	0.4
Unrestricted	43.7	66.6	22.9	77.8	11.2
Total Net Position	<u>\$ 199.9</u>	<u>\$ 215.3</u>	<u>\$ 15.4</u>	<u>\$ 224.8</u>	<u>\$ 9.5</u>

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

**Bergen Community College**  
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Management's Discussion and Analysis (Unaudited)  
*(Required Supplementary Information)*  
Years Ended June 30, 2025 and 2024

**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, expenses and changes in net position for the years ended June 30, 2025, 2024 and 2023 follows:

	Years Ended June 30,				
	2023	2024	Change from 2023	2025	Change from 2024
<b>OPERATING REVENUES</b>					
Tuition and fees and auxiliary enterprises, net of scholarship allowances	\$ 30.3	\$ 31.1	\$ 0.8	\$ 32.3	\$ 1.2
Federal grants and contracts	47.6	17.3	(30.3)	9.9	(7.4)
State, county and private grants	11.5	14.5	3.0	12.6	(1.9)
Other operating revenues	0.5	0.5	-	0.6	0.1
Total	<u>89.9</u>	<u>63.4</u>	<u>(26.5)</u>	<u>55.4</u>	<u>(8.0)</u>
Less operating expenses	<u>142.5</u>	<u>129.7</u>	<u>(12.8)</u>	<u>123.1</u>	<u>(6.6)</u>
Operating Loss	<u>(52.6)</u>	<u>(66.3)</u>	<u>(13.7)</u>	<u>(67.7)</u>	<u>(1.4)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
State appropriations	13.1	15.0	1.9	14.9	(0.1)
County appropriations	23.3	23.8	0.5	24.2	0.4
Pell Grants	18.7	20.7	2.0	26.8	6.1
Investment income/(expenses), net	0.5	4.7	4.2	3.6	(1.1)
Other nonoperating revenues (expenses), net	4.7	5.4	0.7	4.5	(0.9)
Total	<u>60.3</u>	<u>69.6</u>	<u>9.3</u>	<u>74.0</u>	<u>4.4</u>
<b>CAPITAL APPROPRIATIONS</b>	<u>14.3</u>	<u>20.5</u>	<u>6.2</u>	<u>5.7</u>	<u>(14.8)</u>
<b>INCREASE IN NET POSITION</b>	<u>\$ 22.0</u>	<u>\$ 23.8</u>	<u>\$ 1.8</u>	<u>\$ 12.0</u>	<u>\$ (11.8)</u>

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 \$1.2 million in comparison to the prior year. Federal grants and contracts, state, county, private grants and other operating revenues decreased by \$9.2 million. Pell Grants have been excluded from Operating Revenues.

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

Management's Discussion and Analysis (Unaudited)  
*(Required Supplementary Information)*  
Years Ended June 30, 2025 and 2024

**Condensed Schedules of Operating Expenses (in Millions)**

A summary of the College's operating expenses for the years ended June 30, 2025, 2024 and 2023 follows:

	Years Ended June 30,				
	2023	2024	Change from 2023	2025	Change from 2024
<b>OPERATING EXPENSES</b>					
Instruction	\$ 40.5	\$ 41.7	\$ 1.2	\$ 39.8	\$ (1.9)
Academic support	5.3	5.8	0.5	6.9	1.1
Student services	24.4	10.4	(14.0)	9.0	(1.4)
Institutional support	35.8	40.3	4.5	44.3	4.0
Operation and maintenance of plant	21.9	16.3	(5.6)	10.0	(6.3)
Scholarships and fellowships	5.6	5.3	(0.3)	3.3	(2.0)
Auxiliary enterprises	0.3	0.3	-	0.4	0.1
Depreciation	8.1	8.3	0.2	8.0	(0.3)
Amortization	0.6	1.4	0.8	1.4	-
Total	<u>\$ 142.5</u>	<u>\$ 129.8</u>	<u>\$ (12.7)</u>	<u>\$ 123.1</u>	<u>\$ (6.7)</u>

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 decreased from the prior year due primarily to instruction and Operation and maintenance support.

**Schedule of Components of Net Position**

The following represents the components of the College's net position at June 30, 2025 and 2024:

	Net Position as of June 30,				
	Net Investment in Capital Assets	Restricted	Unrestricted	Total FY 2025	Total FY 2024
<b>NET INVESTMENT IN CAPITAL ASSETS</b>	\$ 105,977,343	\$ -	\$ -	\$ 105,977,343	\$ 108,071,745
<b>RESTRICTED FOR:</b>					
Unemployment reserve	-	8,072,789	-	8,072,789	7,639,387
Capital projects	-	32,968,838	-	32,968,838	32,979,602
<b>BOARD-DESIGNATED FOR:</b>					
Renewals and replacements of capital assets	-	-	48,713,519	48,713,519	48,713,519
Reserve for Workmen's Comp	-	-	284,190	284,190	284,190
<b>UNDESIGNATED:</b>					
Current funds	-	-	28,779,570	28,779,570	17,613,700
Total per Statements of Net Position	<u>\$ 105,977,343</u>	<u>\$ 41,041,627</u>	<u>\$ 77,777,279</u>	<u>\$ 224,796,249</u>	<u>\$ 215,302,143</u>

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Management's Discussion and Analysis (Unaudited)  
*(Required Supplementary Information)*  
Years Ended June 30, 2025 and 2024

**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.

Net investment in capital assets at June 30, 2024 was restated and reduced by approximately \$8.4 million to correct an overstatement of construction in progress from prior years. The restatement did not affect operating results but reduced the capital asset component of net position.

**Schedule of Capital Assets and Right-To-Use Subscription Assets Activities**

Capital Assets and Right-To-Use Subscription Assets Activities for the Year Ended June 30, 2025	Beginning Balance	Additions	Deletions	Ending Balance
Land	\$ 3,113,469	\$ -	\$ -	\$ 3,113,469
Land improvements	7,604,988	-	-	7,604,988
Buildings	112,639,761	-	-	112,639,761
Building improvements	83,289,920	3,757,825	-	87,047,745
Furniture and furnishings	4,024,493	27,700	-	4,052,193
Equipment	40,805,965	1,983,930	25,834	42,764,061
Vehicles	1,330,349	106,789	-	1,437,138
Machinery	123,246	-	-	123,246
Infrastructure	7,980,188	-	-	7,980,188
Capitalized software	3,649,809	20,910	-	3,670,719
Equipment leasing fund assets	2,309,838	-	-	2,309,838
Construction in progress	5,917,393	3,781,074	4,260,875	5,437,592
Total	272,789,419	9,678,228	4,286,709	278,180,938
Accumulated depreciation	151,708,493	8,043,812	25,834	159,726,471
Total Capital Assets, Net	<u>\$ 121,080,926</u>	<u>\$ 1,634,416</u>	<u>\$ 4,260,875</u>	<u>\$ 118,454,467</u>
Right-to-use subscription assets	\$ 4,724,524	\$ 554,477	\$ -	\$ 5,279,001
Accumulated amortization	(2,292,426)	(1,364,045)	-	(3,656,471)
Total Right-To-Use Subscription Assets, Net	<u>\$ 2,432,098</u>	<u>\$ (809,568)</u>	<u>\$ -</u>	<u>\$ 1,622,530</u>

As discussed in Notes 4 and 10 to the financial statements, capital assets at June 30, 2024 were restated and reduced by approximately \$8.4 million to correct an overstatement of construction in progress from prior years. The restatement did not affect previously reported depreciation expense or operating results but reduced total capital assets and net investment in capital assets as of June 30, 2024.

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

Management's Discussion and Analysis (Unaudited)  
*(Required Supplementary Information)*  
Years Ended June 30, 2025 and 2024

**Schedule of Capital Assets and Right-To-Use Subscription Assets Activities *(continued)***

<b>Capital Assets and Right-To-Use Subscription Assets Activities for the Year Ended June 30, 2024</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
Land	\$ 3,113,469	\$ -	\$ -	\$ 3,113,469
Land improvements	5,847,832	1,757,156	-	7,604,988
Buildings	112,639,761	-	-	112,639,761
Building improvements	82,868,510	421,410	-	83,289,920
Furniture and furnishings	3,832,503	192,808	818	4,024,493
Equipment	40,026,584	779,381	-	40,805,965
Vehicles	1,330,349	-	-	1,330,349
Machinery	123,246	-	-	123,246
Infrastructure	7,980,188	-	-	7,980,188
Capitalized software	3,533,101	116,708	-	3,649,809
Equipment leasing fund assets	2,309,838	-	-	2,309,838
Construction in progress	9,532,649	6,283,559	9,898,815	5,917,393
Total	<u>273,138,030</u>	<u>9,551,022</u>	<u>9,899,633</u>	<u>272,789,419</u>
Accumulated depreciation	143,414,085	8,295,216	808	151,708,493
Total Capital Assets, Net	<u>\$ 129,723,945</u>	<u>\$ 1,255,806</u>	<u>\$ 9,898,825</u>	<u>\$ 121,080,926</u>
Right-to-use subscription assets	\$ 2,663,364	\$ 2,061,160	\$ -	\$ 4,724,524
Accumulated amortization	(1,053,327)	(1,239,099)	-	(2,292,426)
Total Right-To-Use Subscription Assets, Net	<u>\$ 1,610,037</u>	<u>\$ 822,061</u>	<u>\$ -</u>	<u>\$ 2,432,098</u>

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, 2025, the College had \$51,163,744 outstanding liabilities, including debt. Of this amount, \$7,423,892 is for compensated absences, \$12,534,224 is for the repayment of bonds issued by the Bergen County Improvement Authority, software subscription liability of \$1,565,430 and the remaining \$29,640,198 represents the net pension liability.

For more detailed information, please refer to Notes 5 - 7 to the basic financial statements.

**Economic Factors that Could Affect the Future**

The higher education industry has experienced substantial changes in recent years. These changes are principally influenced by a sequence of financial and social factors. Challenges include reduced revenues from pandemic-driven student enrollment declines along with increased inflation and the need for mental health services. These challenges necessitate adaptability and resilience.

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

Management's Discussion and Analysis (Unaudited)  
*(Required Supplementary Information)*  
Years Ended June 30, 2025 and 2024

**Economic Factors that Could Affect the Future *(continued)***

Institutions offering low tuition costs and enrolling large percentages of Pell-eligible students are clearly a viable example of providing economic mobility to today's college graduates. Institutions, such as Bergen Community College, that are affordable and offer a quick return on investment are committed to access and success for low- to moderate-income students who stand to gain the most in economic and social returns from higher education.

