Rowan College at Burlington County

(A Component Unit of the County of Burlington, State of New Jersey)

June 30, 2020 and 2019

(With Independent Auditor's Reports Thereon)

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

ROWAN COLLEGE AT BURLINGTON COUNTY
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INTRODUCTORY SECTION

ROWAN COLLEGE AT BURLINGTON COUNTY

BOARD OF TRUSTEES

As of June 30, 2020

NAME	TERM EXPIRES
Mr. George N. Nyikita, Chair	November 2022 (10/31/2022)
Dr. James Kerfoot, Vice Chair	November 2022 (10/31/2022)
Mr. Christopher Brown, Former Vice Chair (Vacant – Resigned 12/19/2019) Unassigned, Treasurer	November 2020 (10/31/2020)
Mr. James C. Anderson, Jr.	November 2021 (Gubernatorial Appt)
Mr. Kevin Brown	November 2021 (10/31/2021)
Ms. Renee Liciaga	November 2020 (Gubernatorial Appt)
Ms. Jamie Martin	November 2021 (10/31/2021)
Mr. Daryl Minus-Vincent (Exec County Supt)	Indefinite
Mr. Dorion B. Morgan, Esq.	November 2022 (10/31/2022)
Mr. Gino Pasqualone	November 2022 (10/31/2022)
Mr. Mickey Quinn	November 2022 (10/31/2022)
Ms. Jillian Volpe, Alumni Trustee	June 30, 2020

OTHER OFFICIALS

Dr. Michael A. Cioce, President and Board Secretary
Dr. David I. Spang, Senior Vice President and Provost
Mr. Thomas Czerniecki, Senior Vice President of Administration and Operations
Dr. Karen Archambault, Vice President Enrollment Management and Student Success
Ms. Anna Payanzo-Cotton, Vice President Workforce Development and Lifelong Learning
Mr. Matthew Farr, Chief Operations Officer
Mr. Mark Meara, Chief Information Officer
Mr. Gregory Volpe, Executive Director of Strategic Marketing and Communications
Ms. Kelly A. Grant, Board Solicitor, Malamut and Associates, LLC

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Rowan College at Burlington County
Mount Laurel, New Jersey 08054

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of ***Rowan College at Burlington County*** (the "College"), a component unit of the County of Burlington, State of New Jersey, and its discretely presented component unit (Rowan College at Burlington County Foundation), as of and for the fiscal years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. The financial statements of the College's discretely presented component unit were audited in accordance with auditing standards generally accepted in the United States of America, but were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of ***Rowan College at Burlington County*** and the College's discretely presented component unit, as of June 30, 2020 and 2019, and the respective changes in financial position and, where applicable, cash flows, for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

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

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated March 9, 2021, on our consideration of ***Rowan College at Burlington County's*** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 ***Rowan College at Burlington County'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.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
March 9, 2021

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

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Rowan College at Burlington County
Mount Laurel, New Jersey 08054

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the business-type activities of ***Rowan College at Burlington County*** (the "College"), a component unit of the County of Burlington, State of New Jersey, and its discretely presented component unit (Rowan College at Burlington County Foundation), as of and for the fiscal year ended June 30, 2020, 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 9, 2021. The financial statements of the College's discretely presented component unit (Rowan College at Burlington County Foundation) were audited in accordance with auditing standards generally accepted in the United States of America, but were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered ***Rowan College at Burlington County'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 ***Rowan College at Burlington County'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether ***Rowan College at Burlington County's*** financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
March 9, 2021

REQUIRED SUPPLEMENTARY INFORMATION

PART I

Management's Discussion and Analysis

This section of the audit report is a requirement of the Government Accounting and Standards Board (GASB) Statement No. 35 - *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. This section provides an overview of the financial activity of Rowan College at Burlington County (the "College") for the fiscal years ended June 30, 2020 (FY 2020) and 2019 (FY 2019), with 2018 (FY 2018) data presented for comparative purposes. There are three basic financial statements presented: the statement of net position; the statement of revenues, expenses and changes in net position; and the statement of cash flows. Management has prepared and is responsible for the completeness and fairness of the information provided in the basic financial statements.

In accordance with GASB Statements No. 14, *The Financial Reporting Entity,* as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34,* and GASB Statement No. 80, *Blending Requirements for Certain Component Units-an Amendment of GASB Statement No. 14,* these statements also include the most recent audited financial statements of Rowan College at Burlington County Foundation, which per the above noted GASB Statements, is considered to be a discretely presented component unit of the College. The analysis below will focus on the College only.

ENROLLMENT

Total credit hour enrollments were as follows:

	FY 2020	FY 2019	FY 2018	Change 2020-2019	Change 2019-2018
Credit Hours	198,167	210,899	220,065	(12,732)	(9,166)

It should be noted that these are total credit hours for the College and may differ from the state fundable credit hours reported in the Enrollment Report.

While the college recognizes challenges created by decreased enrollment and expects to see a significant additional drop in 2021 due to the COVID crisis, we also believe that there will likely be a rebound from this drop as public health stabilizes over the next several years.

ENROLLMENT (CONT'D)

For FY2019, total credit hours decreased from FY 2018 but are in line with FY 2017. The college continues to battle against competition, decreasing high school graduating numbers, and an ever changing enrollment landscape, but remains attentive to potential areas of growth, particularly the possible expansion of the "3+1" program (and corresponding third year enrollment).

While the college recognizes the challenges created by both decreased enrollment and the resulting decrease in tuition revenue, we believe that this reflects a stabilization of enrollment, rather than foreshadowing a future further decline. We are buoyed by the potential of the Community College Opportunity Grant administered by the state, and the potential of attracting a new pool of students (primarily though not exclusively adult learners) through this venue.

In fiscal year 2015, the College adopted and implemented GASB 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27,* and GASB Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*

The notes to the financial statements provides a thorough discussion of the College's pension plans and GASB 68 elements; however, the following table provides the effect GASB 68 had on net position for FY 2020, FY 2019 and FY 2018.

	FY 2020	FY 2019	FY 2018	FY 20 to FY 19 Variance	FY 19 to FY 18 Variance
Deferred Outflows Related to Pensions	$ 4,093,183.00	$ 6,132,781.00	$ 8,145,472.00	$ (2,039,598.00)	$ (2,012,691.00)
Less: Accounts Payable - Related to Pensions	(1,191,612.00)	(1,207,436.00)	(1,238,937.00)	15,824.00	31,501.00
Less: Net Pension Liability	(22,366,542.00)	(24,524,598.00)	(28,677,372.00)	2,158,056.00	4,152,774.00
Less: Deferred Inflows Related to Pensions	(8,638,014.00)	(8,775,526.00)	(6,566,169.00)	137,512.00	(2,209,357.00)
Net Position Effect from GASBS 68 and 71 Implementation	$ (28,102,985.00)	$ (28,374,779.00)	$ (28,337,006.00)	$ 271,794.00	$ (37,773.00)

STATEMENTS OF NET POSITION

The Statements of Net Position represent the College's financial position at of the end of each fiscal year, a financial snapshot. These Statements present the College's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position. Assets and liabilities are separated into current and non-current as explained in the accompanying footnotes. Net Position is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Readers of this statement are able to determine the assets available to continue the operations of the College and the amounts owed to vendors.

STATEMENTS OF NET POSITION (CONT'D)

Net Position is divided into three major categories. The first, net investment in capital assets reflects the College's land, land improvements, building and improvements, equipment, construction in progress and infrastructure net of related debt. The second is net position nonexpendable and expendable for capital projects, programs, and scholarships. The third is net position unrestricted which is available for any allowable purpose.

The following is condensed financial information represented in the Statements of Net Position at June 30, 2020, 2019 and 2018:

	FY 2020	FY 2019	FY 2018	FY 20 to FY 19 Variance	FY 19 to FY 18 Variance
Assets					
Current Assets	$ 22,700,860.20	$ 19,349,422.39	$ 23,301,169.32	$ 3,351,437.81	$ (3,951,746.93)
Non-Current Assets:					
Capital Assets, net of Depreciation	116,062,630.98	120,531,917.51	139,779,054.53	(4,469,286.53)	(19,247,137.02)
Total Assets	138,763,491.18	139,881,339.90	163,080,223.85	(1,117,848.72)	(23,198,883.95)
Deferred Outflows of Resources - Related to Pensions	4,093,183.00	6,132,781.00	8,145,472.00	(2,039,598.00)	(2,012,691.00)
Liabilities					
Current Liabilities	19,664,256.74	19,982,390.23	24,252,814.32	(318,133.49)	(4,270,424.09)
Non-Current Liabilities	54,947,132.09	59,956,867.92	66,372,264.25	(5,009,735.83)	(6,415,396.33)
Total Liabilities	74,611,388.83	79,939,258.15	90,625,078.57	(5,327,869.32)	(10,685,820.42)
Deferred Inflows of Resources - Related to Pensions	8,638,014.00	8,775,526.00	6,566,169.00	(137,512.00)	2,209,357.00
Net Position					
Net Investment in Capital Assets	81,278,900.57	83,441,313.66	100,603,620.57	(2,162,413.09)	(17,162,306.91)
Unrestricted (Deficit)	(21,671,629.22)	(26,141,976.91)	(26,569,172.29)	4,470,347.69	427,195.38
Total Net Position	$ 59,607,271.35	$ 57,299,336.75	$ 74,034,448.28	$ 2,307,934.60	$ (16,735,111.53)

The increase in current assets from FY 2019 to FY 2020 was due to Federal and State receivables, including Cares Act funding and State appropriations due to COVID-19, as of the end of the fiscal year. The decrease in capital assets from FY 2019 to FY 2020 was due to depreciation on the assets. The decrease in the non-current liabilities was mainly due to a decrease in the net pension liability and the County Debt Service Agreement.

The decrease in capital assets from FY 2018 to FY 2019 was due to the transition of the main campus from Pemberton to Mount Laurel. The decrease in current liabilities was due to the decrease of capital expenditures that were payable as of June 30, 2019. The decrease in the non-current liabilities was mainly due to a decrease in the net pension liability.

STATEMENTS OF REVENUE EXPENSES AND CHANGES IN NET POSITION

The Purpose of the Statements of Revenues, Expenses, and Changes in Net Position is to present the revenues received by the College, both operating and non-operating, and the expenses paid by the College and any other revenues, expenses, gains and losses received or spent by the College.

Operating revenues are those for which goods and services are provided, an exchange transaction. Operating expenses are those expenses paid or acquired to produce those goods or services. Non-Operating revenue is that for which revenues are received for which goods and services are not provided, a non-exchange transaction. Examples of non-operating (non-exchange) revenues are county and state appropriations and capital grants.

The Statements of Net Position and the Statements of Revenue, Expenses, and Changes in Net Position reviewed together shows the impact of the current operating year activities on the institution as a whole. An increase in Net Position results when current year revenue and other support exceed current year expenses. The relationship between revenue and expenses is the College’s operating results.

Increases or decreases in Net Position are one indicator of the direction of the College’s financial health. Non-financial factors, such as student retention, increased or decreased enrollment, building conditions, and campus safety are also very relevant in assessing the overall health of the College.

The major sources of operating revenue are student tuition and fees and federal and state grants. The major sources of non-operating revenue are state and county aid and student financial aid. In addition to operating and non-operating revenues, there is a section entitled Capital Grants and Contributions, which major sources include county capital appropriations and capital grants.

The major sources of operating expenses are salaries, wages and benefits. With the implementation of GASB 35 the College is required to depreciate its capital assets, therefore, depreciation expense is also a major component of operating expenses.

Major fluctuations in the Statements of Revenues Expenses and Changes in Net Position were caused by the following:

FY 2019 to FY 2020

- The College received various Aid from the Federal Government related to COVID-19.
- Other operating revenues decreased due to Foundation scholarships and the consortium agreement with Rowan University.
- Instructional expenses decreased due to the completion of furniture and upgrades to instructional spaces on the Mt. Laurel campus.
- Operations and Maintenance of Plant expenses decreased due to the completion of the transition of the Mt. Laurel campus.
- Auxiliary enterprises revenue and expenses decreased due to non-credit courses and the Covid-19 pandemic.
- Student Financial Aid increased due to the Community College Opportunity Grant.

FY 2018 to FY 2019

- Tuition revenue increased due to a tuition increase and the continued growth of the “3+1” program.
- Instructional expenses decreased due to the near completion of furniture and upgrades to instructional spaces on the Mt. Laurel campus.
- Student Services expenses decreased due to the near completion of furniture and upgrades to instructional spaces on the Mt. Laurel campus that were under the capitalization threshold.
- Institutional Support expenses decreased due to staffing and furniture and upgrades completed in FY 2018 on the Mount Laurel campus.
- Operations and Maintenance of Plant expenses decreased since the majority of the Mt. Laurel campus transition occurred in the prior year.
- Capital grant revenue decreased from FY 2018 to FY 2019 since the majority of the Mt. Laurel campus transition occurred in the prior year.

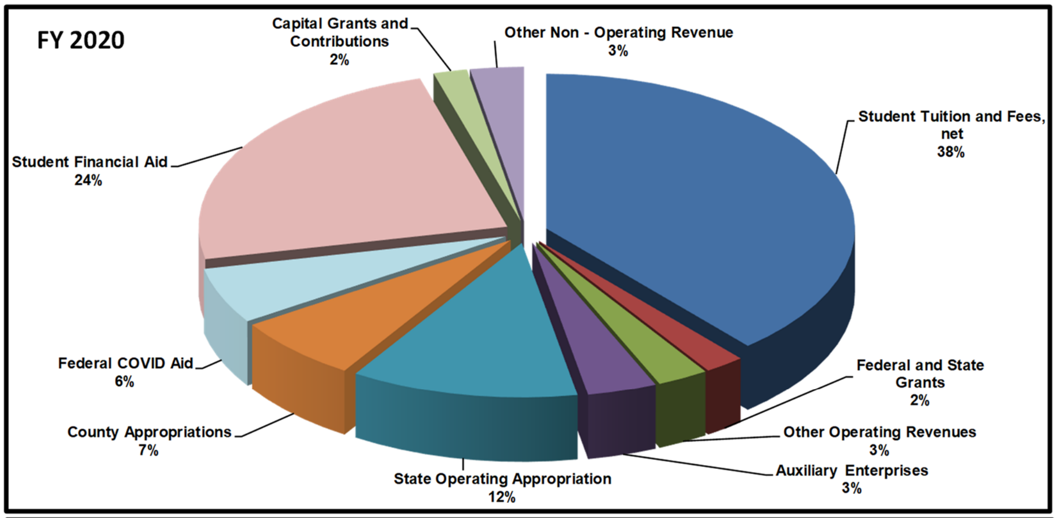
STATEMENTS OF REVENUE EXPENSES AND CHANGES IN NET POSITION (CONT'D)

