Rowan College at Burlington County

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

June 30, 2018 and 2017

(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.

BURLINGTON COUNTY COLLEGE
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ROWAN COLLEGE AT BURLINGTON COUNTY

BOARD OF TRUSTEES

As of June 30, 2018

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 (Burlington County College Foundation), as of and for the fiscal years ended June 30, 2018 and 2017, 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, 2018 and 2017, 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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Emphasis of Matter

Adoption of New Accounting Principles

As discussed in note 1 to the financial statements, during the fiscal year ended June 30, 2018, the College adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The adoption of this new accounting principle required the College to recognize revenues and expenses, in its financial statements, for the State's proportionate share of the postemployment expense associated with the College. The related disclosures for the implementation of this new accounting pronouncement are included in note 19 in the notes to financial statements. Our opinion is not modified with respect to this matter.

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 February 19, 2019, 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
February 19, 2019

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 (Burlington County College Foundation), as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated February 19, 2019. The financial statements of the College's discretely presented component unit (Burlington County College 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*. In addition, our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting principle.

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) to determine the 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 ***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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
February 19, 2019

Required Supplementary Information

Part I

Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2018 and 2017
(Unaudited)

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, 2018 (FY 2018) and 2017 (FY 2017), with 2016 (FY 2016) 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.

The financial statements of Burlington County College Foundation (the Foundation) are also included in the College's financial statements as a component unit, pursuant to GASB Statement No.14 as amended by GASB Statement No. 39 and No. 61. The Foundation is a non-profit organization housed on the Mt. Laurel Campus whose principal mission is to raise funds to support the College's students through scholarships and to provide support to the College to aid in capital construction projects. This analysis will focus on the College only.

ENROLLMENT

Total credit hour enrollments were as follows:

	FY 2018	FY 2017	FY 2016	Change 2018-2017	Change 2017-2016
Credit Hours	220,065	211,001	210,167	9,064	834

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.

As of FY 2018, total credit hours have continued on a steady increase, though they have not yet recovered to 2015 levels. The College's continued financial stability benefits from this increase, particularly given the College's continued dependence upon tuition revenue. 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.

The FY 2018 increase reflects the continued development of programs and services designed to support student enrollment and retention. The continued growth of the "3 + 1" program (and corresponding third year enrollment) and the efforts of the College to establish enrollment and retention as institutional priorities are demonstrated by this growth in credit hour enrollment.

ENROLLMENT (CONT'D)

As of FY 2017, total credit hours have increased from FY 2016, though not to the FY 2015 levels. This increase strengthens the College's financial position as much of the College's operating budget is supported by student tuition revenue. While the high school graduating cohort continues a moderate decline and competition from both public and private baccalaureate granting institution continues to challenge enrollment, the student service teams remain vigilant in developing and implementing outreach efforts to new, current, and returning students in order to maintain and enhance current enrollment.

The current increase reflects a number of initiatives in which the College is engaged. First, the increase demonstrates the ongoing development of the Enrollment Management and Student Success division, first established in August of 2015. In September 2017, the division moved into its permanent home in the Student Success Center, which was designed to house student services in a single location. In addition, the enrollment reflects the launch of the College's "3 + 1" program which allows for a more affordable path to a baccalaureate degree as well as the expansion of health science programs.

IMPACT OF GASB 68 AND 71 IMPLEMENTATION

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*

Note 6 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 2018, FY 2017 and FY 2016.

	FY 2018	FY 2017	FY 2016	FY 18 to FY 17 Variance	FY 17 to FY 16 Variance
Deferred Outflows Related to Pensions	$ 8,145,472.00	$ 11,239,864.00	$ 5,318,472.00	$(3,094,392.00)	$ 5,921,392.00
Less: Accounts Payable - Related to Pensions	(1,238,937.00)	(1,141,252.00)	(1,107,761.00)	(97,685.00)	(33,491.00)
Less: Net Pension Liability	(28,677,372.00)	(36,930,697.00)	(28,664,172.00)	8,253,325.00	(8,266,525.00)
Less: Deferred Inflows Related to Pensions	(6,566,169.00)	(715,161.00)	(753,372.00)	(5,851,008.00)	38,211.00
Net Position Effect from GASBS 68 and 71 Implementation	$ (28,337,006.00)	$ (27,547,246.00)	$ (25,206,833.00)	$ (789,760.00)	$(2,340,413.00)

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, 2018, 2017 and 2016:

	FY 2018	FY 2017	FY 2016	FY 18 to FY 17 Variance	FY 17 to FY 16 Variance
Assets					
Current Assets	$ 23,301,169.32	$ 23,960,788.37	$ 18,552,010.70	$ (659,619.05)	$ 5,408,777.67
Non-Current Assets:					
Capital Assets, net of Depreciation	139,779,054.53	127,384,736.04	92,186,189.54	12,394,318.49	35,198,546.50
Total Assets	163,080,223.85	151,345,524.41	110,738,200.24	11,734,699.44	40,607,324.17
Deferred Outflows of Resources - Related to Pensions	8,145,472.00	11,239,864.00	5,318,472.00	(3,094,392.00)	5,921,392.00
Liabilities					
Current Liabilities	22,167,984.21	21,032,069.80	14,236,237.34	1,135,914.41	6,795,832.46
Non-Current Liabilities	29,281,660.40	37,582,236.97	29,348,427.62	(8,300,576.57)	8,233,809.35
Total Liabilities	51,449,644.61	58,614,306.77	43,584,664.96	(7,164,662.16)	15,029,641.81
Deferred Inflows of Resources - Related to Pensions	6,566,169.00	715,161.00	753,372.00	5,851,008.00	(38,211.00)
Net Position					
Net Investment in Capital Assets	139,779,054.53	127,384,736.04	92,186,189.54	12,394,318.49	35,198,546.50
Unrestricted (Deficit)	(26,569,172.29)	(24,128,815.40)	(20,467,554.26)	(2,440,356.89)	(3,661,261.14)
Total Net Position	$ 113,209,882.24	$ 103,255,920.64	$ 71,718,635.28	$ 9,953,961.60	$ 31,537,285.36

The increase in capital assets from FY 2017 to FY 2018 was due to construction of expansion projects related to the transition of the main campus from Pemberton to Mount Laurel. Many capital expenditures were payable as of June 30, 2018, causing the increase in current liabilities. Deferred outflows and non-current liabilities increased in accordance with allocations from the state's audit of the pension plan.

The increase in capital assets from FY 2016 to FY 2017 was due to construction of expansion projects related to the transition of the main campus from Pemberton to Mount Laurel. Current assets increased due to capital grants that are receivable at June 30, 2017. Many capital expenditures were payable as of June 30, 2017, causing the increase in current liabilities. Deferred outflows and non-current liabilities increased in accordance with allocations from the state's audit of the pension plan.

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 2017 to FY 2018

- Tuition revenue increased due to a tuition increase and the continued growth of the "3+1" program.
- Instructional expenses increased due to furniture and upgrades to instructional spaces on the Mt. Laurel campus that were under the capitalization threshold.
- Student Service expenses increased due to furniture and upgrades to student service spaces on the Mt. Laurel campus that were under the capitalization threshold.
- Institutional support expenses decreased due to furniture and upgrades complete in FY 2017 on the Mt. Laurel campus.
- Depreciation increased due to the completion of buildings and renovations on the Mt. Laurel campus.
- Capital grant revenue decreased from FY 2017 to FY 2018 since the majority of the Mt. Laurel campus transition occurred in the prior year.

FY 2016 to FY 2017

- Auxiliary revenues increased due to three new grants that funded non-credit courses.
- Capital grant revenue increased due to the projects associated with the expansion of the Mt. Laurel campus.
- Instruction expenses increased due to furniture and upgrades to instructional spaces that were under the capitalization threshold on the Mt. Laurel campus.
- Institutional support expense increased due to an increase in pension expense as well as the implementation of GASB 75, OPEB Expense. State Appropriations, On-Behalf Fringe Benefits, Other Post Employments Benefits revenue increase as a result of the GASB 75 implementation as well.
- Auxiliary expenses increased in alignment with revenues.
- Capital grant revenue increased substantially from the Mount Laurel campus transition projects.

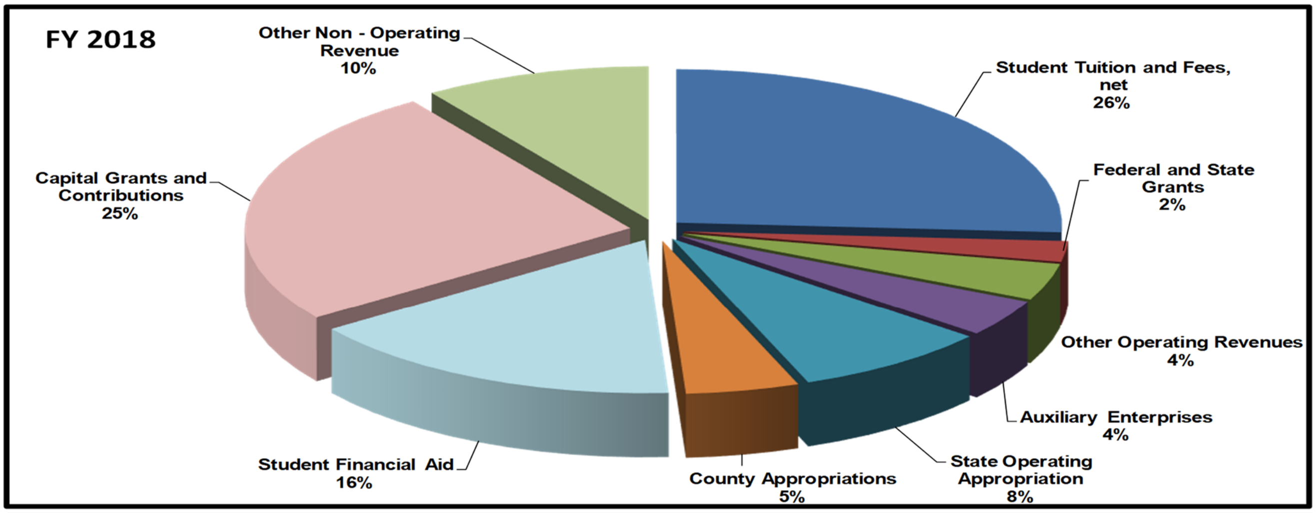
STATEMENTS OF REVENUE EXPENSES AND CHANGES IN NET POSITION (CONT'D)