**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, 2025 and 2024

	2025		2024	
	Business-Type College Activities	Component Unit Foundation	Business-Type College Activities (As Restated)	Component Unit Foundation
<b>ASSETS</b>				
Current Assets				
Cash and cash equivalents	\$ 53,770,220	\$ 260,404	\$ 45,707,858	\$ 261,905
Restricted investments	4,479,075	-	4,349,492	-
Investments	54,787,108	13,956,145	51,286,530	12,846,325
Total Cash and Equivalents and Investments	<u>113,036,403</u>	<u>14,216,549</u>	<u>101,343,880</u>	<u>13,108,230</u>
Receivables - Student, net of allowance of \$4,132,730 and \$4,938,075, respectively	9,649,670	-	11,495,190	-
Other receivables	4,167,441	56,978	5,312,531	83,835
Total Receivables	<u>13,817,111</u>	<u>56,978</u>	<u>16,807,721</u>	<u>83,835</u>
Inventories	28,807	-	32,814	-
Prepaid expenses and other assets	49,880	106,360	49,880	97,814
Total Current Assets	<u>126,932,201</u>	<u>14,379,887</u>	<u>118,234,295</u>	<u>13,289,879</u>
Noncurrent Assets				
County of Bergen receivable	46,757,009	-	45,753,732	-
Capital assets, net of accumulated depreciation of \$159,726,471 and \$151,708,493, respectively	118,454,467	-	121,080,926	-
Right-to-use subscription assets, net of accumulated amortization of \$3,656,471 and \$2,292,426, respectively	1,622,530	-	2,432,098	-
Total Noncurrent Assets	<u>166,834,006</u>	<u>-</u>	<u>169,266,756</u>	<u>-</u>
Total Assets	<u>293,766,207</u>	<u>14,379,887</u>	<u>287,501,051</u>	<u>13,289,879</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related	4,463,542	-	4,854,243	-
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable and Accrued Expenses				
Vendors	3,935,571	58,465	4,074,691	48,827
Accrued salaries and benefits	1,792,193	-	1,005,084	-
Compensated absences, current portion	5,274,417	-	3,436,126	-
Other accrued expenses	3,156,185	187,880	3,658,245	349,935
Total Accounts Payable and Accrued Expenses	<u>14,158,366</u>	<u>246,345</u>	<u>12,174,146</u>	<u>398,762</u>
Unearned student tuition and fees	5,899,082	-	5,301,449	-
Unearned grant revenue	1,266,761	-	1,307,153	-
Bonds payable, current portion	630,000	-	610,000	-
Software subscription liability, current portion	1,076,230	-	1,085,558	-
Total Current Liabilities	<u>23,030,439</u>	<u>246,345</u>	<u>20,478,306</u>	<u>398,762</u>
Noncurrent Liabilities				
Bonds payable, net	11,904,224	-	12,544,001	-
Software subscription liability, non-current portion	489,200	-	1,201,720	-
Compensated absences	2,149,475	-	2,307,178	-
Net pension liability	29,640,198	-	34,040,511	-
Total Noncurrent Liabilities	<u>44,183,097</u>	<u>-</u>	<u>50,093,410</u>	<u>-</u>
Total Liabilities	<u>67,213,536</u>	<u>246,345</u>	<u>70,571,716</u>	<u>398,762</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related	6,219,964	-	6,481,435	-
<b>NET POSITION</b>				
Net Investment in Capital Assets	105,977,343	-	108,071,745	-
Restricted Expendable for				
Unemployment	8,072,789	-	7,639,387	-
Capital projects	32,968,838	-	32,979,602	-
Unrestricted	77,777,279	-	66,611,409	-
Without donor restrictions	-	1,332,815	-	1,328,768
With donor restrictions	-	12,800,727	-	11,562,349
Total Net Position	<u>\$ 224,796,249</u>	<u>\$ 14,133,542</u>	<u>\$ 215,302,143</u>	<u>\$ 12,891,117</u>

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, 2025 and 2024

	2025		2024	
	Business-Type Activities	Component Unit Foundation	Business-Type Activities (As Restated)	Component Unit Foundation
<b>OPERATING REVENUES</b>				
Student revenues				
Tuition and fees	\$ 72,328,645	\$ -	\$ 68,786,015	\$ -
Auxiliary enterprises	301,768	-	266,128	-
Less scholarship allowance	<u>(40,357,553)</u>	-	<u>(37,940,865)</u>	-
Net student revenues	32,272,860	-	31,111,278	-
Federal grants and contract	9,952,671	-	17,266,436	-
State, county, and private grant	12,579,772	-	14,544,268	-
Other operating revenue	<u>593,612</u>	<u>1,259,154</u>	<u>464,741</u>	<u>1,373,141</u>
Total Operating Revenue:	<u>55,398,915</u>	<u>1,259,154</u>	<u>63,386,723</u>	<u>1,373,141</u>
<b>OPERATING EXPENSES</b>				
Instruction	39,799,360	-	41,710,362	-
Academic support	6,863,346	-	5,804,421	-
Student services	9,026,591	-	10,384,145	-
Institutional support	44,277,541	806,796	40,270,632	1,024,462
Operation and maintenance of plant	10,066,969	-	16,330,691	-
Scholarships and fellowship	3,288,430	508,737	5,273,902	441,859
Auxiliary enterprises	376,124	-	300,968	-
Depreciation	8,043,812	-	8,295,216	-
Amortization	<u>1,364,045</u>	<u>-</u>	<u>1,364,874</u>	<u>-</u>
Total Operating Expense:	<u>123,106,218</u>	<u>1,315,533</u>	<u>129,735,211</u>	<u>1,466,321</u>
<b>OPERATING (LOSS) INCOME</b>	<u>(67,707,303)</u>	<u>(56,379)</u>	<u>(66,348,488)</u>	<u>(93,180)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
State of New Jersey appropriation	14,925,988	-	15,047,294	-
County appropriations	24,233,699	-	23,758,530	-
Pell grants	26,763,529	-	20,704,758	-
Investment income	4,380,869	1,298,804	5,495,127	1,166,772
Interest expense	(734,247)	-	(767,674)	-
Other nonoperating revenues/expenses, net	<u>4,461,956</u>	<u>-</u>	<u>5,382,306</u>	<u>-</u>
Net Nonoperating Revenues:	<u>74,031,794</u>	<u>1,298,804</u>	<u>69,620,341</u>	<u>1,166,772</u>
<b>INCOME BEFORE OTHER REVENUES</b>	6,324,491	1,242,425	3,271,853	1,073,592
<b>OTHER REVENUES</b>				
Capital appropriation:	<u>5,710,323</u>	<u>-</u>	<u>20,541,903</u>	<u>-</u>
<b>INCREASE IN NET POSITION</b>	<u>12,034,814</u>	<u>1,242,425</u>	<u>23,813,756</u>	<u>1,073,592</u>
<b>NET POSITION</b>				
Beginning of year - as previously reported	223,695,465	12,891,117	191,488,387	11,817,525
Error correction	(8,393,322)	-	-	-
Cumulative effect of change in accounting principle	<u>(2,540,708)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Beginning of year - as restated	<u>212,761,435</u>	<u>12,891,117</u>	<u>191,488,387</u>	<u>11,817,525</u>
End of year	<u>\$ 224,796,249</u>	<u>\$ 14,133,542</u>	<u>\$ 215,302,143</u>	<u>\$ 12,891,117</u>

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,	
	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Student tuition and fees (including chargebacks to other counties)	\$ 33,192,713	\$ 23,194,317
Federal grants and contracts	9,952,671	17,266,436
State, county, and private grants	12,579,772	14,544,268
Payments to suppliers	(28,508,141)	(33,888,930)
Payments to utilities	(3,033,570)	(3,432,475)
Payments to employees	(62,956,067)	(60,957,714)
Payments for benefits	(19,605,475)	(17,061,074)
Payments for scholarships and fellowships	(3,288,430)	(5,273,902)
Auxiliary enterprises	301,768	266,128
Other receipts (payments)	1,631,897	(1,323,264)
Net Cash from Operating Activities	(59,732,862)	(66,666,210)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State appropriations	14,925,988	15,047,294
County appropriations	24,233,699	23,758,530
Pell grant	26,763,529	20,704,758
Loan program receipts	6,168,048	11,716,929
Loan program disbursements	(6,168,048)	(11,716,929)
Other non-capital financing activities	4,461,956	5,382,306
Net Cash from Noncapital Financing Activities	70,385,172	64,892,888
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Principal paid on bonds payable	(619,777)	(594,778)
Principal paid on leases	(1,276,325)	(1,402,368)
County capital appropriation	4,707,046	9,177,276
Interest and bonding paid on capital debt	(734,247)	(767,674)
Purchases of capital assets	(5,417,353)	(8,045,529)
Net Cash from Capital and Related Financing Activities	(3,340,656)	(1,633,073)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and dividends on investments	4,380,869	5,495,127
(Purchases) maturities of investments	(3,630,161)	3,210,012
Net Cash from Investing Activities	750,708	8,705,139
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	8,062,362	5,298,744
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	45,707,858	40,409,114
End of year	\$ 53,770,220	\$ 45,707,858

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,	
	2025	2024
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating loss	\$ (67,707,303)	\$ (66,348,488)
Adjustments to reconcile operating loss to net cash from operating activities		
Depreciation	8,043,812	8,295,216
Amortization	1,364,045	1,364,874
Loss on disposal of equipment	-	10
Changes in operating assets, deferred outflows and liabilities and deferred inflows		
Student accounts and other receivables, net	2,990,610	(2,916,642)
Inventories	4,007	(85)
Prepaid expenses and other	-	(6,833)
Pension resources	(4,271,083)	(5,416,313)
Accounts payable and accrued expenses	(714,191)	(813,772)
Unearned student tuition and fees	597,633	196,261
Unearned grant revenue	(40,392)	(1,020,438)
Net Cash Flows Used in Operating Activities	\$ (59,732,862)	\$ (66,666,210)

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

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

Notes to the Financial Statements  
June 30, 2025 and 2024

**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 18 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/amortization, and outstanding principal balances of bonds payable 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, 2025 and 2024.

*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.

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

Notes to the Financial Statements  
June 30, 2025 and 2024

**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.

***New Accounting Standards***

GASB issued Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The College implemented this Statement during the 2024-25 fiscal year. See Note 10.

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 College implemented this Statement during the 2024-25 fiscal year. See Note 10.

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

Notes to the Financial Statements  
June 30, 2025 and 2024

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

***New Accounting Standards (continued)***

GASB Statement No. 102, *Certain Risk Disclosures* defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Management has reviewed the Statement and determined it did not have an impact on the financial statements.

GASB Statement No. 103, *Financial Reporting Model Improvements* improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Management has not determined the impact of the Statement on the financial statements.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* provides users of government financial statements with essential information about certain types of capital assets including lease assets, intangible right-to-use assets, subscription assets, other intangible assets and assets held for sale. The requirements of this Statement are effective for periods beginning after June 15, 2025, and all reporting periods thereafter. 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.

***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, 2025 and 2024 was \$4,132,730 and \$4,938,075, respectively.

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

Notes to the Financial Statements  
June 30, 2025 and 2024

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

***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. Effective January 1, 2025, the Board of Trustees approved to increase the capitalization threshold from \$300 to \$2,000. 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

***Subscription-Based Information Technology Arrangements (SBITAs)***

The College has entered into subscription-based information technology arrangements (SBITAs) with various vendors. SBITAs are defined as arrangements in which a government entity contracts with a vendor to access and use software applications and related data hosted by the vendor on the vendor's servers. The College recognizes a right-to use subscription asset associated with its SBITA agreements and discloses the total amount of subscription assets, and the related accumulated amortization, disclosed separately from other capital assets. The College also discloses any payments not included in the measurement of subscription assets.