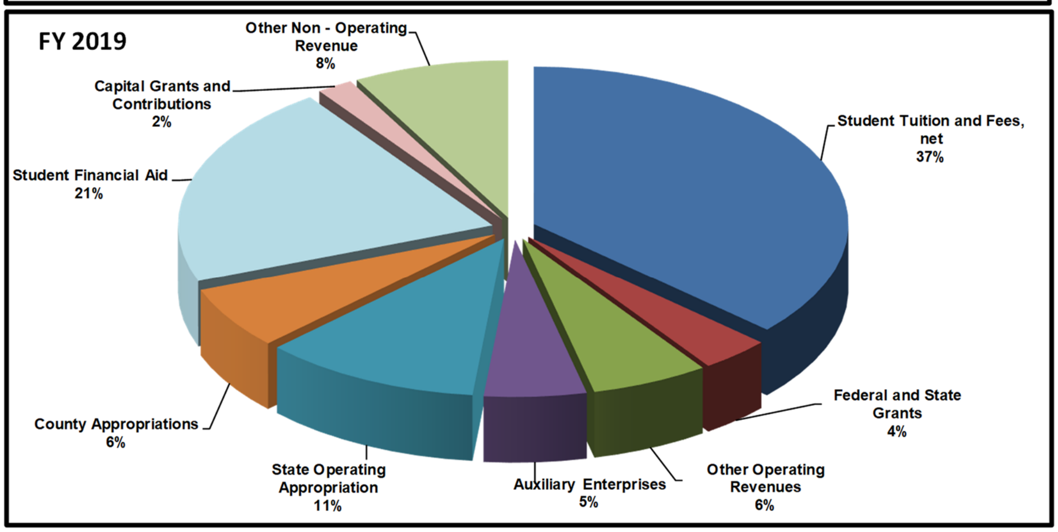
The following is condensed financial information represented in the Statement of Revenues, Expenses and Changes in Net Position for the fiscal years ended June 30, 2020, 2019 and 2018:

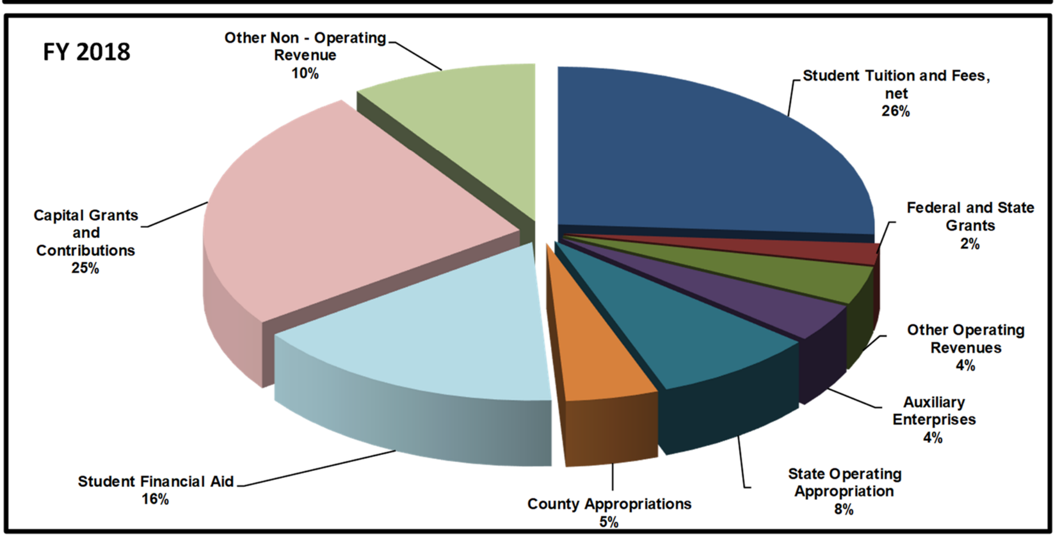
	FY 2020	FY 2019	FY 2018	FY 20 to FY 19 Variance	FY 19 to FY 18 Variance
Operating Revenues					
Student Tuition and Fees, net	$ 23,812,789.85	$ 23,741,762.58	$ 21,874,342.27	$ 71,027.27	$ 1,867,420.31
Federal and State Grants	1,286,581.46	2,317,459.64	1,833,313.86	(1,030,878.18)	484,145.78
Other Operating Revenues	1,654,719.93	3,895,204.85	3,279,274.52	(2,240,484.92)	615,930.33
Auxiliary Enterprises	2,242,239.41	3,396,220.17	3,302,092.31	(1,153,980.76)	94,127.86
Total Operating Revenue	28,996,330.65	33,350,647.24	30,289,022.96	(4,354,316.59)	3,061,624.28
Operating Expenses					
Instruction	15,965,910.65	20,295,879.96	22,590,660.49	(4,329,969.31)	(2,294,780.53)
Public Service	1,357,977.71	1,455,589.66	1,478,926.64	(97,611.95)	(23,336.98)
Academic Support	2,975,706.96	3,273,566.18	3,268,248.50	(297,859.22)	5,317.68
Student Services	5,986,300.15	6,903,841.55	8,492,226.85	(917,541.40)	(1,588,385.30)
Institutional Support	11,702,432.79	10,445,365.93	11,739,447.59	1,257,066.86	(1,294,081.66)
Operations and Maintenance of Plant	6,826,970.26	7,929,956.59	8,903,984.11	(1,102,986.33)	(974,027.52)
Scholarships and Student Aid	5,016,583.14	5,508,598.34	5,345,506.05	(492,015.20)	163,092.29
Depreciation	4,808,884.25	5,483,457.97	5,260,096.46	(674,573.72)	223,361.51
Auxiliary Enterprises	3,020,546.25	4,030,404.91	4,039,930.23	(1,009,858.66)	(9,525.32)
Total Operating Expenses	57,661,312.16	65,326,661.09	71,119,026.92	(7,665,348.93)	(5,792,365.83)
Operating Loss	(28,664,981.51)	(31,976,013.85)	(40,830,003.96)	3,311,032.34	8,853,990.11
Non-Operating Revenues (Expenses)					
State Appropriations					
State Aid	7,340,554.77	7,248,521.00	6,956,037.00	92,033.77	292,484.00
On-Behalf Fringe Benefits :					
Alternate Benefit Program	803,746.68	883,127.16	771,902.44	(79,380.48)	111,224.72
Other Post Employment Benefits	855,512.00	4,181,574.00	7,186,091.00	(3,326,062.00)	(3,004,517.00)
County Appropriations	4,150,000.00	4,150,000.00	4,000,000.00	-	150,000.00
Federal COVID-19 Aid	3,606,255.49				
Student Financial Aid	14,643,269.10	13,508,270.22	13,523,174.90	1,134,998.88	(14,904.68)
Investment Income Earned	69,583.33	108,118.04	58,003.07	(38,534.71)	50,114.97
Interest Expense	(1,583,779.46)	(1,092,831.26)	(1,191,736.07)	(490,948.20)	98,904.81
Non-Operating Revenues	29,885,141.91	28,986,779.16	31,303,472.34	898,362.75	(2,316,693.18)
Loss Before Capital Grants and Contributions	1,220,160.40	(2,989,234.69)	(9,526,531.62)	4,209,395.09	6,537,296.93
Capital Grants and Contributions	1,087,774.20	1,206,194.57	21,344,493.22	(118,420.37)	(20,138,298.65)
Special Items (Impairment Loss on Capital Assets)	-	(14,952,071.41)	-	14,952,071.41	(14,952,071.41)
Increase (Decrease) in Net Position	2,307,934.60	(16,735,111.53)	11,817,961.60	19,043,046.13	(28,553,073.13)
Net Position					
Net Position - Beginning of Year (Restated)	57,299,336.75	74,034,448.28	62,216,486.68	(16,735,111.53)	11,817,961.60
Net Position - End of Year	$ 59,607,271.35	$ 57,299,336.75	$ 74,034,448.28	$ 2,307,934.60	$ (16,735,111.53)

STATEMENTS OF REVENUE EXPENSES AND CHANGES IN NET POSITION (CONT'D)

The following are graphic illustrations of operating and non-operating revenues by source:

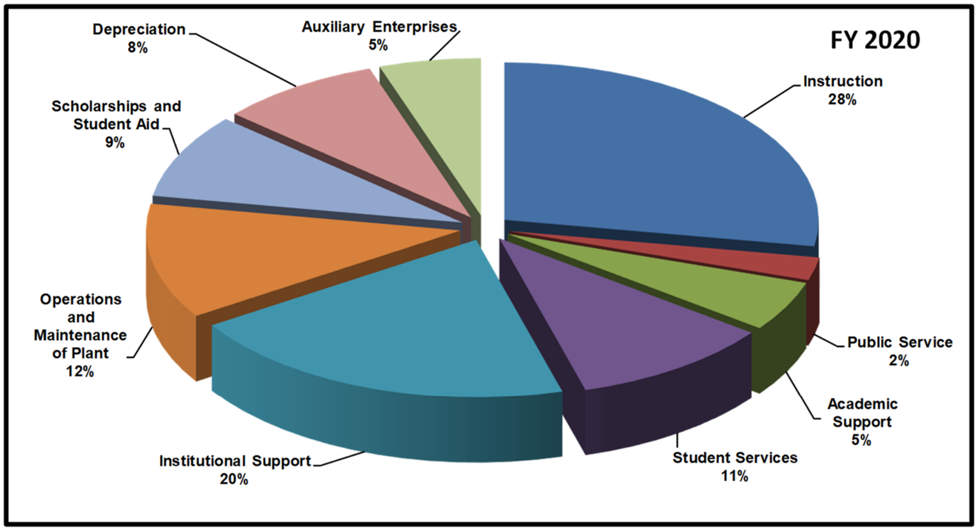


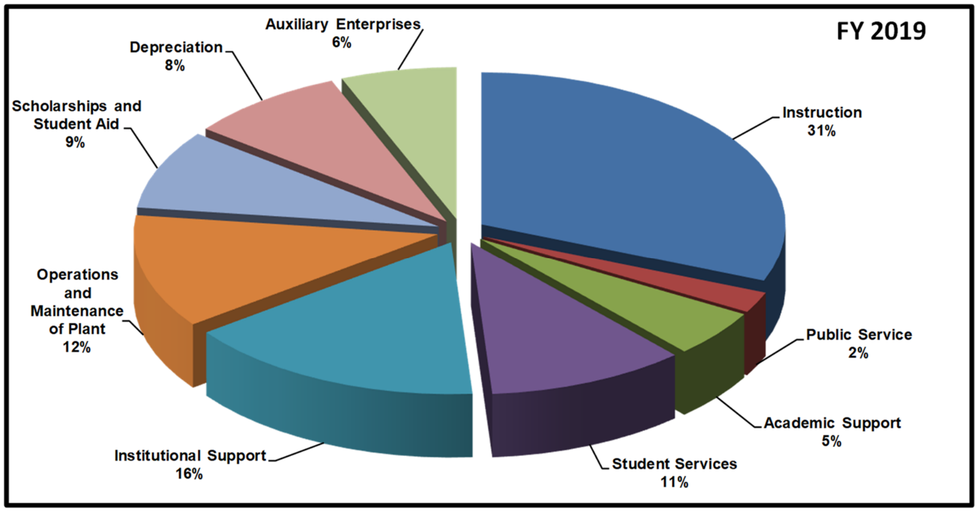


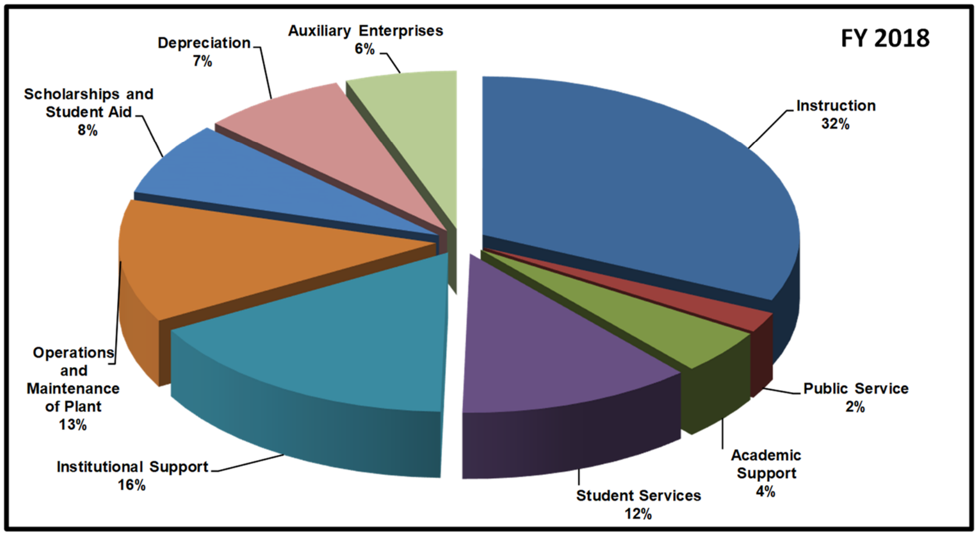


STATEMENTS OF REVENUE EXPENSES AND CHANGES IN NET POSITION (CONT'D)

The following are graphic illustrations of operating expenses by function:







STATEMENTS OF CASH FLOWS

The Statements of Cash Flows primary purpose is to provide relevant information about cash received and cash payments made during the year. Statement users can also assess the College's ability to generate future net cash flows, meet its financial obligations when they come due, and its need for any external funding.

The Statements are separated into five parts. The first part deals with operating cash flows and shows the net cash used in operating activities. The second is cash flows from non-capital financing activities. This section reflects cash received and spent for non-operating, non-investing and non-capital financing purposes. The third section deals with cash flows from capital and related activities. This section is the cash used for acquisition and construction of capital and related items. The forth section reflects cash from investing activities and includes investment income and the purchase and maturity of investments. The last section reconciles the net cash used to the operating income or loss shown on the Statement of Revenues, Expenses, and Changes in Net Position.

The following is financial information represented in the Statements of Cash Flows for the fiscal years ended June 30, 2020, 2019, and 2018:

	FY 2020	FY 2019	FY 2018	FY 20 to FY 19 Variance	FY 19 to FY 18 Variance
Cash Provided by (Used in):					
Operating Activities	$ (23,687,765.61)	$ (27,194,124.74)	$ (24,874,128.32)	$ 3,506,359.13	$ (2,319,996.42)
Non-Capital Financing Activities	27,458,280.52	25,708,708.76	24,026,772.67	1,749,571.76	1,681,936.09
Capital and Related Financing Activities	(2,988,504.16)	(2,250,779.09)	4,002,809.58	(737,725.07)	(6,253,588.67)
Investing Activities	69,583.33	108,118.04	793,926.82	(38,534.71)	(685,808.78)
Net Change in Cash	851,594.08	(3,628,077.03)	3,949,380.75	4,479,671.11	(7,577,457.78)
Cash, Beginning of Year	4,009,850.53	7,637,927.56	3,688,546.81	(3,628,077.03)	3,949,380.75
Cash, End of Year	$ 4,861,444.61	$ 4,009,850.53	$ 7,637,927.56	$ 851,594.08	$ (3,628,077.03)

CAPITAL ASSETS

At the end of FY 2020 and FY 2019, the College has capital assets as follows:

	Balance June 30, 2019	Additions	Deletions	Transfers	Balance June 30, 2020
Capital Assets, Non-Depreciable:					
Land	$ 5,358,200.00	$ -	$ -	$ -	$ 5,358,200.00
Construction in Progress	-	19,009.64		(19,009.64)	-
	5,358,200.00	19,009.64	-	(19,009.64)	5,358,200.00
Capital Assets, Depreciable:					
Land Improvements	2,160,619.75				2,160,619.75
Buildings and Improvements	157,216,207.22			19,009.64	157,235,216.86
Equipment	13,075,004.52	325,573.29	(286,451.12)		13,114,126.69
Infrastructure	4,429,702.03				4,429,702.03
Intangible	638,922.35				638,922.35
	177,520,455.87	325,573.29	(286,451.12)	19,009.64	177,578,587.68
Total Asset Cost	182,878,655.87	344,582.93	(286,451.12)	-	182,936,787.68
Less Accumulated Depreciation for:					
Land Improvements	(1,498,098.01)	(81,028.64)			(1,579,126.65)
Buildings and Improvements	(46,028,191.04)	(3,885,860.67)			(49,914,051.71)
Equipment	(10,827,404.47)	(715,416.13)	281,465.91		(11,261,354.69)
Infrastructure	(3,576,006.27)	(52,617.55)			(3,628,623.82)
Intangible	(417,038.57)	(73,961.26)			(490,999.83)
	(62,346,738.36)	(4,808,884.25)	281,465.91	-	(66,874,156.70)
Capital Assets, net	$ 120,531,917.51	$ (4,464,301.32)	$ (4,985.21)	$ -	$ 116,062,630.98

Depreciation expense for the year ended June 30, 2020 was $4,808,884.25.