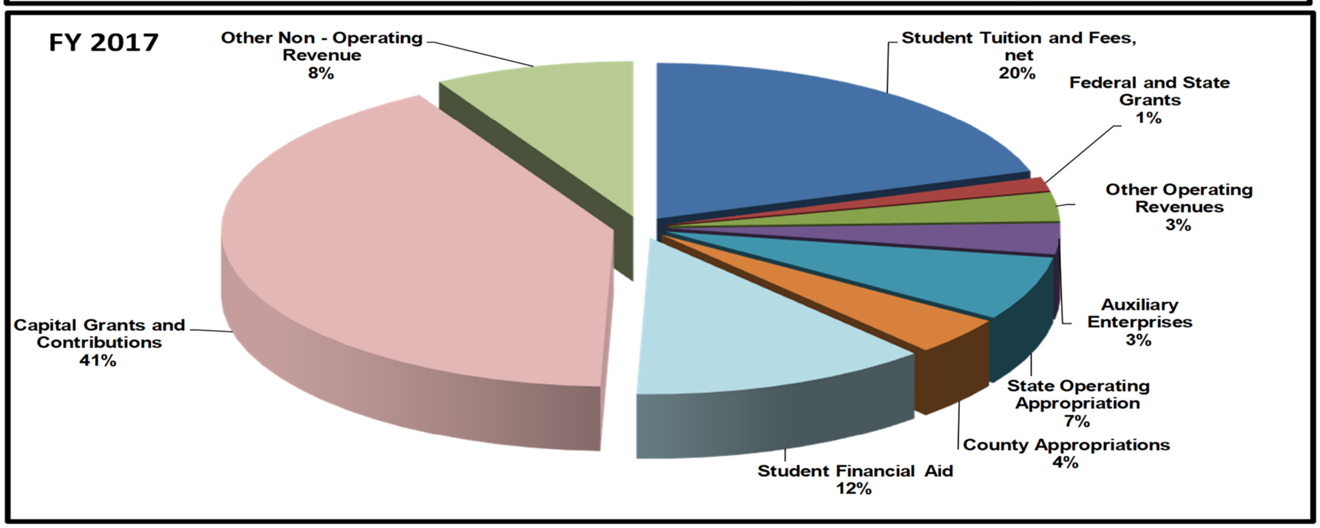
The following is condensed financial information represented in the Statement of Revenues, Expenses and Changes in Net Position for the fiscal years ended June 30, 2018, 2017 and 2016:

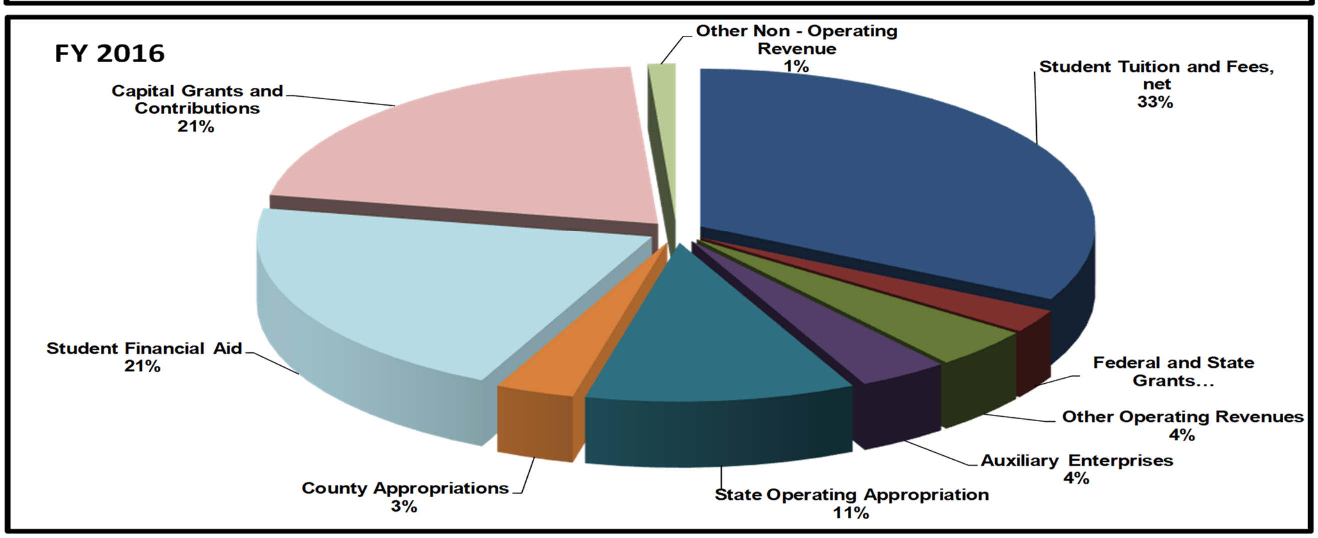
	FY 2018	FY 2017	FY 2016	FY 18 to FY 17 Variance	FY 17 to FY 16 Variance
Operating Revenues					
Student Tuition and Fees, net	$ 21,874,342.27	$ 20,366,934.59	$ 20,227,871.30	$ 1,507,407.68	$ 139,063.29
Federal and State Grants	1,833,313.86	1,464,693.42	1,481,516.55	368,620.44	(16,823.13)
Other Operating Revenues	3,279,274.52	3,020,758.28	2,540,385.86	258,516.24	480,372.42
Auxiliary Enterprises	3,302,092.31	3,239,271.93	2,268,291.17	62,820.38	970,980.76
Total Operating Revenue	30,289,022.96	28,091,658.22	26,518,064.88	2,197,364.74	1,573,593.34
Operating Expenses					
Instruction	16,788,307.32	14,830,015.07	12,478,582.51	1,958,292.25	2,351,432.56
Public Service	923,387.09	752,693.61	1,336,814.10	170,693.48	(584,120.49)
Academic Support	1,920,745.66	1,799,136.59	2,200,412.18	121,609.07	(401,275.59)
Student Services	5,205,470.18	4,366,342.05	3,970,347.06	839,128.13	395,994.99
Institutional Support	29,298,573.09	30,763,954.30	19,003,512.36	(1,465,381.21)	11,760,441.94
Operations and Maintenance of Plant	6,174,338.37	6,009,678.74	6,240,482.88	164,659.63	(230,804.14)
Scholarships and Student Aid	5,364,727.28	4,385,779.12	4,388,276.40	978,948.16	(2,497.28)
Depreciation	5,260,096.46	3,853,481.63	3,955,732.12	1,406,614.83	(102,250.49)
Auxiliary Enterprises	3,239,117.54	3,197,139.03	2,585,363.88	41,978.51	611,775.15
Total Operating Expenses	74,174,762.99	69,958,220.14	56,159,523.49	4,216,542.85	13,798,696.65
Operating Loss	(43,885,740.03)	(41,866,561.92)	(29,641,458.61)	(2,019,178.11)	(12,225,103.31)
Non-Operating Revenues (Expenses)					
State Appropriations					
State Aid	6,956,037.00	6,729,175.00	6,846,152.00	226,862.00	(116,977.00)
On-Behalf Fringe Benefits :					
Alternate Benefit Program	771,902.44	669,450.73	667,166.32	102,451.71	2,284.41
Other Post Employment Benefits	7,186,091.00	7,672,688.00		(486,597.00)	7,672,688.00
County Appropriations	4,000,000.00	4,000,000.00	2,000,000.00	-	2,000,000.00
Student Financial Aid	13,523,174.90	12,478,263.62	12,931,269.63	1,044,911.28	(453,006.01)
Investment Income Earned	58,003.07	35,988.14	29,290.26	22,014.93	6,697.88
Non-Operating Revenues	32,495,208.41	31,585,565.49	22,473,878.21	909,642.92	9,111,687.28
Loss Before Capital Grants and Contributions	(11,390,531.62)	(10,280,996.43)	(7,167,580.40)	(1,109,535.19)	(3,113,416.03)
Capital Grants and Contributions	21,344,493.22	41,818,281.79	12,979,944.51	(20,473,788.57)	28,838,337.28
Increase (Decrease) in Net Position	9,953,961.60	31,537,285.36	5,812,364.11	(21,583,323.76)	25,724,921.25
Net Position					
Net Position - Beginning of Year	103,255,920.64	71,718,635.28	65,906,271.17	31,537,285.36	5,812,364.11
Net Position - End of Year	$ 113,209,882.24	$ 103,255,920.64	$ 71,718,635.28	$ 9,953,961.60	$ 31,537,285.36

