COUNTY COLLEGE
OF MORRIS

A Component Unit of
the County of Morris
Randolph, New Jersey

FINANCIAL REPORT

Fiscal Years Ended
June 30, 2023 and 2022

COUNTY COLLEGE OF MORRIS

County College of Morris
Annual Financial Report
Fiscal Year Ended June 30, 2023
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Independent Auditors' Report

The Honorable Chairman and Members
of the Board of Trustees
County College of Morris
Randolph, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of County College of Morris (the "College"), a component unit of the County of Morris, as of and for the fiscal years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the College, as of June 30, 2023 and 2022, and the respective changes in financial position, and cash flows thereof for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension and post-retirement required supplementary information schedules and the related notes, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, are 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.

Supplementary Information

Our audit was 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 and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2024 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering College's internal control over financial reporting and compliance.

January 8, 2024
Mount Arlington, New Jersey

Nisivoccia LLP

Management's Discussion and Analysis
Unaudited

This section of the County College of Morris audited financial statements presents management's discussion and analysis of the College's financial activity for the fiscal years ended June 30, 2023, and 2022. Since this discussion and analysis focuses on current activities, resulting changes and currently known facts, please read it in conjunction with the College's basic financial statements and the footnotes.

Using This Annual Report

The financial statements focus on the College as a whole and are designed to emulate corporate presentation models whereby all College activities are consolidated into one total. The financial statements are prepared using the accrual basis of accounting which recognizes revenues when earned and expenses when incurred. The entity-wide statements are comprised of the following:

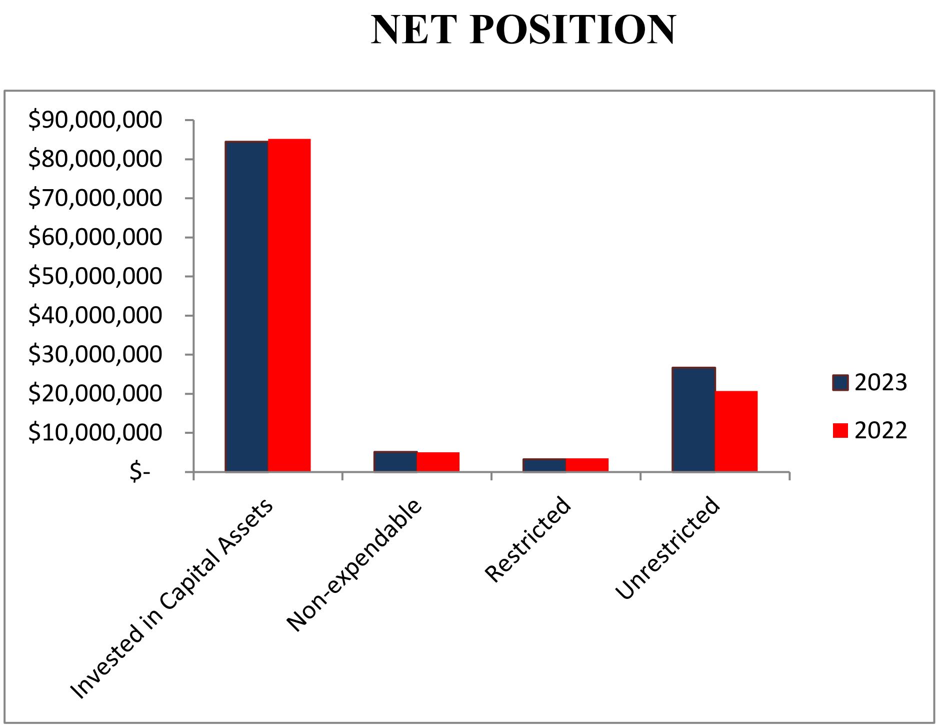
- *The Statement of Net Position* presents all of the College's assets, deferred inflows and outflows, and liabilities, with the difference reported as *net position.* The assets and liabilities are reported in order of relative liquidity while net position is categorized as *Net Investment in Capital Assets, Restricted*, or *Unrestricted*. Over time, increases or decreases in net position are an indicator of the improvement or erosion of the College's financial health.

- *The Statement of Revenues, Expenses, and Changes in Net Position* presents revenues and expenses incurred during the year. Revenues and expenses are reported as either operating or non-operating, with operating revenue consisting of tuition, student financial aid, auxiliary services, and contracts and grants. State and county appropriations, investment activities, as well as federal Pell grants, are reported as non-operating and denote the dependency the College has on their support.

- *The Statement of Cash Flows* presents information on cash flows from operating activities, non-capital financing activities, capital financing activities, and investing activities. It provides the net increase or decrease in cash between the beginning and end of the fiscal year and assists in evaluating the College's ability to meet financial obligations as they become due.

Financial Highlights

The following is a graphical illustration of net position as of June 30, 2023, and 2022:



<u>Fiscal Year 2023 Compared to 2022</u>

Net position increased by $5.1 million. The unrestricted net position increased by $6 million as a result of operations. Investments in capital assets decreased by $797 thousand (see footnote number 5 in the notes to financial statements). The College Foundation's non-expendable net position increased by $152 thousand. It should be noted that included in the unrestricted net position is $11.5 million of board designated funds for capital projects identified in the College's technology, facilities master and deferred maintenance plans. These funds were transferred from Current Unrestricted to the Plant Fund for specific projects including investments in computer technology to support the College's technology plan, emphasis on improving classrooms to be more conducive to student learning, faculty office renovations, enhancing video surveillance and other renovation projects. Also included in the unrestricted net position is a board appropriated $6.1 million reserve for plant renewal and adaptation. The New Jersey Commission of Higher Education recommends a reserve between 1.5% and 3% of the replacement value of its buildings to preserve the value of the physical plant and to have sufficient funds available to adapt the plant to the changing mission of the institution.

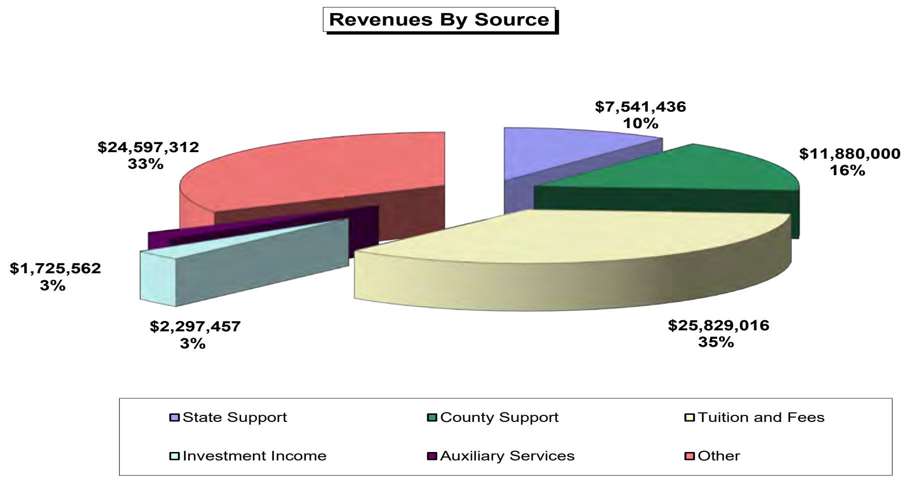
Fiscal Year 2022 Compared to 2021

Net position increased by $737 thousand. Unrestricted net position increased by $2.77 million as a result of operations. Investments in capital assets decreased by $2.7 million (see footnote number 5 in the notes to financial statements). The College Foundation's non-expendable net position increased by $291 thousand. It should be noted that included in the unrestricted net position is $10.2 million of board designated funds for capital projects identified in the College's technology, facilities master and deferred maintenance plans. These funds were transferred from Current Unrestricted to the Plant Fund for specific projects including investments in computer technology to support the College's technology plan, emphasis on improving classrooms to be more conducive to student learning, faculty office renovations, enhancing video surveillance and other renovation projects. Also included in the unrestricted net position is a board appropriated $6.1 million reserve for plant renewal and adaptation. The New Jersey Commission of Higher Education recommends a reserve between 1.5% and 3% of the replacement value of its buildings to preserve the value of the physical plant and to have sufficient funds available to adapt the plant to the changing mission of the institution.

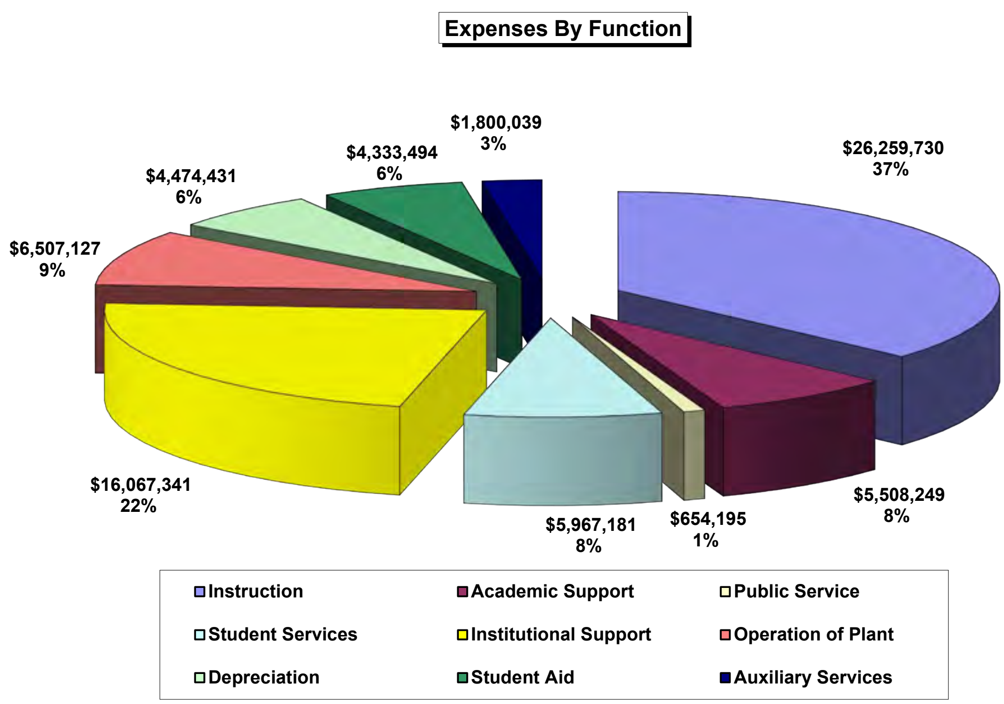
	2023	2022	2023-2022 Variance	Percent	2021	2022-2021 Variance	Percent
Total Non-capital Assets	$ 63,333	$ 60,548	$ 2,785	5%	$ 62,114	$ (1,566)	-3%
Total Capital Assets, Net	84,441	85,276	(835)	-1%	88,009	(2,733)	-3%
TOTAL ASSETS	147,774	145,824	1,950	1%	150,123	(4,299)	-3%
Deferred Outflows of Resources	2,617	2,048	569	28%	3,423	(1,375)	-40%
Total Current Liabilities	8,585	8,372	213	3%	9,273	(901)	-10%
Total Non-current Liabilities	18,764	15,390	3,374	22%	20,908	(5,518)	-26%
TOTAL LIABILITIES	27,349	23,762	3,587	15%	30,181	(6,419)	-21%
Deferred Inflows of Resources	3,506	9,674	(6,168)	-64%	9,667	7	0%
Net Investment in Capital Assets	84,441	85,238	(797)	-1%	87,936	(2,698)	-3%
Restricted Net Position	8,390	8,489	(99)	-1%	7,827	662	8%
Unrestricted Net Position	26,705	20,709	5,996	-29%	17,936	2,773	-15%
TOTAL NET POSITION	$ 119,536	$ 114,436	$ 5,100	4%	$ 113,698	$ 738	1%