Projects were completed during the fiscal year resulting in $19,009.64, being reclassified from Construction in Progress.

	Balance June 30, 2018	Additions	Deletions	Transfers	Balance June 30, 2019
Capital Assets, Non-Depreciable:					
Land	$ 5,358,200.00	$ -	$ -	$ -	$ 5,358,200.00
Construction in Progress	5,952,142.10	689,787.78		(6,641,929.88)	-
	11,310,342.10	689,787.78	-	(6,641,929.88)	5,358,200.00
Capital Assets, Depreciable:					
Land Improvements	2,004,915.29		(7,190.00)	162,894.46	2,160,619.75
Buildings and Improvements	175,759,291.13		(25,022,119.33)	6,479,035.42	157,216,207.22
Equipment and Furnishings	14,567,440.69	498,604.58	(1,991,040.75)		13,075,004.52
Infrastructure	5,342,957.07		(913,255.04)		4,429,702.03
Intangible	638,922.35				638,922.35
	198,313,526.53	498,604.58	(27,933,605.12)	6,641,929.88	177,520,455.87
Total Asset Cost	209,623,868.63	1,188,392.36	(27,933,605.12)	-	182,878,655.87
Less Accumulated Depreciation for:					
Land Improvements	(1,422,446.81)	(81,882.53)	6,231.33		(1,498,098.01)
Buildings and Improvements	(52,361,948.24)	(4,510,938.41)	10,844,695.61		(46,028,191.04)
Equipment and Furnishings	(12,050,480.67)	(741,226.84)	1,964,303.04		(10,827,404.47)
Infrastructure	(3,666,861.07)	(75,448.93)	166,303.73		(3,576,006.27)
Intangible	(343,077.31)	(73,961.26)			(417,038.57)
	(69,844,814.10)	(5,483,457.97)	12,981,533.71	-	(62,346,738.36)
Capital Assets, net	$ 139,779,054.53	$ (4,295,065.61)	$ (14,952,071.41)	$ -	$ 120,531,917.51

Depreciation expense for the year ended June 30, 2019 was $5,483,457.97.

Projects were completed during the fiscal year resulting in $6,641,929.88, being reclassified from Construction in Progress.

CAPITAL ASSETS (CONT'D)

The College incurred the following expenditures for the fiscal year ended June 30, 2020, which were charged to Construction in Progress:

- Minor Capital – $15,641.22
- Evans Hall Renovations – $3,368.42

LONG – TERM DEBT

The College has the following debt outstanding at June 30, 2020:

County Debt Service Agreement $34,783,730.40

ECONOMIC AND OTHER FACTORS THAT WILL AFFECT THE FUTURE

- The college's classes and operations shifted entirely remote to curb the spread of COVID-19. The college planned to mitigate an expected enrollment loss with CARES funding and reduced expenditures.

- A new budget process has delivered greater transparency, more predictability and greater linkage with data-based decision making and the college's long-term strategic goals as the college prepares a new strategic plan.

- The college continues to focus on new revenue streams and enhanced enrollment management strategies to withstand the enrollment challenges that exist nationally and have worsened by the COVID-19 pandemic.

- As the home of New Jersey's original 3+1 program, RCBC continues to grow the program that adds an additional year of tuition revenue from students seeking certain Rowan University bachelor's degrees. The college has nine 3+1 programs with its newest addition: Business Administration: Global Business and Leadership.

- The college has phased out all activity on the Pemberton Campus that has reduced operational costs and continues to seek proposals to re-purpose the campus.

REQUESTS FOR INFORMATION

Questions concerning any information provided in this report or requests for additional financial information should be addressed to:

Rowan College at Burlington County
900 College Circle
Mount Laurel, New Jersey 08054

BASIC FINANCIAL STATEMENTS

ROWAN COLLEGE AT BURLINGTON COUNTY
Statements of Net Position
As of June 30, 2020 and 2019

	2020		2019	
	College	Component Unit Foundation	College	Component Unit Foundation
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 4,861,444.61	$ 3,328,265.43	$ 4,009,850.53	$ 837,176.54
Investments		266,471.73		803,735.89
Student Accounts Receivable, net	12,336,408.81		11,902,110.01	
Other Accounts Receivable	697,519.37	12,640.98	919,074.37	11,038.82
Intergovernmental Accounts Receivable:				
Federal	2,879,900.48		1,393,047.15	
State of New Jersey	1,602,933.42		631,064.16	
County of Burlington:				
Capital Appropriation	120,809.89		275,472.15	
Other Assets	201,843.62	5,047.83	218,804.02	2,057,605.08
Total Current Assets	22,700,860.20	3,612,425.97	19,349,422.39	3,709,556.33
Non-Current Assets:				
Capital Assets, net	116,062,630.98		120,531,917.51	
Total Assets	138,763,491.18	3,612,425.97	139,881,339.90	3,709,556.33
DEFERRED OUTFLOWS OF RESOURCES				
Related to Pensions	4,093,183.00	-	6,132,781.00	-

(Continued)

Exhibit A-1

ROWAN COLLEGE AT BURLINGTON COUNTY
Statements of Net Position
As of June 30, 2020 and 2019

	2020		2019	
	College	**Component Unit Foundation**	**College**	**Component Unit Foundation**
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Liabilities:				
Related to Pensions	$ 1,191,612.00	$ -	$ 1,207,436.00	$ -
Other	4,578,986.53	61,055.40	4,581,433.96	22,136.93
Prepaid Tuition and Student Deposits	6,700.00		6,700.00	
Due to Grantor	45,266.11		8,079.16	
Unearned Revenue:				
Student Tuition and Fees	10,295,581.85		11,421,913.00	
Federal and State Grants	259,586.88		89,397.91	
Accrued Compensated Absences	51,907.61		78,388.14	
County Debt Service Agreement	2,950,978.17		2,306,873.44	
Reserve Disallowances	283,037.59		281,568.62	
Security Deposits	600.00		600.00	
Total Current Liabilities	19,664,256.74	61,055.40	19,982,390.23	22,136.93
Non-Current Liabilities:				
Accrued Compensated Absences	747,837.85		648,539.51	
County Debt Service Agreement	31,832,752.24		34,783,730.41	
Net Pension Liability	22,366,542.00		24,524,598.00	
Total Non-Current Liabilities	54,947,132.09	-	59,956,867.92	-
Total Liabilities	74,611,388.83	61,055.40	79,939,258.15	22,136.93
DEFERRED INFLOWS OF RESOURCES				
Related to Pensions	8,638,014.00	-	8,775,526.00	-
NET POSITION				
Net Investment in Capital Assets	81,278,900.57		83,441,313.66	
Restricted for:				
Non-Expendable:				
Scholarships		1,782,809.10		1,781,694.10
Expendable:				
Capital Projects				
Program		33,194.95		34,685.67
Scholarships		1,313,048.90		1,431,779.07
Unrestricted (Deficit)	(21,671,629.22)	422,317.62	(26,141,976.91)	439,260.56
Total Net Position	$ 59,607,271.35	$ 3,551,370.57	$ 57,299,336.75	$ 3,687,419.40

The Accompanying Notes to Financial Statements are an integral part of these statements.

ROWAN COLLEGE AT BURLINGTON COUNTY
Statements of Revenues, Expenses and Changes in Net Position
For the Fiscal Years Ended June 30, 2020 and 2019

	2020		2019	
	College	Component Unit Foundation	College	Component Unit Foundation
REVENUES				
Operating Revenues:				
Student Tuition and Fees, net	$ 23,812,789.85	$ -	$ 23,741,762.58	$ -
Federal Grants	717,403.14		1,326,093.10	
State Grants	569,178.32		991,366.54	
Other Operating Revenues	1,654,719.93		3,895,204.85	
Gifts and Contributions		176,489.71		221,129.73
Auxiliary Enterprises	2,242,239.41		3,396,220.17	
Total Operating Revenues	28,996,330.65	176,489.71	33,350,647.24	221,129.73
EXPENSES				
Operating Expenses:				
Instruction	15,965,910.65		20,295,879.96	
Public Service	1,357,977.71		1,455,589.66	
Academic Support	2,975,706.96		3,273,566.18	
Student Services	5,986,300.15	35,676.98	6,903,841.55	50,452.76
Institutional Support	11,702,432.79		10,445,365.93	267,452.82
Operations and Maintenance of Plant	6,826,970.26		7,929,956.59	
Scholarships and Student Aid	5,016,583.14	213,967.67	5,508,598.34	298,821.53
Depreciation	4,808,884.25		5,483,457.97	
Auxiliary Enterprises	3,020,546.25		4,030,404.91	
Total Operating Expenses	57,661,312.16	249,644.65	65,326,661.09	616,727.11
Operating Loss	(28,664,981.51)	(73,154.94)	(31,976,013.85)	(395,597.38)
NON-OPERATING REVENUES (EXPENSES)				
State Appropriations:				
State Aid	7,340,554.77		7,248,521.00	
On-Behalf Fringe Benefits:				
Alternate Benefit Program	803,746.68		883,127.16	
Other Post Employment Benefits	855,512.00		4,181,574.00	
County Operating Appropriations	4,150,000.00		4,150,000.00	
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act):				
Higher Education Emergency Relief Fund (HEERF):				
Student Aid (COVID-19)	1,489,400.00			
Institutional Aid (COVID-19)	1,698,234.25			
Strengthening Institutional Programs (COVID-19)	711.50			
Coronavirus Relief Fund (CRF):				
CRF - Round I (COVID-19)	417,909.74			
Federal Student Financial Aid:				
Pell Grants	11,358,149.00		11,302,902.72	
Supplemental Education Opportunity Grant Program	155,772.00		197,542.00	
State Student Financial Aid	3,129,348.10		2,007,825.50	
Investment Income (Loss)	69,583.33	(62,893.89)	108,118.04	82,579.16
Interest Expense	(1,583,779.46)		(1,092,831.26)	
Total Non-Operating Revenues (Expenses)	29,885,141.91	(62,893.89)	28,986,779.16	82,579.16
Income / (Loss) Before Capital Grants and Contributions and Special Items	1,220,160.40	(136,048.83)	(2,989,234.69)	(313,018.22)
CAPITAL GRANTS AND CONTRIBUTIONS	1,087,774.20	-	1,206,194.57	-
SPECIAL ITEMS:				
Impairment Loss on Capital Assets	-	-	(14,952,071.41)	-
Total Capital Grants and Contributions and Special Items	1,087,774.20	-	(13,745,876.84)	-
Increase (Decrease) in Net Position	2,307,934.60	(136,048.83)	(16,735,111.53)	(313,018.22)
Net Position - Beginning of Year	57,299,336.75	3,687,419.40	74,034,448.28	4,000,437.62
Net Position - End of Year	$ 59,607,271.35	$ 3,551,370.57	$ 57,299,336.75	$ 3,687,419.40

The Accompanying Notes to Financial Statements are an integral part of these statements.

Exhibit A-3

ROWAN COLLEGE AT BURLINGTON COUNTY
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2020 and 2019

	2020 College	2019 College
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Tuition and Fees	$ 22,252,159.90	$ 22,918,653.90
Receipts from Grants and Contracts	1,279,846.68	2,313,217.46
Other Receipts	902,258.82	3,117,650.93
Payments to Employees / Benefits	(36,732,962.18)	(39,182,208.42)
Payments to Vendors and Suppliers	(6,372,485.69)	(10,852,840.27)
Payments for Scholarships and Student Aid	(5,016,583.14)	(5,508,598.34)
Net Cash Used in Operating Activities	(23,687,765.61)	(27,194,124.74)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations	7,340,554.77	7,248,521.00
County Appropriations	4,150,000.00	4,150,000.00
Noncapital Grants Received - Student Financial Aid	12,610,917.75	14,310,187.76
Higher Education Emergency Relief Fund (HEERF):		
Student Aid (COVID-19)	1,481,650.00	
Institutional Aid (COVID-19)	1,875,158.00	
Net Cash Provided by Noncapital Financing Activities	27,458,280.52	25,708,708.76
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Grants and Contributions	1,242,436.46	2,115,274.64
Purchase of Capital Assets	(340,287.72)	(1,188,392.36)
Principal Paid on Debt	(2,306,873.44)	(2,084,830.11)
Interest Paid on Debt	(1,583,779.46)	(1,092,831.26)
Net Cash Used in Capital and Related Financing Activities	(2,988,504.16)	(2,250,779.09)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	69,583.33	108,118.04
Net Increase (Decrease) in Cash and Cash Equivalents	851,594.08	(3,628,077.03)
Cash and Cash Equivalents - Beginning of Year	4,009,850.53	7,637,927.56
Cash and Cash Equivalents - End of Year	$ 4,861,444.61	$ 4,009,850.53

(Continued)

ROWAN COLLEGE AT BURLINGTON COUNTY
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2020 and 2019

	2020 College	2019 College
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH USED IN OPERATING ACTIVITIES		
Operating Loss	$ (28,664,981.51)	$ (31,976,013.85)
Adjustment to Reconcile Operating Loss to Net Cash Used in Operating Activities:		
Depreciation Expense	4,808,884.25	5,483,457.97
State Appropriations - On-Behalf Fringe Benefits:		
Alternate Benefit Program	803,746.68	883,127.16
Other Post Employment Benefits	855,512.00	4,181,574.00
Changes in Assets and Liabilities:		
Accounts Receivable	(212,053.80)	(1,282,796.36)
Prepaid Items	16,960.40	(104,531.35)
Deferred Outflows Related to Pensions	2,039,598.00	2,012,691.00
Accounts Payable and Accrued Liabilities	20,384.49	(4,799,447.43)
Unearned Revenue	(1,133,065.93)	312,076.32
Net Pension Liability	(2,158,056.00)	(4,152,774.00)
Accrued Compensated Absences	72,817.81	39,154.80
Deferred Inflows Related to Pensions	(137,512.00)	2,209,357.00
Net Cash Used in Operating Activities	$ (23,687,765.61)	$ (27,194,124.74)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Loss on Disposal / Impairment of Capital Assets	$ -	$ (14,952,071.41)
Increase in Receivables Related to Nonoperating Revenue	2,458,722.59	-

The Accompanying Notes to Financial Statements are an integral part of these statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Reporting Entity - Rowan College at Burlington County (the College) is a two-year community college, founded in July 1966 by the Board of Chosen Freeholders, the governing body of Burlington County, State of New Jersey.