***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.

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

Notes to the Financial Statements  
June 30, 2025 and 2024

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

***Compensated Absences***

A liability for compensated absences attributable to services already rendered and that are not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits. The College uses the “vesting method” for estimating its accrued sick leave, vacation and compensatory time liabilities. College employees are granted vacation and sick leave in varying amounts under the College’s personnel policies.

The liability for vested compensated absences (“leave/leave days”) of the College is recorded in financial statements as the benefits accrue to employees and includes salary-related payments which have been earned for services previously rendered by employees in accordance with the College’s various collective bargaining agreements, accumulates, is allowed to be carried over to subsequent year(s) and is deemed more likely than not (by management) to be used for time off or otherwise paid/settled in the future. The liability is calculated based on each employee’s rate of pay and the number of unused leave days accumulated as of year-end, management’s assumption that likelihood of future use (either by use during employment or settlement/payment upon separation from service) is probable, and the salary-related payments that are directly and incrementally associated with payments for the leave. The College utilizes historical data of past usage patterns to estimate the expected usage and payment of compensated absences.

The liability for compensated absences is reflected in the financial statements as current and long-term liabilities. In the financial statements, only the compensated absences liability that has matured through employee resignation or retirement and is expected to be payable from expendable available financial resources is reported. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 101, *Compensated Absences*.

As of June 30, 2025 and 2024, a liability for compensated absences in the amounts of \$7,423,892 and \$5,743,304 were reflected in the financial statements.

***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.

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

Notes to the Financial Statements  
June 30, 2025 and 2024

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

***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.

***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 bonds payable 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 Community College**  
**(A Component Unit of the County of Bergen)**

Notes to the Financial Statements  
June 30, 2025 and 2024

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

***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 Authority is responsible for the payment of interest on issued bonds payable 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 bonds payable 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, 2022.

***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 March 11, 2026.

**3. Cash and Cash Equivalents and Investments**

***Deposits***

As of June 30, 2025 and 2024, the College’s carrying amount of deposits was \$53,770,220 and \$45,707,858, respectively, and the bank balance was \$53,822,064 and \$47,055,069, 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, 2025 and 2024, 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 (GUDPA).

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

Notes to the Financial Statements  
June 30, 2025 and 2024

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

***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 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.

***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, 2025 and 2024, unrestricted certificates of deposit were \$54,787,108 and \$51,286,530, respectively, with interest rates ranging from 5.06% to 5.75%, and restricted certificates of deposit were \$4,479,075 and \$4,349,492 as of June 30, 2025 and June 30, 2024, respectively, with interest rates ranging from 5.40% to 5.50%. Of the above amounts, \$1,000,000 of the certificates of deposit were insured by the FDIC at June 30, 2025 and 2024, 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.

**Bergen Community College**  
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Notes to the Financial Statements  
June 30, 2025 and 2024

**4. Capital Assets and Right-To-Use Subscription Assets**

The College's capital assets and right-to-use subscription assets for the years ended June 30, 2025 and 2024 are comprised of the following:

	Year Ended June 30, 2025			Ending Balances
	Beginning Balances (As Restated)	Acquisition and Other Increases	Dispositions and Other Decreases	
<b>DEPRECIABLE ASSETS</b>				
Land improvements	\$ 7,604,988	\$ -	\$ -	\$ 7,604,988
Buildings	112,639,761	-	-	112,639,761
Building improvements	83,289,920	3,757,825	-	87,047,745
Furniture & furnishings	4,024,494	27,700	-	4,052,194
Equipment	40,805,966	1,983,930	25,834	42,764,062
Vehicles	1,330,349	106,789	-	1,437,138
Machinery	123,246	-	-	123,246
Infrastructure	7,980,188	-	-	7,980,188
Capitalized software	3,649,808	20,910	-	3,670,718
Equipment leasing fund assets	2,309,837	-	-	2,309,837
Total Depreciable Assets	<u>\$ 263,758,557</u>	<u>\$ 5,897,154</u>	<u>\$ 25,834</u>	<u>\$ 269,629,877</u>
<b>ACCUMULATED DEPRECIATION</b>				
Land improvements	\$ 2,922,484	\$ 204,243	\$ -	\$ 3,126,727
Buildings	54,704,750	1,604,069	-	56,308,819
Building improvements	45,469,355	2,766,311	-	48,235,666
Furniture & furnishings	2,075,877	365,973	600	2,441,250
Equipment	34,499,681	2,697,544	25,234	37,171,991
Vehicles	1,045,424	68,792	-	1,114,216
Machinery	53,823	4,086	-	57,909
Infrastructure	5,326,513	136,490	-	5,463,003
Capitalized software	3,304,824	196,304	-	3,501,128
Equipment leasing fund assets	2,305,762	-	-	2,305,762
Total Depreciation	<u>151,708,493</u>	<u>8,043,812</u>	<u>25,834</u>	<u>159,726,471</u>
<b>DEPRECIABLE ASSETS, NET</b>	<u>112,050,064</u>	<u>(2,146,658)</u>	<u>-</u>	<u>109,903,406</u>
<b>NONDEPRECIABLE ASSETS</b>				
Land	3,113,469	-	-	3,113,469
Construction in progress	5,917,393	3,781,074	4,260,875	5,437,592
Total Nondepreciable Assets	<u>9,030,862</u>	<u>3,781,074</u>	<u>4,260,875</u>	<u>8,551,061</u>
<b>Capital Assets, Net</b>	<u>\$ 121,080,926</u>	<u>\$ 1,634,416</u>	<u>\$ 4,260,875</u>	<u>\$ 118,454,467</u>
Right-to-use subscription assets	\$ 4,724,524	\$ 554,477	\$ -	\$ 5,279,001
Accumulated amortization	(2,292,426)	(1,364,045)	-	(3,656,471)
<b>Right-to-Use Subscription Assets, Net</b>	<u>\$ 2,432,098</u>	<u>\$ (809,568)</u>	<u>\$ -</u>	<u>\$ 1,622,530</u>

**Bergen Community College**  
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Notes to the Financial Statements  
June 30, 2025 and 2024

**4. Capital Assets and Right-To-Use Subscription Assets (continued)**

	Year Ended June 30, 2024			Ending Balances (As Restated)
	Beginning Balances	Acquisition and Other Increases	Dispositions and Other Decreases	
<b>DEPRECIABLE ASSETS</b>				
Land improvements	\$ 5,847,832	\$ 1,757,156	\$ -	\$ 7,604,988
Buildings	112,639,761	-	-	112,639,761
Building improvements	82,868,510	421,410	-	83,289,920
Furniture & furnishings	3,832,504	192,808	818	4,024,494
Equipment	40,026,585	779,381	-	40,805,966
Vehicles	1,330,349	-	-	1,330,349
Machinery	123,246	-	-	123,246
Infrastructure	7,980,188	-	-	7,980,188
Capitalized software	3,533,100	116,708	-	3,649,808
Equipment leasing fund assets	2,309,837	-	-	2,309,837
Total Depreciable Assets	<u>260,491,912</u>	<u>3,267,463</u>	<u>818</u>	<u>263,758,557</u>
<b>ACCUMULATED DEPRECIATION</b>				
Land improvements	\$ 2,752,558	\$ 169,926	\$ -	\$ 2,922,484
Buildings	53,097,522	1,607,228	-	54,704,750
Building improvements	42,774,901	2,694,454	-	45,469,355
Furniture & furnishings	1,702,580	374,105	808	2,075,877
Equipment	31,440,736	3,058,945	-	34,499,681
Vehicles	981,705	63,719	-	1,045,424
Machinery	49,650	4,173	-	53,823
Infrastructure	5,190,024	136,489	-	5,326,513
Capitalized software	3,118,647	186,177	-	3,304,824
Equipment leasing fund assets	2,305,762	-	-	2,305,762
Total Depreciation	<u>143,414,085</u>	<u>8,295,216</u>	<u>808</u>	<u>151,708,493</u>
<b>DEPRECIABLE ASSETS, NET</b>	<u>117,077,827</u>	<u>(5,027,753)</u>	<u>10</u>	<u>112,050,064</u>
<b>NONDEPRECIABLE ASSETS</b>				
Land	3,113,469	-	-	3,113,469
Construction in progress	9,532,649	6,283,559	9,898,815	5,917,393
Total Nondepreciable Assets	<u>12,646,118</u>	<u>6,283,559</u>	<u>9,898,815</u>	<u>9,030,862</u>
<b>Capital Assets, Net</b>	<u>\$ 129,723,945</u>	<u>\$ 1,255,806</u>	<u>\$ 9,898,825</u>	<u>\$ 121,080,926</u>
Right-to-use subscription assets	\$ 2,663,364	\$ 2,061,160	\$ -	\$ 4,724,524
Accumulated amortization	(1,053,327)	(1,239,099)	-	(2,292,426)
<b>Right-to-Use Subscription Assets, Net</b>	<u>\$ 1,610,037</u>	<u>\$ 822,061</u>	<u>\$ -</u>	<u>\$ 2,432,098</u>

**Bergen Community College**  
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Notes to the Financial Statements  
June 30, 2025 and 2024

**4. Capital Assets and Right-To-Use Subscription Assets (continued)**

Subscription-based information technology arrangements (SBITAs) in which the College contracted to use information technology software from a third party for more than one year has been recorded as right-to-use subscription assets in the statements of net position. As of June 30, 2025 and 2024, the College had \$5,279,001 and \$4,724,524, respectively, in total right-to-use subscription assets and \$3,656,471 and \$2,292,426, respectively, in accumulated amortization on those assets.

During fiscal year 2025, the College identified an error in the reporting of Construction in Progress (CIP) related to completed projects that had been placed in service in prior years but were not removed from the CIP rollforward. As a result, a prior period adjustment was recorded to correct the overstatement of capital assets. The total adjustment related to CIP was \$8,393,322, resulting in a corresponding reduction to net position as of June 30, 2024.

Estimated costs to complete the projects classified as construction in progress as of June 30, 2025 and 2024 were \$3,781,074 and \$6,283,559, 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, 2025 and 2024 was \$8,043,812 and \$8,295,216, respectively.