Revenues and Expenses

The following is a graphical illustration of revenues by source for the year ending June 30, 2023:



The following is a graphical illustration of operating expenses by function for the year ending June 30, 2023:



Below is a summary of operating results presented in thousands for the years ended June 30, 2023, 2022 and 2021:

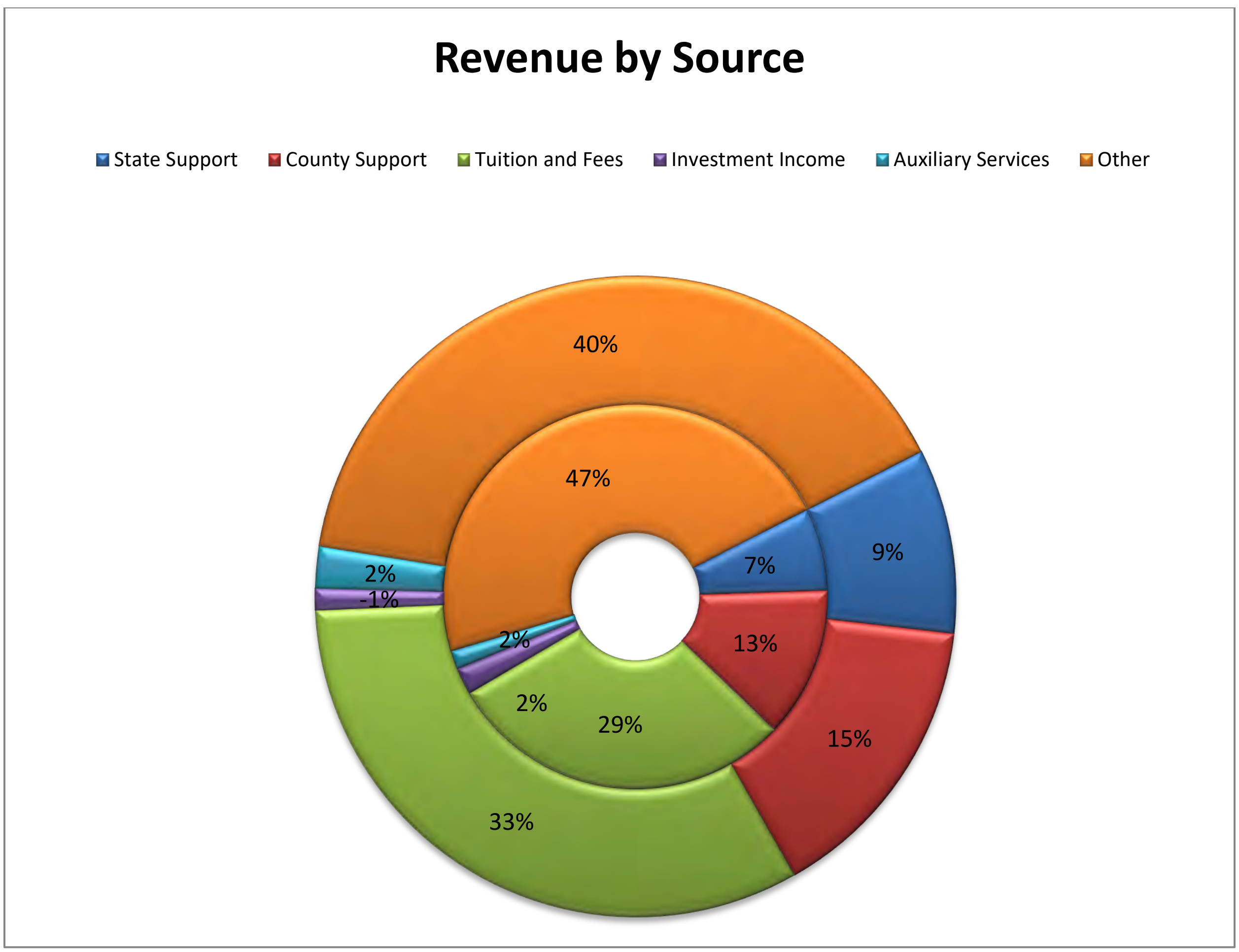
	2023	2022	2023-2022 Variance	Percent	2021	2022-2021 Variance	Percent
OPERATING REVENUES							
Student tuition and fees	$ 25,829	$ 25,976	$ (147)	-1%	$ 27,429	$ (1,453)	-5%
Federal grants and contracts	4,774	10,968	(6,194)	-56%	16,509	(5,541)	-34%
State and local grants and contracts	10,241	11,559	(1,318)	-11%	12,103	(544)	-4%
Auxiliary services	1,726	1,678	48	3%	1,452	226	16%
Gifts	348	578	(230)	-40%	733	(155)	-21%
Other	854	902	(48)	-5%	603	299	50%
Total operating revenues	43,772	51,661	(7,889)	-15%	58,829	(7,168)	-12%
NON-OPERATING REVENUES							
Federal grants and contracts	8,339	7,843	496	6%	13,932	(6,089)	-44%
State appropriation	7,541	7,448	93	1%	6,515	933	14%
County appropriation	11,880	11,880	-	0%	11,855	25	0%
Investment income	2,297	(878)	3,175	362%	2,116	(2,994)	-141%
Other	41	19	22	116%	13	6	46%
Total non-operating revenues	30,098	26,312	3,786	14%	34,431	(8,119)	-24%
TOTAL REVENUES	73,870	77,973	(4,103)	-5%	93,260	(15,287)	-16%
OPERATING EXPENSES							
Instruction	26,260	27,149	(889)	-3%	30,313	(3,164)	-10%
Academic support	5,508	5,011	497	10%	5,093	(82)	-2%
Public service	654	463	191	41%	354	109	31%
Student affairs	5,967	6,249	(282)	-5%	6,229	20	0%
Institutional support	16,067	15,181	886	6%	24,812	(9,631)	-39%
Operation and maintenance of plant	6,507	7,065	(558)	-8%	6,138	927	15%
Depreciation	4,474	4,403	71	2%	4,443	(40)	-1%
Student aid	4,334	10,773	(6,439)	-60%	7,259	3,514	48%
Auxiliary services	1,800	1,810	(10)	-1%	1,661	149	9%
Total operating expenses	71,571	78,104	(6,533)	-8%	86,302	(8,198)	-10%
TOTAL EXPENSES	71,571	78,104	(6,533)	-8%	86,302	(8,198)	-10%
Excess (deficiency) before capital contributions and additions to permanent endowments	2,299	(132)	2,430	1841%	6,958	7,089	102%
OTHER REVENUES							
Capital contributions	2,736	697	2,039	293%	712	(15)	-2%
Additions to permanent endowments	65	172	(107)	-62%	271	(99)	-37%
Total other revenues	2,801	869	1,932	222%	983	(114)	-12%
INCREASE IN NET POSITION	5,100	737	$ 4,362	592%	7,941	$ 6,975	88%
NET POSITION - BEGINNING OF YEAR	114,436	113,698			105,757		
NET POSITION - END OF YEAR	$ 119,536	$ 114,436			$113,698		

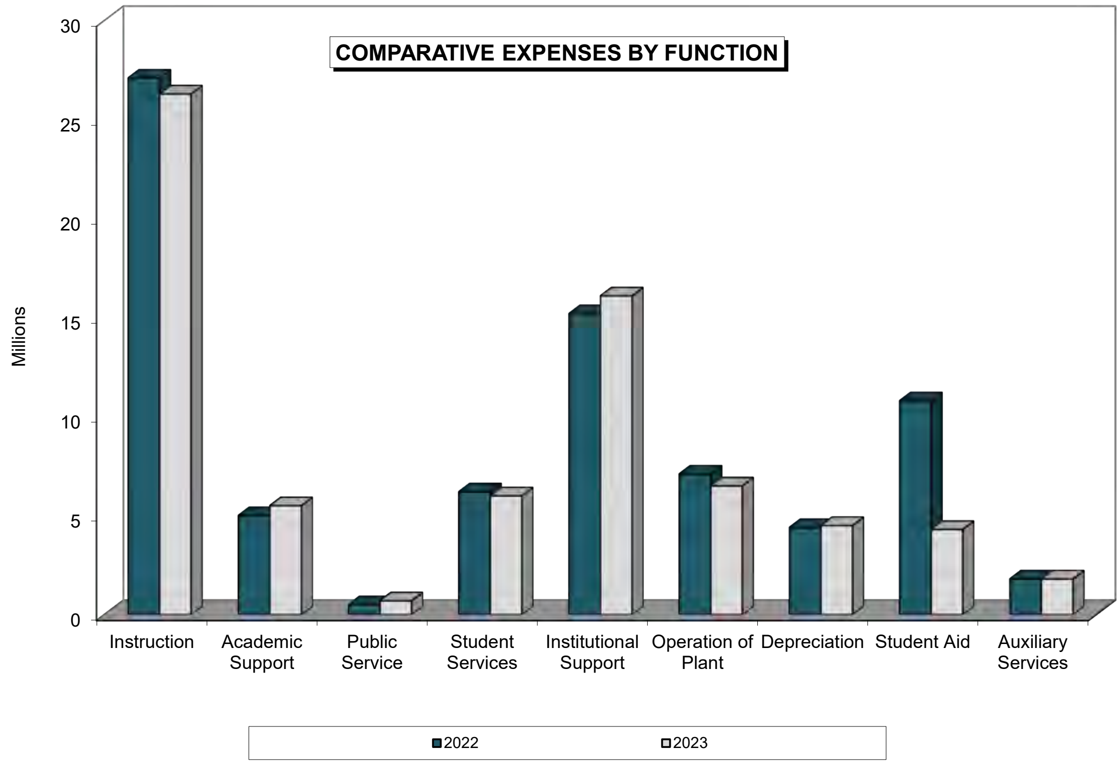
Fiscal Year 2023 Compared to 2022

Operating revenues decreased by 15% in 2023. Tuition and fees decreased by 1% due to a decline in enrollment. Revenues from state and local grants and contracts decreased by 11%. Revenues from federal grants decreased by $6.2 million since the COVID-19 relief funding for students was dispersed in 2022. Gifts declined by 40% from $578 thousand to $348 thousand. Miscellaneous revenue decreased by $48 thousand or 5%.