The Board of Trustees of Rowan College at Burlington County consists of the County Superintendent of Schools and twelve persons, eight of whom are appointed by the Burlington County Board of Chosen Freeholders, two by the Governor of the State of New Jersey, and one by the Student Body of Rowan College at Burlington County. The term of office of appointed members is four years. Through the Office of the President and as set forth in the applicable New Jersey Statutes and Administrative Code, the Board is responsible for establishing tuition, fees, admission and degree requirements, college investments and oversight of various administrative and operational matters including the financial management of the College.

The College offers a wide range of academic programs, including associates degrees in the arts, science and applied science.

The main campus of the College is located in Mount Laurel, New Jersey. In addition to its main campus, the College operates centers in Willingboro and Mount Holly. The College also provides evening courses at selected high schools throughout Burlington County.

Rowan College at Burlington County is a component unit of the County of Burlington as described in Governmental Accounting Standards Board (GASB) Statement No. 61 – *The Financial Reporting Entity: Omnibus an amendment of GASB Statement No. 14 and 34.* The financial statements of the College would be either blended or discreetly presented as part of the County's financial statements if the County prepared its financial statements in accordance with GASB Statement No. 34 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. The County of Burlington currently follows a basis of accounting and reporting model that is prescribed by the Department of Community Affairs, Division of Local Government Services, State of New Jersey. Therefore, the financial statements of the College are not presented with the County of Burlington's.

Component Units - In evaluating how to define the College for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, *The Financial Reporting Entity,* as amended. Blended component units, although legally separate entities, would in-substance be part of the College's operations, however, each discretely presented component unit would be reported in a separate column in the College's financial statements to emphasize that it is legally separate from the College.

The basic-but not the only-criterion for including a potential component unit within the College is the College's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the College and / or its students.

A third criterion used to evaluate potential component units for inclusion or exclusion from the College is the existence of special financing relationships, regardless of whether the College is able to exercise oversight responsibilities.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Component Units (Cont'd) - Finally, the nature and significance of a potential component unit to the College could warrant its inclusion within the College's financial statements.

Based upon the application of these criteria, the College has determined that Burlington County College Foundation (the "Foundation") meets the requirement for discrete presentation in the financial statements of the College. In accordance with GASB Statement 34 and 35, certain presentation adjustments to the financial statements of the Foundation were required to conform to the classification and display requirements in the aforementioned GASB Statements, as applicable to the College.

Rowan College at Burlington County Foundation (the Foundation) is a New Jersey nonprofit corporation organized in March 1973. The Foundation's purpose is to support Rowan College at Burlington County by providing scholarships to students and raising funds for capital projects. The Foundation solicits public and private contributions to carry out its objectives. The Foundation is governed by a board of directors, some of which are management of the College and the County of Burlington. In addition, College employees and facilities are used for virtually all activities of the Foundation. The Foundation reports under Financial Accounting Standards Board (FASB) Standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features.

The Foundation regularly transfers funds to the College to be used for scholarships, financial aid, and other capital purposes. During a given fiscal year, eligible students are identified by the Financial Aid and Scholarship Offices of the College as meeting the varied criteria for receiving the funds. The monies are transferred to the College during the beginning of the subsequent fiscal year to cover credits to the students' accounts. During the fiscal years ended June 30, 2020 and 2019, the Foundation distributed $213,967.67 and $566,274.35 to the College for scholarships and other support, respectively.

The individual reports of audit of the Foundation for the fiscal years ended June 30, 2020 and 2019, can be obtained at the Foundation offices; Burlington County College Foundation, 3331 Route 38, Mt. Laurel, New Jersey 08054.

Basis of Presentation - The accompanying financial statements include all activities that are directly controlled by the College. In addition, the financial statements include the financial position and activities of the College's discretely presented component unit, Burlington County College Foundation. The financial statements are presented in accordance with accounting principles generally accepted in the United States of America applicable to governmental colleges and universities engaged in business-type activities as adopted by the Governmental Accounting Standards Board (GASB) Statement No. 35 – *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. The financial statement presentation required by GASB No. 35 provides a comprehensive, entity-wide perspective of the College's assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, expenses, changes in net position, cash flows and replaces the fund-group perspective previously required.

Basis of Accounting and Measurement Focus - For financial reporting purposes, the College is considered a special-purpose government engaged in only business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when an obligation has been incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Cash and Cash Equivalents and Investments - For the purposes of the statement of cash flows, the College considers all highly liquid investments with an original maturity of three months or less to be cash and cash equivalents. Funds invested through the State of New Jersey Cash Management Fund are also considered cash and cash equivalents.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

The College has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act.

Accounts Receivable - Accounts receivable consists of tuition and fees charged to students and various other receivables. Accounts receivable are recorded net of estimated uncollectible amounts.

Prepaid Expenses - Prepaid expenses represent payments made to vendors for services that will benefit periods beyond June 30th.

Tuition - Each year the Board of Trustees sets tuition rates based upon full-time enrollment or part-time enrollment on a per credit hour rate. Rates vary based upon residence within Burlington County, out of county and out of state. Tuition revenue is earned in the fiscal year in which the classes begin.

State Aid - The New Jersey Department of Treasury, Office of Management and Budget (OMB) allocates the annual appropriation for community college operating aid according to credit hour enrollments as prescribed by N.J.S.A.18A:64A-22. Aid is based upon audited enrollments, which are made up of credit course categories.

County Aid - N.J.S.A. 18A:64A-22 States that each county which operates a county college shall continue to provide moneys for the support of the college in an amount no less than those moneys provided in the year in which this act is enacted or 25% of the operational expense in the base State fiscal year, whichever is greater.

Unearned Revenue - Unearned revenue primarily consists of tuition revenue that has been billed before June 30th for classes that are scheduled to begin the next fiscal year. It also includes cash, which has been received for grants, but not yet earned under the terms of the grant agreement.

Compensated Absences - Compensated absences are those absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the College and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the College and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Capital Assets - Capital assets include property, plant equipment and infrastructure assets, such as roads and sidewalks. Capital assets are defined by the College as assets with an initial unit cost of $2,500.00 or more and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Asset	Years
Land Improvements	15-20
Buildings and Building Improvements	20-40
Equipment	5-20
Infrastructure	40
Intangible	5

Allowance for Doubtful Accounts - The allowance for doubtful accounts represents the amount estimated to be uncollectible for student accounts receivable. The amount is adjusted annually based on past year's collection rates. It is the College policy to write off uncollectible accounts after two years of delinquency. The allowance for June 30, 2020 and 2019 was $478,051.00 and $576,177.00, respectively.

Reserve Disallowance - A reserve has been established in the event an award is subsequently disallowed.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Scholarship Discounts and Allowances - Student tuition and fee revenues are reported net of scholarship discounts and allowances in the statement of revenues, expenses and changes in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain government grants, such as Pell grants, as well as other federal grants and state grants, are recorded as either operating or non-operating revenue in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees, the College has recorded a scholarship discount and allowance. The amount of scholarship discounts and allowances for the fiscal years ended June 30, 2020 and 2019 was $11,633,461.62 and $10,292,875.07, respectively.

Reclassifications - Certain 2019 amounts have been reclassified to conform to 2020 presentation.

Non-Current Liabilities - Non-current liabilities include (1) principal amounts of capital lease obligations with contractual maturities greater than one year; (2) estimated amounts for accrued compensated absences and other liabilities that will not be paid within the next fiscal year; and (3) other liabilities that, although payable within one year, are to be paid from funds that are classified as non-current assets.

Financial Dependency - Among the College's larger non-tuition revenue sources include appropriations from the State of New Jersey and County of Burlington, including contributions made by the State on behalf of the College for the Alternate Benefit Program. The College is economically dependent on these appropriations to carry on its operations.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

State of New Jersey On-Behalf Payments for Fringe Benefits - The State of New Jersey, through separate appropriations, pays certain fringe benefits on-behalf of College employees. These benefits include Alternate Benefit Program pension contributions and certain retiree health benefits. These amounts are included in both the State of New Jersey appropriations revenues and operating expenses in the accompanying financial statements.

Income Taxes - The College is a political subdivision of the State of New Jersey and is excluded from Federal income taxes under Section 115(1) of the Internal Revenue Code, as amended.

Classification of Revenues - The College has classified its revenues as either operating or non-operating revenues in accordance with GASB Statement No. 33 – *Accounting and Financial Reporting for Non-exchange Transactions*.

Operating Revenues - Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises and (3) most federal, state and local government grants and contracts as well as federal appropriations.

Non-Operating Revenues - Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as non-operating revenues by GASB No. 9 – Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting and GASB Statement No. 35, such as state appropriations, county appropriations, certain federal and state student financial aid, investment income, and amounts paid by the State of New Jersey on behalf of the College for the employer contribution to the Alternate Benefit Program (ABP) and other postemployment benefits (OPEB).

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

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The College is required to report the following as deferred outflows of resources and deferred inflows of resources: defined benefit pension plans, and postemployment benefit plans.

Net Position - The College’s net position is classified as follows:

Net Investment in Capital Assets - This represents the College’s total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of Net Investment in Capital Assets.

Restricted Net Position - Non-Expendable - Restricted non-expendable is comprised of donor-restricted endowment funds. Endowments are subject to restrictions of gift instruments requiring that the principal be invested in perpetuity.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Net Position (Cont'd) -

Restricted Net Position - Expendable - Restricted expendable net position includes resources in which the College is legally or contractually obligated to spend resources in accordance with the restrictions imposed by external third parties.

Unrestricted Net Position - Unrestricted net position represent resources derived from student tuition and fees, state and county appropriations and sales and services of educational departments and auxiliary enterprises. These resources are used for the transactions related to the educational and general operations of the College, and may be used at the discretion of the Board of Trustees to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

The College's policy is to first utilize available restricted expendable, and then unrestricted, resources in the conduct of its operations.

Impact of Recently Issued Accounting Principles

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements that will become effective for the College for fiscal years ending after June 30, 2020:

Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Statement will become effective for the College in the fiscal year ending June 30, 2022. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the College.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the College's deposits might not be recovered. Although the College does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first $250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the College in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, athletic and student activity funds, or funds that may pass to the College relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule on the following page.

Note 2: **CASH AND CASH EQUIVALENTS (CONT'D)**

As of June 30, 2020 and 2019, the College's bank balances were exposed to custodial credit risk as follows:

	2020	2019
Insured by FDIC and GUDPA	$ 5,280,282.24	$ 4,534,421.86
Uninsured and Uncollateralized	208,990.52	189,417.35
Total	$ 5,489,272.76	$ 4,723,839.21

New Jersey Cash Management Fund - During the fiscal year, the College participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2020 and 2019, the College's deposits with the New Jersey Cash Management Fund were $1,396.29 and $1,375.16, respectively.

Note 3: OTHER RECEIVABLES

Other receivables for the fiscal years ended June 30, 2020 and 2019 consisted of the following amounts due to the College:

	2020	2019
Business Outreach	$ 36,324.63	$ 359,791.02
WIOA	325,810.65	173,823.52
Graphic Services	4,091.86	13,246.61
Aquatics	-	4,006.00
Print Services	25,867.26	155,395.59
Miscellaneous	305,424.97	212,811.63
	$ 697,519.37	$ 919,074.37

Note 4: CAPITAL ASSETS

At June 30, 2019, the carrying value of the Pemberton Campus capital assets and management's best estimate of their fair value, utilizing level 3 in the fair value hierarchy are as follows:

	Carrying Value June 30, 2019	Impairment Loss	Fair Value June 30, 2019
Land	$ 358,200.00	$ -	$ 358,200.00
Land Improvements	958.67	(958.67)	-
Buildings and Improvements	23,418,880.36	(14,177,423.72)	9,241,456.64
Infrastructure	746,951.31	(746,951.31)	-
	$ 24,524,990.34	$ (14,925,333.70)	$ 9,599,656.64

These assets are included in the total capital assets in the below summary and will be depreciated over their remaining useful lives until they are sold.

Note 4: CAPITAL ASSETS (CONT'D)

The following schedules are summarizations of the changes in capital assets for the fiscal years ended June 30, 2020 and 2019:

	Balance June 30, 2019	Additions	Deletions	Transfers	Balance June 30, 2020
Capital Assets, Non-Depreciable:					
Land	$ 5,358,200.00	$ -	$ -	$ -	$ 5,358,200.00
Construction in Progress	-	19,009.64		(19,009.64)	-
	5,358,200.00	19,009.64	-	(19,009.64)	5,358,200.00
Capital Assets, Depreciable:					
Land Improvements	2,160,619.75				2,160,619.75
Buildings and Improvements	157,216,207.22			19,009.64	157,235,216.86
Equipment	13,075,004.52	325,573.29	(286,451.12)		13,114,126.69
Infrastructure	4,429,702.03				4,429,702.03
Intangible	638,922.35				638,922.35
	177,520,455.87	325,573.29	(286,451.12)	19,009.64	177,578,587.68
Total Asset Cost	182,878,655.87	344,582.93	(286,451.12)	-	182,936,787.68
Less Accumulated Depreciation for:					
Land Improvements	(1,498,098.01)	(81,028.64)			(1,579,126.65)
Buildings and Improvements	(46,028,191.04)	(3,885,860.67)			(49,914,051.71)
Equipment	(10,827,404.47)	(715,416.13)	281,465.91		(11,261,354.69)
Infrastructure	(3,576,006.27)	(52,617.55)			(3,628,623.82)
Intangible	(417,038.57)	(73,961.26)			(490,999.83)
	(62,346,738.36)	(4,808,884.25)	281,465.91	-	(66,874,156.70)
Capital Assets, net	$ 120,531,917.51	$ (4,464,301.32)	$ (4,985.21)	$ -	$ 116,062,630.98

Depreciation expense for the year ended June 30, 2020 was $4,808,884.25.

Projects were completed during the fiscal year resulting in $19,009.64, being reclassified from Construction in Progress.

	Balance June 30, 2018	Additions	Deletions	Transfers	Balance June 30, 2019
Capital Assets, Non-Depreciable:					
Land	$ 5,358,200.00	$ -	$ -	$ -	$ 5,358,200.00
Construction in Progress	5,952,142.10	689,787.78		(6,641,929.88)	-
	11,310,342.10	689,787.78	-	(6,641,929.88)	5,358,200.00
Capital Assets, Depreciable:					
Land Improvements	2,004,915.29		(7,190.00)	162,894.46	2,160,619.75
Buildings and Improvements	175,759,291.13		(25,022,119.33)	6,479,035.42	157,216,207.22
Equipment and Furnishings	14,567,440.69	498,604.58	(1,991,040.75)		13,075,004.52
Infrastructure	5,342,957.07		(913,255.04)		4,429,702.03
Intangible	638,922.35				638,922.35
	198,313,526.53	498,604.58	(27,933,605.12)	6,641,929.88	177,520,455.87
Total Asset Cost	209,623,868.63	1,188,392.36	(27,933,605.12)	-	182,878,655.87
Less Accumulated Depreciation for:					
Land Improvements	(1,422,446.81)	(81,882.53)	6,231.33		(1,498,098.01)
Buildings and Improvements	(52,361,948.24)	(4,510,938.41)	10,844,695.61		(46,028,191.04)
Equipment and Furnishings	(12,050,480.67)	(741,226.84)	1,964,303.04		(10,827,404.47)
Infrastructure	(3,666,861.07)	(75,448.93)	166,303.73		(3,576,006.27)
Intangible	(343,077.31)	(73,961.26)			(417,038.57)
	(69,844,814.10)	(5,483,457.97)	12,981,533.71	-	(62,346,738.36)
Capital Assets, net	$ 139,779,054.53	$ (4,295,065.61)	$ (14,952,071.41)	$ -	$ 120,531,917.51

Depreciation expense for the year ended June 30, 2019 was $5,483,457.97.