**5. Summary of Changes in Noncurrent Liabilities**

The following tables summarize the changes in noncurrent liabilities during the years ended June 30, 2025 and 2024:

Year Ended June 30, 2025	Beginning Balance	Cumulative Effect Change in Accounting Principle *	Additions	Reductions	Ending Balance	Current Portion
Bonds payable	\$ 13,154,001	\$ -	\$ -	\$ 619,777	\$ 12,534,224	\$ 630,000
Software subscription liability	2,287,278	-	1,354,717	2,076,565	1,565,430	1,076,230
Net pension liability	34,040,511	-	-	4,400,313	29,640,198	-
Compensated absences	5,743,304	2,540,708	-	860,120	7,423,892	5,274,417
	<u>\$ 55,225,094</u>	<u>\$ 2,540,708</u>	<u>\$ 1,354,717</u>	<u>\$ 7,956,775</u>	<u>\$ 51,163,744</u>	<u>\$ 6,980,647</u>
Year Ended June 30, 2024	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion	
Bonds payable	\$ 13,748,779	\$ -	\$ 594,778	\$ 13,154,001	\$ 610,000	
Software subscription liability	1,502,710	1,970,743	1,186,175	2,287,278	1,085,558	
Net pension liability	33,968,749	71,762	-	34,040,511	-	
Compensated absences	6,080,433	-	337,129	5,743,304	3,436,126	
	<u>\$ 55,300,671</u>	<u>\$ 2,042,505</u>	<u>\$ 2,118,082</u>	<u>\$ 55,225,094</u>	<u>\$ 5,131,684</u>	

The change in compensated absences is presented as a net change.

\* See Note 10.

**Bergen Community College**  
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Notes to the Financial Statements  
June 30, 2025 and 2024

**6. Software Subscription Liability**

Software subscription liability at June 30, 2025 and 2024 are comprised of the following individual agreements:

Purpose	Fiscal Year of Issue	Original Issue Amount	Final Maturity	Interest Rate	Amount Outstanding at June 30, 2025	Amount Outstanding at June 30, 2024
Course scheduling	2025	\$ 79,250	March-2027	3.50%	\$ 114,022	\$ -
Adobe	2025	116,583	February-2028	3.50%	221,473	-
Parchment	2025	6,734	July-2027	3.50%	13,763	-
Paessler	2025	7,608	September-2027	3.50%	14,452	-
Recruit experience	2024	1,825,839	June-2026	3.50%	618,731	1,185,249
Blackboard	2024	33,000	December-2025	3.63%	-	31,846
ReadSpeaker	2024	5,584	January-2026	3.50%	-	5,395
Bloomberg	2024	106,320	July-2025	3.63%	-	102,601
CRM software	2022	256,024	June-2025	3.63%	-	81,267
Canvas	2023	1,560,355	March-2027	3.38%	582,989	841,581
Catalog	2022	144,140	December-2025	3.63%	-	39,339
		<u>\$ 4,141,437</u>			<u>\$ 1,565,430</u>	<u>\$ 2,287,278</u>

The following are the principal and interest requirements to maturity for the software subscription liability for the subsequent fiscal years:

Fiscal Year Ending June 30	Principal	Interest	Total
2026	\$ 1,076,230	\$ 54,061	\$ 1,130,291
2027	489,200	16,743	505,943
	<u>\$ 1,565,430</u>	<u>\$ 70,804</u>	<u>\$ 1,636,234</u>

**7. Bonds Payable**

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.

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Notes to the Financial Statements  
June 30, 2025 and 2024

**7. Bonds Payable (continued)**

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.

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, 2025 and 2024:

	Interest Rate	2025	2024
Bergen County Improvement Authority			
Revenue Bonds:			
Series 2010 due serially to 2040	5.66% to 5.76%	\$ 12,390,000	\$ 13,000,000
Plus: Bond premiums		144,224	154,001
		12,534,224	13,154,001
Less: current portion		630,000	610,000
Total bonds payable, non-current portion		\$ 11,904,224	\$ 12,544,001

**Bergen Community College**  
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Notes to the Financial Statements  
June 30, 2025 and 2024

**7. Bonds Payable (continued)**

Payments due on bonds payable for the next five years and thereafter are as follows as of June 30, 2025:

Year ending June 30:	Principal	Interest	Total
2026	\$ 630,000	\$ 739,768	\$ 1,369,768
2027	655,000	674,136	1,329,136
2028	680,000	637,089	1,317,089
2029	705,000	598,628	1,303,628
2030	730,000	558,753	1,288,753
2031-2035	4,080,000	2,135,476	6,215,476
2036-2040	4,910,000	868,868	5,778,868
	\$ 12,390,000	\$ 6,212,718	\$18,602,718

**8. 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>.

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Notes to the Financial Statements  
June 30, 2025 and 2024

**8. Retirement Plans (continued)**

***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 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 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 2024 measurement date, the State's pension contribution was more than the actuarial determined amount.

PERS members are required to contribute 7.50% for the years ended June 30, 2025 and 2024, 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.

**Bergen Community College**  
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Notes to the Financial Statements  
June 30, 2025 and 2024

**8. Retirement Plans (continued)**

**Public Employees' Retirement System (continued)**

**Contributions (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
2025	\$ 641,520	\$ 2,326,711	\$ 2,968,231	\$ -	\$ 2,968,231
2024	690,079	2,450,969	3,141,048	-	3,141,048

**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, 2024 ("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, 2025 and 2024, are as follows:

	2025	2024
Proportionate share of the net pension liability (\$)		
2024	\$ 29,640,198	\$ -
2023	34,040,511	34,040,511
2022	-	33,968,749
Proportionate share of the net pension liability (%)		
2024	0.216%	-
2023	0.233%	0.233%
2022	-	0.223%
Deferred outflows of resources	4,463,542	4,854,243
Deferred inflows of resources	6,219,964	6,481,435
Pension expense (benefit)	(1,441,407)	(5,826,148)

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, 2023 to June 30, 2024 relative to the total contributions from all participating employers.

**Bergen Community College**  
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Notes to the Financial Statements  
June 30, 2025 and 2024

**8. 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, 2025 and 2024, are as follows:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 593,748	\$ 78,910	\$ 325,471	\$ 139,147
Changes in assumptions	36,822	337,237	74,780	2,063,001
Net differences between projected and actual earnings on pension plan investments	-	1,374,335	156,761	-
Changes in proportion	1,003,265	4,429,482	1,329,000	4,279,287
College contributions subsequent to the measurement date	2,829,707	-	2,968,231	-
	<u>\$ 4,463,542</u>	<u>\$ 6,219,964</u>	<u>\$ 4,854,243</u>	<u>\$ 6,481,435</u>

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

Year Ended June 30,	
2026	\$ (4,975,734)
2027	3,850,074
2028	(2,215,032)
2029	(1,278,718)
2030	33,281
	<u>\$ (4,586,129)</u>

**Bergen Community College**  
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Notes to the Financial Statements  
June 30, 2025 and 2024

**8. 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, 2024 and 2023 are as follows:

	2024	2023
Deferred outflows of resources	\$ 289,074,215	\$ 237,010,897
Deferred inflows of resources	\$ 820,816,333	\$ 937,022,624
Net Pension Liability	\$ 13,702,423,985	\$14,606,489,066
Collective pension expense (benefit)	\$ 372,160,096	\$ (79,181,803)

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.)
2024	5.08
2023	5.08
2022	5.04
2021	5.13
2020	5.16
2019	5.21

**Bergen Community College  
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Notes to the Financial Statements  
June 30, 2025 and 2024

**8. 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, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The College's net pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The actuarial valuation used the following actuarial assumptions for the June 30, 2024 and 2023 measurement date:

	2024	2023
Inflation rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary increases (based on years of service):	2.75 - 6.55%	2.75 - 6.55%
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 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year 2010 on a generational basis. Disability retirements 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 a 117.2% adjustment for females, and with future improvement from the base year 2010 on a generational basis. Mortality improvement is based upon Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 and 2022 valuation were based on the results of an actuarial experience study for the periods July 1, 2018 to June 30, 2021 for PERS.

**Bergen Community College**  
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Notes to the Financial Statements  
June 30, 2025 and 2024

**8. 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, 2024 and 2023 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, 2024 and 2023 are summarized in the following table:

Asset Class	2024		2023	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	8.85%	12.75%	9.22%
International Small Cap Equity	1.25%	8.85%	1.25%	9.22%
Emerging Market Equity	5.50%	10.66%	5.50%	11.13%
Private Equity	13.00%	12.40%	13.00%	12.50%
Real Estate	8.00%	10.95%	8.00%	8.58%
Real Assets	3.00%	8.20%	3.00%	8.40%
High Yield	4.50%	6.74%	4.50%	6.97%
Private Credit	8.00%	8.90%	8.00%	9.20%
Investment Grade Credit	7.00%	5.37%	7.00%	5.19%
Cash Equivalents	2.00%	3.57%	2.00%	3.31%
U.S. Treasuries	4.00%	3.57%	4.00%	3.31%
Risk Mitigation Strategies	3.00%	7.10%	3.00%	6.21%

**Bergen Community College**  
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Notes to the Financial Statements  
June 30, 2025 and 2024

**8. 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, 2024 and 2023, 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 and the non-employer contributing entity will be made based on 100% of the of actuarially determined contributions for the State employer and 100% of the 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 projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to 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, 2024 and 2023 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:

	2024		
	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	<u>\$ 39,384,536</u>	<u>\$ 29,640,198</u>	<u>\$ 21,347,820</u>
	2023		
	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	<u>\$ 44,313,503</u>	<u>\$ 34,040,511</u>	<u>\$ 25,296,837</u>

**Bergen Community College  
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Notes to the Financial Statements  
June 30, 2025 and 2024

**8. 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<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, 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 2024, the State's pension contribution was more than the actuarial determined amount.

Allocated employer contributions provided by the State and recognized by the plan from the College totaled \$60,434 and \$57,587 for the years ending June 30, 2025 and 2024.

**Bergen Community College**  
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Notes to the Financial Statements  
June 30, 2025 and 2024

**8. Retirement Plans (continued)**

***Teachers' Pension and Annuity Fund (continued)***

***Net Pension Liability***

At June 30, 2025 and 2024, the State's proportionate share of the TPAF net pension liability associated with the College was \$691,048 and \$705,319, respectively. The College's proportionate share was \$0.

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The June 30, 2024 and 2023 actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement:

	2024	2023
Inflation rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary increases (based on years of service):	2.75 - 6.55%	2.75 - 6.55%
Investment rate of return	7.00%	7.00%

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.