Non-operating revenues increased by $3.8 million. The County of Morris appropriation to the College remained flat. The College's appropriation from the State of New Jersey increased by $93 thousand based on the new funding formula. Federal Pell grants increased by $496 thousand and Federal grants for COVID-19 relief offset $1.4 million in lost revenue. Investment income increased by $3.2 million as a result of rising interest rates and an increase in the fair market value of the Foundation's investments.

Operating expenses decreased by $6.5 million. This decrease was the direct result of no COVID-19 relief funding for students. All other expenses remained relatively constant.





<u>Fiscal Year 2022 Compared to 2021</u>

Operating revenues decreased by 12% in 2022. Tuition and fees decreased by 5% due to a decline in enrollment. Revenues from state and local grants and contracts decreased by 4%. Revenues from federal grants decreased by $5.5 million since most of the COVID-19 relief funding for student was dispersed in 2021. Gifts declined by 21% from $733 thousand to $578 thousand. Miscellaneous revenue increased by $299 thousand or 50% due to the return of facility rentals and ticket sales.

Non-operating revenues decreased by $8.1 million. The County of Morris appropriation to the College remained flat. The College's appropriation from the State of New Jersey increased by $933 thousand bringing it back to pre-pandemic funding levels. Federal Pell grants increased by $155 thousand and Federal grants for COVID-19 relief offset $1.7 million in lost revenue. Investment income decreased by $2.99 million as a result of the decline in the fair market value of the Foundation's investments.

Operating expenses decreased by $8.2 million. This decrease was the direct result of less COVID-19 relief funding for students and operations and cost containment efforts necessary to offset declining enrollment. Auxiliary service expenditures increased by $149 thousand because more classes were held on campus. All other expenses remained relatively constant.

Capital Assets and Long-Term Debt

The College has several construction projects in progress (for more information see footnote 5 on capital assets on page 24).

On January 1, 2014, the College entered into a ten-year capital lease with the New Jersey Educational Facilities Authority. As of June 30, 2023, there are no remaining future minimum lease payments (for more information see footnote 11 on page 39).

Economic Factors That Affect the Future

The economic position of County College of Morris is closely tied to that of the State of New Jersey and County of Morris. The county support to the College remained constant and all indications are that there will be a modest increase in support for the fiscal years 2024 and 2025. The State of New Jersey's budget remains flat for the community colleges for fiscal year 2024. The College's share will be based on performance-based funding metrics introduced in fiscal year 2023.

Higher education is a labor-intensive industry. Negotiated salary increases averaged 4% in 2023 for full time employees with settled contracts. Staffing turnover and eliminated positions continues to reduce the wage base. The College will experience a 15.5% increase in health benefit costs effective January 2023 costing an additional $1 million annually. It is anticipated that future costs will rise by an additional 6.3%.

Enrollment is projected to increase by 5% for the fiscal year 2024 and 2% for the next few years. This is a result of the implementation of strategic enrollment and marketing plans. Non-traditional student markets will be targeted based on the statistics that 40% of Morris County adults do not have advanced degrees. New programs of study will also be explored including the expansion of workforce development training. The Morris County high school senior population is projected to remain relatively constant from 2024 to 2027. Cost containment efforts will continue. Tuition and fee increases may also be necessary to afford the College the operating resources required to maintain the current quality and level of programs offered.

The College received $4.183 million in funding from the State of New Jersey Chapter 12 program for fiscal year 2024 and will receive an additional $3.916 million in fiscal year 2025. The Chapter 12 program is a revolving bond fund which requires each county to bond the cost of approved construction projects for their respective community college with the state funding 50% of the debt service and the county funding the remaining 50%. These funds have enabled the College to improve and renovate its buildings, increase accessibility and maintain its exterior facilities. Additionally, the College applied for and received funding from the State of New Jersey for new building construction, infrastructure upgrades, and instructional equipment totaling $24,395,930.

COUNTY COLLEGE OF MORRIS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2023 and 2022

	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents	$ 32,499,722	$ 40,965,512
Student accounts receivable (less allowance of $1,881,944 and $1,599,663 in 2023 and 2022 respectively)	488,642	359,630
Other receivables, net	5,034,261	2,521,314
Inventory	309,677	291,705
Other assets	625,865	664,664
Total Current Assets	38,958,167	44,802,825
Non-current Assets		
Cash and cash equivalents	89,623	502,387
Investments	24,285,132	15,242,909
Capital assets (net)		
Sites (land) and construction in progress	3,804,397	2,684,505
Depreciable land improvements, infrastructure, buildings, building improvements, equipment, furniture and fixtures, and software	80,636,259	82,591,254
Total Non-current Assets	108,815,411	101,021,055
TOTAL ASSETS	147,773,578	145,823,880
DEFERRED OUTFLOWS OF RESOURCES		
Related to Pensions	2,617,340	2,047,852
LIABILITIES		
Current Liabilities		
Accounts payable - vendors	847,067	1,059,178
Accrued expenses	5,167,703	5,397,544
Unearned revenue	2,362,757	1,729,760
Compensated Absences Payable	207,425	147,756
Finances Purchases Payable	-	37,760
Total Current Liabilities	8,584,952	8,371,998
Non-current Liabilities		
Compensated Absences Payable	1,297,504	1,410,132
Net Pension Liability	17,466,843	13,979,636
Total Non-current Liabilities	18,764,347	15,389,768
TOTAL LIABILITIES	27,349,299	23,761,766
DEFERRED INFLOWS OF RESOURCES		
Related to Pensions	3,505,573	9,674,321
NET POSITION		
Net Investment in capital assets	84,440,655	85,237,999
Restricted for Expendable:		
Scholarships & Fellowships	2,387,850	2,002,083
Academic/Departmental Uses	349,549	427,711
Capital Projects	485,376	1,044,230
Restricted for nonexpendable Endowments	5,167,206	5,014,709
Unrestricted net position	26,705,410	20,708,913
TOTAL NET POSITION	$ 119,536,046	$ 114,435,645

See accompanying Notes to Financial Statements

COUNTY COLLEGE OF MORRIS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR FISCAL YEARS ENDING JUNE 30, 2023 and 2022

	2023	2022
OPERATING REVENUES		
Student tuition and fees (net of scholarship allowances of $5,402,801 and $6,878,480)	$ 25,829,016	$ 25,975,580
Federal grants and contracts	4,774,389	10,967,727
State and local grants and contracts	10,241,023	11,559,467
Auxiliary services	1,725,562	1,677,999
Gifts	347,840	577,975
Other	854,312	901,898
Total Operating Revenues	43,772,142	51,660,646
OPERATING EXPENSES		
Instruction	26,259,730	27,149,128
Academic support	5,508,249	5,010,692
Public service	654,195	463,182
Student affairs	5,967,181	6,248,676
Institutional support	16,067,341	15,181,568
Operation and maintenance of plant	6,507,127	7,064,814
Depreciation	4,474,431	4,403,234
Student aid	4,333,494	10,772,602
Auxiliary services	1,800,039	1,810,571
Total Operating Expenses	71,571,787	78,104,467
Operating Income (Loss)	(27,799,645)	(26,443,821)
NON-OPERATING REVENUES (EXPENSES)		
Federal Grants	6,735,551	6,155,546
Federal Grants/Covid Relief Grant	1,603,437	1,687,097
State appropriation	7,541,436	7,447,952
County appropriation	11,880,000	11,880,000
Investment income	2,297,457	(877,998)
Other	40,760	19,477
Net Non-operating Revenues	30,098,641	26,312,074
Income (Loss) Before Capital and Endowment Additions	2,298,996	(131,747)
CAPITAL AND OTHER CONTRIBUTIONS		
Capital contributions	2,736,485	696,942
Additions to permanent endowments	64,920	172,002
Total Capital and Endowment Additions	2,801,405	868,944
INCREASE (DECREASE) IN NET POSITION	5,100,401	737,197
NET POSITION - BEGINNING OF YEAR	114,435,645	113,698,448
NET POSITION - END OF YEAR	$ 119,536,046	$ 114,435,645

See accompanying Notes to Financial Statements

COUNTY COLLEGE OF MORRIS
STATEMENT OF CASH FLOWS
FOR FISCAL YEARS ENDING JUNE 30, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	$ 22,228,575	$ 15,990,326
Gifts	429,519	369,365
Grants and contracts	7,870,027	13,892,900
Payments to suppliers	(35,232,724)	(34,139,207)
Payments to employees	(23,721,924)	(24,262,284)
Auxiliary enterprise charges	1,041,761	1,075,288
Other	796,407	520,902
Net Cash (Used) by Operating Activities	(26,588,359)	(26,552,710)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Federal support	8,338,988	14,911,717
State support	7,309,466	7,447,952
County support	11,305,493	11,880,000
Agency Transactions	-	17,293
Endowment Receipts	41,140	159,754
Net Cash Provided by Non-Capital Financing Activities	26,995,087	34,416,716
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Contributions	1,950,404	128,156
Proceeds from sale of capital assets	3,500	10,000
Purchase of capital assets	(4,081,564)	(969,672)
Payment of Principal on long-term Liabilities	(40,648)	(40,631)
Net Cash Provided by/(Used for) Capital and Related Financing Activities	(2,168,308)	(872,147)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	5,600,000	169,939
Investment income	1,126,678	316,956
Purchase of investments	(13,843,652)	(2,123,952)
Net Cash Provided (Used) by Investing Activities	(7,116,974)	(1,637,057)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(8,878,554)	5,354,804
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	41,467,899	36,113,095
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 32,589,345	$ 41,467,899

	2023	2022
RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED) BY OPERATING ACTIVITIES:		
Operating Loss	$ (27,799,645)	$ (26,443,821)
ADJUSTMENT TO RECONCILE OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
Depreciation	4,474,431	4,403,234
Changes in assets and liabilities:		
Student accounts receivable	(129,012)	98,637
Other receivable and Deferred Outflows of Resources	(729,386)	1,715,941
Inventory	(17,972)	209,572
Other assets	25,308	(52,301)
Accounts payable	(6,158,768)	277,069
Accrued expenses and Deferred Inflows of Resources	3,166,647	(6,364,513)
Unearned revenue	580,038	(396,528)
NET CASH (USED) BY OPERATING ACTIVITIES	$ (26,588,359)	$ (26,552,710)
Supplemental Information		
Changes in accounts receivable capital	(958,325)	574,403
Changes in fair value of investments	798,565	(1,213,618)

See accompanying Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Basis of Accounting

The County College of Morris (the College) and its component units' financial statements are based on all applicable Governmental Accounting Standards Board (GASB) pronouncements. The following is a summary of the more significant policies.