Projects were completed during the fiscal year resulting in $6,641,929.88, being reclassified from Construction in Progress.

Note 5: ACCOUNTS PAYABLE

Accounts payable for the fiscal years ended June 30, 2020 and 2019, consisted of the following amounts:

	2020	2019
Due to Vendors	$ 3,123,404.93	$ 2,385,352.88
Unemployment	606,786.00	560,599.64
Accrued Salaries and Wages	848,795.60	1,635,481.44
	$ 4,578,986.53	$ 4,581,433.96

Note 6: LONG-TERM LIABILITIES

During the fiscal years ended June 30, 2020 and 2019, the following changes occurred in long-term obligations:

	Balance June 30, 2019	Increase	Decrease	Balance June 30, 2020	Due Within One Year
Compensated Absences	$ 726,927.65	$ 979,853.65	$ (907,035.84)	$ 799,745.46	$ 51,907.61
County Debt Service Agreement	37,090,603.85		(2,306,873.45)	34,783,730.40	2,950,978.17
Net Pension Liability (Note 7)	24,524,598.00	12,612,733.00	(14,770,789.00)	22,366,542.00	
	$ 62,342,129.50	$ 13,592,586.65	$ (17,984,698.29)	$ 57,950,017.86	$ 3,002,885.78

	Balance June 30, 2018	Increase	Decrease	Balance June 30, 2019	Due Within One Year
Compensated Absences	$ 687,772.85	$ 958,720.57	$ (919,565.77)	$ 726,927.65	$ 78,388.14
County Debt Service Agreement	39,175,433.96		(2,084,830.11)	37,090,603.85	2,306,873.44
Net Pension Liability (Note 7)	28,677,372.00	12,768,225.00	(16,920,999.00)	24,524,598.00	
	$ 68,540,578.81	$ 13,726,945.57	$ (19,925,394.88)	$ 62,342,129.50	$ 2,385,261.58

Accrued Compensated Absences - Accrued vacation represents the College's liability for the cost of unused employee vacation time payable in the event of employee termination. College employees are granted vacation time in varying amounts under college personnel policies or collective bargaining agreements. In the event of termination, an employee is reimbursed for accumulated vacation time at their current rate of pay. The maximum amount of vacation time an employee may be reimbursed for upon termination is as follows:

Hours Worked Per Year	Maximum Reimbursable Hours
2,080	160
1,820	140
Part Time	80

Note 6: LONG-TERM LIABILITIES (CONT'D)

County Debt Service Agreement - The College has an agreement in place with the County of Burlington to reimburse them principal and interest for debt service related to several serial bond and capital lease issues relating to capital construction and other related capital items. The County issues the serial bonds or capital lease and holds the proceeds until the College disburses the funds and bills the county for reimbursement. Some of the serial bonds are issued in connection with the State of New Jersey Chapter 12 Debt Service program. In 1971, the state enacted the Chapter 12 program in which the state pays for one-half the debt service on bonds issued by county governments on behalf of county colleges. In these circumstances the College would only reimburse the County one-half of the debt service as the State of New Jersey is reimbursing the other one-half. In addition, if the County has issued temporary financing, such as bond anticipation notes, the College will reimburse the County for the applicable interest on such notes.

The following represents information on the various issues and outstanding balances at June 30, 2020:

Issue	Issue Date	Amount Issued For College (a)	Interest Rates	Maturing	Amount Outstanding
2008 County College - Chapter 12 Bonds	06/25/08	$ 12,200,000.00	2.10% - 4.00%	06/15/20	$ 700,000.00
2010 County College - Chapter 12 Bonds	06/23/10	2,353,000.00	2.00% - 3.25%	06/01/20	135,000.00
2013 General Obligation Bonds	05/22/13	6,038,104.00	2.00% - 3.00%	05/15/28	3,915,311.40
2014 County College - Chapter 12 Bonds	06/25/14	7,850,000.00	1.00% - 3.00%	06/01/26	2,430,000.00
2015 General Obligation Bonds	05/18/15	3,086,999.00	2.00% - 3.50%	05/01/33	2,497,212.00
2016 County College - Chapter 12 Bonds	06/29/16	7,900,000.00	1.00% - 2.00%	01/15/29	3,270,000.00
2017 Refunding Serial Bonds	11/22/17	625,000.00	2.00% - 4.00%	07/15/25	219,977.00
2017 Capital Leasing Program	11/07/17	3,000,000.00	5.00% - 5.00%	08/15/22	782,978.00
2018 County College - Chapter 12 Bonds	06/27/18	6,500,000.00	2.00% - 3.125%	06/01/33	3,115,000.00
2018 Capital Leasing Program	04/23/18	418,252.00	3.125% - 5.00%	04/15/34	418,252.00
2019 County College - Chapter 12 Bonds	05/08/19	6,800,000.00	2.00% - 3.00%	05/01/42	3,400,000.00
2019 General Obligation Bonds	05/08/19	13,900,000.00	2.00% - 3.00%	05/01/42	13,900,000.00
					$ 34,783,730.40

(a) includes the State of New Jersey Portion of Chapter 12

Principal and interest due to the County under these agreements are as follows:

Fiscal Year Ended June 30,	Interest	Principal	Total
2021	$ 1,633,964.79	$ 2,950,978.17	$ 4,584,942.96
2022	1,600,596.33	2,325,011.80	3,925,608.13
2023	1,541,986.67	2,382,968.24	3,924,954.91
2024	729,615.55	2,156,202.74	2,885,818.29
2025	677,832.70	2,210,304.06	2,888,136.76
2026-2030	2,579,364.20	9,687,750.77	12,267,114.97
2031-2035	1,515,366.66	5,840,514.62	7,355,881.28
2036-2040	766,950.00	4,330,000.00	5,096,950.00
2041-2043	132,150.00	2,900,000.00	3,032,150.00
	$ 11,177,826.90	$ 34,783,730.40	$ 45,961,557.30

Note 7: PENSION PLANS

The College participates in several retirement plans, administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"), covering its employees – the Public Employees' Retirement System (PERS), the New Jersey Alternate Benefit Program (ABP) and the Defined Contribution Retirement Program (DCRP). PERS is a defined benefit pension plan while ABP and DCRP are defined contribution pension plans. Generally, all employees, except certain part-time employees, participate in one of these plans.

The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS plan's fiduciary net position which can be obtained by writing to or at the following website:

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

General Information About the Pension Plans

Plan Descriptions

Public Employees' Retirement System - The PERS is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the College, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

Alternate Benefit Program - The ABP is a tax-sheltered, defined contribution retirement program for certain higher education faculty, instructors and administrators which was established pursuant to P.L.1969, c. 242 (N.J.S.A. 52:18A-107 et seq., specifically, 18A:66-192). The ABP is an agency fund overseen by the State of New Jersey Division of Pensions and Benefits.

Defined Contribution Retirement Program - The DCRP is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least $5,000 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least $5,000 annually.

Note 7: PENSION PLANS (CONT'D)

General Information About the Pension Plans (Cont'd)

Vesting and Benefits Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The 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 the 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 21, 2010
4	Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of $1/55^{th}$ of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of $1/60^{th}$ of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more 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.

Alternate Benefit Program - ABP provides retirement benefits, life insurance and disability coverage to qualified members. Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits vest after the completion of one year of service.

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Note 7: PENSION PLANS (CONT'D)

General Information About the Pension Plans (Cont'd)

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2019. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) was 10% in State fiscal year 2019. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The College's contractually required contribution rates were 15.20% and 14.66% of the College's covered payroll for the fiscal years ended June 30, 2020 and 2019, respectively. These amounts were actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2019, the College's contractually required contribution to the pension plan for the fiscal year ended June 30, 2020 was $1,207,430.00 and was paid by April 1, 2020. College employee contributions to the pension plan during the fiscal year ended June 30, 2020 were $607,706.63.

Based on the PERS measurement date of June 30, 2018, the College's contractually required contribution to the pension plan for the fiscal year ended June 30, 2019 was $1,238,937.00 and was paid by April 1, 2019. College employee contributions to the pension plan during the fiscal year ended June 30, 2019 were $628,651.54.

Alternate Benefit Program - The contributions requirements of plan members are determined by State statute. In accordance with N.J.S.A. 18A:66-173, required contributions, calculated on the employee's base pay, are 5% for plan members, and 8% for employers. Plan members may make additional voluntary contributions subject to section 403(b) of the internal revenue code.

Under N.J.S.A 18A:66-174, most employer contributions are made by the State of New Jersey on-behalf of the College. The College is responsible for the employer contributions for non-academic employees.

Plan members direct the investment of contributions to insurance companies and mutual fund companies selected by the New Jersey Division of Pensions' Pension Provider Selector Board. These companies administer plan funds based on alternate benefit contracts with the New Jersey Division of Pensions.

Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency. The plan carriers are as follows:

AXA Financial (Equitable)
MassMutual Retirement Services
VOYA Financial Services
MetLife
Prudential
Teacher's Insurance and Annuity Association/TIAA
VALIC

Note 7: PENSION PLANS (CONT'D)

General Information About the Pension Plans (Cont'd)

Contributions (Cont'd)

Alternate Benefit Program (Cont'd) - During the fiscal year end June 30, 2020, the College's share of the employer contributions for participants not eligible for State reimbursement was $341,659.50, employee contributions to the plan were $666,217.62, and the State of New Jersey made on-behalf payments for the College contributions of $803,746.68.

During the fiscal year end June 30, 2019, the College's share of the employer contributions for participants not eligible for State reimbursement was $230,851.11, employee contributions to the plan were $696,236.42, and the State of New Jersey made on-behalf payments for the College contributions of $883,127.16.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the College contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the fiscal year ended June 30, 2020, employee contributions totaled $30,719.51, the College recognized pension expense of $16,911.33, and there were forfeitures of $2,838.07.

For the fiscal year ended June 30, 2019, employee contributions totaled $37,672.30, the College recognized pension expense of $20,434.89, and there were forfeitures of $2,623.51.

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

The following information relates only to the Public Employees' Retirement System ("PERS"), which is a cost-sharing multiple-employer defined benefit pension plan.

The College reported a liability of $22,366,542.00 and $24,524,598.00 for its proportionate share of the net pension liability for the fiscal years ended June 30, 2020 and 2019, respectively.

The net pension liability reported at June 30, 2020 was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2019. The College's proportion of the net pension liability was based on a projection of the College's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

For the June 30, 2019 measurement date, the College's proportion was .1241311044%, which was a decrease of .0004256211% from its proportion measured as of June 30, 2018.

The net pension liability reported at June 30, 2019 was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. The College's proportion of the net pension liability was based on a projection of the College's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

Note 7: PENSION PLANS (CONT'D)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

For the June 30, 2018 measurement date, the College's proportion was .1245567255%, which was an increase of .0013636797% from its proportion measured as of June 30, 2017.

The College recognized $1,936,332.00 and $1,276,711.00, in its financial statements for pension expense for PERS, for the fiscal years ended June 30, 2020 and 2019, respectively. These amounts were based on the Plans June 30, 2019 and 2018 measurement dates, respectively.

At June 30, 2020 and 2019, the College reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Measurement Date June 30, 2019		Measurement Date June 30, 2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 401,450.00	$ 98,806.00	$ 467,688.00	$ 126,457.00
Changes of Assumptions	2,233,381.00	7,763,356.00	4,041,248.00	7,841,662.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	353,065.00	-	230,042.00
Changes in Proportion and Differences between College Contributions and Proportionate Share of Contributions	266,740.00	422,787.00	416,409.00	577,365.00
College Contributions Subsequent to the Measurement Date	1,191,612.00	-	1,207,430.00	-
	$ 4,093,183.00	$ 8,638,014.00	$ 6,132,775.00	$ 8,775,526.00

$1,191,612.00 and $1,207,430.00 included in deferred outflows of resources, for the June 30, 2019 and 2018 measurement dates, respectively, will be included as a reduction of the net pension liability in fiscal years ending June 30, 2021 and 2020, respectively.

Note 7: PENSION PLANS (CONT'D)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	
2021	$ (736,881.00)
2022	(2,179,614.00)
2023	(1,863,338.00)
2024	(862,527.00)
2025	(94,083.00)
	$ (5,736,443.00)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	5.00	-
June 30, 2016	5.00	-
June 30, 2017	-	5.00
June 30, 2018	-	5.00
June 30, 2019	5.00	-
Changes in Proportion and Differences between College Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21

Note 7: PENSION PLANS (CONT'D)

Actuarial Assumptions

The net pension liability at June 30, 2020 was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2019.

The net pension liability at June 30, 2019 was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018.