The actuarial assumptions used in the July 1, 2023 and 2022 valuations were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**Bergen Community College**  
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Notes to the Financial Statements  
June 30, 2025 and 2024

**8. Retirement Plans (continued)**

**Teachers' Pension and Annuity Fund (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024 and 2023 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% of the actuarially determined contributions for the State. 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, 2024 and 2023, 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:

	2024		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Collective Net Pension Liability	\$ 58,828,334,396	\$ 49,492,072,325	\$ 41,629,174,739
Allocation Percentage	0.0013981730%	0.0013981730%	0.0013981730%
State's Proportionate Share of the TPAF Net Pension Liability Associated with the College	<u>\$ 822,522</u>	<u>\$ 691,048</u>	<u>\$ 582,048</u>
	2023		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Collective Net Pension Liability	\$ 60,267,919,597	\$ 51,109,961,824	\$ 43,396,784,734
Allocation Percentage	0.0013820928%	0.0013820928%	0.0013820928%
State's Proportionate Share of the TPAF Net Pension Liability Associated with the College	<u>\$ 832,959</u>	<u>\$ 705,319</u>	<u>\$ 599,784</u>

**Bergen Community College**  
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Notes to the Financial Statements  
June 30, 2025 and 2024

**8. 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, 2024 and 2023 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, 2024 and 2023 measurement date are summarized in the following table:

Asset Class	2024		2023	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	12.75%	12.75%	9.22%
International Small Cap Equity	1.25%	1.25%	1.25%	9.22%
Emerging Markets Equity	5.50%	5.50%	5.50%	11.13%
Private Equity	13.00%	13.00%	13.00%	12.50%
Real Estate	8.00%	8.00%	8.00%	8.58%
Real Assets	3.00%	3.00%	3.00%	8.40%
High Yield	4.50%	4.50%	4.50%	6.97%
Private Credit	8.00%	8.00%	8.00%	9.20%
Investment Grade Credit	7.00%	7.00%	7.00%	5.19%
Cash Equivalents	2.00%	2.00%	2.00%	3.31%
U.S. Treasuries	4.00%	4.00%	4.00%	3.31%
Risk Mitigation Strategies	3.00%	3.00%	3.00%	6.21%

**Bergen Community College  
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Notes to the Financial Statements  
June 30, 2025 and 2024

**8. 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, 2024 and 2023 measurement date are as follows:

	2024	2023
	State	State
Total pension liability	\$ 79,808,368,112	\$ 78,240,143,092
Plan fiduciary net position	30,316,295,787	27,130,181,268
Net Pension Liability	\$ 49,492,072,325	\$ 51,109,961,824
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	37.99%	34.68%
	College	College
Net pension liability	\$ 49,492,072,325	\$ 51,109,961,824
Allocation percentage	0.0013981730%	0.0013820928%
State's Proportionate Share of the TPAF Net Pension Liability Associated with the College	\$ 691,048	\$ 705,319

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 \$691,048 as of June 30, 2025 and \$705,319 as of June 30, 2024. The College records their proportionate share of the pension expense (benefit) as a revenue and expense in the accompanying Statements of Revenues, Expenses, and Changes in Net Position. The amount was (\$2,521) in 2025 and \$17,328 in 2024.

**Bergen Community College  
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Notes to the Financial Statements  
June 30, 2025 and 2024

**8. Retirement Plans (continued)**

***Alternate 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, 2025 and 2024, ABP investment carriers received employer and employee contributions that were approximately as follows:

	2025	2024
Employer contributions	\$ 2,662,643	\$ 2,563,685
Employee contributions	1,663,869	1,602,303
Basis for contributions - Participating employee salaries	32,379,122	31,825,613

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.

**9. 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.

**Bergen Community College  
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Notes to the Financial Statements  
June 30, 2025 and 2024

**9. 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:

<u>Local Education</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Active Plan Members	219,185	217,212
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	153,556	152,383
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-	-
Total Plan Members	<u>372,741</u>	<u>369,595</u>

**Bergen Community College  
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Notes to the Financial Statements  
June 30, 2025 and 2024

**9. 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, 2025 and 2024 was \$135,581,329 and \$122,165,349, or 0.23% and 0.23%, 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, 2025 and 2024 were determined by an actuarial valuation as of June 30, 2023 which was rolled forward to the measurement date of June 30, 2024 and June 30, 2022, which was rolled forward to the measurement date of June 30, 2023, 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:

	2024		2023	
	TPAF/ABP	PERS	TPAF/ABP	PERS
Inflation rate	2.50%		2.50%	
Salary increases:				
Through 2026	2.75 - 5.65%	2.75 - 6.55%	2.75 - 4.25%	2.75 - 6.55%
	based on service years	based on service years	based on service years	based on service years

**Bergen Community College  
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Notes to the Financial Statements  
June 30, 2025 and 2024

**9. Post-Retirement Benefits (continued)**

***Actuarial Assumptions and Other Inputs (continued)***

The June 30, 2024 and 2023 valuations used preretirement mortality rates that 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. Disability 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 for current disabled retirees. Future disabled retirees was based on the Pub-2010 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2024 and 2023 valuations were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

***Healthcare Trend Assumptions***

For pre-Medicare medical benefits for the June 30, 2024 valuation, the trend rate is initially 7.5% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO, the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

For pre-Medicare medical benefits for the June 30, 2023 valuation, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

***Discount Rate***

The discount rate for June 30, 2024 and 2023 was 3.93% and 3.65%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Bergen Community College  
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Notes to the Financial Statements  
June 30, 2025 and 2024

**9. Post-Retirement Benefits (continued)**

***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:

	2024		
	At 1% Decrease (2.93%)	At Current Discount Rate (3.93%)	At 1% Increase (4.93%)
Net OPEB Liability (Allocable to the College and the responsibility of the State)	\$ 160,686,426	\$ 135,581,329	\$ 118,305,634
	2023		
	At 1% Decrease (2.65%)	At Current Discount Rate (3.65%)	At 1% Increase (4.65%)
Net OPEB Liability (Allocable to the College and the responsibility of the State)	\$ 147,324,160	\$ 122,165,349	\$ 108,280,624

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:

	2024		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability (Allocable to the College and the responsibility of the State)	\$ 114,285,642	\$ 135,581,329	\$ 167,039,290
	2023		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability (Allocable to the College and the responsibility of the State)	\$ 104,323,818	\$ 122,165,349	\$ 153,596,926

**Bergen Community College**  
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Notes to the Financial Statements  
June 30, 2025 and 2024

**9. 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:

	2024	2023
Balance at beginning of year	\$ 122,165,349	\$ 117,654,759
Increased by:		
Service cost	\$ 4,812,457	\$ 4,704,378
Interest cost	4,463,016	4,302,514
Member contributions	116,710	110,258
	9,392,183	9,117,150
	131,557,532	126,771,909
Decreased by:		
Differences between expected and actual experiences	2,711,012	1,498,915
Changes of assumptions	(10,143,287)	(246,235)
Gross benefit payments	3,408,478	3,353,880
	(4,023,797)	4,606,560
Balance at end of year	\$ 135,581,329	\$ 122,165,349

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

For the year ended June 30, 2025 and 2024, the College recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$4,496,518 and \$3,367,518 for OPEB expenses incurred by the State.

Collective balances of the Local Education Group at measurement year ending June 30, 2024 and 2023 are as follows:

	2024	2023
Deferred outflows of resources	\$ 16,383,910,385	\$ 15,085,612,961
Deferred inflows of resources	\$ 22,802,314,774	\$ 28,241,489,773
Collective OPEB expense	\$ 1,999,742,665	\$ 1,369,124,126
Collective net OPEB liability	\$ 59,650,630,530	\$ 52,361,668,239

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

Notes to the Financial Statements  
June 30, 2025 and 2024

**9. 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, 2024 and 2023, 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:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,498,826	\$ 25,319,703	\$17,824,275	\$32,177,135
Changes in assumptions	22,740,551	26,508,217	17,372,067	33,713,269
Net difference between projected and actual earnings on OPEB plan investments	-	-	-	-
Changes in proportion	<u>6,627,890</u>	<u>12,017,318</u>	<u>8,659,312</u>	<u>10,075,434</u>
	<u>\$ 43,867,267</u>	<u>\$ 63,845,238</u>	<u>\$43,855,654</u>	<u>\$75,965,838</u>

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,	
2025	\$ (6,585,895)
2026	(5,522,312)
2027	(2,622,923)
2028	689,350
2029	(4,786,336)
Thereafter	<u>(1,149,855)</u>
	<u>\$ (19,977,971)</u>

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

Notes to the Financial Statements  
June 30, 2025 and 2024

**10. Restatement of Net Position**

During the year ended June 30, 2025, the College recorded two adjustments to beginning net position as of July 1, 2024. These adjustments relate to (1) the implementation of a new accounting standard and (2) the correction of an error in previously issued financial statements.

***Change in Accounting Principle - GASB Statement No. 101***

Effective for the year ended June 30, 2025, the College implemented the provisions of GASB Statement No. 101, *Compensated Absences*. This statement establishes new recognition and measurement criteria for compensated absences, requiring governments to recognize a liability for certain types of compensated absences when the leave is earned, rather than when it is paid. In addition to the value of unused leave time owed to employees upon separation from employment, the College now also recognizes as part of the compensated absences liability an estimated amount of unused leave earned as of year-end that will be used by employees as time off in future years. As a result of this implementation and in accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*, the beginning net position as of July 1, 2024 was restated to reflect the cumulative effect change of (\$2.5) million recognized in the 2025 changes in net position.

***Correction of Prior Period Error – Capital Assets - Construction in Progress***

During fiscal year 2025, the College identified that certain capital projects that had previously been placed into service were not removed from Construction in Progress (CIP) in prior fiscal years. Although the projects had been appropriately transferred into depreciable capital assets within the fixed asset subledger and depreciation was recorded in the appropriate periods, the corresponding amounts remained on a manually maintained CIP rollforward schedule. As a result, CIP, total capital assets, and net position were overstated in prior periods. The College corrected this error by reducing CIP and net position as of June 30, 2024. The correction decreased beginning net position as of July 1, 2024 by \$8,393,322. This correction had no impact on the change in net position for the years ended June 30, 2025 and 2024.

***Effect of Restatement on Beginning Net Position***

The combined effect of these adjustments on beginning net position as of July 1, 2024 is summarized below:

<u>Description</u>	<u>Amount</u>
Net position at June 30, 2024, as previously reported	\$ 223,695,465
Implementation of GASB Statement No. 101	(2,540,708)
Correction of capital asset error (CIP)	<u>(8,393,322)</u>
Net position at July 1, 2024, as restated	<u><u>\$ 212,761,435</u></u>

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

Notes to the Financial Statements  
June 30, 2025 and 2024

**10. Restatement of Net Position**

***Effect of Restatement on June 30, 2024 Net Position***

The correction of the CIP error resulted in the following changes to the June 30, 2024 Statement of Net Position:

<u>Financial Statement Line Item</u>	<u>As Previously Reported</u>	<u>Adjustment</u>	<u>As Restated</u>
Total Capital Assets, Net	\$129,474,248	\$(8,393,322)	\$121,080,926
Total Assets	295,894,373	(8,393,322)	287,501,051
Net Investment in Capital Assets	116,465,067	(8,393,322)	108,071,745
Total Net Position	223,695,465	(8,393,322)	215,302,143

**11. 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.

**12. Components of Net Position**

At June 30, 2025 and 2024, the College's components of net position consisted of the following:

	Net Investment in Capital Assets	Restricted	Unrestricted	Total FY 2025	Total FY 2024
<b>NET INVESTMENT IN CAPITAL ASSETS</b>	\$ 105,977,343	\$ -	\$ -	\$ 105,977,343	\$ 108,071,745
<b>RESTRICTED FOR:</b>					
Unemployment reserve	-	8,072,789	-	8,072,789	7,639,387
Capital projects	-	32,968,838	-	32,968,838	32,979,602
<b>BOARD-DESIGNATED FOR:</b>					
Renewals and replacements of capital assets	-	-	48,713,519	48,713,519	48,713,519
Reserve for Workmen's Comp	-	-	284,190	284,190	284,190
<b>UNDESIGNATED</b>					
Current funds	-	-	28,779,570	28,779,570	17,613,700
Total per Statements of Net Position	<u>\$ 105,977,343</u>	<u>\$ 41,041,627</u>	<u>\$ 77,777,279</u>	<u>\$ 224,796,249</u>	<u>\$ 215,302,143</u>

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

Notes to the Financial Statements  
June 30, 2025 and 2024

**13. 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.

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.