The College makes a distinction between operating and non-operating revenues and expenses. Operating activities reported on the Statement of Revenues, Expenses and Changes in Net Position generally result from exchange transactions such as payments received for providing services and payments made for services or goods received. Nearly all the College's expenses are from exchange transactions. Transactions not meeting this definition, including investment income, are reported as non-operating activities. Certain significant revenue streams which are relied upon for operations, including state and county appropriations, are recorded as non-operating revenues. Restricted resources are independently tracked at the discretion of the College and expended within the guidelines of donor restrictions, if any.

Reporting Entity

Governmental Accounting Standards Board's publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity," establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. At least one of the following criteria must be met for inclusion: (1) the component unit's governing body is substantively the same governing body of the primary government and there is either a financial benefit or burden relationship between the primary government and component unit or management of the primary government has operational responsibility for the component unit; (2) the component unit provides service entirely, or almost entirely, to the primary government or otherwise exclusively benefits the primary government even though it does not provide services directly to it; or (3) the component unit's total outstanding debt, including finance purchases, is expected to be repaid entirely or almost entirely with the resources of the primary government. Accordingly, the County College of Morris is a component unit of the County of Morris.

The County College of Morris Foundation (the Foundation) is a legally separate, tax-exempt entity that was established exclusively to carry out charitable, educational functions that benefit the College, its students, faculty, and staff. The College is the sole corporate member of the Foundation. Management of the College has operational responsibility for the Foundation, and members of the College's Board of Trustees also serve concurrently as members of the Foundation Board. All financial resources and services of the Foundation are performed for the direct benefit of the College or its constituents, and the College can access these significant resources. As a result, the Foundation is considered a component unit of the College and is blended into the financial statements accordingly.

Measurement Focus

The financial statements of the County College of Morris have been prepared using the economic resources measurement focus and the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America as applicable to colleges and universities. For financial reporting purposes, the College utilizes the business-type activities model.

Note 1: Summary of Significant Accounting Policies (Cont'd)

Under the terms of grant and other agreements, the College may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants, other restricted funds, and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net positions may be available to finance the program. It is the College's policy to first apply cost-reimbursement grant and other restricted resources to such programs, followed by general revenue.

Fund Accounting

To ensure observance of limitations and restrictions placed on the use of the resources available to the College, accounts are maintained in accordance with the principles of "fund accounting." This is the procedure by which resources for various purposes are classified for accounting and internal reporting purposes into funds that are in accordance with activities or objectives specified. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds have been combined to comply with the requirements of eliminating internal revenue and expense charges and to meet the financial reporting requirements under accounting principles generally accepted in the United States of America as promulgated by GASB.

Within each fund group, fund balances restricted by outside sources are so indicated and are distinguished from Unrestricted Funds allocated to specific purposes by action of the governing board. Restricted Funds may only be utilized in accordance with the purposes established by the donor or grantor of such funds and are in contrast with Unrestricted Funds, over which the governing board retains full control to use in achieving any of its institutional purposes.

The College uses encumbrance accounting for internal accounting and reporting. Under encumbrance accounting, purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation.

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 outflow 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 GASB standards. The College is required to report the following as deferred outflows of resources and deferred inflows of resources.

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

Note 1: Summary of Significant Accounting Policies (Cont'd)

Pensions
For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense and 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.

Net Position
Net position represents the difference between assets, deferred inflows and outflows, and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets.

Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the College, or through external restrictions imposed by grantors or laws and regulations of other governments.

Nonexpendable restricted net position is comprised of gifts received for endowment purposes, the corpus of which cannot be expended. Expendable restricted net position represents grants, contracts, gifts, capital projects and other resources that have been externally restricted for specific purposes. Unrestricted net position includes the remaining amounts of net position, including those that have been designated by management to be used for other than general operating purposes.

Management Estimates
The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Compensated Absences
The College accounts for compensated absences (unused vacation and sick leave) as directed by GASB. A liability for compensated absences, attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee, is accrued as employees earn the rights to the benefits.

College employees are granted varying amounts of vacation and sick leave in accordance with the College's personnel policy or appropriate labor contract. Upon termination, employees are paid for accrued vacation. The College's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the College for the unused sick leave in accordance with the College's personnel policy or appropriate labor contract.

In the Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components –the amount due within one year and the amount due after one year.

Note 1: Summary of Significant Accounting Policies (Cont'd)

Inventory
Inventories of supplies and inventories for resale are valued at cost.

Income Taxes
The College, as an instrumentality of the State of New Jersey and therefore a governmental entity, is a tax-exempt organization and not subject to either federal or state income taxes. The Foundation is exempt from taxation pursuant to Internal Revenue Code Section 501(c)(3). The Foundation follows the accounting standard for uncertain tax positions, which had no effect on the entity. Federal and state tax returns for the entity are open for review within the statutory periods established by Federal and State authorities.

Allowance for Uncollectible Accounts
The student receivables are stated net of an allowance for estimated uncollectible amounts. The method used for estimating the allowance is based on analysis of aging receivables and historical data.

Note 2: Cash, Cash Equivalents, and Investments

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with maturities of three months or less.

Investments are presented in the financial statements generally in the aggregate at fair value. Unrealized gains and losses are recorded as investment income. The fair value hierarchy prioritizes the inputs used to measure fair value into three levels. Level 1 input is quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs other than quoted prices in Level 1 that are observable either directly or indirectly. Level 3 inputs are unobservable inputs. The College's investments for the year ended June 30, 2023 consisted of certificates of deposits with maturity dates of greater than ninety days, common stock, and investments with the Common Fund, a non-profit organization which provides investment management services exclusively for private and public colleges and universities, as well as independent schools. GASB requires disclosure of the level of custodial credit risk assumed by the College in its cash, cash equivalents, and investments, if those items are uninsured or unregistered.

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name. Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned.

Interest Rate Risk
In accordance with its cash management plan, the College ensures that any deposit or investment matures within the period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Note 2: Cash, Cash Equivalents, and Investments (Cont'd)

Credit Risk

The College limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed in this section of this note on investments.

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows. The fair value of the collateral must equal 5% of the average daily balance of public funds and if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a fair value equal to 100% of the amount exceeding 75%. All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than $25,000,000.

Cash and Cash Equivalents

Cash and cash equivalents of the College as of June 30 consisted of the following:

	2023 College	2022 College
Cash on Hand	$ 11,005	$ 10,966
Checking Accounts	6,811,781	8,031,490
NJ Cash Management Fund	18,352,150	5,857,367
Money Market Accounts	7,414,409	27,568,076
	$ 32,589,345	$ 41,467,899

The carrying amount of the College's cash and cash equivalents at cost on June 30, 2023 and June 30, 2022 was $32,589,345 and $41,467,899. The bank balances were $33,235,653 and $41,582,716, respectively. Of the bank balance, $18,352,150 in 2023 and $5,857,367 in 2022, deposited with the New Jersey Cash Management Fund are uninsured and unregistered.

Investments

The College's policy is to follow New Jersey State Statute which permits the College to purchase the following types of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America
2. Government money market mutual funds
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor
4. Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units

Note 2: Cash, Cash Equivalents, and Investments (Cont'd)

5. Local government investment pools
6. Deposits with the State of New Jersey Cash Management Fund
7. Agreements for the repurchase of fully collateralized securities if:
    a. the underlying securities are permitted investments pursuant to items 1 and 3 above;
    b. the custody of collateral is transferred to a third party;
    c. the maturity of the agreement is not more than 30 days;
    d. the underlying securities are purchased through a public depository as defined in statute; and
    e. a master repurchase agreement providing for the custody and security of collateral is executed.

The Foundation is a 501(c) (3) entity and a component unit of the College. The Foundation may invest in commercial paper, repurchase agreements, treasury bills, certificates of deposit, money market funds, component debt securities, common stocks, preferred stocks, convertible securities, and obligations of the U.S. Government. The credit quality rating for the Common Fund high equity bond investment is AA+.

Investments as of June 30 consisted of the following:

	2023	2022
Certificates of deposit	$ 15,734,996	$ 7,600,000
Common Fund multi-strategy equity fund	5,983,840	5,004,917
Common Fund multi-strategy bond fund	2,320,562	2,369,685
Lakeland Bancorp, Inc. stock	245,733	268,306
	$ 24,285,132	$ 15,242,908

As of June 30, the actual changes in the fair value of the Foundation's investments consisted of the following:

	2023	2022
Fair value, end of year	$ 8,550,136	$ 7,642,908
Less: Cost of investments purchased	108,663	324,502
Less: Fair value, beginning of year	7,642,908	8,532,024
Increase (Decrease) in fair value of Investments	$ 798,565	$ (1,213,618)

Note 3: Other Receivables

As of June 30, other receivables consisted of the following:

	2023 College	2022 College
County of Morris	$ 2,124,605	$ 621,086
Federal Awards Receivable	1,113,412	512,658
New Jersey Division of Pensions & Benefits	392,817	398,329
State Awards Receivable	112,798	24,479
Other	1,290,629	964,762
	$ 5,034,261	$ 2,521,314

Note 4: Other Assets

Other assets consist primarily of prepaid expenses. Prepaid expenses represent the portion of items paid or accrued which will be charged to operations over time. Prepaid expenses consist primarily of unexpired insurance coverage.

Note 5: 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 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. The County of Morris is responsible for the issuance of bonds and notes for the College's capital expenses which are financed by bond ordinances. The County is also responsible for the payment of interest on issued debt and the retirement of such obligations. Accordingly, the debt is reported in the financial statements of the County of Morris. Donated capital assets and donated works of art are recorded at acquisition value. Capital assets have been reviewed for impairment.