These actuarial valuations used the following actuarial assumptions, applied to all periods included in the measurement:

	Measurement Date June 30, 2019	Measurement Date June 30, 2018
Inflation:		
Price	2.75%	2.25%
Wage	3.25%	2.25%
Salary Increases:		
Through 2026	2.00% - 6.00% Based on Yrs. Of Service	1.65% - 4.15% Based on Age
Thereafter	3.00% - 7.00% Based on Yrs. of Service	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018	July 1, 2011 - June 30, 2014

For the June 30, 2019 measurement date, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

Note 7: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

For the June 30, 2018 measurement date, preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent modified 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% for the June 30, 2019 and June 30, 2018 measurement dates) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments 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 rates of return for each major asset class included in target asset allocation for the June 30, 2019 and June 30, 2018 measurement dates are summarized in the following table:

June 30, 2019 Measurement Date			June 30, 2018 Measurement Date		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	4.67%	Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.00%	2.00%	Cash Equivalents	5.50%	1.00%
U.S. Treasuries	5.00%	2.68%	U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	4.25%	Investment Grade Credit	10.00%	3.78%
High Yield	2.00%	5.37%	High Yield	2.50%	6.82%
Private Credit	6.00%	7.92%	Global Diversified Credit	5.00%	7.10%
Real Assets	2.50%	9.31%	Credit Oriented Hedge Funds	1.00%	6.60%
Real Estate	7.50%	8.33%	Debt Related Private Equity	2.00%	10.63%
U.S. Equity	28.00%	8.26%	Debt Related Real Estate	1.00%	6.61%
Non-U.S. Developed Markets Equity	12.50%	9.00%	Private Real Asset	2.50%	11.83%
Emerging Markets Equity	6.50%	11.37%	Equity Related Real Estate	6.25%	9.23%
Private Equity	12.00%	10.85%	U.S. Equity	30.00%	8.19%
			Non-U.S. Developed Markets Equity	11.50%	9.00%
	100.00%		Emerging Markets Equity	6.50%	11.64%
			Buyouts/Venture Capital	8.25%	13.08%
				100.00%	

Note 7: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Discount Rate June 30, 2019 Measurement Date - The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of the June 30, 2019 measurement date based on 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. 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 would be based on 70% 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 through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Discount Rate June 30, 2018 Measurement Date - The discount rate used to measure the total pension liability at June 30, 2018 was 5.66%. The respective single blended discount rates were based on the long-term expected rate of return on pension Plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, based on 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. The projection of cash flows used to determine the discount rates assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. 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 through 2046; therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments through 2046, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

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

The following presents the College's proportionate share of the net pension liability at the June 30, 2019 and 2018 measurement dates, respectively. These amounts were calculated using a discount rate of 6.28% for June 30, 2019 and 5.66% for June 30, 2018, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	June 30, 2019 Measurement Date		
	1% Decrease (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
College's Proportionate Share of the Net Pension Liability	$ 28,449,122.00	$ 22,366,542.00	$ 17,527,817.00

Note 7: PENSION PLANS (CONT'D)

Sensitivity of College's Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)

	June 30, 2018 Measurement Date		
	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
College's Proportionate Share of the Net Pension Liability	$ 30,836,857.00	$ 24,524,598.00	$ 19,229,017.00

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the PERS and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about PERS, please refer to the Plan's Comprehensive Annual Financial Report (CAFR), which can be found at https://www.nj.gov/treasury/pensions/financial-reports.shtml.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN

General Information about the OPEB Plan

Plan Description and Benefits Provided - The State Health Benefit Local Education Retired Employees Plan (the "OPEB Plan") is a multiple-employer defined benefit OPEB plan, with a special funding situation, that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75 - *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the "Division") and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publically available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

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

The OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)(CONT'D)

STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)

General Information about the OPEB Plan (Cont'd)

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

Employees Covered by Benefit Terms - At June 30, 2019, the OPEB Plan's measurement date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	-
	364,943

Total Non-Employer OPEB Liability

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to the OPEB Plan for qualified retired TPAF, PERS, PFRS and ABP 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 $48,689,453.00 and $53,468,668.00 as of June 30, 2020 and June 30, 2019, respectively. Since the OPEB liability associated with the College is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

The total Non-Employer OPEB Liability reported at June 30, 2020 was measured as of June 30, 2019, and was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. For the June 30, 2019 measurement date, the State's proportionate share of the Non-Employer OPEB Plan Liability associated with the College was .1166799071%, which was an increase of .0007230602% from its proportion measured as of June 30, 2018.

The total Non-Employer OPEB Liability reported at June 30, 2019 was measured as of June 30, 2018, and was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. For the June 30, 2018 measurement date, the State's proportionate share of the Non-Employer OPEB Plan Liability associated with the College was .1159568469%, which was a decrease of .00157007225% from its proportion measured as of June 30, 2017.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)(CONT'D)

STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)

Total Non-Employer OPEB Liability (Cont'd)

Actuarial Assumptions and Other Inputs - The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuations at June 30, 2018 and June 30, 2017 used the following actuarial assumptions, applied to the June 30, 2019 measurement date and the June 30, 2018 measurement date, respectively:

Salary Increases (June 30, 2019 Measurement Date) -

	TPAF/ABP	PERS	PFRS
Through 2026	1.55 - 3.05%	2.00 - 6.00%	3.25 - 15.25%
Thereafter	1.55 - 3.05%	3.00 - 7.00%	3.25 - 15.25%

Based on years of service

Salary Increases (June 30, 2018 Measurement Date) -

	TPAF/ABP (1)	PERS (2)	PFRS (2)
Through 2026	1.55% - 4.55%	2.15% - 4.15%	2.10% - 8.98%
Thereafter	2.00% - 5.45%	3.15% - 5.15%	3.10% - 9.98%

(1) - Based on years of service
(2) - Based on age

Inflation Rate (June 30, 2019 and June 30, 2018 Measurement Dates) - 2.50%.

Mortality Rates (June 30, 2019 Measurement Date) - Current and future retiree healthy mortality rates were based on the PUB-2010 Healthy classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

Disabled mortality was based on the PUB-2010 headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

Mortality Rates (June 30, 2018 Measurement Date) - Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)(CONT'D)

STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)

Total Non-Employer OPEB Liability (Cont'd)

Actuarial Assumptions and Other Inputs (Cont'd)

Experience Studies (June 30, 2019 Measurement Date) - The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, July 1, 2014 - June 30, 2018, and July 1, 2013 - June 30, 2018 for TPAF, PERS, and PFRS, respectively.

Experience Studies (June 30, 2018 Measurement Date) - The actuarial assumptions were based on the results of actuarial experience studies for the periods July 1, 2012 - June 30, 2015, July 1, 2011 - June 30, 2014, and July 1, 2010 - June 30, 2013 for TPAF, PERS and PFRS, respectively. 100% of all retirees who currently have healthcare coverage were assumed to continue with that coverage. 100% of active members were considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

Health Care Trend Assumptions (June 30, 2019 Measurement Date) - For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Health Care Trend Assumptions (June 30, 2018 Measurement Date) - For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate - The discount rate for the June 30, 2019 and the June 30, 2018 measurement dates were 3.50% and 3.87%, respectively. These represents the municipal bond return rates 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.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)(CONT'D)

STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)

Changes in the Total Non-Employer OPEB Liability

The below table summarizes the State's proportionate share of the change in the total Non-Employer OPEB Liability, associated with the College, for the June 30, 2019 and the June 30, 2018 measurement dates:

Balance at June 30, 2019		$ 53,468,668.00
Changes for the Year:		
Service Cost	$ 2,435,994.00	
Interest Cost	2,135,713.00	
Difference Between Expected and Actual Experience	(8,626,570.00)	
Changes in Assumptions	725,964.00	
Gross Benefit Payments	(1,494,621.00)	
Member Contributions	44,305.00	
Net Changes		(4,779,215.00)
Balance at June 30, 2020		$ 48,689,453.00
Balance at June 30, 2018		$ 70,620,912.00
Changes for the Year:		
Service Cost	$ 4,802,691.00	
Interest Cost	2,675,675.00	
Difference Between Expected and Actual Experience	(17,114,494.00)	
Changes in Assumptions	(6,135,797.00)	
Gross Benefit Payments	(1,429,733.00)	
Member Contributions	49,414.00	
Net Changes		(17,152,244.00)
Balance at June 30, 2019		$ 53,468,668.00

There were no changes in benefit terms between the June 30, 2018 measurement date and the June 30, 2019 measurement date.

Differences between expected and actual experience reflect a decrease in liability from June 30, 2018 to June 30, 2019 is due to changes in the census, claims, and premiums experience.

Changes of assumptions reflect a decrease in the liability from June 30, 2018 to June 30, 2019 is due to the combined effect of the decrease in the assumed discount rate from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019; and changes in the trend, excise tax, updated decrements, future spouse election, PPO/HMO future retiree elections, salary scale, and mortality assumptions.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)(CONT'D)

STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)

Changes in the Total Non-Employer OPEB Liability (Cont'd)

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate - The State's proportionate share of the total Non-Employer OPEB Liability, associated with the College, as of the June 30, 2019 and the June 30, 2018 measurement dates, using a discount rate of 3.50% and 3.87%, respectively, as well as using a discount rate that is 1% lower or 1% higher than the current rates used are as follows:

	June 30, 2019 Measurement Date		
	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the College	$ 57,521,485.00	$ 48,689,453.00	$ 41,673,771.00

	June 30, 2018 Measurement Date		
	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the College	$ 63,210,850.00	$ 53,468,668.00	$ 45,724,639.00

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates - The State's proportionate share of the total Non-Employer OPEB Liability, associated with the College, as of the June 30, 2019 and the June 30, 2018 measurement dates, using the healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used are as follows:

	June 30, 2019 Measurement Date		
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the College	$ 40,117,939.00	$ 48,689,453.00	$ 60,036,377.00

	June 30, 2018 Measurement Date		
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the College	$ 44,194,968.00	$ 53,468,668.00	$ 65,733,491.00

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability

OPEB Expense - For the fiscal years ended June 30, 2020 and June 30, 2019, the College recognized $855,512.00 and $4,181,574.00, respectively, in OPEB expense and revenue, for the State's proportionate share of the OPEB Plan's OPEB Expense, associated with the College. This expense and revenue was based on the OPEB Plan's June 30, 2019 and June 30, 2018 measurement dates.

Deferred Outflows and Inflows of Resources - In accordance with GASBS No. 75, the College's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the College. However, at June 30, 2020 and June 30, 2019, the State's proportionate share of the total Non-Employer OPEB Liability's deferred outflows of resources and deferred inflows of resources, associated with College, from the following sources are as follows:

	June 30, 2019 Measurement Date		June 30, 2018 Measurement Date	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Proportion	$ 1,735,123.00	$ 7,464,488.00	$ 1,531,583.00	$ 8,443,314.00
Difference Between Expected and Actual Experience	-	12,233,848.00	-	5,190,328.00
Changes of Assumptions	-	9,896,241.00	-	11,985,275.00
	$ 1,735,123.00	$ 29,594,577.00	$ 1,531,583.00	$ 25,618,917.00

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total Non-Employer OPEB Liability, associated with the College, will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	
2021	$ (3,713,142.00)
2022	(3,713,142.00)
2023	(3,713,142.00)
2024	(3,713,142.00)
2025	(3,713,142.00)
Thereafter	(9,293,744.00)
	$ (27,859,454.00)

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability (Cont'd)

The amortization of the above deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total Non-Employer OPEB Liability, associated with the College, will be over the following number of years:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Proportion		
Year of OPEB Plan Deferral:		
June 30, 2017	9.54	9.54
June 30, 2018	9.51	9.51
June 30, 2019	9.29	9.29
Difference Between Expected and Actual Experience		
Year of OPEB Plan Deferral:		
June 30, 2017	-	-
June 30, 2018	-	9.51
June 30, 2019	-	9.29
Changes of Assumptions		
Year of OPEB Plan Deferral:		
June 30, 2017	-	9.54
June 30, 2018	-	9.51
June 30, 2019	-	9.29

Note 9: DEFERRED COMPENSATION

The College offers its employees a choice of deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457(b). The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency.

The plan administrators are as follows:

403(b)
Valic
AXA Financial (Equitable)
Mass Mutual
TIAA-CREF
MetLife
VOYA

457(b)
TIAA-CREF
Metlife
Valic

Note 10: NET POSITION

The following is a summary of the College's Net Position at June 30, 2020 and 2019:

	2020	2019
Net Investment in Capital Assets:		
Capital Assets, net	$ 116,062,630.98	$ 120,531,917.51
Less Related Debt	(34,783,730.41)	(37,090,603.85)
	$ 81,278,900.57	$ 83,441,313.66
Unrestricted Net Position (Deficit):		
Effects of GASB 68 and 71 Pension Related Items	$ (28,102,985.00)	$ (28,374,779.00)
Undesignated Before GASB 68 and 71 Pension Related Items	6,431,355.78	2,232,802.09
	$ (21,671,629.22)	$ (26,141,976.91)

Note 11: EDUCATION AND GENERAL EXPENSES BY NATURAL CLASSIFICATION

The College's operating expenses by natural classification for the fiscal years ended June 30, 2020 and 2019, are presented as follows:

	2020	2019
Salaries:		
Faculty	$ 10,362,447.89	$ 10,631,113.14
Other	14,564,332.48	14,836,080.10
Benefits	10,837,033.78	14,260,647.56
Travel and Transportation	225,518.80	278,042.76
Information and Communication	786,353.68	769,909.26
Materials and Supplies	1,043,678.03	810,754.69
Occupancy and Maintenance	3,091,411.04	3,621,168.30
Miscellaneous	9,365,424.34	10,460,045.69
Auxiliary Enterprises	2,576,227.87	4,175,441.62
Depreciation	4,808,884.25	5,483,457.97
	$ 57,661,312.16	$ 65,326,661.09

Note 12: RISK MANAGEMENT

The College is a member of the Burlington County Insurance Commission. The Commission provides its members with the following coverage:

Worker's Compensation and Employer's Liability
General Liability
Auto Liability, Auto Physical Damage
Property
Employee Dishonesty

Contributions to the Commission, including a reserve for contingencies, are based on actuarial assumptions determined by the Commission's actuary. The Commission may order additional assessments to supplement the Commission's claim, loss retention or administrative accounts to assure the payment of the Commission's obligations.

The Commission purchases excess insurance for coverage in excess of the Commission's self-insured retention limits.

The Commission publishes its own financial report for the year ended December 31, 2019, which can be obtained from:

Burlington County Insurance Commission
9 Campus Drive, Suite 216
Parsippany, NJ 07054

Note 12: RISK MANAGEMENT (CONT'D)

New Jersey Unemployment Compensation Insurance - The College has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the College is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The College is billed quarterly for amounts due to the State.

The following is a summary of the activity of the College's unemployment claims for the current and previous fiscal years:

Fiscal Year Ended	Employee Withholdings	Interest Income	Claims Incurred	Other Reduction	Ending Balance
2020	$ 135,439.06	$ 21.13	$ 89,273.83	$ -	$ 606,786.00
2019	152,749.41	30.22	127,073.62	-	560,599.64
2018	139,761.16	16.71	66,111.48	-	534,893.63

Note 13: AUXILIARY OPERATIONS – BOOKSTORE

On May 10, 2016, the College contracted with a Follett Higher Education Group for the operation of the official Campus Store (Bookstore). The contract took effect July 1, 2016, and continues until June 30, 2021, with an option to renew for an additional five years. Under the contract Follett Higher Education Group has agreed to pay commission to the College in annual amounts equal to the sum of:

14.5% of all Net Revenue up to $5,000,000.00; plus
15.5 % of any part of Net Revenue over $5,000,000.00, but less than $7,000,000; plus
16.5% of any part of Net Revenue over $7,000,000.00
Additionally, Follet will pay 7% of all Net Revenue of digital course materials.

Follett will also pay the College any additional amount necessary to bring total payments to the Guaranteed Annual income, which is 95% of the calculated commission on net revenue of the immediately preceding year.

Note 14: LEASES

Operating Leases - At June 30, 2020 the College had an operating lease agreement in effect for classroom space at the Willingboro Center. Future minimum rental payments under operating lease agreements are as follows:

Fiscal Year Ended	Amount Due
2021	$ 540,802.53
2022	551,582.52

Rental payments under operating leases for the fiscal years ended June 30, 2020 and 2019, were $530,290.17 and $519,802.14, respectively.

Note 15: COMMITMENTS

Computer Center Operations - The College entered into an agreement with Ellucian Inc., to provide support of management and operations of its computer center. The agreement commenced July 1, 2018 and extends through June 30, 2023. There is a termination clause within the contract that allows each party to terminate the contract for the failure by a party to timely perform any material obligation under the agreement. The College is required to make the following payments per the terms of the contract:

Fiscal Year Ending	Annual Payment
2021	$ 1,299,483.00
2022	1,325,472.00
2023	1,351,982.00

Capital Construction - The College has committed to expend the following amounts for capital projects:

Project Commenced	Project Description	Project Total Amount	Balance Remaining June 30, 2020
2019-2020	Mt. Laurel Campus Improvements	$ 2,000,000.00	$ 1,198,669.76

Note 16: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the College expects such amount, if any, to be immaterial.