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

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

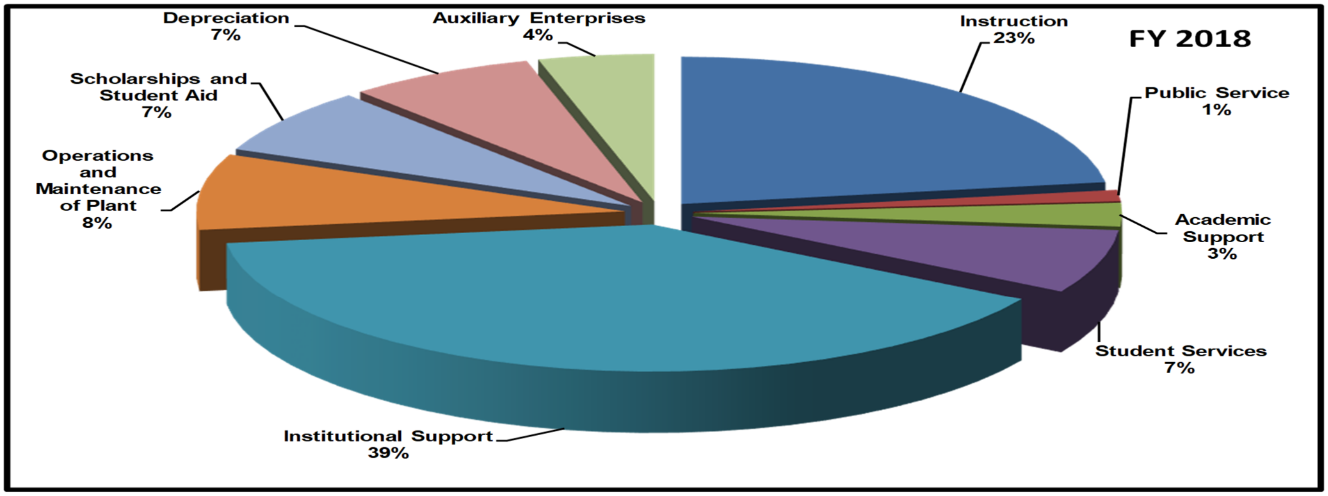


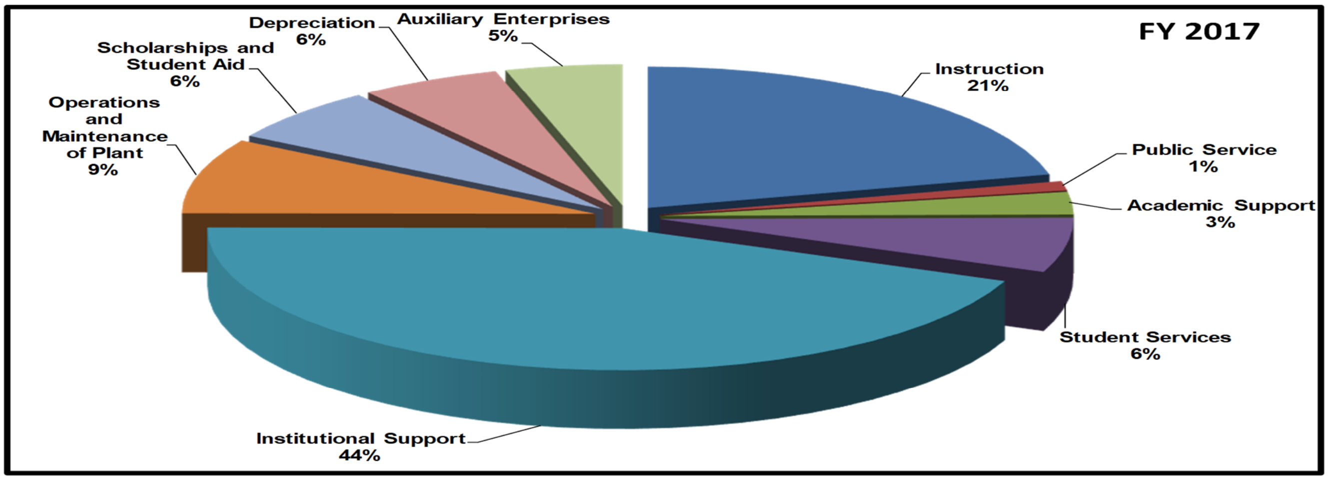


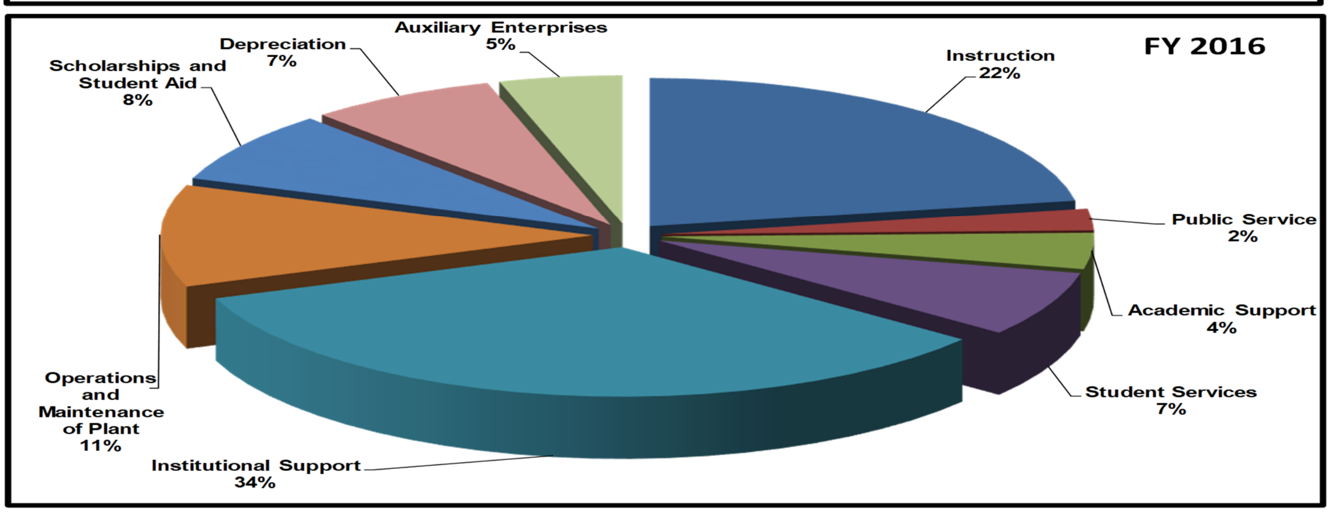


STATEMENTS OF REVENUE EXPENSES AND CHANGES IN NET POSITION (CONT'D)

The following are graphic illustrations of 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, 2018, 2017, and 2016:

	FY 2018	FY 2017	FY 2016	FY 18 to FY 17 Variance	FY 17 to FY 16 Variance
Cash Provided by (Used in):					
Operating Activities	$(27,929,864.39)	$ (23,106,263.65)	$ (22,937,503.02)	$ (4,823,600.74)	$ (168,760.63)
Non-Capital Financing Activities	24,026,772.67	22,776,110.55	20,844,931.06	1,250,662.12	1,931,179.49
Capital and Related Financing Activities	7,058,545.65	658,614.19	(1,228,284.87)	6,399,931.46	1,886,899.06
Investing Activities	793,926.82	26,389.98	24,650.63	767,536.84	1,739.35
Net Change in Cash	3,949,380.75	354,851.07	(3,296,206.20)	3,594,529.68	3,651,057.27
Cash, Beginning of Year	3,688,546.81	3,333,695.74	6,629,901.94	354,851.07	(3,296,206.20)
Cash, End of Year	$ 7,637,927.56	$ 3,688,546.81	$ 3,333,695.74	$ 3,949,380.75	$ 354,851.07

CAPITAL ASSETS

At the end of FY 2018 and FY 2017, the College has capital assets as follows:

	Balance June 30, 2017	Additions	Deletions	Transfers	Balance June 30, 2018
Capital Assets, Non-Depreciable:					
Land	$ 5,358,200.00	$ -	$ -	$ -	$ 5,358,200.00
Construction in Progress	41,705,758.30	17,043,215.70	.	(52,796,831.90)	5,952,142.10
	47,063,958.30	17,043,215.70	-	(52,796,831.90)	11,310,342.10
Capital Assets, Depreciable:					
Land Improvements	1,968,346.03			36,569.26	2,004,915.29
Buildings and Improvements	123,438,591.00			52,320,700.13	175,759,291.13
Equipment	14,372,817.45	615,039.58	(420,416.34)		14,567,440.69
Infrastructure	5,273,200.86			69,756.21	5,342,957.07
Intangible	269,116.05			369,806.30	638,922.35
	145,322,071.39	615,039.58	(420,416.34)	52,796,831.90	198,313,526.53
Total Asset Cost	192,386,029.69	17,658,255.28	(420,416.34)	-	209,623,868.63
Less Accumulated Depreciation for:					
Land Improvements	(1,351,423.91)	(71,022.90)			(1,422,446.81)
Buildings and Improvements	(48,013,544.85)	(4,348,403.39)			(52,361,948.24)
Equipment	(11,775,796.70)	(691,259.98)	416,576.01		(12,050,480.67)
Infrastructure	(3,591,412.14)	(75,448.93)			(3,666,861.07)
Intangible	(269,116.05)	(73,961.26)			(343,077.31)
	(65,001,293.65)	(5,260,096.46)	416,576.01	-	(69,844,814.10)
Capital Assets, net	$ 127,384,736.04	$ 12,398,158.82	$ (3,840.33)	$ -	$ 139,779,054.53

	Balance June 30, 2016	Additions	Deletions	Transfers	Balance June 30, 2017
Capital Assets, Non-Depreciable:					
Land	$ 5,358,200.00	$ -	$ -	$ -	$ 5,358,200.00
Construction in Progress	3,983,595.48	37,907,912.32		(185,749.50)	41,705,758.30
	9,341,795.48	37,907,912.32	-	(185,749.50)	47,063,958.30
Capital Assets, Depreciable:					
Land Improvements	1,968,346.03				1,968,346.03
Buildings and Improvements	123,252,841.50			185,749.50	123,438,591.00
Equipment and Furnishings	14,435,324.33	1,145,151.10	(1,207,657.98)		14,372,817.45
Infrastructure	5,273,200.86				5,273,200.86
Intangible	269,116.05				269,116.05
	145,198,828.77	1,145,151.10	(1,207,657.98)	185,749.50	145,322,071.39
Total Asset Cost	154,540,624.25	39,053,063.42	(1,207,657.98)	-	192,386,029.69
Less Accumulated Depreciation for:					
Land Improvements	(1,282,838.96)	(68,584.95)			(1,351,423.91)
Buildings and Improvements	(44,982,183.02)	(3,031,361.83)			(48,013,544.85)
Equipment and Furnishings	(12,302,889.56)	(679,529.83)	1,206,622.69		(11,775,796.70)
Infrastructure	(3,517,707.12)	(73,705.02)			(3,591,412.14)
Intangible	(268,816.05)	(300.00)			(269,116.05)
	(62,354,434.71)	(3,853,481.63)	1,206,622.69	-	(65,001,293.65)
Capital Assets, net	$ 92,186,189.54	$ 35,199,581.79	$ (1,035.29)	$ -	$ 127,384,736.04

CAPITAL ASSETS (CONT'D)

The College incurred the following expenditures for the fiscal year ended June 30, 2018 which were charged to Construction in Progress:

- Briggs Road renovations $1,129,472.55
- Parker Center $118.80
- Mount Holly Center $88,264.94
- Willingboro $20,650.80
- Science Building Renovations $1,205,219.32
- E- Center $174,177.24
- Transition $237,021.91
- Laurel Hall Renovations $124,686.97
- Minor Capital $31,400.00
- Tec Building Renovations $2,065,405.99
- Incubator Building $40,088.91
- Central Power Plant $5,762,760.58
- Student Success Bldg $6,163,947.70

The College incurred the following expenditures for the fiscal year ended June 30, 2017 which were charged to Construction in Progress:

- Briggs Road purchase and renovations $8,656,941.98
- Mount Holly Center $197,619.58
- Willingboro $233.05
- Science Building Renovations $310,850.04
- E- Center $448,197.15
- Roof Replacement Tec Center $11,075.00
- Transition $2,153,925.99
- Laurel Hall Renovations $273,763.81
- Tec Building Renovations $365,820.20
- Incubator Building $235,718.89
- Central Power Plant $114,303.52
- Student Success Bldg $25,139,463.11

LONG – TERM DEBT

The College has no debt outstanding at the end of June 30, 2018.