Note 5: Capital Assets (Cont'd)

Property, plant, and equipment of the College are depreciated using the straight-line method over the following useful lives:

Assets	Years
Buildings & Improvements	45
Computer Equipment	3
Construction Tractors	10
Culinary Equipment	10
Drainage Systems	50
Exterior Electrical Distribution System	45
Exterior Lightning	20
Furniture and Fixtures	10
Greenhouses	15
HVAC Units	20
Lab Equipment	7
Land Improvements	20
Landscaping	20
Maintenance Equipment	7
Media Equipment	6
Medical Equipment	6
Musical Instruments	10
Office Equipment	5
Other Instructional Equipment	7
Passenger Cars/Vans/Trucks, Mowers and Golf Carts	5
Photography Equipment	6
Printing Equipment	11
Roads	30
Sidewalks and Exterior Stairways	30
Signage	20
Software	3
Telecommunications Equipment	3

Note 5: Capital Assets (Cont'd)

The following tables present the changes in capital assets for the fiscal years ended June 30, 2023 and June 30, 2022:

COUNTY COLLEGE OF MORRIS	June 30, 2022 Balance	Additions	Disposals	June 30, 2023 Balance
Capital Assets Not Being Depreciated:				
Land	$ 1,984,401	$ -	$ -	$ 1,984,401
Construction in progress	700,104	2,863,307	1,743,415	1,819,996
Total Capital Assets Not Being Depreciated	2,684,505	2,863,307	1,743,415	3,804,397
Capital Assets Being Depreciated:				
Land improvements	3,575,616	1,455,587	-	5,031,203
Infrastructure	11,542,645	-	-	11,542,645
Buildings and improvements	104,320,910	287,828	-	104,608,738
Equipment and furniture & fixtures	25,883,171	802,321	470,114	26,215,378
Software	1,631,556	-	-	1,631,556
Total Capital Assets Being Depreciated	146,953,898	2,545,736	470,114	149,029,520
Total Capital Assets	149,638,403	5,409,043	2,213,529	152,833,917
Accumulated Depreciation:				
Land improvements	2,090,871	211,351	-	2,302,222
Infrastructure	5,033,763	373,097	-	5,406,860
Buildings and improvements	34,782,590	2,139,345	-	36,921,935
Equipment and furniture & fixtures	20,836,933	1,737,568	443,813	22,130,688
Software	1,618,487	13,070	-	1,631,557
Total Accumulated Depreciation	64,362,644	4,474,431	443,813	68,393,262
Capital Assets Net Of Accumulated Depreciation	$ 85,275,759	$ 934,612	$ 1,769,716	$ 84,440,655

Note 5: Capital Assets (Cont'd)

COUNTY COLLEGE OF MORRIS	June 30, 2021 Balance	Additions	Disposals	June 30, 2022 Balance
Capital Assets Not Being Depreciated:				
Land	$ 1,984,401	$ -	$ -	$ 1,984,401
Construction in progress	-	700,104	-	700,104
Total Capital Assets Not Being Depreciated	1,984,401	700,104	-	2,684,505
Capital Assets Being Depreciated:				
Land improvements	3,575,616	-	-	3,575,616
Infrastructure	11,542,645	-	-	11,542,645
Buildings and improvements	104,320,910	-	-	104,320,910
Equipment and furniture & fixtures	25,151,732	969,674	238,235	25,883,171
Software	1,636,956	-	5,400	1,631,556
Total Capital Assets Being Depreciated	146,227,859	969,674	243,635	146,953,898
Total Capital Assets	148,212,260	1,669,778	243,635	149,638,403
Accumulated Depreciation:				
Land improvements	1,924,691	166,180	-	2,090,871
Infrastructure	4,660,665	373,098	-	5,033,763
Buildings and improvements	32,644,445	2,138,145	-	34,782,590
Equipment and furniture & fixtures	19,370,006	1,705,162	238,235	20,836,933
Software	1,603,238	20,649	5,400	1,618,487
Total Accumulated Depreciation	60,203,045	4,403,234	243,635	64,362,644
Capital Assets Net Of Accumulated Depreciation	$ 88,009,215	$ (2,733,456)	$ -	$ 85,275,759

Construction in progress

The College has active construction projects as of June 30, 2023. The following tables present the balance of construction in progress activities for the fiscal years ended June 30:

	2023		2022	
	Balance	Year-End Commitments	Balance	Year-End Commitments
SH/DH-Elevator Addition	$ 1,322,499	$ 1,357,220	$ 116,988	$ -
Parking Lot Repaving	$ -	$ -	$ 549,834	$ 943,466
Grounds Garage Replacement	$ 317,518	$ 1,629,911	$ 12,840	$ 133,160
HH Boiler Replacement	$ -	$ -	$ 9,560	$ 17,390
SOFC Building Expansion	$ 179,979	$ 214,671	$ 10,883	$ 358,268
	$ 1,819,996	$ 3,201,802	$ 700,104	$ 1,452,284

Note 6: Accrued Expenses

As of June 30, accrued expenses consisted of the following:

	2023 College	2022 College
Payroll, Taxes and Agencies	$ 3,403,197	$ 3,734,684
Vacations and Compensated Absences	1,380,099	1,446,781
Other	384,407	216,079
	$ 5,167,703	$ 5,397,544

Note 7: Pension Plans

A substantial number of the College's employees participate in one of the two pension plans administered and/or regulated by the New Jersey Division of Pensions and Benefits: (1) the Public Employees' Retirement System or (2) the New Jersey Alternate Benefit Program. In addition, several College employees participate in the Defined Contribution Retirement Program administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
http://www.state.nj.us/treasury/pensions

General Information About the Pension Plans

Public Employees' Retirement System – The Public Employees' Retirement System (PERS) is a cost-sharing, multiple-employer defined benefit pension plan which was established as of January 1, 1955. Substantially all full-time employees of the College, (provided the employee is not required to be a member of another state-administered retirement system, other state pension fund, or local jurisdiction's pension fund) are covered under PERS.

Alternate Benefit Program – The New Jersey Alternate Benefit Program (ABP) is a single-employer, defined contribution pension plan, which was established pursuant to P.L. 1969, c. 242 (N.J.S.A 18A:66-167 et seq.)

Defined Contribution Retirement Program – The Defined Contribution Retirement Program (DCRP) is a single-employer defined contribution pension fund which was 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.), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010.

Individuals covered under DCRP are employees not enrolled in TPAF or PERS on or after July 1, 2007, or 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

Note 7: Pension Plans (Cont'd)

do not earn a minimum annual salary for a certain enrollment tier but who earn a 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 certain enrollment tiers, but who earn a salary of at least $5,000 annually.

Benefits Provided

Public Employees' Retirement System – The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007, and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008, and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010, and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of $1/55^{th}$ of final average salary for each year of service credit is available to members of tiers 1 and 2 upon reaching age 60 and to members of tier 3 upon reaching age 62. Service retirement benefits of $1/60^{th}$ of final average salary for each year of service credit is available to members of tier 4 upon reaching age 62 and members of tier 5 upon reaching age 65. Early retirement benefits are available to members of tiers 1 and 2 before reaching age 60, tiers 3 and 4 before age 62 with 25 years or more of service, 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 retirement age of their respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for their respective tier.

Alternate Benefit Program – The ABP provides retirement benefits, life insurance, long-term disability coverage, and medical benefits to qualified members.

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 101(a), a noncontributory group life insurance plan, and a noncontributory group disability benefit plan.

A participant's interest in that portion of their defined contribution retirement plan account attributable to employee contributions shall immediately become and shall always remain fully vested and nonforfeitable. A participant's interest in that portion of their 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 their attainment of age 65, while employed by an employer, whichever occurs first.

Note 7: Pension Plans (Cont'd)

Contributions

Public Employees' Retirement System – The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. 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 seven years beginning in July 2012. The member contribution rate was 7.50% in fiscal year 2023.

The phase-in of the additional incremental member contribution rate took place in July of each subsequent State fiscal year. Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits.

The College's contractually required contribution rate for the fiscal year ended June 30, 2023 was 15.18% of annual College payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the College were $1,459,544 for the fiscal year ended June 30, 2023.

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 and Benefits.

Amounts deferred under the plan are not available to employees until termination, retirement, death, or unforeseeable emergency.

The plan carriers are:

- *AXA Financial (Equitable)*
- *Prudential*
- *Voya Financial Services*
- *Teacher's Insurance and Annuity Association/College Retirement Equities Fund (TIAA/CREF)*
- *Mass Mutual Retirement Services*
- *VALIC*
- *MetLife*

Note 7: Pension Plans (Cont'd)

During the fiscal year ended June 30, 2023, employee contributions to the plan were $1,050,802, and the State of New Jersey made on-behalf payments for the College contributions of $1,249,483.

During the fiscal year ended June 30, 2022, the State of New Jersey contributed $36,751 to the PERS for normal pension benefits on behalf of the College.

The employee contribution rate was 7.50% effective July 1, 2018.

Special Funding Situation

A special funding situation exists for certain local employers of the PERS. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers Chapter 133, P.L. 2001.The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation and there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

Defined Contribution Retirement Program

State and local government employers contribute 3% of the employees' base salary. Active members contribute 5.5% of base salary.

For the fiscal year ended June 30, 2023, employee contributions totaled $36,630 and the College recognized pension expense of $19,980. There were no forfeitures during the fiscal year.

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

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

At June 30, 2023, the College reported a liability of $17,466,843 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. 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. At June 30, 2022, the College's proportion was .115740557% which was an increase of .002265921% from its proportion measured as of June 30, 2021.

Additionally, for the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the College in the amount of $36,751 and the College recognized pension expense and revenues for that same amount in the fiscal year ended June 30, 2023, financial statements.

Note 7: Pension Plans (Cont'd)

There was no state proportionate share of net pension liability attributable to the College as of June 30, 2023.

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

		Amortization Period In Years	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Changes of Assumptions				
	2018	5.63		$ 419,868
	2019	5.21		524,695
	2020	5.16		1,542,887
	2021	5.13	$ 54,118	
	2022	5.04		128,028
			54,118	2,615,478
Changes in Proportion				
	2018	5.63		60,026
	2019	5.21		321,139
	2020	5.16	254,673	
	2021	5.13		52,270
	2022	5.04		345,486
			254,673	778,921
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2019	5.00	17,279	
	2020	5.00	519,234	
	2021	5.00	(3,238,649)	
	2022	5.00	3,425,073	
			722,937	
Difference Between Expected And Actual Experience	2018	5.63		15,989
	2019	5.21	40,108	
	2020	5.16	85,960	
	2021	5.13		43,038
	2022	5.04		52,147
			126,068	111,174
College Contribution Subsequent to Measurement Date	2022	1.00	1,459,544	
			$ 2,617,340	$ 3,505,573

Note 7: Pension Plans (Cont'd)

$1,459,544 reported as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,		
2023	$	(1,498,288)
2024		(763,328)
2025		(372,260)
2026		812,131
2027		(1,784)
	$	(1,823,529)

Actuarial Assumptions

The total pension liability in the June 30, 2022, measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled to June 30, 2022. The actuarial valuation used the following actuarial assumptions:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
	2.75% - 6.55% based on years of service
Investment Rate of Return	7.00%

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

Note 7: Pension Plans (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2022) 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 actuaries. The long-term expected rates of return were 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 adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 2022 are summarized in the following Table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment grade credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk mitigation Strategies	3.00%	4.91%

Discount Rate

The discount rate used to measure the total pension liabilities of the plan was 7.00% as of June 30, 2022. 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 the contributions from employers, and the non-employer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Note 7: 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 calculated using a discount rate of 7.00%, 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, 2022		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
College's Proportionate Share of the Net Pension Liability	$ 22,842,127	17,466,843	$ 13,471,977

Pension Plan Fiduciary Net Position

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

Note 8: Retirement Program

The faculty, as well as certain administrative and professional employees of New Jersey Public Colleges and Universities, may enroll in optional retirement plans. This is in lieu of participation in the pension plans detailed in Note 7. The optional retirement plans offered through TIAA-CREF, ING, Met-Life, AIG-Valic, The Hartford, and AXA Equitable are defined contribution plans. Accordingly, benefits depend solely on amounts contributed to the plan plus investment earnings.

Plan contributions are based on annual salary. Employees contribute 5% of salary and the State of New Jersey contributes 8% of salary, for a total contribution of 13%. The employer (8%) and employee (5%) contributions are sent to a delayed vesting contract immediately upon hire. The participants have personal contracts with the above companies and personally own the annuities. Total contributions from the State of New Jersey for the year-ended June 30, 2023 were $1,249,483 and total expenses under the plan were $423,694. State of New Jersey contributions are recognized as revenue and expenses in the appropriate periods.

Note 9: Postemployment benefits other than pensions (OPEB) State Health Benefit Program Fund – Local Education Retired Employee Plan

General Information about the OPEB Plan

The College is in a "special funding situation," as described in GASB Statement No. 75, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the College.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan 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 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the 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 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

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

For additional information about the State Health Benefits Local Education Retired Education Plan, please refer to the Division's Annual Financial Statements:
https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml

Note 9: Postemployment benefits other than pensions (OPEB) State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Employees Covered by Benefit Terms

At June 30, 2021, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries	
Retirees Plan Members and Spouses of Retirees	
Currently Receiving Benefits	151,669
Active Plan Members	213,148
Total	364,817

Total Non-employer OPEB Liability

The total non-employer OPEB liability as of June 30, 2022, was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. The actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	TPAF/ABP	PERS
Salary Increases:	2.75 - 4.25% based on Years of service	2.75 - 6.55% based on Years of service

Note 9: Postemployment benefits other than pensions (OPEB) State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Mortality Rate

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS) and "Safety" (PFRS) classification headcount-weighted mortality table fully generational mortality improvement projections from the central year using MP-2021. Post-retirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disables retirees. Future disabled retirees was based on the Pub-2010, "General" (PERS) and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44 in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54%. This represents the municipal bond rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate. It is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Note 9: Postemployment benefits other than pensions (OPEB)
State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Changes in the State's Proportionate Share of The OPEB Liability Associated with The College

	Total OPEB Liability
Balance at June 30, 2021	$ 93,337,358
Changes for Year:	
Service Cost	4,666,914
Interest Cost	2,031,271
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(877,856)
Changes of Assumptions	(20,561,659)
Gross Benefit Payments	(2,012,034)
Contributions from Members	64,547
Net Changes	(16,688,817)
Balance at June 30, 2022	$ 76,648,541

Sensitivity of the Total Non-employer OPEB Liability Attributable to the College to Changes in the Discount Rate

The following presents the total non-employer OPEB Liability attributable to the College as of June 30, 2022, respectively, calculated using the discount rate as disclosed in this note, as well as what the total non-employer OPEB liability attributable to the College would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

June 30, 2022	At 1% Decrease 2.54%	At Current Rate 3.54%	At 1% Increase 4.54%
Total OPEB Liability Attributable to the College	$ 90,092,297	$ 76,648,541	$ 65,874,042

Note 9: Postemployment benefits other than pensions (OPEB) State Health Benefits Program Fund Local Education Retired Employees Plan (Cont'd)

Sensitivity of the Total Non-employer OPEB Liability Attributable to the College to Changes in the Healthcare Trend Rate

The following presents the total non-employer OPEB Liability attributable to the College as of June 30, 2022, calculated using the healthcare trend rate as disclosed in this note, as well as what the total non-employer OPEB liability attributable to the College would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

June 30, 2022	At 1% Decrease	Healthcare Cost trend Rate	At 1% Increase
Total OPEB Liability Attributable to the College	$ 63,354,704	$ 76,648,541	$ 94,110,803

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

For the fiscal year ended June 30, 2023 the College recognized OPEB expense of $3,547,888 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Statement 75, in which there is a special funding situation.

In accordance with GASB Statement 75, as the College's proportionate share of the OPEB liability is $0, therefore, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2022 the State had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Note 9: Postemployment benefits other than pensions (OPEB)
State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

	Deferral Year	Original Amortization Period In Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		$ 3,979,674
	2018	9.51		3,797,741
	2019	9.29	$ 536,184	
	2020	9.24	12,659,535	
	2021	9.24	70,203	
	2022	9.13		18,309,560
			13,265,922	26,086,976
Difference Between Expected and Actual Experience	2018	9.51		3,590,047
	2019	9.29		6,310,912
	2020	9.24	11,799,183	
	2021	9.24		13,500,726
	2022	9.13	1,885,622	
			13,684,805	23,401,686
Changes in Proportion	N/A	N/A	6,880,693	5,434,800
			$ 33,831,420	$ 54,923,462

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

Fiscal Year Ending June 30,	Total	State Total
2023	$ (3,809,466)	$ (2,517,151,602)
2024	(3,809,466)	(2,517,151,602)
2025	(3,809,466)	(2,517,151,602)
2026	(3,292,334)	(2,175,449,751)
2027	(1,882,600)	(1,243,951,140)
Thereafter	(5,934,602)	(3,921,361,006)
	$ (22,537,936)	$ (14,892,216,703)

Note 10: Unearned Revenue

Unearned revenue consists of the unearned portion of tuition and fees for courses offered during the summer and fall of 2023.

Note 11: Long-term Liabilities

The College's long-term liabilities consist of unused sick leave that is paid upon retirement, net pension liability and financed purchases payable. The following table presents the changes in long term liabilities for the fiscal year ended June 30, 2022 and 2023:

	June 30, 2022 Balance	Additions	Reduction	June 30, 2023 Balance
Compensated absences	$ 1,557,888	$ 131,127	$ 184,086	$ 1,504,929
Net Pension Liability	13,979,636	3,487,207	-	17,466,843
Financed Purchases	37,760	-	37,760	-
	$ 15,575,284	$ 3,618,334	$ 221,846	$ 18,971,772

	June 30, 2021 Balance	Additions	Reduction	June 30, 2022 Balance
Compensated absences	$ 1,779,594	$ 155,860	$ 377,566	$ 1,557,888
Net Pension Liability	19,307,835		5,328,199	13,979,636
Financed Purchases	73,706	-	35,946	37,760
	$ 21,161,135	$ 155,860	$ 5,741,711	$ 15,575,284

Compensated Absences

It is estimated that of the $1,504,929 compensated absences liability, $1,297,504 is long-term and $207,425 is short-term which may become due within one year based upon employee retirements. The financed purchases payable at June 30, 2023 was $0.

Note 12: Interfund Receivables and Payables

The following details interfund balances at June 30, 2023 and 2022.

	2023		2022	
Fund	Interfund Receivables	Interfund Payables	Interfund Receivables	Interfund Payables
Current Unrestricted Fund	$ 269,851	$ 7,054	$ 587,830	$ 10,198
Current Restricted Fund	7,700	81,559	-	95,656
Foundation Fund	-	11,499	-	13,522
Plant Fund	-	177,439	-	468,454
	$ 277,551	$ 277,551	$ 587,830	$ 587,830

June 30, 2023 and 2022 interfund balances reported are the result of reciprocal interfund activity. The majority of both the 2023 and 2022 interfund receivable balance in the Unrestricted Fund are for June invoices processed on behalf of the Restricted Fund, Plant Fund, Foundation and Student Activities plus accrued payroll costs for June.

Note 13: Interfund Transfers

The following interfund transfers were made during the years ended June 30, 2023 and June 30, 2022:

	2023	2022
Mandatory Transfers:		
Unrestricted to Restricted for Required Matching Funds	$ 45,469	$ 45,452
Foundation to Restricted for Program Expenditures	214,282	278,906
Non-mandatory Transfers:		
Unrestricted to Plant for Self-funded Capital Projects	2,630,860	3,600,396
Foundation to Restricted for Program Expenditures	328,422	283,895
Student Activities to Foundation for Scholarships	2,676	2,377

Note 14: Restricted Expendable Net Position

Restricted net position includes resources that the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. When both restricted and unrestricted resources are available for use, it is the College's policy to use restricted resources first, then unrestricted resources when they are needed. The restricted expendable net position at June 30, 2023 and 2022 is comprised of the following categories:

	2023 College	2022 College
Scholarships	$ 1,745,733	$ 1,847,990
Unemployment Benefit Reserve	345,887	424,595
Public Relations	91,053	6,917
Academics	1,012,744	1,178,384
Athletics	27,358	16,138
	$ 3,222,775	$ 3,474,024

Note 15: Non-Expendable Net Position

The Foundation has been the recipient of endowments. Current college policy does not allow spending of unrealized gains on investments. New Jersey State Law is silent on the ability to spend that net appreciation. Realized income generated from each endowment may be spent pursuant to donors' intent. The current spending policy allows for 80% of earned income to be spent on scholarships and the remaining 20% reinvested into the endowment principal.

	2023	2022
Unrestricted Endowment	$ 344,044	$ 340,141
Endowment Restricted for Scholarships	4,823,162	4,674,568
	$ 5,167,206	$ 5,014,709

Note 16: Economic Dependency

The College receives a substantial amount of its support from federal, state and county governments. A significant reduction in the level of support, if this were to occur, may have an effect on the College's programs and activities.

Note 17: Unrestricted Net Position

	2023	2022
Net Position	$ 44,172,253	$ 34,688,549
GASB 68 - Pension Liability	(17,466,843)	(13,979,636)
Net Position	$ 26,705,410	$ 20,708,913

The total Unrestricted Net Position at June 30, 2023 and 2022 was $26,705,410 and $20,708,913. This was the result of the implementation of GASB 68. This does not reflect that the College is in financial hardship and is permitted practice under Generally Accepted Accounting Principles.

The following have been appropriated by the Board of Trustees as of June 30, 2023.

Fund	2023	2022
Administrative Computing	$ 39,035	$ 39,035
Technology Reserve	2,739,055	1,668,786
Academic Furnishings	858,039	881,582
Furnishings and Equipment	3,100,068	2,477,807
Building Renovations	3,965,776	4,227,766
Video Surveillance	726,680	748,247
Planetarium Renovations	10,444	20,266
Engineering/Manufacturing	91,935	172,613
	$ 11,531,032	$ 10,236,102

Note 18: Related Party Transactions

During the years ended June 30, 2023 and June 30, 2022, the College recognized $14,616,485 and $12,576,942 respectively, of financial support and grants from the County of Morris for current operations and various capital projects. The College has billed the County for personnel, printing, and miscellaneous other services in the amount of $224,154 in 2023 and $215,908 in 2022.

Note 19: Risk Management

The County College of Morris is currently a member of the Morris County Insurance Fund (the Pool). The Pool provides its members with property, liability, motor vehicle, and other miscellaneous coverages. The Pool is a risk-sharing public entity pool that is both an insured and self-administered group, established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum.

As a member of the Pool, the College could be subject to supplemental assessments in the event of deficiencies. If the assets of the Pool were to be exhausted, members would become responsible for their respective shares of the Pool's liabilities.

The Pool can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with the Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

Selected, summarized financial information for the Pool as of December 31, 2022 is as follows:

	Morris County Insurance Fund
Total Assets	$12,162,608
Net Position	8,200,761
Total Operating Revenue	4,972,506
Total Operating Expenses	3,840,273
Non-Operating Revenue	1,172,168
Change in Net Position	2,304,401
Distributions to Participating Members	-0-

Financial statements for the Pool are available at the Morris County Treasurer's Office.