Litigation - The College is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the College, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 17: CONCENTRATIONS

The College depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the College is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 18: SUBSEQUENT EVENTS

The College evaluated subsequent events through March 9, 2021, the date the financial statements were available to be issued and discloses the following.

County Debt Service Agreement

Subsequent to June 30, 2020, the County of Burlington issued $23,000,000.00 in General Obligation Bonds, Series 2020A, to finance the costs of the new Student Center. The bonds bear interest rates between .55% and 2.00%. The College will repay this principal and interest to the County of Burlington through fiscal year 2041.

Note 18: SUBSEQUENT EVENTS (CONT'D)

COVID-19

As a result of the COVID-19 pandemic, in March 2020, the College converted its method of delivery of instruction to virtual learning.

During the fiscal year ended June 30, 2020, the College was awarded the following by the Federal Government in response to the COVID-19 pandemic:

	Amount Awarded	Amount Expended Through June 30, 2020	Balance Remaining
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act):			
Education Stabilization Fund (ESF):			
Passed Through N.J. Office of the Secretary of Higher Education (OSHE):			
Governor's Emergency Education Relief (GEER) Fund (COVID-19)	$ 821,512.00	$ -	$ 821,512.00
Higher Education Emergency Relief Fund (HEERF):			
Direct Federal Funding:			
Student Aid Portion (COVID-19)	1,875,158.00	1,489,400.00	385,758.00
Institutional Award (COVID-19)	1,875,158.00	1,698,234.25	176,923.75
Strengthening Institutional Programs (COVID-19)	185,793.00	711.50	185,081.50
Coronavirus Relief Fund (CRF):			
Passed Through N.J. Office of the Secretary of Higher Education (OSHE):			
CRF Grant - Round I (COVID-19)	1,406,784.00	417,909.74	988,874.26
CRF Grant - Round II (COVID-19)	1,352,305.79	-	1,352,305.79

The College expects to expend the remainder of these funds during the fiscal year ended June 30, 2021.

Keeping the health and safety of its community a top priority, the College decided to conduct the majority of its fall 2020 semester courses and spring 2021 semester courses via virtual learning, with very little course conducted via live instruction.

While the United States awaits to see the full effects that the COVID-19 vaccines provide, there is uncertainty around the duration of time it will take to resume live instruction and the total financial impact to the College as a result of this pandemic.

Note 19: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES

The significant disclosures of the discretely presented component unit, Rowan College at Burlington County Foundation, are as follows:

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities - Rowan College at Burlington County Foundation (the Foundation) is a New Jersey nonprofit corporation organized in March 1973. The purposes of the Foundation is to receive, hold, encourage, and solicit contributions from the general public for the benefit of Rowan College at Burlington County (the College). The Foundation's efforts benefit the College in the development and construction of physical facilities on campus; in the undertaking of projects which foster and promote educational philosophy, mission and goals of the College; in providing funds for the development of curriculum and education media; and in the creation of scholarships.

During the fiscal year ended June 30, 2019, the Foundation legally changed its name from Burlington County College Foundation to Rowan College at Burlington County Foundation.

Note 19: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Organization and Nature of Activities (Cont'd) - Although the Foundation is a legally separate, non-for-profit organization, because of the significance of its operational and financial relationships with the College it is considered a component unit of the College. All of the Foundation's services fall under one program, providing support for the College's students.

The Foundation is governed by an independent, twenty-five-member volunteer board of trustees, with additional honorary trustees, as approved.

Basis of Accounting - The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Investments - The Foundation reports all investments in marketable securities with readily determinable fair values and all investments in debt securities at fair value in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Certificates of Deposit with original maturities in excess of ninety days held for investment that are not debt securities are included in Investments.

Beneficial Interest in Assets Held by Community Foundation - During 2010, the Foundation entered into an organizational endowment fund under the Philadelphia Foundation and named Rowan College at Burlington Foundation as beneficiary. The Philadelphia Foundation is authorized to administer the Funds in accordance with an agreement established under, and subject to the Philadelphia Foundation's governing instruments. The Funds and distributions from the Fund are subject to the Philadelphia Foundation's ultimate control and absolute discretion. The Fund is held and invested by Rowan College at Burlington Foundation's benefit, and is reported at fair value in the statements of financial position, with distributions and changes in fair value recognized in the statements of activities.

Income Taxes - The Foundation claims exemption from federal and state income taxes under section 501(c) (3) of the Internal Revenue Code and, accordingly, does not record a provision for income taxes on related income. The Foundation is eligible to receive a charitable contribution deduction under Section 170(b)(1)(A) and is classified as an organization other than a private foundation under Section 509(a)(2).The Foundation regularly reviews and evaluates its tax positions taken in previously filed information returns and as reflected in its financial statements, with regard to issues affecting its tax exempt status, unrelated business income, and related matters. The Foundation believes that in the event of an examination by taxing authorities, the Foundation's positions would prevail based upon the technical merits of such positions. Therefore, the Foundation has concluded that no tax benefits or liabilities are required to be recognized in accordance with the new requirements.

Note 19: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fair Value Measurement - The Foundation follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

B. CONCENTRATION OF CREDIT RISK FOR CASH AND INVESTMENTS

The Foundation maintains cash balances in their banking institutions, which are insured by the Federal Deposit Insurance Corporation (F.D.I.C) up to $250,000.00 per institution. At June 30, 2020, $780,465.08 of the Foundation's bank balances were covered by the F.D.I.C., and the remaining $574,854.47 were uninsured. At June 30, 2019, $836,957.35 of the Foundation's bank balances were covered by the F.D.I.C., and the remaining $10,519.86 were uninsured.

C. INVESTMENTS

Investments, stated at fair value, are composed of the following as of June 30, 2020 and 2019, respectively:

	2020	2019
Certificates of Deposit	$ 264,795.05	$ 801,291.97
Marketable Securities:		
Corporate Stocks	1,676.68	2,443.92
Total	$ 266,471.73	$ 803,735.89

Investment return is summarized as follows for the year ended June 30, 2020 and 2019 and also includes applicable returns from the Beneficial Interest in Assets Held by Philadelphia Foundation:

	2020	2019
Interest and Dividends	$ 22,953.46	$ 103,995.56
Investment Fees	(18,832.07)	(16,989.56)
Net Realized and Unrealized Gains (Losses)	(67,015.28)	(4,426.84)
Net Investment Return	$ (62,893.89)	$ 82,579.16

Note 19: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)

D. FAIR VALUE MEASUREMENT

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, "Fair Value Measurements and Disclosures", established a hierarchy for inputs used in measuring fair value that maximized the use of observable inputs and minimized the use of unobservable inputs, requiring that inputs that are most observable be used when available. Observable inputs are inputs that market participants operating within the same marketplace as the Foundation would use in pricing the Foundation's assets or liability based on independently derived and observable market data. Unobservable inputs are inputs that cannot be sourced from a broad active market in which assets or liabilities identical or similar to those of the Foundation are traded. The Foundation estimates the price of any assets for which there are only unobservable inputs by using assumptions that market participants that have investments in the same or similar assets would use as determined by the money managers for each investment based on best information available in the circumstances. The input hierarchy is broken down into three levels base on the degree to which the exit price is independently observable or determinable as follows:

Level 1 - Valuation based on quoted market prices in active markets for identical assets or liabilities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 - Valuation based on quoted market prices of investments that are not actively traded or for which certain significant inputs are observable, either directly or indirectly.

Level 3 - Valuation based on inputs that are unobservable and reflect management's best estimate of what market participants would use as fair value.

The assets fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Any transfer between fair value hierarchy levels is recognized by the Foundation at the end of each reporting period.

The following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis. There have been no changes to the methodologies used at June 30, 2020 and 2019.

- Certificates of Deposit – Valued at amortized costs which approximates fair value.
- Corporate Stocks – Valued at quoted market prices in active markets on which individual securities are traded.

Note 19: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)

D. FAIR VALUE MEASUREMENT (CONT'D)

Fair Value on a Recurring Basis - The following tables below present the fair value of financial instruments as measured on a recurring basis as of June 30, 2020 and 2019:

		June 30, 2020		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Investments:				
Certificates of Deposit	$ 264,795.05	$ -	$ 264,795.05	$ -
Corporate Stock	1,676.68	1,676.68		
Total Assets at Fair Value	$ 266,471.73	$ 1,676.68	$ 264,795.05	$ -

		June 30, 2019		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Investments:				
Certificates of Deposit	$ 801,291.97	$ -	$ 801,291.97	$ -
Corporate Stock	2,443.92	2,443.92		
Total Investments at Fair Value	803,735.89	2,443.92	801,291.97	-
Beneficial Interest in Assets Held by Philadelphia Foundation	2,052,787.53	-	-	$ 2,052,787.53
Total Assets at Fair Value	$ 2,856,523.42	$ 2,443.92	$ 801,291.97	$ 2,052,787.53

Note 19: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)

D. FAIR VALUE MEASUREMENT (CONT'D)

Below is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (level 3) for the years ended June 30 2020, and 2019:

Fiscal Year Ended June 30, 2020	**Beneficial Interest in Assets Held by Philadelphia Foundation**
Balance at June 30, 2019	$ 2,052,787.53
Contributions	-
Net Realized and Unrealized Gain (Loss)	(46,567.14)
Distributions	(1,987,388.32)
Investment Management Fees	(18,832.07)
Balance at June 30, 2020	$ -
Fiscal Year Ended June 30, 2019	
Balance at June 30, 2018	$ 1,977,755.94
Contributions	79,458.43
Net Realized and Unrealized Gain (Loss)	77,342.62
Distributions	(65,574.48)
Investment Management Fees	(16,194.98)
Balance at June 30, 2019	$ 2,052,787.53

E. NET ASSETS

Net assets with donor restrictions were as follows for the years ended June 30, 2020 and 2019:

	2020	**2019**
Purpose Restrictions:		
Scholarships	$ 759,768.71	$ 883,922.46
Other	586,475.14	582,542.28
Total Purpose Restrictions	1,346,243.85	1,466,464.74
Perpetual in Nature:		
Endowments	1,782,809.10	1,781,694.10
Total Net Assets with Donor Restrictions	$ 3,129,052.95	$ 3,248,158.84

REQUIRED SUPPLEMENTARY INFORMATION

PART II

ROWAN COLLEGE AT BURLINGTON COUNTY
Required Supplementary Information - Part II
Schedule of the College's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System (PERS)
Last Seven Plan Years

	Plan Measurement Date Ending June 30,			
	2019	**2018**	**2017**	**2016**
College's Proportion of the Net Pension Liability	0.124131104%	0.1245567255%	0.1231930458%	0.1246936977%
College's Proportionate Share of the Net Pension Liability	$ 22,366,542.00	$ 24,524,598.00	$ 28,677,372.00	$ 36,930,697.00
College's Covered Payroll (Plan Measurement Date)	$ 8,725,840.00	$ 8,772,236.00	$ 8,555,456.00	$ 8,776,328.00
College's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	256.33%	279.57%	335.19%	420.80%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.67%	53.60%	48.10%	40.14%

	Plan Measurement Date Ending June 30,		
	2015	**2014**	**2013**
College's Proportion of the Net Pension Liability	0.1276914492%	0.1248674199%	0.1270873202%
College's Proportionate Share of the Net Pension Liability	$ 28,664,172.00	$ 23,378,596.00	$ 24,288,912.00
College's Covered Payroll (Plan Measurement Date)	$ 9,036,604.00	$ 8,686,016.00	$ 8,985,688.00
College's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	317.20%	269.15%	270.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

ROWAN COLLEGE AT BURLINGTON COUNTY
Required Supplementary Information - Part II
Schedule of the College's Contributions
Public Employees' Retirement System (PERS)
Last Seven Fiscal Years

	Fiscal Year Ended June 30,			
	2020	**2019**	**2018**	**2017**
Contractually Required Contribution	$ 1,191,612.00	$ 1,207,430.00	$ 1,238,937.00	$ 1,141,252.00
Contributions in Relation to the Contractually Required Contribution	$ (1,191,612.00)	(1,207,430.00)	(1,238,937.00)	(1,727,098.00)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
College's Covered Payroll (Fiscal Year)	$ 7,839,164.00	$ 8,238,415.00	$ 8,549,213.00	$ 8,543,407.00
Contributions as a Percentage of College's Covered Payroll	15.20%	14.66%	14.49%	13.36%

	Fiscal Year Ended June 30,		
	2016	**2015**	**2014**
Contractually Required Contribution	$ 1,107,761.00	$ 1,097,804.00	$ 1,029,389.00
Contributions in Relation to the Contractually Required Contribution	(1,107,761.00)	(1,097,804.00)	(1,029,389.00)
Contribution Deficiency (Excess)	$ -	$ -	$ -
College's Covered Payroll (Fiscal Year)	$ 8,385,309.00	$ 8,529,079.00	$ 8,774,209.00
Contributions as a Percentage of College's Covered Payroll	13.21%	12.87%	11.73%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

ROWAN COLLEGE AT BURLINGTON COUNTY
Required Supplementary Information - Part II
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2020

Public Employees' Retirement System (PERS)

Changes in Benefit Terms

None

Changes in Assumptions

The Discount Rate changed at June 30th over the following years, 5.39% 2014, 4.90% 2015, 3.98% 2016, 5.00% 2017, 5.66% 2018, and 6.28% 2019.

The Long-term Expected Rate of Return changed at June 30th over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017, 2018 and 2019.

For 2019, the assumed rates of retirement, mortality, salary increases, and inflation were updated based on the July 1, 2014 - June 30, 2018 experience study. For pre-retirement mortality, the Pub-2010 General Below-Median Income Employee mortality table with a 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For healthy retirees and beneficiaries, the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For disabled retiree mortality, 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 improvement from the base year of 2010 on a generational basis was used. For mortality improvement, Scale MP-2019 was used.

For 2016, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the Plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter.

For 2015, the social security wage base was set at $118,500.00 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at $265,000.00 for 2015, increasing 3.00% per annum, compounded annually.

REQUIRED SUPPLEMENTARY INFORMATION

PART III

ROWAN COLLEGE AT BURLINGTON COUNTY
Required Supplementary Information - Part III
Schedule of Changes in the College's Total OPEB Liability and Related Ratios
Last Three Plan Years

	Measurement Date Ending June 30,		
	2019	**2018**	**2017**
Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the College			
Changes for the Year:			
Service Cost	$ 2,435,994.00	$ 4,802,691.00	$ 5,725,603.00
Interest Cost	2,135,713.00	2,675,675.00	2,248,951.00
Difference Between Expected and Actual Experience	(8,626,570.00)	(17,114,494.00)	-
Changes in Assumptions	725,964.00	(6,135,797.00)	(9,745,319.00)
Gross Benefit Payments	(1,494,621.00)	(1,429,733.00)	(1,635,730.00)
Member Contributions	44,305.00	49,414.00	60,232.00
Net Change in Total Non-Employer OPEB Liability	(4,779,215.00)	(17,152,244.00)	(3,346,263.00)
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	53,468,668.00	70,620,912.00	73,967,175.00
Total Non-Employer OPEB Liability - End of Fiscal Year	$ 48,689,453.00	$ 53,468,668.00	$ 70,620,912.00
College's Covered Payroll (Plan Measurement Period)	$ 14,180,780.13	$ 13,635,318.43	$ 13,629,516.32
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the College as a Percentage of Covered Payroll	343.35%	392.13%	518.15%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

ROWAN COLLEGE AT BURLINGTON COUNTY
Required Supplementary Information - Part III
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2020

Changes of Benefit Terms

None

Differences Between Expected and Actual Experience

The decrease in liability from June 30, 2017 to June 30, 2018 is due to changes in the census, claims and premiums experience. The decrease in liability from June 30, 2018 to June 30, 2019 is due to changes in the census, claims and premiums experience.