***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.

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

Notes to the Financial Statements  
June 30, 2025 and 2024

**13. 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:

	2025		2024	
	Cost	Fair Value	Cost	Fair Value
Bonds	\$ 3,398,686	\$ 2,688,034	\$ 3,355,058	\$ 2,654,462
Stocks	5,658,664	11,268,111	5,878,634	10,191,863
	\$ 9,057,350	\$ 13,956,145	\$ 9,233,692	\$ 12,846,325

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

Notes to the Financial Statements  
June 30, 2025 and 2024

**13. 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

***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.

As of June 30, 2025 and 2024, the Foundation's pledges receivable consisted of unconditional promises to give in the amounts of \$29,076 and \$75,464, respectively, all of which are expected to be collected within 1 to 5 years.

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

Notes to the Financial Statements  
June 30, 2025 and 2024

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

***Revenue Recognition***

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 space and specialized services have been recognized as support and revenue; and, related expense on the financial statements. Donated space is valued based on similar rates comparable to similar spaces in Norther New Jersey. The donated services require professional skills, and would typically be purchased if not provided by donation and are valued based on current rates for similar services. Donated goods are recorded at fair value at the date of donation. The Foundation benefited from donated salaries and related benefits, legal services, printing services, facility costs, and equipment, which were valued at \$301,266 and \$438,783 during the years ended June 30, 2025 and 2024, respectively. The Foundation also benefited from donated textbooks for students valued at \$14,310 and \$15,567 during the years ended June 30, 2025 and 2024, respectively.

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

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**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**

	Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Public Employees' Retirement System</b>										
College's proportion of the net pension liability	0.2181343680%	0.2350154087%	0.2250871458%	0.2466096821%	0.2600012008%	0.2700912221%	0.2795840485%	0.2873561677%	0.2950525824%	0.2849969012%
College's proportionate share of the net pension liability	\$ 29,640,198	\$ 34,040,511	\$ 33,968,749	\$ 29,214,614	\$ 42,399,396	\$ 48,666,341	\$ 55,048,706	\$ 66,891,923	\$ 87,386,112	\$ 63,976,093
College's covered-employee payroll (as of the measurement date)	\$ 17,701,562	\$ 17,647,815	\$ 17,617,974	\$ 17,537,728	\$ 17,395,725	\$ 18,645,838	\$ 19,504,831	\$ 19,916,489	\$ 20,221,358	\$ 20,235,765
College's proportionate share of the net pension liability as a percentage of its covered-employee payroll	167.44%	192.89%	192.81%	166.58%	243.73%	261.00%	282.23%	335.86%	432.15%	316.15%
Plan fiduciary net position as a percentage of the total pension liability	68.22%	65.23%	62.91%	70.33%	59.49%	56.27%	53.60%	48.10%	40.14%	47.93%
<b>Teachers' Pension and Annuity Fund</b>										
State's proportion of the net pension liability associated with the College	0.0013981730%	0.0013820928%	0.0014029587%	0.0014381500%	0.0014410707%	0.0014479168%	0.0013971179%	0.0014150702%	0.0014223399%	0.0027595246%
State's proportionate share of the net pension liability associated with the College	\$ 691,048	\$ 705,319	\$ 723,848	\$ 691,393	\$ 948,928	\$ 888,600	\$ 888,816	\$ 954,091	\$ 1,118,903	\$ 1,744,137
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%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	37.99%	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%

**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**

	Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 2,968,231	\$ 3,141,048	\$ 2,838,457	\$ 2,888,086	\$ 2,844,285	\$ 2,364,140	\$ 2,789,084	\$ 2,687,467	\$ 2,621,205	\$ 2,450,209
Contributions in relation to the contractually required contribution	<u>2,968,231</u>	<u>3,141,048</u>	<u>2,838,457</u>	<u>2,888,086</u>	<u>2,844,285</u>	<u>2,364,140</u>	<u>2,784,084</u>	<u>2,687,467</u>	<u>2,621,205</u>	<u>2,450,209</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered-employee payroll	\$ 17,701,562	\$ 17,647,815	\$ 17,617,974	\$ 17,537,728	\$ 17,394,725	\$ 18,645,838	\$ 19,504,831	\$ 19,916,489	\$ 20,221,358	\$ 20,235,765
Contributions as a percentage of covered-employee payroll	16.77%	17.80%	16.11%	16.47%	16.35%	12.68%	14.27%	13.49%	12.96%	12.11%

**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, 2025	Year Ended June 30, 2024	Year Ended June 30, 2023	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	0.23%	0.23%	0.23%	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	<u>\$ 135,581,329</u>	<u>\$ 122,165,349</u>	<u>\$ 117,654,759</u>	<u>\$ 145,016,437</u>	<u>\$ 171,589,283</u>	<u>\$ 103,911,513</u>	<u>\$ 105,309,653</u>
Total proportionate share of the OPEB liability associated with the College	<u>\$ 135,581,329</u>	<u>\$ 122,165,349</u>	<u>\$ 117,654,759</u>	<u>\$ 145,016,437</u>	<u>\$ 171,589,283</u>	<u>\$ 103,911,513</u>	<u>\$ 105,309,653</u>
Balance at beginning of year	\$ 122,165,349	\$ 117,654,759	\$ 145,016,437	\$ 171,589,283	\$ 103,911,513	\$ 105,309,653	\$ 123,656,003
Increased by:							
Service cost	\$ 4,812,457	\$ 4,704,378	\$ 6,930,822	\$ 8,419,908	\$ 4,853,258	\$ 4,596,255	\$ 7,367,455
Interest cost	4,463,016	4,302,514	3,117,981	3,761,879	3,756,511	4,194,034	4,642,404
Member contributions	<u>116,710</u>	<u>110,258</u>	<u>99,079</u>	<u>96,173</u>	<u>90,543</u>	<u>94,554</u>	<u>97,323</u>
	<u>9,392,183</u>	<u>9,117,150</u>	<u>10,147,882</u>	<u>12,277,960</u>	<u>8,700,312</u>	<u>8,884,843</u>	<u>12,107,182</u>
	131,557,532	126,771,909	155,164,319	183,867,243	112,611,825	114,194,496	135,763,185
Decreased by:							
Differences between expected and actual experiences	\$ 2,711,012	\$ 1,498,915	\$ 2,859,163	\$ 35,876,217	\$ (30,621,220)	\$ 8,642,538	\$ 15,552,780
Changes of assumptions	(10,143,287)	(246,235)	31,561,945	11,282	(31,343,466)	(1,549,329)	12,084,810
Gross benefit payments	<u>3,408,478</u>	<u>3,353,880</u>	<u>3,088,452</u>	<u>2,963,307</u>	<u>2,987,228</u>	<u>3,189,774</u>	<u>2,815,942</u>
	<u>(4,023,797)</u>	<u>4,606,560</u>	<u>37,509,560</u>	<u>38,850,806</u>	<u>(58,977,458)</u>	<u>10,282,983</u>	<u>30,453,532</u>
Balance at end of year	<u>\$ 135,581,329</u>	<u>\$ 122,165,349</u>	<u>\$ 117,654,759</u>	<u>\$ 145,016,437</u>	<u>\$ 171,589,283</u>	<u>\$ 103,911,513</u>	<u>\$ 105,309,653</u>
Covered employee payroll	\$ 17,701,562	\$ 17,647,815	\$ 17,617,974	\$ 17,537,728	\$ 17,394,725	\$ 18,645,838	\$ 19,504,831
Total OPEB liability as a percentage of covered employee payroll	765.93%	692.24%	667.81%	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.

## **Bergen Community College**

Notes to Required Supplementary Information  
Year Ended June 30, 2025

### **1. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)**

#### *Benefit Changes*

There were none.

#### *Changes of Assumptions*

Measurements as of the June 30, 2024 reporting date are based on the fair value of assets as of June 30, 2024 and the Total Pension Liability (TPL) as of the valuation date, July 1, 2023, updated to June 30, 2024. As a result of the Experience Study covering the period July 1, 2018 – June 30, 2021, the underlying demographic and economic assumptions were updated. This report also reflects three changes to the plan provisions, only one of which had an impact on the TPL. Chapter 226, P.L. 2021 reopened the Prosecutors Part of PERS and made membership in the Prosecutors Part of PERS mandatory for all prosecutors. There are no other significant events that are measurable at this time between the valuation date and the measurement date, so the update procedures only include the addition of service cost and interest cost offset by actual benefit payments, and adjustments to reflect the changes in assumptions and plan provisions as described.

### **2. TEACHERS' PENSION AND ANNUITY FUND**

#### *Benefit Changes*

There were none.

#### *Changes of Assumptions*

The discount rate remained unchanged from 7.00% as of June 30, 2023 to June 30, 2024.

### **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, 2021 valuation to be consistent with industry standards. The discount rate changed from 3.65% as of June 30, 2023 to 3.93% as of June 30, 2024.