County of Morris
Administration and Records Building
4th FL, CN 900
Morristown, New Jersey 07963

New Jersey Unemployment Compensation Insurance: The College self-funds its New Jersey unemployment compensation insurance claims. The balance as of June 30, 2023 was $345,887 which is reported as restricted for Academic/Departmental uses.

Note 20: Contingent Liabilities

The College is periodically involved in claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position or operations of the College.

Note 20: Contingent Liabilities (Cont'd)

The College participates in federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The College is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management of the College is not aware of any material items of noncompliance which would result in the disallowance of grant program expenditures.

County College of Morris
Schedules of Required Supplementary Information
Schedules of the Proportionate Share of the Net Pension Liability Required Supplementary Information
PERS
For the Fiscal Years Ending June 30 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016 And 2015

	2023	2022	2021	2020	2019	2018	2017	2016	2015
College's portion of the net pension liability (asset)	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.13%	0.13%	0.14%
College's proportionate share of the net pension liability (asset)	$ 17,466,843	$ 13,979,636	$ 19,307,835	$ 20,846,863	$ 23,982,140	$ 28,907,067	$ 38,391,141	$ 30,107,819	$ 25,570,494
College's covered-employee payroll	$ 9,006,510	$ 8,569,383	$ 8,543,248	$ 8,543,248	$ 8,492,211	$ 8,508,185	$ 8,720,913	$ 8,721,814	$ 9,183,519
College's proportionate share of the net pension liability (asset) as a percentage of its covered -employee payroll	193.94%	163.13%	226.00%	244.02%	282.40%	339.76%	440.22%	345.20%	278.44%
Plan fiduciary net positions as a percentage of the total pension liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.92%	52.08%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year
* The Required Supplementary Information will provide ten year comparisons. This information will be provided as it becomes available.

County College of Morris Contributions
Schedule of Contributions - PERS
For the Fiscal Years Ending June 30 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016 And 2015

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 1,459,544	$ 1,381,993	$ 1,295,231	$ 1,125,392	$ 1,211,533	$ 1,150,393	$ 1,151,568	$ 1,153,094	$ 1,125,901
Contributions in relation to the contractually required contribution	(1,459,544)	(1,381,993)	(1,295,231)	(1,125,392)	(1,211,533)	(1,150,393)	(1,151,568)	(1,153,094)	(1,125,901)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's covered-employee payroll	$ 9,006,510	$ 8,569,383	$ 8,543,248	$ 8,612,124	$ 8,492,211	$ 8,508,185	$ 8,720,913	$ 8,721,814	$ 9,183,519
Contributions as a percentage of covered-employee payroll	16.21%	16.13%	15.16%	13.07%	14.27%	13.52%	13.20%	13.22%	12.26%

* The Required Supplementary Information will provide ten year comparisons. This information will be provided as it becomes available.

County College of Morris
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE COLLEGE'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST SIX FISCAL YEARS

	Fiscal Years Ending					
	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Total OPEB Liability						
Service Cost	$ 3,613,595	$ 3,040,061	$ 2,424,143	$ 2,994,194	$ 5,050,686	$ 4,666,914
Interest Cost	2,388,846	2,795,154	2,734,048	2,443,263	2,421,269	2,031,271
Changes in Assumptions	(9,432,674)	(7,943,591)	1,009,781	19,894,946	92,084	(20,561,659)
Changes of Benefit terms					(99,346)	-
Difference Between Expected and Actual Experience	-	(2,804,966)	(5,648,090)	17,696,059	(21,196,507)	(877,856)
Member Contributions	64,754	63,973	61,625	57,471	61,900	64,547
Gross Benefit Payments	(1,758,527)	(1,850,976)	(2,078,948)	(1,896,112)	(1,907,282)	(2,012,034)
Net Change in Total OPEB Liability	(5,124,006)	(6,700,345)	(1,497,441)	41,189,821	(15,577,196)	(16,688,817)
Total OPEB Liability - Beginning	81,046,525	75,922,519	69,222,174	67,724,733	67,724,733	52,147,537
Total OPEB Liability - Ending	$ 75,922,519	$ 69,222,174	$ 67,724,733	$ 108,914,554	$ 52,147,537	$ 35,458,720
College's Covered Employee Payroll *	$ 26,665,442	$ 26,298,857	$ 26,359,839	$ 26,448,886	$ 26,523,134	$ 27,196,625
Total OPEB Liability as a Percentage of Covered Employee Payroll	285%	263%	257%	412%	197%	130%

* - Covered payroll for fiscal years ending June 2017 - 2022 are based on the payroll of June 30, 2016 - 2021 census data.
census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

Public Employees' Retirement System

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate as of June 30, 2021 was 7.00% and remained 7.00% as of June 30, 2022.

In the July 1, 2021 actuarial valuation the salary increases were 2.75%-6.55% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 2.00%-6.00% through 2026 and 3.00-7.00% thereafter based on years of service.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

State Health Benefit Local Education Retired Employees OPEB Plan

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2022 was 3.54%. The discount rate for June 30, 2021 was 2.16%, a change of 1.38%.

The salary increases for TPAF/ABP for thereafter were 2.75 – 5.65% in the valuation as of June 30, 2021 while the salary increases for TPAF/ABP for thereafter are 2.75 – 4.25% in the valuation as of June 30, 2022.

The salary increases for PERS were 2.00% - 6.00% through 2026 and 3.00% - 7.00% for thereafter in the valuation as of June 30, 2021. The salary increases for PERS were 2.75% - 6.55% in the valuation as of June 30, 2022.

The salary increases for PFRS were 3.25% - 15.25% through 2026 and not applicable for thereafter in the valuation as of June 30, 2021. The salary increases for PFRS were 3.25% - 16.25% in the valuation as of June 30, 2022.

The health care trend rates in the valuation as of June 30, 2022 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially-1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2023. For prescription drug benefits, the initial trend rate is 8.00% and decreases to 4.50% long term rate after eight years.

Changes of Actuarial Assumptions

The health care trend rates in the valuation as of June 30, 2021 were based on the following:

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

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Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

The Honorable Chairman and Members
of the Board of Trustees
County College of Morris
Randolph, New Jersey

We have audited, in accordance with the 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 and the audit requirements prescribed by the Office of Management and Budget, Department of Treasury, State of New Jersey (the "Department"), the financial statements of the County College of Morris (the "College") as of and for the fiscal year's ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated January 8, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) as a basis for designing 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 the College's internal control.

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

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

The Honorable Chairman and Members
of the Board of Trustees
County College of Morris
Page 2

Report on Compliance and Other Matters

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

Purpose of this Report

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

January 8, 2024
Mount Arlington, New Jersey

Nisivoccia LLP

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Report on Compliance For Each Major Federal and State Program;
Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08

Independent Auditors' Report

The Honorable Chairman and Members
 of the Board of Trustees
County College of Morris
Randolph, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the County College of Morris' (the "College's") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2023. The College's major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the College complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08, we

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

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

January 8, 2024
Mount Arlington, New Jersey

Nisivoccia LLP

COUNTY COLLEGE OF MORRIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

Name of Federal Agency or Department/Cluster Title	Name of Grant	Assistance Listing	Grant ID Number	Grant Period	Award Authori-zations	Amount Received 22-23	Amount Rec'd to Date	Grant Expenditures 22-23	Total Grant Expenditures	Receivable/ (Payable)/ (Fund Balance) 6/30/2023	Amount Paid to Sub-recipient
U.S. Department of Education:											
Student Financial Assistance Program Cluster:											
Direct Aid:											
	PELL	84.063	E-P063P222994	9/1/22-8/31/23	$ 6,685,631	$ 6,390,865	$ 6,390,865	$ 6,391,270	$ 6,391,270	$ 405	$ -
	PELL	84.063	E-P063P212994	9/1/21-8/31/22	6,225,683	352,078	6,225,683	344,281	6,225,683	-	-
	SEOG	84.007	E-P007A222547	9/1/22-8/31/23	250,853	250,853	250,853	250,853	250,853	-	-
	SEOG	84.007	E-P007A212547	9/1/21-8/31/22	226,251	49,496	226,251	-	226,251	-	-
	CWS	84.033	E-P033A222547	7/1/22-6/30/23	192,851	192,851	192,851	192,851	192,851	-	-
	CWS	84.033	E-P033A212547	7/1/21-6/30/22	192,851	48,721	155,740	19,285	155,740	-	-
	DIRECT LOANS	84.268	P-268K232994	9/1/22-8/31/23	4,241,422	4,240,432	4,240,432	4,241,422	4,241,422	990	-
	DIRECT LOANS	84.268	P-268K222994	9/1/21-8/31/22	4,002,473	42,923	4,002,473	40,771	4,002,473	-	-
Subtotal Student Financial Assistance Program Cluster					22,018,015	11,568,219	21,685,148	11,480,733	21,686,543	1,395	-
Education Stabilization Fund Program Cluster:											
US Department of Education	COVID 19 - HEERF - Institution Portion	84.425F	P425F201065	5/5/20-6/30/23	13,740,661	1,626,777	13,740,661	1,625,937	13,740,661	-	-
US Department of Education	COVID 19 - Strengthening Institutions Funding	84.425M	P425M200124	5/28/20-6/30/23	1,085,577	261,243	575,057	673,022	1,085,577	510,520	-
Subtotal Education Stabilization Fund Program Cluster					14,826,238	1,888,020	14,315,718	2,298,959	14,826,238	510,520	-
US Department of Education	CCAMPIS Program	84.335A	P335A190367	10/1/19-9/30/23	285,751	78,833	231,237	79,533	254,577	23,340	-
					15,111,989	1,966,853	14,546,955	2,378,492	15,080,815	533,860	-
U.S. Department of Education					37,130,004	13,535,072	36,232,103	13,859,225	36,767,358	535,255	-
Pass Through Funds:											
NJ Dept. of Education	Perkins Voc. Ed.	84.048	PSFS715523	7/1/22-6/30/23	500,174	425,465	425,465	500,174	500,174	74,709	-
NJ Dept. of Education	Perkins Voc. Ed.	84.048	PSFS715522	7/1/21-6/30/22	462,817	60,525	462,817	-	462,817	-	-
					962,991	485,990	888,282	500,174	962,991	74,709	-
Total U.S. Department of Education					38,092,995	14,021,062	37,120,385	14,359,399	37,730,349	609,964	-