ECONOMIC AND OTHER FACTORS THAT WILL AFFECT THE FUTURE

- The appointment of Dr. Michael A. Cioce as president is expected to establish stability in the President's Office after a few years of constant turnover in the office.

- Rowan College at Burlington County became the first community college in the region to offer a "3+1" path to a Rowan University bachelor's degree that can save students $75,000. This gives the College a competitive advantage over other colleges in the region and helped the College achieve three consecutive terms of enrollment growth. The College added a seventh 3+1 program, Inclusive Education, and continues to work with Rowan University on adding more programs.

- As nearly all College operations have transitioned to Mount Laurel, the future of the Pemberton Campus is yet to be determined. The College is seeking a new use for the campus that will benefit the community while eliminating operating costs for the College.

- Burlington County Board of Chosen Freeholders maintained its support of the College with operating aid of $4 million in FY 2018 in addition to many shared service initiatives that reduce expenses.

- State Governor Phil Murphy began his term in January and promised a free community college program. As details emerge, this program will likely have an impact on the College's finances and enrollment.

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, 2018 and 2017

	2018		2017	
	College	Component Unit Foundation	College	Component Unit Foundation
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 7,637,927.56	$ 1,007,949.15	$ 3,688,546.81	$ 971,718.03
Investments		1,041,975.91	735,923.75	1,032,130.63
Student Accounts Receivable, net	10,762,682.83		8,371,817.61	
Other Accounts Receivable	775,705.19	10,976.20	1,405,086.13	20,638.03
Intergovernmental Accounts Receivable:				
Federal	2,099,399.55		1,542,501.15	
State of New Jersey	726,629.30		831,088.47	
County of Burlington:				
Capital Appropriation	1,184,552.22		7,265,145.92	
Other Assets	114,272.67	1,982,955.94	120,678.53	1,888,821.15
Total Current Assets	23,301,169.32	4,043,857.20	23,960,788.37	3,913,307.84
Non-Current Assets:				
Capital Assets, net	139,779,054.53		127,384,736.04	
Total Assets	163,080,223.85	4,043,857.20	151,345,524.41	3,913,307.84
DEFERRED OUTFLOWS OF RESOURCES				
Related to Pensions	8,145,472.00	-	11,239,864.00	-

(Continued)

ROWAN COLLEGE AT BURLINGTON COUNTY
Statements of Net Position
As of June 30, 2018 and 2017

	2018		2017	
	College	Component Unit Foundation	College	Component Unit Foundation
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Liabilities:				
Related to Pensions	$ 1,238,937.00	$ -	$ 1,141,252.00	$ -
Other	9,381,097.64	43,419.58	7,916,346.85	19,607.18
Prepaid Tuition and Student Deposits	4,400.00		4,400.00	
Due to Grantor - State of New Jersey	9,009.29		3,454.90	
Unearned Revenue:				
Student Tuition and Fees	11,105,594.50		8,831,787.00	
Federal and State Grants	93,640.09		77,174.55	
Capital Grants			2,619,219.55	
Accrued Compensated Absences	83,484.45		91,882.81	
Higher Education Equipment Leasing Fund Payable			92,906.77	
Reserve Disallowances	251,221.24		253,045.37	
Security Deposits	600.00		600.00	
Total Current Liabilities	22,167,984.21	43,419.58	21,032,069.80	19,607.18
Non-Current Liabilities:				
Accrued Compensated Absences	604,288.40		651,539.97	
Net Pension Liability	28,677,372.00		36,930,697.00	
Total Non-Current Liabilities	29,281,660.40	-	37,582,236.97	-
Total Liabilities	51,449,644.61	43,419.58	58,614,306.77	19,607.18
DEFERRED INFLOWS OF RESOURCES				
Related to Pensions	6,566,169.00	-	715,161.00	-
NET POSITION				
Net Investment in Capital Assets	139,779,054.53		127,384,736.04	
Restricted for:				
Non-Expendable:				
Scholarships		1,763,423.94		1,725,483.21
Expendable:				
Capital Projects		238,276.88		238,276.88
Program		14,330.67		10,109.79
Scholarships		1,468,924.77		1,368,898.51
Unrestricted (Deficit)	(26,569,172.29)	515,481.36	(24,128,815.40)	550,932.27
Total Net Position	$ 113,209,882.24	$ 4,000,437.62	$ 103,255,920.64	$ 3,893,700.66

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

Exhibit A-2

ROWAN COLLEGE AT BURLINGTON COUNTY
Statements of Revenues, Expenses and Changes in Net Position
For the Fiscal Years Ended June 30, 2018 and 2017

	2018		2017	
	College	Component Unit Foundation	College	Component Unit Foundation
REVENUES				
Operating Revenues:				
Student Tuition and Fees, net	$ 21,874,342.27	$ -	$ 20,366,934.59	$ -
Federal Grants	1,364,533.48		1,180,619.76	
State Grants	468,780.38		284,073.66	
Other Operating Revenues	3,279,274.52		3,020,758.28	
Gifts and Contributions		308,400.45		388,042.40
Auxiliary Enterprises	3,302,092.31		3,239,271.93	
	30,289,022.96	308,400.45	28,091,658.22	388,042.40
EXPENSES				
Operating Expenses:				
Instruction	16,788,307.32		14,830,015.07	
Public Service	923,387.09		752,693.61	
Academic Support	1,920,745.66		1,799,136.59	
Student Services	5,205,470.18	118,136.46	4,366,342.05	183,480.22
Institutional Support	29,298,573.09		30,763,954.30	
Operations and Maintenance of Plant	6,174,338.37		6,009,678.74	
Scholarships and Student Aid	5,364,727.28	296,272.02	4,385,779.12	225,660.05
Depreciation	5,260,096.46		3,853,481.63	
Auxiliary Enterprises	3,239,117.54		3,197,139.03	
	74,174,762.99	414,408.48	69,958,220.14	409,140.27
Operating Loss	(43,885,740.03)	(106,008.03)	(41,866,561.92)	(21,097.87)
NON-OPERATING REVENUES (EXPENSES)				
State Appropriations:				
State Aid	6,956,037.00		6,729,175.00	
On-Behalf Fringe Benefits:				
Alternate Benefit Program	771,902.44		669,450.73	
Other Post Employment Benefits	7,186,091.00		7,672,688.00	
County Operating Appropriations	4,000,000.00		4,000,000.00	
Federal Student Financial Aid:				
Pell Grants	11,510,600.26		10,474,623.81	
Supplemental Education Opportunity Grant Program	125,635.50		156,755.75	
State Student Financial Aid	1,886,939.14		1,846,884.06	
Investment Income	58,003.07	181,036.81	35,988.14	246,093.80
Additions to Permanent Endowments		31,708.18		28,011.00
Non-Operating Revenues (Expenses)	32,495,208.41	212,744.99	31,585,565.49	274,104.80
Income / (Loss) Before Capital Grants and Contributions	(11,390,531.62)	106,736.96	(10,280,996.43)	253,006.93
CAPITAL GRANTS AND CONTRIBUTIONS	21,344,493.22		41,818,281.79	
Increase in Net Position	9,953,961.60	106,736.96	31,537,285.36	253,006.93
Net Position - Beginning of Year	103,255,920.64	3,893,700.66	71,718,635.28	3,640,693.73
Net Position - End of Year	$ 113,209,882.24	$ 4,000,437.62	$ 103,255,920.64	$ 3,893,700.66

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

ROWAN COLLEGE AT BURLINGTON COUNTY
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2018 and 2017

	2018 College	2017 College
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Tuition and Fees	$ 21,812,629.31	$ 21,108,996.29
Receipts from Grants and Contracts	1,849,779.40	1,425,459.55
Other Receipts, net	7,927,305.45	6,620,553.17
Payments to Employees / Benefits	(35,832,197.10)	(33,440,270.49)
Payments to Vendors and Suppliers	(18,330,861.79)	(14,447,512.36)
Payments for Scholarships and Student Aid	(5,356,519.66)	(4,373,489.81)
Net Cash Used in Operating Activities	(27,929,864.39)	(23,106,263.65)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations	6,956,037.00	6,729,175.00
County Appropriations	4,000,000.00	4,000,000.00
Noncapital Grants Received - Student Financial Aid	13,070,735.67	12,046,935.55
Net Cash Provided by Noncapital Financing Activities	24,026,772.67	22,776,110.55
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Grants and Contributions	24,805,867.37	39,811,244.21
Purchase of Capital Assets	(17,747,321.72)	(39,152,630.02)
Net Cash Provided by Capital and Related Financing Activities	7,058,545.65	658,614.19
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale and Maturities of Investments	735,923.75	(9,598.16)
Interest on Investments	58,003.07	35,988.14
Net Cash Provided by Investing Activities	793,926.82	26,389.98
Net Increase in Cash and Cash Equivalents	3,949,380.75	354,851.07
Cash and Cash Equivalents - Beginning of Year	3,688,546.81	3,333,695.74
Cash and Cash Equivalents - End of Year	$ 7,637,927.56	$ 3,688,546.81

(Continued)

ROWAN COLLEGE AT BURLINGTON COUNTY
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2018 and 2017

	2018 College	2017 College
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH USED IN OPERATING ACTIVITIES		
Operating Loss	$ (43,885,740.03)	$ (41,866,561.92)
Adjustment to Reconcile Operating Loss to Net Cash Used in Operating Activities:		
Depreciation Expense	5,260,096.46	3,853,481.63
Pension Expense Related to GASB 68	1,931,012.00	3,455,645.00
State Appropriations - On-Behalf Fringe Benefits:		
Alternate Benefit Program	771,902.44	669,450.73
Other Post Employment Benefits	7,186,091.00	7,672,688.00
Changes in Assets and Liabilities:		
Accounts Receivable, net	(1,761,484.28)	(237,796.82)
Other Assets	6,405.86	251,053.58
Accounts Payable and Accrued Liabilities	1,566,166.05	3,538,518.92
Unearned Revenue	2,290,273.04	631,696.88
Deferred Outflow of Resources - Related to Pensions:		
Contributions Made After the Measurement Date	(1,238,937.00)	(1,141,252.00)
Accrued Compensated Absences	(55,649.93)	66,812.35
Net Cash Used in Operating Activities	$ (27,929,864.39)	$ (23,106,263.65)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Increase in Receivables Related to Nonoperating Income	$ 452,439.23	$ 5,057,585.20

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 eleven 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.