## **OTHER SUPPLEMENTARY INFORMATION**

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

Schedule of Expenditures of Federal Awards  
June 30, 2025

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
<b>Student Financial Assistance Cluster</b>					
U.S. Department of Education					
Direct Awards:					
Federal Pell Grant Program		84.063		\$ -	\$ 26,731,840
Federal Supplemental Educational Opportunity Grants		84.007		-	582,840
Federal Direct Student Loans		84.268		-	6,168,048
Federal Work-Study Program		84.033		-	387,724
Total Student Financial Assistance Cluster				-	<u>33,870,452</u>
Passed through the State of New Jersey					
Career and Technical Education - Basic Grants to States		84.048	unavailable	-	856,032
Higher Education Institutional Aid					
Bergen Rebounds: Assist, Advance and Achieve		84.031S		-	267,350
Child Care Access Means Parents in School		84.335A		-	50,796
Total Higher Education Institutional Aid				-	<u>318,146</u>
Transition Programs for Students with Intellectual Disabilities into Higher Education					
Phase 3		84.407A		-	91,088
Passed through Bergen County Vocational School District					
Adult Education - Basic Grants to States		84.002A	ABS-FY2025-DIS-018	-	467,077
Total U.S. Department of Education				-	<u>35,602,795</u>
<b>Other Federal Programs</b>					
National Science Foundation					
Passed through the Montclair State University					
STEM Education (formerly Education and Human Resources)		47.076	2150649	-	21,352
Passed through the Ramapo College of New Jersey					
STEM Education (formerly Education and Human Resources)		47.076	unavailable	-	2,866
Passed through the Passaic County Community College					
STEM Education (formerly Education and Human Resources)		47.076	HRD-2308618	-	6,697
Total National Science Foundation				-	<u>30,915</u>
U.S. Environmental Protection Agency					
Direct Program:					
Environmental Education Grants Program		66.951		-	65,723
U.S. Department of Agriculture					
Direct Programs:					
From Learning to Leading: Cultivating the Next Generation of Diverse Food and Agriculture Professionals		10.237		-	671,644
Hispanic Serving Institutions Education Grants		10.223		-	177,741
Total U.S. Department of Agriculture				-	<u>849,385</u>
U.S. Department of Labor, Employment and Training Administration					
Direct Program:					
H-1B Job Training Grants		17.268		1,708	19,527
U.S. Small Business Administration					
Direct Program:					
Congressional Grants		59.059		-	50,163
Total Other Federal Programs				1,708	<u>1,015,713</u>
<b>Total Expenditures of Federal Awards</b>				<u>\$ 1,708</u>	<u>\$ 36,618,508</u>

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

Schedule of Expenditures of State Financial Assistance  
Year Ended June 30, 2025

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	7/1/24-6/30/25	\$ 6,488,246	\$ 6,488,246
EOF Article III	100-074-2401-001	7/1/24-6/30/25	574,724	574,724
EOF Article III Summer	100-074-2601-001	7/1/24-6/30/25	72,119	72,119
New Jersey STARS	100-074-2405-313	7/1/24-6/30/25	266,095	266,095
Community College Opportunity Grant	100-074-2405-332	7/1/24-6/30/25	2,374,233	2,374,233
Survivors Tuition Benefits (STB)	100-074-2405-009	7/1/24-6/30/25	1,259	1,259
Total Student Financial Assistance Cluster			9,776,676	9,776,676
Other State of New Jersey Programs:				
New Jersey Commission on Higher Education				
Operational Costs - County Colleges	01-100-082-2155-015	7/1/24-6/30/25	14,925,988	14,925,988
Alternate Benefit Program	01-100-082-2155-017	7/1/24-6/30/25	1,229,637	1,229,637
EOF Title IV	100-074-2401-002	7/1/24-6/30/25	157,699	157,699
EOF Special Project	100-074-2401-002	7/1/24-6/30/25	84,918	84,918
New Jersey Department of Community Affairs				
Uniform Construction Code	<i>unavailable</i>	7/1/24-6/30/25	43,635	43,635
New Jersey Department of Environmental Protection				
Recycling Enhancement	SHW22-006	7/1/22-8/31/23	9,866	71,044
Passed through the College of New Jersey Sustainability Institute				
Trees for Schools	<i>unavailable</i>	7/1/24-6/30/25	13,205	13,205
Office of the Secretary of Higher Education				
Community College Opportunity Grant - Student Success Initiative	<i>unavailable</i>	7/1/24-6/30/25	310,059	310,059
Community College Opportunity Grant - Supplemental	<i>unavailable</i>	7/1/24-6/30/25	3,043	3,043
Hunger Free Campus	<i>unavailable</i>	7/1/24-6/30/25	35,706	35,706
Some College No Degree	<i>unavailable</i>	7/1/24-6/30/25	73,065	73,065
College Readiness Now	100-074-2400-055	7/1/24-6/30/25	68,129	68,129
Center for Adult Transition	<i>unavailable</i>	5/15/23-6/30/24	226,043	226,043
Center for Adult Transition - Supplemental	<i>unavailable</i>	7/1/24-6/30/25	21,675	21,675
Student Mental Health and Wellness Support for NJ College Students	<i>unavailable</i>	7/1/23-12/31/26	142,547	142,547
Higher Education Capital Facilities Grant Programs:				
Higher Education Technology Infrastructure Fund FY14	004-04	7/1/23-6/30/24	24,200	1,044,548
Higher Education Technology Infrastructure Fund FY22	204-01	4/27/23-6/30/24	108,628	1,016,572
Total Higher Education Capital Facilities Grant Programs			132,828	2,061,120
New Jersey Department of Labor and Workforce Development				
NJ Builders' Utilization Initiative for Labor Diversity (NJBUILD)	<i>unavailable</i>	6/1/23-11/30/24	126,783	235,551
Pre-Apprenticeship in Career Education (PACE) Program	PACE-FY2025	2/15/24-8/14/25	202,539	202,539
Passed through Bergen County Vocational School District				
Adult Basic Skills (ABS) and Integrated English Literature & Civics Education (IELCE)	ABS-FY2025	7/1/24-6/30/25	49,999	49,999
New Jersey Community College Consortium for Workforce and Economic Development:				
Direct Support Professional Career Development Program - Prior Year	<i>unavailable</i>	6/1/23-5/31/24	17,320	315,249
Direct Support Professional Career Development Program - Year Three	<i>unavailable</i>	7/1/24-6/30/25	287,429	287,429
Total Direct Support Professional Career Development Programs			304,749	602,678
NJ Clean Energy Program – Higher Education Decarbonization Pilot				
NJ Pathways to Career Opportunities:				
Patient Care	<i>unavailable</i>	7/1/24-6/30/25	23,215	23,215
Careers in Teaching	<i>unavailable</i>	7/1/24-6/30/25	688	688
Renewable Energy	<i>unavailable</i>	7/1/24-6/30/25	63,900	63,900
Cybersecurity	<i>unavailable</i>	7/1/24-6/30/25	6,364	6,364
Total NJ Pathways to Career Opportunities			94,167	94,167
Total Other State of New Jersey Programs			18,365,724	20,761,891
Total Expenditures of State Financial Assistance			\$ 28,142,400	\$ 30,538,567

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

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
June 30, 2025

**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 Financial Assistance 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, they are not intended to, and do 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, 2025. During the fiscal year ended June 30, 2025, the College processed \$6,168,048 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, 2025, the State of New Jersey, Department of Treasury made payments on behalf of Bergen Community College to the Alternate Benefit Program of \$1,229,637. 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, 2025. The June 30, 2025 benefit reimbursement for faculty is included in the accompanying Schedule of Expenditures of State Financial Assistance.

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

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
June 30, 2025  
*(Continued)*

**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 \$1,708 for the year ended June 30, 2025.

**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, 2025, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated March 11, 2026. 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a significant deficiency.

### **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*.

### **The College's Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the College's response to internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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  
March 11, 2026

**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 (the College) 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 the College's major federal and state programs for the year ended June 30, 2025. The College's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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, 2025.

***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.

***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.

### ***Other Matters***

The results of our auditing procedures disclosed two instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2025-002 and 2025-003. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the College's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### ***Report on Internal Control over Compliance***

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 and therefore, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

*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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-002 and 2025-003 to be significant deficiencies.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on the College's response to internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the other auditing procedures applied in the audit of compliance and accordingly, we express no opinion on the response.

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  
March 11, 2026

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

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2025

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  No
- Significant deficiency(ies) identified?  Yes  None reported

Noncompliance material to financial statements noted?

Yes  No

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes  No

**Identification of major federal programs:**

Assistance Listing Number

Name of Federal Program or Cluster

84.063  
84.007  
84.268  
84.033

*Student Financial Assistance Cluster:*  
Federal Pell Grant Program  
Federal Supplemental Educational Opportunity Grant  
Federal Direct Student Loans  
Federal Work-Study Program

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

\$1,098,556

Auditee qualified as low-risk auditee?

Yes  No

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

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2025  
(continued)

Section 1 - Summary of Auditors' Results (continued)

**State Financial Assistance**

Internal control over major 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 state programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08?        Yes   X   No

**Identification of major state programs:**

State Account Number	Name of State Program or Cluster
01-100-082-2155-015	Operational Costs - County Colleges

Dollar threshold used to distinguish between Type A and Type B programs: \$844,272

Auditee qualified as low-risk auditee?   X   Yes        No

Section 2 – Financial Statement Findings

**2025-001 - Capital Asset Reconciliation Controls – Significant Deficiency**

**Criteria:** Management is responsible for designing and maintaining effective internal control over financial reporting to ensure capital assets, including Construction in Progress (CIP), are accurately recorded and reconciled in accordance with GASB standards. Controls should include reconciliation between the fixed asset subledger and any manually maintained CIP rollforward schedules.

**Condition:** During fiscal year 2025, management identified that certain capital projects transferred into service in prior fiscal years remained on the manually maintained CIP rollforward schedule. Although the College's fixed asset subledger appropriately transferred the projects into depreciable capital assets and depreciation was recorded correctly, the corresponding amounts were not removed from the CIP rollforward. As a result, capital assets and net position were overstated by \$8,393,322 as of June 30, 2024, requiring restatement of the prior year financial statements.

**Cause:** The condition resulted from a breakdown in execution of an existing reconciliation control during a period of significant staff turnover within the finance function. While the College's fixed asset system automatically transfers completed CIP projects into service and initiates depreciation, management relied on a manually maintained CIP rollforward schedule that was not formally reconciled to the subledger on a periodic basis. Procedures for reconciling the fixed asset system to the CIP rollforward were not adequately documented or communicated during personnel transitions. As a result, the reconciliation control was not consistently performed in prior years.

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

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2025  
(continued)

Section 2 – Financial Statement Findings (continued)

**2025-001 - Capital Asset Reconciliation Controls – Significant Deficiency (continued)**

**Effect:** The lack of effective reconciliation resulted in an overstatement of capital assets and net position of \$8,393,322 at June 30, 2024 prompting a restatement of previously issued financial statements. Although depreciation expense was properly calculated and recorded in applicable periods, there is an increased risk that capital asset misstatements could occur and not be detected.

**Recommendation:** Although the control framework contemplated reconciliation of CIP activity, the control was not operating effectively during prior periods. Because this deficiency resulted in a material misstatement of the prior year financial statements that was not detected on a timely basis, we recommend management formalize written procedures requiring periodic reconciliation of the CIP rollforward to the fixed asset subledger. Supervisory review of CIP transfers and project close-outs should be documented and reliance on manual schedules should be eliminated where feasible. Management should incorporate reconciliation procedures into onboarding and cross-training protocols to mitigate turnover risk.

**Views of Responsible Officials:** See correction action plan attached.

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

**2025-002 Special Tests and Provisions – Enrollment Reporting – Significant Deficiency**

**Federal Assistance Listing Numbers:** 84.063, 84.007, 84.268, and 84.033

**Name of Program or Cluster:** Student Financial Assistance Cluster

**Agency:** U.S. Department of Education

**Criteria:** Bergen Community College (the “College”) is required to update students’ statuses on the National Student Loans Data System (“NSLDS”) website if they graduate, withdraw or have an increase/decrease in attendance level during the year within 60 days of the date the College becomes aware of the change in enrollment status.

**Condition:** The College did not submit an accurate and/or timely status change notification to the NSLDS website for two out of sixty students sampled from a total population of students who graduated, withdrew, or had an increase/decrease in attendance level during the year.

**Cause:** Management oversight.

**Effect:** Noncompliance with OMB federal grant compliance requirements.

**Questioned Costs:** None.

**Repeat Finding:** Yes.

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

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2025  
(continued)

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

**2025-002 Special Tests and Provisions – Enrollment Reporting – Significant Deficiency (continued)**

**Federal Assistance Listing Numbers:** 84.063, 84.007, 84.268, and 84.033

**Name of Program or Cluster:** Student Financial Assistance Cluster

**Agency:** U.S. Department of Education

**Recommendation:** The College should properly follow its policies and procedures over enrollment reporting to ensure that all status changes are submitted to the NSLDS website accurately and within the required timeframe.

**Views of Responsible Officials:** See correction action plan attached.

**2025-003 Special Tests and Provisions – Return of Title IV Funds – Significant Deficiency**

**Federal Assistance Listing Numbers:** 84.063, 84.007, 84.268, and 84.033

**Name of Program or Cluster:** Student Financial Assistance Cluster

**Agency:** U.S. Department of Education

**Criteria:** The College is required to accurately calculate return of Title IV funds for withdrawn students who began attendance, allocate the return of Title IV funds as required, notify borrowers of returned loans and/or follow the requirements for post-withdrawal disbursements as applicable. Additionally, where applicable, the College is required to return funds within forty-five days of becoming aware that the student had withdrawn, deposits or transfers were made into the federal funds account, electronic transfers were initiated, or checks were issued.

**Condition:** The College did not accurately calculate a return of Title IV funds and/or follow the requirements for post-withdrawal disbursements for nine out of sixty students sampled from a total population of withdrawn students who began attendance. Additionally, for fifteen out of the sixty students sampled, the College did not return Title IV funds timely.

**Cause:** Management oversight.

**Effect:** Noncompliance with OMB federal grant compliance requirements.

**Questioned Costs:** None.

**Repeat Finding:** Yes.

**Recommendation:** The College should properly follow its policies and procedures over return of Title IV funds to ensure that all R2T4 calculations are completed accurately and timely and all requirements for post-withdrawal disbursements are followed where applicable.

**Views of Responsible Officials:** See corrective action plan attached.

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

Summary Schedule of Prior Year Findings  
Year Ended June 30, 2025

**2024-001 Special Tests and Provisions – Enrollment Reporting – Significant Deficiency**

**Condition:** The College did not submit an accurate and/or timely status change notification to the NSLDS website for six out of forty students sampled from a total population of students who graduated, withdrew, or had an increase/decrease in attendance level during the year.

**Current Status:** This has not been corrected. See Finding 2025-002.

**2024-002 Special Tests and Provisions – Return of Title IV Funds – Significant Deficiency**

**Condition:** The College did not accurately calculate a return of Title IV funds and/or follow the requirements for post-withdrawal disbursements for seven out of twenty-four students sampled from a total population of withdrawn students who began attendance. Additionally, for one out of the twenty-four students sampled, the College did not return Title IV funds timely.

**Current Status:** This has not been corrected. See Finding 2025-003.



## Appendix A – Corrective Action Plan

**To:** PKF O'Connor Davies, LLP, U.S. Department of Education

**From:** Wilton Thomas-Hooke, CFO

**Date:** March 11, 2026

**RE: Bergen Community College Corrective Action Plan**

### **2025-001 - Capital Asset Reconciliation Controls – Significant Deficiency**

**Criteria:** Management is responsible for designing and maintaining effective internal control over financial reporting to ensure capital assets, including Construction in Progress (CIP), are accurately recorded and reconciled in accordance with GASB standards. Controls should include reconciliation between the fixed asset subledger and any manually maintained CIP rollforward schedules.

**Condition:** During fiscal year 2025, management identified that certain capital projects transferred into service in prior fiscal years remained on the manually maintained CIP rollforward schedule. Although the College's fixed asset subledger appropriately transferred the projects into depreciable capital assets and depreciation was recorded correctly, the corresponding amounts were not removed from the CIP rollforward. As a result, capital assets and net position were overstated by \$8,393,322 as of June 30, 2024, requiring restatement of the prior year financial statements.

**Cause:** The condition resulted from a breakdown in execution of an existing reconciliation control during a period of significant staff turnover within the finance function. While the College's fixed asset system automatically transfers completed CIP projects into service and initiates depreciation, management relied on a manually maintained CIP rollforward schedule that was not formally reconciled to the subledger on a periodic basis. Procedures for reconciling the fixed asset system to the CIP rollforward were not adequately documented or communicated during personnel transitions. As a result, the reconciliation control was not consistently performed in prior years.

**Effect:** The lack of effective reconciliation resulted in an overstatement of capital assets and net position of \$8,393,322 at June 30, 2024 prompting a restatement of previously issued financial statements. Although depreciation expense was properly calculated and recorded in applicable periods, there is an increased risk that capital asset misstatements could occur and not be detected.

**Recommendation:** Although the control framework contemplated reconciliation of CIP activity, the control was not operating effectively during prior periods. Because this deficiency resulted in a material misstatement of the prior year financial statements that was not detected on a timely basis, we recommend management formalize written procedures requiring periodic reconciliation of the CIP rollforward to the fixed asset subledger. Supervisory review of CIP transfers and project close-outs should be documented and reliance on manual schedules should be eliminated where feasible. Management should incorporate reconciliation procedures into onboarding and cross-training protocols to mitigate turnover risk.

**Views of Responsible Officials:** The College acknowledges the audit finding and has implemented additional training and formalized CIP accounting procedures to ensure reconciliation controls are consistently performed going forward.

**Appendix A – Corrective Action Plan**  
(continued)

**2025-002 Special Tests and Provisions – Enrollment Reporting – Significant Deficiency**

**Federal Assistance Listing Numbers:** 84.063, 84.007, 84.268, and 84.033

**Name of Program or Cluster:** Student Financial Assistance Cluster

**Agency:** U.S. Department of Education

**Criteria:** Bergen Community College (the “College”) is required to update students’ statuses on the National Student Loans Data System (“NSLDS”) website if they graduate, withdraw or have an increase/decrease in attendance level during the year within 60 days of the date the College becomes aware of the change in enrollment status.

**Condition:** The College did not submit an accurate and/or timely status change notification to the NSLDS website for two out of sixty students sampled from a total population of students who graduated, withdrew, or had an increase/decrease in attendance level during the year.

**Cause:** Management oversight.

**Effect:** Noncompliance with OMB federal grant compliance requirements.

**Questioned Costs:** None.

**Repeat Finding:** Yes.

**Recommendation:** The College should properly follow its policies and procedures over enrollment reporting to ensure that all status changes are submitted to the NSLDS website accurately and within the required timeframe.

**Views of Responsible Officials:** After consultation with the College’s Information Technology department, management determined that the file was processed and submitted on time. However, the NSLDS discrepancy resulted from a data processing issue during the March 2025 enrollment status download. Specifically, while the NSLDS file was being generated, staff from another office were simultaneously accessing the same student records. These concurrent activities caused the affected students’ enrollment statuses to default to data from a prior download, resulting in incorrect reporting for the two records of the sixty examined.

**Corrective action:**

The College has revised its NSLDS data reporting process to prevent a recurrence of concurrent access. A static, saved population list is now used to generate NSLDS enrollment status downloads, eliminating conflicts caused by concurrent system access. This change ensures that enrollment status data is not impacted and remains consistent at the time of submission.

Management believes this corrective action adequately addresses the identified issue, strengthens controls, mitigates this issue for future status change reports, and allows for accurate submission within the required 60-day timeframe.

**Appendix A – Corrective Action Plan**  
(continued)

**2025-003 Special Tests and Provisions – Return of Title IV Funds – Significant Deficiency**

**Federal Assistance Listing Numbers:** 84.063, 84.007, 84.268, and 84.033

**Name of Program or Cluster:** Student Financial Assistance Cluster

**Agency:** U.S. Department of Education

**Criteria:** The College is required to accurately calculate return of Title IV funds for withdrawn students who began attendance, allocate the return of Title IV funds as required, notify borrowers of returned loans and/or follow the requirements for post-withdrawal disbursements as applicable. Additionally, where applicable, the College is required to return funds within forty-five days of becoming aware that the student had withdrawn, deposits or transfers were made into the federal funds account, electronic transfers were initiated, or checks were issued.

**Condition:** The College did not accurately calculate a return of Title IV funds and/or follow the requirements for post-withdrawal disbursements for nine out of sixty students sampled from a total population of withdrawn students who began attendance. Additionally, for fifteen out of the sixty students sampled, the College did not return Title IV funds timely.

**Cause:** Management oversight.

**Effect:** Noncompliance with OMB federal grant compliance requirements.

**Questioned Costs:** None.

**Repeat Finding:** Yes.

**Recommendation:** The College should properly follow its policies and procedures over return of Title IV funds to ensure that all R2T4 calculations are completed accurately and timely and all requirements for post-withdrawal disbursements are followed where applicable.

**Views of Responsible Officials:** The College acknowledges the audit finding that Return of Title IV (R2T4) calculations were not accurately completed for nine of the sixty students sampled, and that Title IV funds were not returned timely for fifteen of the sixty students sampled.

During the audit period, R2T4 tracking and oversight processes were in transition, which resulted in insufficient monitoring of calculation accuracy and timeliness. In addition, for several end-of-term cases involving unofficial withdrawals, the institution could not initiate R2T4 calculation until final grades were posted and an unofficial withdrawal determination was made based on non-passing (F) grades, in accordance with federal regulations governing unofficial withdrawals. The Fall 2024 semester ended on December 21st. The college was closed for the winter break and reopened January 2, 2025. Therefore, the Date of Determination (DOD) was not two days after the end of the semester but in January with the earliest available processing date being January 2, 2025.

**Appendix A – Corrective Action Plan**  
*(continued)*

**2025-003 Special Tests and Provisions – Return of Title IV Funds – Significant Deficiency**  
*(continued)*

***Corrective Action:***

The College has implemented enhanced internal controls to ensure compliance with Return of Title IV (R2T4) requirements. Responsibility for monitoring R2T4 calculations and timeliness has been assigned to the Director of Financial Aid and Compliance. A R2T4 tracking log has been established and is reviewed on a weekly basis to ensure that all official withdrawals are identified and processed within the required regulatory timeframe. For unofficial withdrawals, R2T4 calculations are initiated after the end of term once final grades are posted and an unofficial withdrawal date of determination (DOD) is made based on non-passing (F) grades, consistent with federal regulations. End-of-term R2T4 reviews for the fall semester are conducted upon return from winter break after the New Year to ensure complete and accurate academic records are available. Internal staff have received additional training on R2T4 regulatory requirements, timelines, and documentation standards. To ensure operational continuity, a senior specialist has been trained to manage R2T4 processing in the Director's absence. These corrective actions will strengthen internal controls and ensure accurate and timely processing of R2T4 calculations.

E-SIGNED by Wilton Thomas-Hooke  
on Mar 11, 2026 15:54:50:50 GMT

March 11, 2026