COUNTY COLLEGE OF MORRIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

Name of Federal Agency or Department/Cluster Title	Name of Grant	Assistance Listing	Grant ID Number	Grant Period	Award Authori-zations	Amount Received 22-23	Amount Rec'd to Date	Grant Expenditures 22-23	Total Grant Expenditures	Receivable/ (Payable)/ (Fund Balance) 6/30/2023	Amount Paid to Sub-recipient
National Science Foundation:											
National Science Foundation	Data Science Career Grant	47.076	2000887	7/1/21-6/30/23	235,227	70,643	181,265	57,895	185,894	4,629	-
National Science Foundation	Northern New Jersey Bridges to Baccalaureate	47.076	HRD-1817365	9/1/18-8/31/23	246,975	32,651	158,149	34,659	167,175	9,026	-
National Science Foundation	Renewable Energy Systems Training (REST)	47.076	1902442/997178	7/1/19-6/30/23	223,892	37,228	155,026	5,454	160,480	5,454	-
National Science Foundation	NSF Clear Path Grant	47.076	2130103/NSF2022-3	12/1/21 -11/30/26	74,888	13,187	13,187	17,437	21,814	8,627	-
					780,982	153,709	507,627	115,445	535,363	27,736	-
U.S. Department of Labor:											
US Department of Labor	Scaling Apprenticeship Through Sector Based Strategies - Advanced Mfg Grant	17.268	HG-33031-19-60-A-34	7/15/19-7/14/23	3,999,823	796,356	2,308,009	1,056,424	2,680,206	372,197	371,512
US Department of Labor	Scaling Apprenticeship Through Sector Based Strategies - Health Works Grant	17.268	HG-33026-19-60-A-34	7/15/19-7/14/23	337,424	83,686	226,333	114,145	275,239	48,906	-
					4,337,247	880,042	2,534,342	1,170,569	2,955,445	421,103	371,512
Department of Defense:											
National Security Agency	GenCyber Program	12.903	H98230-21-1-0090	8/13/21-12/31/23	50,080	-	-	3,950	48,359	48,359	-
New Jersey Defense Manufacturing Community Consortium (NJDMCC)	Veterans Outreach Program	12.904	MCS2001-22-01	1/1/23-8/31/27	1,500,000	-	-	6,250	6,250	6,250	-
					1,550,080	-	-	10,200	54,609	54,609	-
National Endowment for the Humanities:											
	NJCH Covid-19 Shakespeare Conversations	45.162	N/A	8/13/21-12/31/22	10,028	-	10,028	4	10,028	-	
	NJCH Covid-19 Parks Program	45.162	N/A	10/15/21-6/30/22	9,000	-	9,000	19	9,000	-	
					19,028	-	19,028	23	19,028	-	-
Total Federal Awards			$ -	$ -	$ 44,780,332	$ 15,054,813	$ 40,181,382	$ 15,655,636	$ 41,294,794	$ 1,113,412	$ 371,512

N/A - Not Applicable

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

COUNTY COLLEGE OF MORRIS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED JUNE 30, 2023

Name of State Agency or Department	Name of Grant		Grant ID Number	Grant Period	Award Authori-zations	Amount Received 22-23	Amount Rec'd to Date	Grant Expenditures 22-23	Total Grant Expenditures	Receivable (Payable)/ (Fund Balance) 6/30/2023
Dept. of Student Assistance:										
Direct Aid:										
	TAG		2124	7/1/22-6/30/23	$ 1,691,723	$ 1,680,173	$ 1,680,173	$ 1,691,723	$ 1,691,723	$ 11,550
	TAG		2124	7/1/21-6/30/22	1,383,960	(16,559)	1,383,960	-	1,383,960	-
	EOF Article III		2124	6/1/22-6/30/23	102,665	102,665	102,665	102,665	102,665	-
	EOF Article IV		2124	6/1/22-6/30/23	156,170	156,170	156,170	150,151	150,151	(6,019)
	EOF Article III Summer 2023	35002	2124	6/1/23-6/30/24	25,758	-	-	1,435	1,435	1,435
	EOF Article III Summer 2022	35004	2124	6/1/22-6/30/23	27,034	25,678	25,678	21,699	25,678	-
	EOF Article IV Summer 2022	35003	2124	6/1/22-6/30/23	1,000	1,000	1,000	1,000	1,000	-
	NJ Best	34005	2124	7/1/22-6/30/23	40,500	40,500	40,500	40,500	40,500	-
	NJ Stars Program 2023	34004	2124	7/1/22-6/30/23	202,089	202,089	202,089	202,089	202,089	-
	NJ Stars Program 2022	34004	2124	7/1/21-6/30/22	196,846	1,480	196,846	-	196,846	-
	NJ Stars Program 2020	34004	2124	7/1/19-6/30/20	179,591	(7,203)	179,591	-	179,591	-
	NJ Stars Program 2019	34004	2124	7/1/18-6/30/19	144,016	(123)	144,016	-	144,016	-
	Community College Opportunity Grant 2023	34008	2124	7/1/22-6/30/23	1,760,873	1,760,873	1,760,873	1,760,873	1,760,873	-
	NJ Class Loans		N/A	7/1/22-6/30/23	24,109	24,109	24,109	24,109	24,109	-
					5,936,334	3,970,852	5,897,670	3,996,244	5,904,636	6,966
Dept. of Children and Families:										
Direct Aid:										
	Division on Women		23CLPW	7/1/22-6/30/23	150,000	150,000	150,000	150,000	150,000	-
	Division on Women		22CLPW	7/1/21-6/30/22	150,000	(1,583)	148,417	-	148,417	-
					300,000	148,417	298,417	150,000	298,417	-
New Jersey Council for the Humanities:										
Direct Aid:										
	NJ Historical Society	33029	N/A	4/1/22-2/28/23	5,000	4,500	5,000	5,000	5,000	-
	NY Historical Society	32017	N/A	11/1/20-3/31/21	500	-	500	102	500	-
					5,500	4,500	5,500	5,102	5,500	-
Office of the Secretary of Higher Education:										
Direct Aid:	33030 Community College Opportunity Grant - Planning Project		N/A	7/1/22-6/30/23	229,443	229,443	229,443	229,443	229,443	-
	College Readiness IX Project	32042	N/A	6/1/22-6/30/23	51,538	11,231	11,231	25,343	25,343	14,112
	College Readiness VIII Project	32041	N/A	6/1/21-6/30/22	57,176	57,176	57,176	40,579	57,176	-
	NJ Career Accelerator Internship Grant (CAIGP)	35030	N/A	4/4/22-8/31/22	13,614	(7,034)	6,580	6,580	6,580	-

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

COUNTY COLLEGE OF MORRIS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED JUNE 30, 2023

Name of State Agency or Department	Name of Grant		Grant ID Number	Grant Period	Award Authori-zations	Amount Received 22-23	Amount Rec'd to Date	Grant Expenditures 22-23	Total Grant Expenditures	Receivable (Payable)/ (Fund Balance) 6/30/2023
	County College - Center for Adult Transition Grant	35031	N/A	6/15/22-6/30/23	250,000	125,000	250,000	139,335	139,335	(110,665)
					601,771	415,816	554,430	441,280	457,877	(96,553)
NJ Department of Health:	NJ- QUITS -NJ College & Universities Implementing									
Direct Aid:	Tobacco and Smoke Free Policies		DCHS21TPC003	10/30/20-10/29/23	12,000	4,000	12,000	2,122	7,151	(4,849)
NJ Department of Labor And Workforce Development										
Direct Aid:	Pre-apprenticeship Career Education Program (PACE)		NA	3/1/22-8/31/23	172,500	93,233	93,233	148,567	148,567	55,334
Direct Aid:	State Support Operational Costs		N/A	7/1/22-6/30/23	7,541,436	7,541,436	7,541,436	7,541,436	7,541,436	-
					7,541,436	7,541,436	7,541,436	7,541,436	7,541,436	-
Department of the Treasury:										
Direct Aid:										
	Alternate Benefit Reimbursements		N/A	7/1/22-6/30/23	1,249,483	856,666	856,666	1,249,483	1,249,483	392,817
	Alternate Benefit Reimbursements		N/A	7/1/22-6/30/22	1,353,823	398,329	1,353,823	-	1,353,823	-
					2,603,306	1,254,995	2,210,489	1,249,483	2,603,306	392,817
Pass Through Funds:										
Arts Council of Morris Area	Teen Arts	33012	N/A	1/1/22-12/31/23	6,000	5,800	5,800	6,000	6,000	200
Arts Council of Morris Area	Teen Arts	33010	N/A	1/1/21-12/31/22	7,500	500	7,500	-	7,500	-
New Jersey Community College Consortium for Workforce and Economic Development	NJ Pathways to Career Opportunities - Planning Phase		N/A	7/1/22-12/31/23	706,333	283,000	306,333	165,898	165,898	(140,435)
					719,833	289,300	319,633	171,898	179,398	(140,235)
Total State Awards					$ 17,892,680	$ 13,722,549	$ 16,932,808	$ 13,706,132	$ 17,146,288	$ 213,480

N/A - Not applicable

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

COUNTY COLLEGE OF MORRIS
NOTE TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDING JUNE 30, 2023

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying Schedules of expenditures of Federal and state awards includes the federal and state grant activity of the County College of Morris under programs of the federal and state governments for the fiscal year ended June 30, 2023. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the College, they are not intended to and do not present the financial position, changes in net position or cash flows of the College.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the accrual basis of accounting.

NOTE 3 INDIRECT COST RATE

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

COUNTY COLLEGE OF MORRIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the College.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' 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.*
- No instances of noncompliance material to the financial statements of the College which would be required to be reported in accordance with *Government Auditing Standard*s, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by the Uniform Guidance and NJ OMB 15-08.*
- The auditor's report on compliance for the major federal and state programs for the College expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The College's programs tested as major federal and state programs for the current fiscal year consisted of the following:

	Assistance Listing/State Grant Number	Grant Period	Award Amount	Expenditures
Federal:				
Student Financial Aid Cluster				
PELL	84.063	9/1/22-8/31/23	$ 6,685,631	$ 6,391,270
PELL	84.063	9/1/21-8/31/22	6,225,683	344,281
SEOG	84.007	9/1/22-8/31/23	250,853	250,853
CWS	84.033	7/1/22-6/30/23	192,851	192,851
CWS	84.033	7/1/22-6/30/23	192,851	19,285
Direct Loans	84.268	9/1/22-8/31/23	4,241,422	4,241,422
Direct Loans	84.268	9/1/21-8/31/22	4,002,473	40,771
Education Stabilization Fund:				
Covid 19 - HEERF - Institution Portion	84.425F	5/5/20-6/30/23	13,740,661	1,625,937
Covid 19 - Strengthening Institutions Funding	84.425M	5/28/20-6/30/23	1,085,577	673,022
State:				
Community College Opportunity Grant	2124	7/1/22-6/30/23	1,760,873	1,760,873
Alternative Benefit Reimbursements Costs	N/A	7/1/22-6/30/23	1,249,483	1,249,483

- The threshold used for distinguishing between Type A and Type B federal and state programs was $750,000.
- The College was determined to be a "low-risk auditee" for both federal and state programs.

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COUNTY COLLEGE OF MORRIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in 2 CFR 200.516(a) of the Uniform Guidance.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance and New Jersey's OMB Circular 15-08.

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COUNTY COLLEGE OF MORRIS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Status of Prior Year Findings:

There were no prior year findings.

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