Starting during fiscal year 2016, the College began the transition to change the main campus from its Pemberton location to its Mount Laurel location. In addition to its campuses in Mount Laurel and Pemberton, 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. 14 – *The Financial Reporting Entity*. 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 College was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity,* as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and 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.* 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.

Burlington County College 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.

During the fiscal years ended June 30, 2018 and 2017, the Foundation distributed $275,039.00 and $186,975.75 to the College for scholarships and other support, respectively.

The individual reports of audit of the Foundation for the fiscal years ended June 30, 2018 and 2017, 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, liabilities, 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.

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. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

The College accounts for its investments at fair value in accordance with GASB Statement No. 31 – *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the statement of revenues, expenses and changes in net position.

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

Cash and Cash Equivalents and Investments (Cont'd) - 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 30^{th}.

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 30^{th} 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.

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.

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

Capital Assets (Cont'd) - 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 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, 2018 and 2017 was $295,453.00 and $624,698.76, 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, 2018 and was $9,622,144.59 and $8,483,475.22, respectively.

Reclassifications - Certain 2017 amounts have been reclassified to conform to 2018 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.

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.

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

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.

Reconciliation of Net Investment in Capital Assets - For financial reporting purposes, the long-term debt - Higher Education Equipment Leasing Fund Payable, is not a reduction of Capital Assets, net, due to the fact that none of the equipment purchased with such debt met the capitalization threshold of the College.

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

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).

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 and Adopted Accounting Pronouncements

The College implemented the following GASB Statements for the fiscal year ended June 30, 2018:

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The adoption of this Statement required the College to recognize a revenue and expense on the Statements of Revenues, Expenses and Changes in Net Position for the State's proportionate share of the postemployment expense associated with the College. In addition, the College was required to include additional note disclosures (see note 19) and required supplementary information related to postemployment benefits.

Statement No. 85, *Omnibus 2017*. This Statement addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The adoption of this Statement had no impact on the basic financial statements of the College.

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, 2018:

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, 2021. 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 below.

As of June 30, 2018 and 2017, the College's bank balances were exposed to custodial credit risk as follows:

	2018	2017
Insured by FDIC and GUDPA	$ 7,678,284.54	$ 3,893,795.98
Uninsured and Uncollateralized	205,778.31	189,911.09
Total	$ 7,884,062.85	$ 4,083,707.07

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, 2018 and 2017, the College's deposits with the New Jersey Cash Management Fund were $1,344.94 and $1,327.46, respectively.

Note 3: INVESTMENTS

All investments of the College are in certificates of deposit with an original maturity in excess of one year. Certificates of deposit are not subject to risk categorization; however, $250,000.00 as of June 30, 2017, was insured under Federal Deposit Insurance Corporation (F.D.I.C.). The fair value of the certificates of deposit at June 30, 2017 was $735,923.75. The College did not have any investments at June 30, 2018.

Note 4: CAPITAL ASSETS

The following schedules are summarizations of the changes in capital assets for the fiscal years ended June 30, 2018 and 2017:

	Balance June 30, 2017	Additions	Deletions	Transfers	Balance June 30, 2018
Capital Assets, Non-Depreciable:					
Land	$ 5,358,200.00	$ -	$ -	$ -	$ 5,358,200.00
Construction in Progress	41,705,758.30	17,043,215.70		(52,796,831.90)	5,952,142.10
	47,063,958.30	17,043,215.70	-	(52,796,831.90)	11,310,342.10
Capital Assets, Depreciable:					
Land Improvements	1,968,346.03			36,569.26	2,004,915.29
Buildings and Improvements	123,438,591.00			52,320,700.13	175,759,291.13
Equipment	14,372,817.45	615,039.58	(420,416.34)		14,567,440.69
Infrastructure	5,273,200.86			69,756.21	5,342,957.07
Intangible	269,116.05			369,806.30	638,922.35
	145,322,071.39	615,039.58	(420,416.34)	52,796,831.90	198,313,526.53
Total Asset Cost	192,386,029.69	17,658,255.28	(420,416.34)	-	209,623,868.63
Less Accumulated Depreciation for:					
Land Improvements	(1,351,423.91)	(71,022.90)			(1,422,446.81)
Buildings and Improvements	(48,013,544.85)	(4,348,403.39)			(52,361,948.24)
Equipment	(11,775,796.70)	(691,259.98)	416,576.01		(12,050,480.67)
Infrastructure	(3,591,412.14)	(75,448.93)			(3,666,861.07)
Intangible	(269,116.05)	(73,961.26)			(343,077.31)
	(65,001,293.65)	(5,260,096.46)	416,576.01	-	(69,844,814.10)
Capital Assets, net	$ 127,384,736.04	$12,398,158.82	$ (3,840.33)	$ -	$ 139,779,054.53

Depreciation expense for the year ended June 30, 2018 was $5,260,096.46.

Projects were completed during the fiscal year resulting in $52,796,831.90, being reclassified from Construction in Progress.

	Balance June 30, 2016	Additions	Deletions	Transfers	Balance June 30, 2017
Capital Assets, Non-Depreciable:					
Land	$ 5,358,200.00	$ -	$ -	$ -	$ 5,358,200.00
Construction in Progress	3,983,595.48	37,907,912.32		(185,749.50)	41,705,758.30
	9,341,795.48	37,907,912.32	-	(185,749.50)	47,063,958.30
Capital Assets, Depreciable:					
Land Improvements	1,968,346.03				1,968,346.03
Buildings and Improvements	123,252,841.50			185,749.50	123,438,591.00
Equipment and Furnishings	14,435,324.33	1,145,151.10	(1,207,657.98)		14,372,817.45
Infrastructure	5,273,200.86				5,273,200.86
Intangible	269,116.05				269,116.05
	145,198,828.77	1,145,151.10	(1,207,657.98)	185,749.50	145,322,071.39
Total Asset Cost	154,540,624.25	39,053,063.42	(1,207,657.98)	-	192,386,029.69
Less Accumulated Depreciation for:					
Land Improvements	(1,282,838.96)	(68,584.95)			(1,351,423.91)
Buildings and Improvements	(44,982,183.02)	(3,031,361.83)			(48,013,544.85)
Equipment and Furnishings	(12,302,889.56)	(679,529.83)	1,206,622.69		(11,775,796.70)
Infrastructure	(3,517,707.12)	(73,705.02)			(3,591,412.14)
Intangible	(268,816.05)	(300.00)			(269,116.05)
	(62,354,434.71)	(3,853,481.63)	1,206,622.69	-	(65,001,293.65)
Capital Assets, net	$ 92,186,189.54	$35,199,581.79	$ (1,035.29)	$ -	$ 127,384,736.04

Depreciation expense for the year ended June 30, 2017 was $3,853,481.63.

Projects were completed during the fiscal year resulting in $185,749.50, being reclassified from Construction in Progress.

Note 5: 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

At June 30, 2018 and 2017, the liabilities for compensated absences were $687,772.85 and $743,422.78, respectively.

Note 6: 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 State issues a publicly available Comprehensive Annual Financial Report (CAFR) of the State of New Jersey Division of Pensions and Benefits, which includes financial statements, required supplementary information and detailed information about the PERS plan fiduciary net position. This CAFR can be obtained by writing to, or by visiting the website below.

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
http://www.nj.gov/treasury/pensions/gasb-notices.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’s 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’s 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.

Note 6: PENSION PLANS (CONT'D)

General Information About the Pension Plans (Cont'd)

Plan Descriptions (Cont'd)

Defined Contribution Retirement Program - The Defined Contribution Retirement Program 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.

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

Note 6: PENSION PLANS (CONT'D)

General Information About the Pension Plans (Cont'd)

Vesting and Benefits Provisions (Cont'd)

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.

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. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rates were 7.34% and 7.20% in State fiscal years 2018 and 2017, respectively. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) was 10%. Employer contribution amounts are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The College's contractually required contribution rates were 14.49% and 13.36% of the College's covered payroll for the fiscal years ended June 30, 2018 and 2017, respectively. These amount 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, 2017, the College's contractually required contribution to the pension plan for the fiscal year ended June 30, 2018 was $1,141,252.00, and was paid by April 1, 2018. College employee contributions to the pension plan during the fiscal year ended June 30, 2018 were $641,006.18.

Based on the PERS measurement date of June 30, 2016, the College's contractually required contribution to the pension plan for the fiscal year ended June 30, 2017 was $1,107,761.00, and was paid by April 1, 2017. College employee contributions to the pension plan during the fiscal year ended June 30, 2017 were $634,792.70.

Note 6: PENSION PLANS (CONT'D)

General Information About the Pension Plans (Cont'd)

Contributions (Cont'd)

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

During the fiscal year end June 30, 2018, the College's share of the employer contributions for participants not eligible for State reimbursement was $327,728.42, employee contributions to the plan were $644,646.40, and the State of New Jersey made on-behalf payments for the College contributions of $771,902.44. During the fiscal year end June 30, 2017, the College's share of the employer contributions for participants not eligible for State reimbursement was $285,132.31, employee contributions to the plan were $596,614.40, and the State of New Jersey made on-behalf payments for the College contributions of $669,450.73.

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, 2018, employee contributions totaled $36,631.55, and the College recognized pension expense of $15,899.77. There were no forfeitures during this fiscal year. For the fiscal year ended June 30, 2017, employee contributions totaled $47,486.48, and the College recognized pension expense of $25,980.59. There were no forfeitures during this fiscal year.

Note 6: PENSION PLANS (CONT'D)

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 $28,677,372.00 and $36,930.697.00 for its proportionate share of the net pension liability for the fiscal years ended June 30, 2018 and 2017, respectively.

The net pension liability reported at June 30, 2018 was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. 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, 2017. 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, 2017 measurement date, the College's proportion was .1231930458%, which was a decrease of .0015006519% from its proportion measured as of June 30, 2016.

The net pension liability reported at June 30, 2017 was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. 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, 2016. 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, 2016 measurement date, the College's proportion was .1246936977%, which was a decrease of .0029977515% from its proportion measured as of June 30, 2015.

The College recognized $1,931,012.00 and $3,455,645.00, in its financial statements for pension expense for PERS, for the fiscal years ended June 30, 2018 and 2017, respectively. These amounts were based on the plans June 30, 2017 and 2016 measurement dates, respectively.

Note 6: PENSION PLANS (CONT'D)

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

At June 30, 2018 and 2017, the College reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Measurement Date June 30, 2017		Measurement Date June 30, 2016	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 675,253.00	$ -	$ 686,799.00	$ -
Changes of Assumptions	5,777,502.00	5,756,321.00	7,650,068.00	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	195,274.00	-	1,408,201.00	-
Changes in Proportion and Differences between College Contributions and Proportionate Share of Contributions	258,506.00	809,848.00	353,544.00	715,161.00
College Contributions Subsequent to the Measurement Date	1,238,937.00	-	1,141,252.00	-
	$ 8,145,472.00	$ 6,566,169.00	$ 11,239,864.00	$ 715,161.00

$1,238,937.00 and $1,141,252.00 included in deferred outflows of resources, for the June 30, 2017 and 2016 measurement dates, respectively, will be included as a reduction of the net pension liability in fiscal year ending June 30, 2019 and 2018, respectively. 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,	
2019	$ 537,649.00
2020	881,289.00
2021	490,136.00
2022	(941,645.00)
2023	(627,063.00)
	$ 340,366.00

Note 6: PENSION PLANS (CONT'D)

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

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	-
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
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	-
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

Note 6: PENSION PLANS (CONT'D)

Actuarial Assumptions

The net pension liability at June 30, 2018 was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. 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, 2017.

The net pension liability at June 30, 2017 was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. 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, 2016.

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

	Measurement Date June 30, 2017	Measurement Date June 30, 2016
Inflation	2.25%	3.08%
Salary Increases:		
Through 2026	1.65% - 4.15% Based on Age	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%	7.65%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2011 - June 30, 2014	July 1, 2011 - June 30, 2014

For the June 30, 2017 measurement date, pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. 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 plan actuary's modified MP-2014 projection scale. Post-retirement 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 and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. 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).

Note 6: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

For the June 30, 2016 measurement date, pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. 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 plan actuary's modified MP-2014 projection scale. Post-retirement 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 and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. 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% at the June 30, 2017 measurement date and 7.65% at the June 30, 2016 measurement date) 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 are summarized in the following tables:

	Measurement Date June 30, 2017	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	100.00%	

Note 6: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

	Measurement Date June 30, 2016	
Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return**
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds / Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%
	100.00%	

Discount Rate June 30, 2017 Measurement Date - The discount rate used to measure the total pension liability at June 30, 2017 was 5.00%. The respective 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 3.58% as of June 30, 2017, 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 will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined amount and the local employers contributed 100% of the actuarially determined amount. 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Discount Rate June 30, 2016 Measurement Date - The discount rate used to measure the total pension liability at the June 30, 2016 measurement date was 3.98%. The respective single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85%, 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 will be made based on the contribution rate in the most recent fiscal year. 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 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Note 6: PENSION PLANS (CONT'D)

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, 2017 and 2016 measurement dates, respectively. These amounts were calculated using a discount rate of 5.00% for June 30, 2017 and 3.98% for June 30, 2016, 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, 2017 Measurement Date		
	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
College's Proportionate Share of the Net Pension Liability	$ 35,576,226	$ 28,677,372	$ 22,929,771

	June 30, 2016 Measurement Date		
	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
College's Proportionate Share of the Net Pension Liability	$ 45,254,258	$ 36,930,697	$ 30,058,875

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' respective 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 http://www.nj.gov/treasury/pensions/gasb-notices.shtml.

Note 7: LONG-TERM LIABILITIES

During the fiscal years ended June 30, 2018 and 2017, the following changes occurred in long-term obligations:

	Balance June 30, 2017	Increase	Decrease	Balance June 30, 2018	Due Within One Year
Compensated Absences	$ 743,422.78	$ 949,580.73	$ (1,005,230.66)	$ 687,772.85	$ 83,484.45
Higher Education Equipment Leasing Fund Payable	92,906.77		(92,906.77)		
Net Pension Liability	36,930,697.00	9,552,708.00	(17,806,033.00)	28,677,372.00	
	$37,767,026.55	$10,502,288.73	$(18,904,170.43)	$29,365,144.85	$ 83,484.45

	Balance June 30, 2016	Increase	Decrease	Balance June 30, 2017	Due Within One Year
Compensated Absences	$ 676,610.43	$ 909,749.22	$ (842,936.87)	$ 743,422.78	$ 91,882.81
Higher Education Equipment Leasing Fund Payable	186,037.66		(93,130.89)	92,906.77	92,906.77
Net Pension Liability	28,664,172.00	14,300,158.00	(6,033,633.00)	36,930,697.00	
	$29,526,820.09	$15,209,907.22	$ (6,969,700.76)	$37,767,026.55	$ 184,789.58

Note 8: 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

457(b)
TIAA-CREF
Metlife
Valic

Note 9: RISK MANAGEMENT

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The College maintains commercial insurance coverage for property (including crime and physical damage, liability (general and automobile), boiler and machinery, and surety bonds.

Worker's Compensation Insurance Pool - The College is a member of the NJ Community College Insurance Pool (the "Fund"). This Fund provides worker's compensation to employees.

Contributions to the Fund, are payable in an annual premium based on payroll and actuarial assumptions determined by the Fund's actuary. Contributions for the fiscal years ended 2018 and 2017 to this Fund were $206,823.00 and $302,779.00, respectively.

The Fund publishes its own financial report for the fiscal years ended June 30, 2018 and 2017, which can be obtained from:

New Jersey County College Worker's Compensation Pool
1200 Old Trenton Road
Trenton, New Jersey 08690

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
2018	$ 139,761.16	$ 16.71	$ 66,111.48	$ -	$ 534,893.63
2017	135,791.85	8.35	276,313.97	500,000.00	461,227.24
2016	120,338.55	2.86	72,066.44		1,101,741.01

Note 10: 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 each immediately preceding year.

Note 11: EDUCATION AND GENERAL EXPENSES BY NATURAL CLASSIFICATION

The College's operating expenses by natural classification for the fiscal years ended June 30, 2018 and 2017, are presented as follows:

	2018	2017
Salaries:		
Faculty	$ 10,516,305.94	$ 9,766,107.70
Other	14,820,509.96	14,276,820.54
Benefits	18,392,574.59	19,613,426.99
Travel and Transportation	270,595.58	315,160.25
Information and Communication	709,006.59	713,069.96
Materials and Supplies	3,728,297.88	1,779,516.14
Occupancy and Maintenance	3,875,103.18	3,720,166.41
Miscellaneous	13,363,155.27	12,723,331.49
Auxiliary Enterprises	3,239,117.54	3,197,139.03
Depreciation	5,260,096.46	3,853,481.63
	$ 74,174,762.99	$ 69,958,220.14

Note 12: NET POSITION

The following is a summary of the College's Net Position at June 30, 2018 and 2017:

	2018	2017
Net Investment in Capital Assets:		
Gross, Less Accumulated Depreciation	$ 139,779,054.53	$127,384,736.04
Unrestricted Net Position (Deficit):		
Designated for Debt Service Obligations	$ 3,177,662.00	$ 3,055,736.00
Undesignated	(29,746,834.29)	(27,184,551.40)
	$ (26,569,172.29)	$ (24,128,815.40)
Reconciliation of Unrestricted Net Position (Deficit):		
Effects of GASB 68 and 71 Pension Related Items	$ (28,337,006.00)	$ (27,547,246.00)
Designated for Debt Service Obligations	3,177,662.00	3,055,736.00
Undesignated Before GASB 68 and 71 Pension Related Items	(1,409,828.29)	362,694.60
	$ (26,569,172.29)	$ (24,128,815.40)

Note 13: 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
2019	$ 1,249,022.00
2020	1,274,003.00
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, 2018
2010	Culinary Renovations Phase II and Pool Renovations	$5,773,000.00	$ 92,005.33
2012	Roof Repair - Parker Center Theater (Pemberton Campus); Roadway and Parking Lot Lighting - Phase II (Pemberton Campus); Pedestrian Ramps, Access Plazas and Sidewalks - Parker Center (Pemberton Campus); Boiler System Replacement - Phases I & II (Pemberton Campus); HVAC Replacement - Parker Center Data Center (Pemberton Campus); Emergency Generator - Parker Center Data Center (Pemberton Campus); Interior Flooring Replacement - Parker Center & ACAD Building (Pemberton Campus); Cooling Chiller Replacement - Phase I (Pemberton Campus); Carpet Replacement (Mt. Laurel Campus); Cooling Tower Renovation (Mt. Laurel Campus); County College Buildings Construction - Phase I (Mt. Laurel Campus); HVAC Renovations (Mt. Laurel Campus); Metal Roof Replacement (Mt. Holly Campus)	7,850,000.00	52,940.53
2017/2018	Mt. Laurel Campus Improvements	6,500,000.00	155,548.83

Note 14: OTHER RECEIVABLES

Other receivables for the fiscal years ended June 30, 2018 and 2017 consisted of the following amounts due to the College:

	2018	2017
Follett	$ 48,259.92	$ 157,294.65
Virtua		33,935.00
Drexel University		286,754.99
Farliegh Dickinson Univerity		16,289.52
New Jersey Transfer		409,792.00
Facility Rentals	3,827.00	5,892.00
Business Outreach	346,782.40	338,912.41
Graphic Services	6,264.33	3,851.00
Aquatics	4,972.00	4,264.00
Print Services	52,504.92	49,654.12
Miscellaneous	313,094.62	98,446.44
	$ 775,705.19	$ 1,405,086.13

Note 15: ACCOUNTS PAYABLE

Accounts payable for the fiscal years ended June 30, 2018 and 2017, consisted of the following amounts:

	2018	2017
Due to Vendors	$ 1,768,163.19	$ 6,476,554.78
Unemployment	534,893.63	461,227.24
Due to County	6,077,377.71	
Accrued Salaries and Wages	1,000,663.11	978,564.83
	$ 9,381,097.64	$ 7,916,346.85

Note 16: LEASES

Operating Leases - At June 30, 2018 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
2019	$ 519,802.14
2020	530,290.17
2021	540,802.53
2022	549,581.52
2023	46,040.24

Rental payments under operating leases for the fiscal years ended June 30, 2018 and 2017, were $655,850.79 and $580,842.84, respectively.

Note 17: 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 18: 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 19: **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
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.

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, 2016, the most recent actuarial valuation date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

Active Plan Members	223,747
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	142,331
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	-
	366,078

Note 19: **POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

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

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 as of June 30, 2018 and 2017 was $70,620,912.00 and $73,967,175.00, 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 was measured as of June 30, 2017, and was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total Non-Employer OPEB Liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016. For the June 30, 2017 and 2016 measurement dates, the State's proportionate share of the Non-Employer OPEB Plan Liability associated with the College was .1316575694% and .1279005586%, respectively, which represents an increase of .00037570108% between the fiscal years.

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 valuation at June 30, 2016 used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases -

	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 - 2.50%

Mortality Rates - Preretirement mortality rates were based on the RP-2014 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-2014 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-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Experience Studies - The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 - June 30, 2015, July 1, 2010 - June 30, 2013, and July 1, 2011 - June 30, 2014 for TPAF, PFRS and PERS, respectively.

Note 19: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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

Total Non-Employer OPEB Liability (Cont'd)

Actuarial Assumptions and Other Inputs (Cont'd)

Health Care Trend Assumptions - For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eight 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 June 30, 2017 and 2016 was 3.58% and 2.85%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

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:

Balance at June 30, 2017		$ 73,967,175.00
Changes for the Year:		
Service Cost	$ 5,725,603.00	
Interest Cost	2,248,951.00	
Changes in Assumptions	(9,745,319.00)	
Gross Benefit Payments	(1,635,730.00)	
Member Contributions	60,232.00	
Net Changes		(3,346,263.00)
Balance at June 30, 2018		$ 70,620,912.00

Due to the first year of implementation of GASB 75, information related to the change between June 30, 2016 and June 30, 2017 is not available.

There were no changes in benefit terms between the June 30, 2016 measurement date and the June 30, 2017 measurement date.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.85% for the June 30, 2016 measurement date to 3.58% for the June 30, 2017 measurement date.

Note 19: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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, 2017 and 2016 measurement dates, using a discount rate of 3.58% and 2.85%, respectively, as well as using a discount rate that is 1% lower or 1% higher than the current rate used are as follows:

	June 30, 2017 Measurement Date		
	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the College	$ 83,832,117.58	$ 70,620,912.00	$ 60,141,658.17

	June 30, 2016 Measurement Date		
	1% Decrease (1.85%)	Current Discount Rate (2.85%)	1% Increase (3.85%)
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the College	$ 88,614,245.80	$ 73,967,175.00	$ 62,438,052.87

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, 2017 and 2016 measurement dates, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used are as follows:

	June 30, 2017 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	$ 58,078,873.19	$ 70,620,912.00	$ 87,276,591.96

	June 30, 2016 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	$ 60,692,126.59	$ 73,967,175.00	$ 91,714,649.84

Note 19: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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 Non-Employer OPEB Liability

For the fiscal year ended June 30, 2018 and 2017, the College recognized $7,186,091.00 and $7,672,688.00, 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, 2017 and 2016 measurement dates, respectively.

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, 2018, 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Proportion	$ 1,716,855.00	$ -
Changes of Assumptions or Other Inputs	-	8,352,052.00
	$ 1,716,855.00	$ 8,352,052.00

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:

Year Ending June 30,	
2019	$ (776,955.05)
2020	(776,955.05)
2021	(776,955.05)
2022	(776,955.05)
2023	(776,955.05)
Thereafter	(2,750,421.75)
	$ (6,635,197.00)

Note 20: SUBSEQUENT EVENTS

The College evaluated subsequent events through February 19, 2019, the date the financial statements were available to be issued. The College is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

Note 21: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES

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

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities - Burlington County College Foundation (the Foundation) is a New Jersey nonprofit corporation organized in March 1973. The purposes of the Foundation are 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

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.

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 Burlington County College 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 the Philadelphia Foundation for Burlington County College 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. This is shown within other assets on the statement of net position.

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 21: 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.

Allowance for Doubtful Accounts - Pledges and accounts receivable are stated net of an allowance for doubtful accounts. The Foundation estimates the allowance based on an analysis of specific donors, taking into consideration the age of past due amounts and an assessment of the donor's ability to pay. The Foundation has determined that there was no allowance for doubtful accounts required for receivables at June 30, 2018 and 2017.

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, 2018 and 2017, all bank balances were insured by the F.D.I.C.

C. INVESTMENTS

Investments, stated at fair value, are composed of the following as of June 30, 2018 and 2017, respectively:

	2018	2017
Certificates of Deposit	$ 1,039,458.14	$1,029,751.63
Marketable Securities:		
Corporate Stocks	2,517.77	2,379.00
Total	$ 1,041,975.91	$ 1,032,130.63

Investment return is summarized as follows for the year ended June 30, 2018 and 2017 and also includes applicable returns from the Beneficial Interest in Assets Held by Philadelphia Foundation.

	2018	2017
Interest and Dividends	$ 84,232.95	$ 68,173.93
Net Realized and Unrealized Gains (Losses)	96,803.86	177,919.87
Net Investment Return	$ 181,036.81	$ 246,093.80

Note 21: 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, 2017 and 2016.

- 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 21: 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, 2018 and 2017.

		June 30, 2018		
	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	$ 1,039,458.14		$ 1,039,458.14	
Corporate Stock	2,517.77	$ 2,517.77		
	$ 1,041,975.91	$ 2,517.77	$ 1,039,458.14	$ -
Beneficial Interest in Assets Held by Philadelphia Foundation	$ 1,977,755.94	$ -	$ -	$ 1,977,755.94

		June 30, 2017		
	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	$ 1,029,751.63		$ 1,029,751.63	
Corporate Stock	2,379.00	$ 2,379.00		
	$ 1,032,130.63	$ 2,379.00	$ 1,029,751.63	$ -
Beneficial Interest in Assets Held by Philadelphia Foundation	$ 1,880,952.08	$ -	$ -	$ 1,880,952.08

Note 21: 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 2018, and 2017:

Fiscal Year Ended June 30, 2018	Beneficial Interest in Assets Held by Philadelphia Foundation
Balance at June 30, 2017	$ 1,880,952.08
Net Realized and Unrealized Gain (Loss)	165,777.48
Distributions	(55,178.90)
Investment Management Fees	(13,794.72)
Balance at June 30, 2018	$ 1,977,755.94
Fiscal Year Ended June 30, 2017	
Balance at June 30, 2016	$ 1,703,032.21
Net Realized and Unrealized Gain (Loss)	232,520.15
Distributions	(43,680.22)
Investment Management Fees	(10,920.06)
Balance at June 30, 2017	$ 1,880,952.08

E. PROMISES TO GIVE

Unconditional promises to give consist of the following balances as of June 30, 2018 and 2017:

	2018	2017
Unrestricted Promises	$ 250.00	$ 12,804.00
Amounts Due In:		
Less Than One Year	$ 250.00	$ 12,804.00

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 Five Plan Years

	Plan Measurement Date Ending June 30,		
	2017	**2016**	**2015**
College's Proportion of the Net Pension Liability	0.1231930458%	0.1246936977%	0.1276914492%
College's Proportionate Share of the Net Pension Liability	$ 28,677,372.00	$ 36,930,697.00	$ 28,664,172.00
College's Covered Payroll (Plan Measurement Date)	$ 8,555,456.00	$ 8,776,328.00	$ 9,036,604.00
College's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	335.19%	420.80%	317.20%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%

	Plan Measurement Date Ending June 30,	
	2014	**2013**
College's Proportion of the Net Pension Liability	0.1248674199%	0.1270873202%
College's Proportionate Share of the Net Pension Liability	$ 23,378,596.00	$ 24,288,912.00
College's Covered Payroll (Plan Measurement Date)	$ 8,686,016.00	$ 8,985,688.00
College's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	269.15%	270.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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 Five Fiscal Years

	Fiscal Year Ended June 30,		
	2018	**2017**	**2016**
Contractually Required Contribution	$ 1,238,937.00	$ 1,141,252.00	$ 1,107,761.00
Contributions in Relation to the Contractually Required Contribution	$ (1,238,937.00)	$ (1,727,098.00)	$ (1,107,761.00)
Contribution Deficiency (Excess)	$ -	$ -	$ -
College's Covered Payroll (Fiscal Year)	$ 8,549,213.00	$ 8,543,407.00	$ 8,385,309.00
Contributions as a Percentage of College's Covered Payroll	14.49%	13.36%	13.21%

	Fiscal Year Ended June 30,	
	2015	**2014**
Contractually Required Contribution	$ 1,097,804.00	$ 1,029,389.00
Contributions in Relation to the Contractually Required Contribution	$ (1,097,804.00)	$ (1,029,389.00)
Contribution Deficiency (Excess)	$ -	$ -
College's Covered Payroll (Fiscal Year)	$ 8,529,079.00	$ 8,774,209.00
Contributions as a Percentage of College's Covered Payroll	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, 2018

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None

Changes in Assumptions - For 2017, the discount rate changed to 5.00% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65% from 7.90%, 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 discount rate changed to 4.90%. In addition, the social security wage base was set at $118,500 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at $265,000 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%.

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 Plan Year

	Measurement Date Ending June 30, 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	$ 5,725,603.00
Interest Cost	2,248,951.00
Changes in Assumptions	(9,745,319.00)
Gross Benefit Payments	(1,635,730.00)
Member Contributions	60,232.00
Net Change in Total Non-Employer OPEB Liability	(3,346,263.00)
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	73,967,175.00
Total Non-Employer OPEB Liability - End of Fiscal Year	$ 70,620,912.00
College's Covered Payroll (Plan Measurement Period)	$ 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	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, 2018

Changes of Benefit Terms - None

Changes of Assumptions - The discount rate changed from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017.

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, 2018. 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, 2018.

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Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying *Schedule of Findings and Questioned Costs* as item 2018-001. Our opinion on the major federal program is not modified with respect to this matter.

The College's response to the noncompliance finding identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying *Schedule of Findings and Questioned Costs* as item 2018-001, which we consider to be a significant deficiency.

The College's response to the internal control over compliance finding identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and 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
February 19, 2019

ROWAN COLLEGE AT BURLINGTON COUNTY
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2018

Federal Grantor/Pass-through Grantor/Program Title/Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	FY 2018 Expenditures	Passed Through to Subrecipients
U.S. Department of Education:				
Student Financial Aid Cluster (Direct Funding):				
Federal Supplemental Educational Opportunity Grants	84.007	N/A	$ 125,635.50	$ -
Federal Work-Study Program	84.033	N/A	121,733.00	
Federal Pell Grant Program	84.063	N/A	11,510,600.26	
Federal Direct Student Loans	84.268	N/A	5,139,992.87	
Total Student Financial Aid Cluster			16,897,961.63	-
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	442,308.96	-
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-FY2018-014	256,697.01	91,456.11
English Literacy and Civics	84.002	ABS-FY2018-014	95,962.99	95,002.99
			352,660.00	186,459.10
Rehabilitation Services - Vocational Rehabilitation Grants:				
Vocational Rehab - Deaf and Hard of Hearing	84.126	DVRS-2017.43	338,274.94	-
			18,031,205.53	186,459.10

(Continued)

ROWAN COLLEGE AT BURLINGTON COUNTY
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2018

Federal Grantor/Pass-through Grantor/Program Title/Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	FY 2018 Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services:				
Passed Through State of N.J. Department of Health and Human Services:				
Medicare Beneficiary Outreach and Assistance Program	93.071	DOAS17MPA004	$ 38,470.25	$ -
State Health Insurance Assistance Program	93.324	DOAS18SHF009	29,751.07	
Falls Preventions Matter of Balance	93.761	DOAS18FPR005	3,449.60	
Alternative Approaches to Pain Management for Older Adults	93.788	18-833-ADA	11,967.59	
			83,638.51	-
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	DOAS18AAA20	3,411.78	-
			87,050.29	-
Corporation for National and Community Service (Direct Funding):				
Retired Senior Volunteer Program	94.002	18SRANJ001	64,865.55	-
National Science Foundation (Direct Funding)				
Comprehensive Integration of Advanced Manufacturing Competencies throughout an Associates Degree and a Stackable Certificate Curricula	47.076	Unknown	214,442.25	-
Total Federal Awards			$ 18,397,563.62	$ 186,459.10

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, 2018

State Grantor/Program Title	State GMIS Number	Program or Award Amount	Matching Contribution	Program Funds Received	Grant Period From	Grant Period To	FY 2018 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	$ 100,748.00	$ -	$ 100,748.00	07/01/17	06/30/18	$ 108,748.00	$ -	$ 108,748.00
Educational Opportunities Fund - Article III Summer	100-074-2401-001	21,415.00		11,186.14	07/01/16	06/30/17	4,944.14		21,415.00
Educational Opportunities Fund - Article III Summer	100-074-2401-001	21,415.00		7,678.00	07/01/17	06/30/18	15,939.00		15,939.00
N.J. Higher Education Student Assistance Authority:									
New Jersey Stars Program	100-074-2405-313	346,210.00		341,395.00	07/01/17	06/30/18	344,910.00		344,910.00
Tuition Aid Grants	100-074-2405-007	1,412,398.00		1,412,398.00	07/01/17	06/30/18	1,412,398.00		1,412,398.00
NJ Class Loans	Unknown	53,572.06		48,402.03	07/01/17	06/30/18	14,635.50		14,635.50
Total Student Financial Aid Cluster							1,901,574.64	-	1,918,045.50
N.J. Office of the Secretary of Higher Education:									
College Readiness Now Grant (VI)	100-074-2400-055	55,320.00		17,720.25	09/01/17	06/30/18	43,035.94		43,035.94
College Readiness Now Grant (III)	100-074-2400-055	40,427.00		21,545.55	09/01/16	06/30/17	5,926.17		40,427.00
Educational Opportunities Fund - Article IV	100-074-2401-002	129,988.00	129,988.00	120,978.71	07/01/17	06/30/18	119,279.01		119,279.01
							168,241.12	-	202,741.95
N.J. Department of Labor and Workforce Development:									
Career Success Solutions for Deaf and Hard of Hearing	100-062-4535-054	56,000.00		42,674.59	02/01/17	01/31/18	31,909.89		56,000.00
Transportation Logistics and Distribution Talent Development Center Program	TDC-FY-18007	1,200,000.00		68,650.00	11/01/17	10/31/18	253,993.87	39,900.00	253,993.87
							285,903.76	39,900.00	309,993.87
N.J. Department of Treasury - Higher Education Administration:									
Operational Costs - County Colleges	100-082-2155-015	6,956,037.00		6,956,037.00	07/01/17	06/30/18	6,956,037.00		6,956,037.00
Higher Education Equipment Leasing Fund	100-082-2155-036	1,427,852.00		425,808.58	01/01/14	Project Completion	425,808.58		1,427,852.00
Higer Education Facilities Trust Fund	100-082-2155-044	2,640,000.00		2,640,000.00	09/01/17	Project Completion	2,640,000.00		2,640,000.00
Building Our Future Bond Act - Health Sciences Transition	Unknown	5,100,000.00	1,700,000.00	5,100,000.00	03/01/17	Project Completion	4,898,638.59		5,100,000.00
P.L.1971, Chapter 12 Debt Service:									
Health Sciences Transition	100-082-2155-016	3,250,000.00		2,982,024.83	07/01/16	06/30/18	2,982,024.83		3,250,000.00
							17,902,509.00	-	19,373,889.00
Employer Contributions - Alternate Benefit Program - FT Faculty	100-082-2155-017	406,888.43		330,561.05	07/01/17	06/30/18	406,888.43		406,888.43
Employer Contributions - Alternate Benefit Program - Adjunct	100-082-2155-017	296,817.39			07/01/17	06/30/18	296,817.39		296,817.39
Employer Contributions - Alternate Benefit Program - Eligible Employees Enrolled in PERS	100-082-2155-017	68,196.62			07/01/17	06/30/18	68,196.62		68,196.62
							771,902.44	-	771,902.44
Total State Financial Assistance							$ 21,030,130.95	$ 39,900.00	$ 22,576,572.76

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, 2018 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, 2018.

Note 5: 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?	_X_ yes ____ 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)?	_X_ yes ____ 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
84.126	Vocational Rehab - Deaf and Hard of Hearing

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
100-074-2401-001	Educational Opportunities Fund - Article III Summer
100-074-2405-313	New Jersey Stars Program
100-074-2405-007	Tuition Aid Grants
Not Available	NJ Class Loans
100-082-2155-036	Higher Education Equipment Leasing Fund
100-082-2155-044	Higher Education Facilities Trust Fund
100-082-2155-017	Employer Contributions - Alternate Benefit Program

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, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There are no current year findings.

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, 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).

Finding No. 2018-001 *(Enrollment Reporting)*

Information on the Federal Program
U.S. Department of Education - Student Financial Aid Cluster (Federal Award Year 7/1/17 to 6/30/18):
Federal Pell Grant Program:
(CFDA 84.063) (Federal Grant Number P063P172995) (FAIN – not applicable)
Federal Direct Student Loans:
(CFDA 84.268) (Federal Grant Number P268K182995) (FAIN – not applicable)

Statistically Valid Sample
The sample was not intended to be, and was not, a statistically valid sample.

Finding Type
Significant Deficiency and Noncompliance

Prior Year Finding
2017-001

Criteria
Under the Pell grant and ED loan programs, institutions must complete and return within 15 days the Enrollment Reporting roster file [formerly the Student Status Confirmation Report (SSCR)] placed in their Student Aid Internet Gateway (SAIG) (OMB No. 1845-0002) mailboxes sent by ED via the National Student Loan Data System (NSLDS) (OMB No. 1845-0035). The institution determines how often it receives the Enrollment Reporting roster file with the default set at a minimum of every 60 days. Once received, the institution must update for changes in student status, report the date the enrollment status was effective, enter the new anticipated completion date, and submit the changes electronically through the batch method or the NSLDS website (FPL, 34 CFR section 674.19; Pell, 34 CFR section 690.83(b)(2); FFEL, 34 CFR section 682.610; Direct Loan, 34 CFR section 685.309). Institutions are responsible for timely reporting, whether they report directly or via a third-party servicer. NSLDS will send a Late Enrollment Reporting notification e-mail if no updates are received by batch or online within 22 days after the date the roster was sent to the school. The Enrollment Reporting Summary Report (SCHER1) on the NSLDS website can be created at the request of the institution. It shows the dates the roster files were sent and returned, the number of errors, date and number of online updates, and the number of late enrollment reporting notifications sent for overdue Enrollment Reporting rosters.

A student's enrollment status determines eligibility for in-school status, deferment, and grace periods, as well as for the payment of interest subsidies to FFEL Program loan holders by ED. Enrollment Reporting in a timely and accurate manner is critical for effective management of the programs. Enrollment information must be reported within 30 days whenever attendance changes for students, unless a roster will be submitted within 60 days. These changes include reductions or increases in attendance levels, withdrawals, graduations, or approved leaves-of-absence.

ED issued a Dear Colleague Letter March 30, 2012 (GEN-12-06) that included enhancements to NSLDS Enrollment Reporting Process and reminders to institutions regarding their responsibilities for NSLDS Enrollment Reporting which are available at http://www.ifap.ed.gov/dpcletters/GEN1206.html. ED also issued a Dear Colleague Letter, dated April 14, 2014 (GEN-14-07), explaining changes to NSLDS Enrollment Reporting Process, which include changes to reporting of additional data, reporting at the academic program level, and more frequent reporting. GEN 14-07 is available at http://www.ifap.ed.gov/dpcletters/GEN1407.html.

Section 3- Schedule of Federal Award Findings and Questioned Costs (Cont'd)

Finding No. 2018-001 *(Enrollment Reporting) (Cont'd)*

Condition
The College did not report enrollment changes to NSLDS for graduated students.

Questioned Costs
There are no questioned costs related to this finding.

Context
4 out of 40 students sampled who received a Direct Loan and / or Pell Grant graduated, however, the students' graduated status was not reported to the NSLDS.

Effect
Student status changes not reported to NSLDS could impact the timeliness of a student being put into repayment status.

Cause
The College did not ensure that students who graduated were properly reported as such to NSLDS.

Recommendation
We recommend that the College improve policies and procedures to ensure that all students' status changes are accurately reported to the NSLDS.

View of Responsible Official and Planned Corrective Action
The responsible officials and College agree with the finding and will address the matter as part of their corrective action plan.

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, 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

Finding No. 2017-001 *(Enrollment Reporting)*

Program
U.S. Department of Education - Student Financial Aid Cluster (Federal Award Year 7/1/16 to 6/30/17):
Federal Pell Grant Program:
(CFDA 84.063) (Federal Grant Number P063P162995) (FAIN – not applicable)
Federal Direct Student Loans:
(CFDA 84.268) (Federal Grant Number P268K172995) (FAIN – not applicable)

Finding Type
Significant Deficiency and Noncompliance

Condition
The College is not reporting enrollment changes for all students.

Current Status
This finding still exists. See Finding 2018-001.

View of Responsible Official and Planned Corrective Action
The responsible officials and College agree with the finding and will address the matter as part of their corrective action plan.

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