Changes of Assumptions

The decrease in the liability from June 30, 2017 to June 30, 2018 is due to the increase in the assumed discount rate from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018; and a decrease in the assumed health care cost trend and excise tax assumptions. The decrease in the liability from June 30, 2018 to June 30, 2019 is due to the combined effect of the decrease in the assumed discount rate from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019; and changes in the trend, excise tax, updated decrements, future spouse election, PPO/HMO future retiree elections, salary scale and mortality assumptions.

SINGLE AUDIT SECTION

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND STATE OF NEW JERSEY CIRCULAR 15-08-OMB

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Rowan College at Burlington County
Mount Laurel, New Jersey 08054

Report on Compliance for Each Major Federal and State Program

We have audited ***Rowan College at Burlington County's*** (*the "College"*), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the College's major federal and state programs for the fiscal year ended June 30, 2020. The College's major federal and state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs.*

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the College's compliance.

Opinion on Each Major Federal and State Program

In our opinion, ***Rowan College at Burlington County*** 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 fiscal year ended June 30, 2020.

601 White Horse Road | Voorhees, NJ 08043 | P 856.435.6200 | F 856.435.0440 | www.bowmanllp.com

Report on Internal Control Over Compliance

Management of ***Rowan College at Burlington County*** is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

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

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

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 State of New Jersey Circular 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
March 9, 2021

ROWAN COLLEGE AT BURLINGTON COUNTY
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2020

Federal Grantor/Pass-through Grantor/Program Title/Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	FY 2020 Expenditures	Passed Through to Subrecipients
U.S. Department of Labor:				
H-1B Job Training Grants:				
Passed Through Bergen Community College:				
NJ Healthworks Grant	17.268	HG-33026-19-60-A-34	$ 21,833.58	$ -
U.S. Department of the Treasury:				
Coronavirus Relief Fund:				
Passed Through State of N.J. Office of the Secretary of Higher Education:				
Coronavirus Relief Fund (CRF) - Round I (COVID-19)	21.019	RCBC CRF I	417,909.74	-
U.S. Department of Education:				
Student Financial Aid Cluster (Direct Funding):				
Federal Supplemental Educational Opportunity Grants	84.007	N/A	155,772.00	
Federal Work-Study Program	84.033	N/A	152,923.00	
Federal Pell Grant Program	84.063	N/A	11,358,149.00	
Federal Direct Student Loans	84.268	N/A	6,101,278.30	
Total Student Financial Aid Cluster			17,768,122.30	-
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act):				
Higher Education Emergency Relief Fund (Direct Funding):				
Student Aid Portion (COVID-19)	84.425E	N/A	1,489,400.00	
Institutional Portion (COVID-19)	84.425F	N/A	1,698,234.25	
Strengthening Institutions Programs (COVID-19)	84.425M	N/A	711.50	
Total Education Stabilization Fund			3,188,345.75	-
Career and Technical Education - Basic Grants:				
Passed Through State of N.J. Department of Education:				
Carl D. Perkins Vocational and Applied Technology Act	84.048	05-7116-035	493,407.03	-

(Continued)

ROWAN COLLEGE AT BURLINGTON COUNTY
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2020

Federal Grantor/Pass-through Grantor/Program Title/Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	FY 2020 Expenditures	Passed Through to Subrecipients
U.S. Department of Education (Cont'd):				
Adult Education - Basic Grants to States:				
Passed Through State of N.J. Department of Labor and Workforce Development:				
Adult Education and Family Literacy:				
Adult Basic Skills	84.002	ABS-FY2020-003	$ 345,674.55	$ 167,539.41
English Literacy and Civics	84.002	ABS-FY2020-003	123,805.91	122,575.91
Total Adult Education - Basic Grants to States			469,480.46	290,115.32
Total U.S. Department of Education			21,919,355.54	290,115.32
U.S. Department of Health and Human Services:				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers:				
Passed Through County of Burlington:				
Money Management Program	93.044	DOAS19AAA21	4,078.01	
Medicare Enrollment Assistance Program:				
Passed Through State of N.J. Department of Health and Human Services:				
Medicare Beneficiary Outreach and Assistance Program	93.071	DOAS19MPA002	41,352.19	
State Health Insurance Assistance Program:				
Passed Through State of N.J. Department of Health and Human Services:				
State Health Insurance Assistance Program	93.324	DOAS19SHF015	27,177.92	
Opioid STR:				
Passed Through State of N.J. Department of Health and Human Services:				
Alternative Approaches to Pain Management for Older Adults	93.788	19-833-ADA	85,161.50	
Total U.S. Department of Health and Human Services			157,769.62	-
Corporation for National and Community Service (Direct Funding):				
Retired Senior Volunteer Program	94.002	N/A	80,161.35	-

(Continued)

ROWAN COLLEGE AT BURLINGTON COUNTY
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2020

Federal Grantor/Pass-through Grantor/Program Title/Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	FY 2020 Expenditures	Passed Through to Subrecipients
National Science Foundation:				
Mathematical and Physical Sciences:				
Passed Through Occidental College:				
Center for Undergraduate Research in Mathematics Grant (CURM)	47.049	OXY-CURM0028	$ 5,240.88	$ -
Education and Human Resources (Direct Funding):				
Comprehensive Integration of Advanced Manufacturing Competencies throughout an Associates Degree and a Stackable Certificate Curricula	47.076	N/A	190,724.76	-
Total National Science Foundation			195,965.64	-
Total Federal Awards			$ 22,792,995.47	$ 290,115.32

The accompanying notes to the financial statements and notes to the schedules of expenditures of federal awards and state financial assistance are an integral part of this schedule.

ROWAN COLLEGE AT BURLINGTON COUNTY
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2020

State Grantor/Program Title	State GMIS Number	Program or Award Amount	Matching Contribution	Program Funds Received	Grant Period From	Grant Period To	FY 2020 Expenditures	Passed Through to Subrecipients	Cumulative Expenditures
Student Financial Aid Cluster:									
N.J. Commission of Higher Education:									
Educational Opportunities Fund - Article III	100-074-2401-001	$ 136,800.00	$ -	$ 100,518.00	07/01/19	06/30/20	$ 100,793.00	$ -	$ 100,793.00
Educational Opportunities Fund - Article III	100-074-2401-001	118,450.00		6,867.00	07/01/18	06/30/19	-		102,686.00
Educational Opportunities Fund - Article III Summer	100-074-2401-001	35,325.65		19,340.39	07/01/19	06/30/20	11,530.00		11,530.00
Educational Opportunities Fund - Article III Summer	100-074-2401-001	21,415.00		21,188.60	07/01/18	06/30/19	10,752.10		18,163.50
N.J. Higher Education Student Assistance Authority:									
New Jersey Stars Program	100-074-2405-313	470,374.00		472,072.00	07/01/19	06/30/20	470,374.00		470,374.00
New Jersey Stars Program	100-074-2405-313	368,755.00		-	07/01/18	06/30/19	(1,443.00)		367,312.00
Tuition Aid Grants	100-074-2405-007	1,498,943.00		1,509,727.00	07/01/19	06/30/20	1,498,943.00		1,498,943.00
Tuition Aid Grants	100-074-2405-007	1,309,116.00		-	07/01/18	06/30/19	(160.00)		1,307,850.00
Community College Opportunity Grant	100-074-2405-332	1,038,559.00		1,023,191.00	07/01/19	06/30/20	1,038,559.00		1,038,559.00
NJ Best Grants	100-074-2405-316	6,250.00		6,250.00	07/01/19	06/30/20	6,250.00		6,250.00
NJ Class Loans	Unknown	56,164.94		51,949.94	07/01/19	06/30/20	56,164.94		56,164.94
NJ Class Loans	Unknown	27,993.23		12,909.73	07/01/18	06/30/19	6,722.23		27,993.23
Total Student Financial Aid Cluster							3,198,485.27	-	5,006,618.67
N.J. Office of the Secretary of Higher Education:									
College Readiness Now Grant (IV)	100-074-2400-055	52,519.00		27,157.69	07/01/19	06/30/20	46,054.90		46,054.90
College Readiness Now Grant (V)	100-074-2400-055	52,252.43		29,622.15	07/01/18	06/30/19	1,211.79		52,252.43
							47,266.69	-	98,307.33
Educational Opportunity Fund - Article IV 5th Quarter	100-074-2401-002	4,234.08		4,234.08	07/01/20	09/30/20	-		-
Educational Opportunity Fund - Article IV	100-074-2401-002	139,354.00		138,109.00	07/01/19	06/30/20	104,464.71		104,464.71
Educational Opportunity Fund - Article IV	100-074-2401-002	129,988.00	129,988.00	-	07/01/18	06/30/19	4,011.00		246,153.25
							108,475.71	-	350,617.96
Community College Opportunity Grant	100-074-2400-061	265,000.00		265,000.00	07/01/19	06/30/20	252,890.15		252,890.15
Community College Opportunity Grant	100-074-2400-061	250,000.00		-	09/15/18	06/30/19	22,224.06		249,729.26
Community College Innovation Challenge Special Grant	100-074-2400-061	10,000.00		10,000.00	04/29/19	06/30/19	1,607.72		10,000.00
							276,721.93	-	512,619.41
Total N.J. Office of the Secretary of Higher Education							432,464.33	-	961,544.70
N.J. Department of Labor and Workforce Development:									
Transportation Logistics and Distribution Talent Development Center Program	TDC-FY-18007	1,200,000.00		103,166.66	11/01/17	06/30/19	-		801,956.16
Opportunity Partnership Grant (OPG)	OPGFY1905005	125,764.80		42,819.92	05/01/19	12/31/20	54,797.52		54,797.52
Women and Minorities in Construction 2020 - Round 1	BUILD-WMIC-FY2020-RBCB-018	51,849.00		-	02/01/20	01/31/21	12,779.30		12,779.30
Total N.J. Department of Labor and Workforce Development							67,576.82	-	869,532.98

(Continued)

Schedule B

ROWAN COLLEGE AT BURLINGTON COUNTY
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2020

State Grantor/Program Title	State GMIS Number	Program or Award Amount	Matching Contribution	Program Funds Received	Grant Period From	Grant Period To	FY 2020 Expenditures	Passed Through to Subrecipients	Cumulative Expenditures
N.J. Department of Treasury - Higher Education Administration:									
Operational Costs - County Colleges	100-082-2155-015	$ 7,340,554.77	$ -	$ 6,221,997.00	07/01/19	06/30/20	$ 7,340,554.77	$ -	$ 7,340,554.77
Higher Education Equipment Leasing Fund	100-082-2155-036	1,427,852.00		-	01/01/14	Project Completion	16,814.45		1,427,852.00
P.L.1971, Chapter 12 Debt Service:									
Health Sciences Transition	100-082-2155-016	3,250,000.00		13,383.24	07/01/16	Project Completion	13,383.24		3,250,000.00
							7,370,752.46	-	12,018,406.77
Employer Contributions - Alternate Benefit Program - FT Faculty	100-082-2155-017	466,320.24		383,033.14	07/01/19	06/30/20	466,320.24		466,320.24
Employer Contributions - Alternate Benefit Program - Adjunct	100-082-2155-017	256,844.23		-	07/01/19	06/30/20	256,844.23		256,844.23
Employer Contributions - Alternate Benefit Program - Eligible Employees Enrolled in PERS	100-082-2155-017	80,582.21		-	07/01/19	06/30/20	80,582.21		80,582.21
Total Employer Contributions - Alternate Benefit Program							803,746.68	-	803,746.68
Total N.J. Department of the Treasury - Higher Education Administration							8,174,499.14	-	12,822,153.45
Total State Financial Assistance							$ 11,873,025.56	$ -	$ 19,592,272.98

The accompanying notes to the financial statements and notes to the schedules of expenditures of federal awards and state financial assistance are an integral part of this schedule.

Note 1: BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance ("the schedules") include federal and state award activity of Rowan College at Burlington County (hereafter referred to as the "College"). The College is defined in note 1 to the College's basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules. Because these schedules present only a selected portion of the operations of the College, it is not intended to and does not present the financial position and changes in operations of the College. Accordingly, some amounts presented in the respective schedules may differ from amounts presented in, or used in the preparation of, the College's June 30, 2020 financial statements.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the accrual basis of accounting as described in note 1 to the College's basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3: INDIRECT COST RATE

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

Note 4: OTHER STUDENT LOAN PROGRAMS

The College is responsible only for the performance of certain administrative duties with respect to Federal Direct Student Loans and New Jersey Class Loans; accordingly, these loans balances are not included in the College's basic financial statements. It is not practical to determine the balance of loans outstanding to students of the College under these programs as of June 30, 2020.

Note 5: DONATED PERSONAL PROTECTIVE EQUIPMENT (PPE)

The College has not received any donations of Personal Protective Equipment (PPE) related to COVID-19.

Note 6: MAJOR PROGRAMS

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

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	___ yes _X_ no
Significant deficiency(ies) identified?	___ yes _X_ none reported
Noncompliance material to financial statements noted?	___ yes _X_ no

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	___ yes _X_ no
Significant deficiency(ies) identified?	___ yes _X_ none reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)?	___ yes _X_ no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
	Student Financial Aid Cluster:
84.007	Federal Supplemental Educational Opportunity Grant
84.033	Federal Work Study Program
84.063	Federal Pell Program
84.268	Federal Direct Student Loans
	Coronavirus Relief Fund:
21.019	Coronavirus Relief Fund (CRF)(COVID-19)
	Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act):
	Higher Education Emergency Relief Fund:
84.425E	Student Aid Portion (COVID-19)
84.425F	Institutional Portion (COVID-19)
84.425M	Strengthening Institutions Programs (COVID-19)

Dollar threshold used to determine Type A programs	$ 750,000.00
Auditee qualified as low-risk auditee?	_X_ yes ___ no

(Continued)

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified?	___ yes _X_ no
Significant deficiency(ies) identified?	___ yes _X_ none reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB?	___ yes _X_ no

Identification of major programs:

GMIS Number(s)	Name of State Program
	Student Financial Aid Cluster:
100-074-2401-001	Educational Opportunities Fund - Article III
100-074-2405-313	New Jersey Stars Program
100-074-2405-007	Tuition Aid Grants
100-074-2405-332	Community College Opportunity Grant
100-074-2405-316	NJ Best Grants
Unknown	NJ Class Loans

Dollar threshold used to determine Type A programs	$ 750,000.00
Auditee qualified as low-risk auditee?	_X_ yes ___ no

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards requires*.

There are no current year findings.

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

There are no current year findings.

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

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

There are no current year findings.

ROWAN COLLEGE AT BURLINGTON COUNTY
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

There were no prior year findings.

FEDERAL AWARDS

There were no prior year findings.

STATE FINANCIAL ASSISTANCE PROGRAMS

There were no prior year findings.

APPRECIATION

We received the complete cooperation of all of the officials of Rowan College at Burlington County, and we greatly appreciate the courtesies extended to us.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants