

WARREN COUNTY COMMUNITY COLLEGE

FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2024

WARREN COUNTY COMMUNITY COLLEGE
TABLE OF CONTENTS
JUNE 30, 2024

<u>PART I</u>	<u>Page</u>
Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-17
Financial Statements:	
Statement of Net Position	18
Statement of Revenue, Expenses and Changes in Net Position	19
Statement of Cash Flows	20
Notes to Financial Statements	21-46
Required Supplementary Information	
Schedule of College's Proportionate Share of the Net Pension	
Liability -Public Employees Retirement System	47
Schedule of College Contributions -Public Employees Retirement System	48
Schedule of Changes in the State's Proportionate Share of the Total OPEB	
Liability Associated with the College and Related Ratios	49
Notes to Required Supplementary Information	50
 <u>PART II</u>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	1-2
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	3-5
Schedule of Expenditures of Federal Awards	6
Schedule of Expenditures of State Awards	7
Notes to the Schedules of Expenditures of Federal and State Awards	8
Schedule of Findings and Questioned Costs	9-10
Summary Schedule of Prior Audit Findings	11

FINANCIAL STATEMENTS



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Independent Auditors' Report

The Honorable Chairman and
Members of the Board of Trustees
Warren County Community College
Washington, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Warren County Community College (the "College"), a component unit of the County of Warren, as of and for the fiscal years ended June 30, 2024 and 2023, 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 College, as of June 30, 2024 and 2023, and the 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 the 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 audit. 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.

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

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 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.

The Honorable Chairman and
Members of the Board of Trustees
Warren County Community College
Page 3

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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2025 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.

Mt. Arlington, New Jersey
January 9, 2025

Nisivoccia LLP

NISIVOCCIA LLP

FY2024 MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion and Analysis (MD & A) of Warren County Community College's ("College" or "WCCC") financial performance provides an overall review of the College's financial activities for the fiscal year ending June 30, 2024. The intent of this discussion and analysis is to look at the College's financial performance as a whole; readers also should review the financial statements, the notes to the financial statements and any management recommendations to enhance their understanding of the College's financial performance. This document is prepared by WCCC and represents management's interpretation of the financial data.

Overview of the Financial Statements

The College's audit is prepared under the standards prescribed by the Governmental Accounting Standards Board (GASB), which sets guidelines for financial reports prepared for public entities. The financial statements prescribed by GASB incorporate three statements:

- Statement of Net Position
- Statement of Revenues, Expenses and Changes in Net Position
- Statement of Cash Flows

These statements, which follow in the presentation, demonstrate the net value of assets and the results of the College's operations, respectively, on a college-wide basis. All statements are prepared using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid. The audit performed by Nisivoccia LLP also includes a series of notes to accompany the financial data, and an audit of federal awards and state financial assistance, which is required by both federal and state entities.

Net Pension Liabilities and OPEB Costs

WCCC reports under the Government Standards Accounting Board (GASB) pronouncements, which may amend financial statements based on longer term assets or liabilities that are not recorded on College accounts. Of major impact are those pronouncements that require the institutional financial statements to report on net pension liabilities or on Other Than Post Employment Benefits (OPEB). This includes items such as retirement healthcare.

In both cases, these expenses are borne completely by the State of NJ through either its budget or through the Public Employees Retirement System. WCCC does not record the future actuarial calculations of pensions or OPEB costs in its financial systems. These figures are provided to the College through the NJ Department of the Treasury, Division of Pensions and Benefits.

For purposes of the unaudited MD & A, the College is only reporting information contained within its systems and using the recording categories that best reflect institutional revenues and expenses. This is done so the reader has the most accurate understanding of the College's financial position. Please refer to all audit notes for further explanations of certain accounting pronouncements and their impact on the College.

Statement of Net Position: College Funds

The Statement of Net Position includes assets, liabilities, deferred inflows and outflows, and the resulting net position of the College. WCCC's assets are classified as either current or non-current (capital) assets. Liabilities represent future commitments that the College has made that must be recognized as a future expense. These liabilities can be either short-term or long-term.

The College's net position is derived by calculating the difference between assets/deferred outflows and liabilities/deferred in-flows. The net position indicates both capital assets and fund assets. As the WCCC Foundation does not hold capital assets, the Foundation's net position represent fund assets only.

The chart below shows total and net position for the College (exclusive of its component unit, the WCCC Foundation). The overall College net position as of June 30, 2024, exclusive of the state GASB "book entry" liabilities discussed previously, was \$26.2 million. The overall College net position as of June 30, 2024, inclusive of the GASB liabilities was \$24.6 million.

Statement of Net Position: Excluding GASB Pronouncements (Rounded \$000)

Total Assets	<u>FY24</u>	<u>FY23</u>	<u>Change</u>	<u>FY22</u>	<u>Change</u>
Current Assets	8,897	8,479	418	8,921	(442)
Capital Assets, Net	18,712	19,320	(609)	19,933	(613)
Total Assets	<u>27,609</u>	<u>27,799</u>	<u>(190)</u>	<u>28,855</u>	<u>(1,055)</u>
Less Liabilities:					
Current Liabilities	1,278	939	339	2,253	(1,314)
Non-Current Liabilities	112	112	0	112	0
Total Liabilities	<u>1,390</u>	<u>1,051</u>	<u>339</u>	<u>2,365</u>	<u>(1,314)</u>
Net Position	<u>26,219</u>	<u>26,748</u>	<u>(529)</u>	<u>26,490</u>	<u>259</u>
Net Position (Excluding Pension)					
Investment in Capital Assets	18,712	19,320	(608)	19,933	(613)
Restricted	21	23	(2)	24	(1)
Unrestricted-Designated	6,032	6,224	(192)	5,444	780
Unrestricted-Undesignated	1,453	1,182	271	1,089	93
Total Net Position	<u>26,219</u>	<u>26,748</u>	<u>(531)</u>	<u>26,490</u>	<u>259</u>

In order to understand the College's financial position, it is important to review each category of the net position statement: current assets, capital assets, liabilities, deferred inflows, deferred outflows and net position. The above chart does not include the net pension liability related to College employees, which are required to be reported on a GAAP basis. The liability is the responsibility of the State of NJ. The June 30, 2024 net pension liability attributed to WCCC current and former employees was \$2,736,510.

Had the net pension and the related deferred inflows and outflows for pensions been included in the chart above, the total net position would have reduced the net position by \$2,790,947.

Current Assets

Current assets include cash and cash equivalents, accounts receivable, inventory and prepaid expenses. As the chart on the prior page indicates, the College's current assets increased from \$8.5 million in FY23 to \$8.9 million in FY24. This increase primarily represents the receipt of a reimbursement from the State of NJ for the completion of the Supporting our Children's Future project, which was completed in the prior year. Current assets vs current liabilities represents a ratio of 7:1, representing a strong financial position for the College at the end of FY24.

Capital Assets

Capital assets include facilities, building improvements, computers, furnishings and equipment and fixtures. The College's net capital assets were just over \$18.7 million by the end of FY24, representing a decrease of \$0.6 million in net capital assets.

The three-year capital asset values by category is shown below.

Capital Assets (in Rounded \$000)

<u>Asset Type</u>	<u>FY24</u>	<u>FY23</u>	<u>Change</u>	<u>FY21</u>	<u>Change</u>
Computers & Equipment	3,926	3,514	412	3,448	66
Furniture & Fixtures	1,931	1,931	0	1,818	113
Building Improvements	5,890	5,700	190	5,535	165
Building	<u>23,455</u>	<u>23,455</u>	<u>0</u>	<u>23,455</u>	<u>0</u>
Total	35,203	34,601	602	34,255	344
Less Accumulated Depreciation	(16,490)	(15,281)	(1,209)	(14,322)	(959)
Net Capital Assets	18,712	19,320	(607)	19,933	(615)

For FY24, the College made significant investments in computers and smartboards, resulting in an increase in computers and equipment. Building improvements for FY24 included wiring upgrades and the external Contemplation and Meditation Garden. Although total assets have increased due to the purchase of equipment or the completion of building improvements, annual depreciation has increased, resulting in net capital assets at \$18.7 million at the end of FY24.

The value of capital assets is important for a number of institutions, as they can be leveraged for borrowing purposes (issuance of debt). However, in the case of WCCC, under state statute the College is unable to issue bond funds and therefore does not record a long-term liability for these Bonds. Bonds for WCCC may be issued by state or county governments and certain public authorities.

Current Liabilities

Also displayed in the *Statement of Net Position* are liabilities. Liabilities may be current or non-current (reflecting commitments to be realized in future years). Current liabilities include upcoming salary and vendor payments for services already incurred during the fiscal year, as well as unearned tuition and other revenue and an accrual to cover earned employee vacation time. The increase in current liabilities for FY24 primarily reflects outstanding vendor payments for the capital projects discussed in the previous section.

Long-Term Liabilities

WCCC cannot issue bonds and therefore accrue capital debt, so its only long-term liability is an accrual for sick-leave payments under the faculty contract. WCCC offers a sick leave payout of up to \$8,000 for faculty who have served for ten years in a full-time position and have provided one year's advance notice of retirement. The total set aside for this liability for FY24 is \$112,000, representing the maximum allocation available for eligible employees.

Other long term liabilities reflected on the financial statements are non-college obligations, which represent the State of New Jersey net pension liability and post-retirement benefits. In order to indicate the College's financial position, this MD & A statement discusses the State of NJ liabilities separately.

Net Position

The College's net position is total assets and deferred outflows less total liabilities and total inflows. Net position includes capital assets, such as buildings and equipment, as well as non-capital assets (such as cash, investments, pre-payments and receivables). Non-capital net position is classified on the next page as "restricted," "designated" or "unrestricted." The College's net position in FY24 decreased by \$529,508 to \$26,218,866. Note that this excludes assets, liabilities, inflows and outflows related to the NJ pension and OPEB liabilities.

Undesignated net position reflects the aggregate of residual funds that are neither restricted nor designated at this time. Note that in the combined Statement of Net Position, the categories of designated and undesignated are combined together as "Unrestricted." Undesignated funds as of June 30, 2024, increased to \$1,452,756. Because of the increased attention on adequate reserve funds, WCCC has decided to use the SUNY Community College standard of unrestricted reserves representing 15% of the operating budget in determining adequate reserve funds.¹

Designated funds represent resources allocated by the Board of Trustees for specific projects. Designated funds as of June 30, 2024 were \$6,032,464. Approximately \$3.5 million of these funds are allocated toward capital renewal and replacement needs, especially for roof and window replacement. WCCC tends to retain higher capital reserves because Warren County generally does not participate in the Chapter 12 bonding program, which provides \$2-3 million annually to participating colleges. The College currently is engaged with a professional services firm to develop a renewal and replacement plan for the Washington and Phillipsburg sites.

¹ Given funding and enrollment uncertainties in the post-COVID period, there are some recommendations that this figure could be as high as 40%.

Restricted funds represent mostly revenues raised by clubs and organizations of the College. These organizations have been less active since the COVID pandemic.

A summary of funds by project/activity is shown below.

Unrestricted, Designated and Restricted Net Position \$000

	<u>FY24</u>	<u>FY23</u>	<u>FY22</u>
<i>Undesignated</i>	1,453	1,182	1,089
<i>Designated</i>			
Academic Student Programming	16	16	16
Accountability Project	50	50	0
Phillipsburg Budget Needs	430	430	430
Phi Theta Kappa	28	28	28
Brown Scholarship	0	25	0
Faculty Contract	168	168	0
Drones/Robotics Operating	174	300	225
Precision Agriculture	250	250	0
Planning/Marketing/Grants Dev.	250	294	325
ADA Needs	100	100	100
New Website Development	70	83	83
Operating Budget/Assessment	260	260	260
SOCF Project	0	0	411
Designated Technology	442	816	975
ELF Debt Service	217	221	0
Middle States	50	0	0
PEC Renovations	0	0	200
Renewal and Replacement	779	333	333
Roof Repair/Replacement	728	728	578
Miscellaneous Capital	184	184	100
External Projects	1,235	1408	849
Capital Reserve	<u>601</u>	<u>529</u>	<u>529</u>
<i>Total Designated</i>	6,032	6,223	5,444
<i>Total Restricted Funds</i>	21	23	24

Statement of Net Position: WCCC Foundation

The WCCC Foundation (“Foundation”) is considered a component unit of WCCC as the College’s Board approves Foundation Board members and College employees oversee the operations of the Foundation. The Statement of Net Position for the Foundation is shown below.

Statement of Net Position-WCCC Foundation

	<u>FY24</u>	<u>FY23</u>	<u>Change</u>	<u>FY22</u>	<u>Change</u>
Total Assets	1,239	1,113	126	1,059	54
Liabilities	<u>3</u>	<u>0</u>	<u>3</u>	<u>1</u>	<u>(1)</u>
Net Position	1,236	1,113	123	1,058	55
<u>Net Position</u>					
Restricted	670	613	57	600	13
Unrestricted	<u>566</u>	<u>500</u>	<u>66</u>	<u>458</u>	<u>42</u>
Total Net Position	1,236	1,113	123	1,058	55

The net position of the Foundation increased \$126,527 between FY23 and FY24.

Restricted funds include both funds that have been designated and funds restricted by endowment agreements. The remaining funds are unrestricted.

Statement of Revenues, Expenses and Change in Net Position: College Funds

The next statement in the financial report is the Statement of Revenues, Expenses and Changes in Net Position (SRECNP). The SRECNP provides information about the College’s revenues and expenses to explain key changes in the College’s financial position.

The SRECNP displays both operating and non-operating revenues. WCCC’s operating revenues primarily are student revenues (tuition and fees) and government grants (primarily financial aid). Operating revenues have varied significantly over the past three years due to the allocation and drawdown of various COVID relief funds.

Non-operating revenues comprise state and local appropriations, investment income and capital funds. Capital funds are one-time funds and their allocation tends to lag as they are based on the reimbursement of expenses previously incurred.

The SRECNP expenses for College funds (excluding Foundation and pension/OPEB expenses) are shown on the next page. Note that expenses include depreciation, which is not an operating cost. Depreciation is recorded to indicate the potential aging of capital facilities (equipment, furniture and fixtures, building improvements and buildings). Also, expenses do not include funds that have been “capitalized,” meaning that they have been moved to capital assets.

Statement of Revenues, Expenses and Change in Net Position (College) (Rounded \$000)

	<u>FY24</u>	<u>FY23</u>	<u>Change</u>	<u>Change %</u>	<u>FY22</u>
<u>Operating Revenues</u>					
Student tuition and fees	2,325	2,499	(174)	-7.0%	2,511
Federal grants and contracts	1,182	2,148	(966)	-45.0%	4,297
State/ local grants and contracts	1,574	1,278	296	23.2%	929
Other	<u>240</u>	<u>245</u>	<u>(5)</u>	<u>-2.1%</u>	<u>227</u>
Total Operating Revenues	5,321	6,170	(849)	-13.8%	7,964
<u>Non-Operating Revenues</u>					
State appropriations	3,126	2,777	349	12.6%	2,647
State ABP	187	198	(11)	-5.5%	195
County Operating	2,530	2,481	50	2.0%	2,468
Capital	446	813	(367)	-45.1%	1,102
Misc./Investment Income	<u>460</u>	<u>316</u>	<u>144</u>	<u>45.5%</u>	<u>236</u>
Total Non-Operating Revenues	6,749	6,585	164	2.5%	6,648
Total Revenues	12,071	12,755	(685)	-5.4%	14,612
Total Expenses	12,600	12,497	103	0.8%	12,178
Change in Net Position	(530)	259			2,434

Operating Revenues

Total FY24 operating revenues were nearly \$850,000 lower than the prior year revenue. This represents a decline in federal grant revenues as the last of the COVID funds were realized in FY23. COVID funds had a major impact in FY22 and FY23 operating activities, supporting operating costs, HVAC improvements and student write-offs.

Tuition and Fees

The SRECNP displays tuition and fees by funding source. This means that tuition and fee charges paid by state and federal financial aid grant funds are categorized under state or federal grants. If a student receives financial aid to cover tuition and fees, the revenue is recorded as state or federal grant revenues, rather than tuition and fees.

The next display shows total (gross) tuition and fee revenues for the three years and indicates that the overall tuition and fees actually increased slightly during the last three years. Write-offs, which had been subsidized by the COVID funds returned to the pre-COVID levels in FY24. Non-credit programs were particularly hard-hit during the pandemic. However, as noted in FY24, the College pivoted to offering more customized training activities.

Total Tuition Revenue (Rounded in \$000)

	<u>FY24</u>	<u>FY23</u>	<u>Change</u>	<u>FY22</u>
Credit-Tuition and Fees	3,601	3,510	91	3,520
Non-Credit-Tuition and Fees	119	160	(41)	147
Customized Training	<u>122</u>	<u>47</u>	<u>75</u>	<u>14</u>
Subtotal	3,841	3,717	124	3,681
<i>Write-offs/Bad Debt</i>	<i>(84)</i>	<i>24</i>	<i>(108)</i>	<i>6</i>
Total	3,758	3,741	16	3,687

Other Operating Revenues

Federal grants and contracts reflect a net decrease of just under \$1 million. This reflects grant revenue post-COVID funding. FY23 federal funding included both COVID funds and the purchase of equipment from a three-year Congressional Appropriation for Precision Agriculture. The Precision Agriculture grant funds in FY24 represent continued salary support for the program for its second year. Also, in FY24, the College began a five-year grant for a new Title III program. This program was a start-up during the second half of FY24.

State grant and contracts increased by nearly \$300,000 reflecting funding through the Equipment Leasing fund and an increase in grant funds for the Abilities program. Both initiatives are continuing in FY25.

Other revenues primarily reflect rental income from the Phillipsburg Education Center.

Non-Operating Revenues

State and county appropriations, along with investment income, are classified as non-operating revenue. As a public county college, WCCC relies on these annual subsidies to meet its operating needs.

The ***County appropriation*** was just over \$2.5 million in FY24, a 2% increase for the College. This support includes \$200,000 to subsidize the College's dual enrollment program with the county's six high schools.

The ***State appropriation*** of \$3.1 million represents nearly a \$350,000 increase, related to a significant state appropriation increase for the County College sector. WCCC receives its share of funding in accordance with a sector funding formula, which includes both enrollment and outcomes data.

State Alternate Benefit Funding (ABP) is a reimbursement for state pension contributions for eligible employees. These reimbursements are based on actual pension payments made by the

College on behalf of its educational employees into the ABP program. The decrease in FY24 represents changes as a result of staffing turnover.

Miscellaneous revenue includes testing fees, miscellaneous facility rental income and investment income. The significant increase in this category reflects investment income received through the State’s Cash Management Fund.

Capital Income reflects the final draw down of funds through the Securing Our Children’s Future (SOCF) bond funds, which supported renovations for the Joseph Warren Robotics Research Center.

Operating Expenses by Functional Spending Categories

Expenses related to the operation of the College can be displayed by the functional categories unique to college and universities. The chart below shows expense by functional categories for FY22, FY23 and FY24. These expenses have been recorded after capitalization, which means that the capital expenses have been moved to capital assets. Note expense data does not include expenses related to GASB 68 (Pension) or GASB 75 (Other Post-Employment Benefits or OPEB) paid by the State of New Jersey. These are “book entries” and the funds do not pass through the College.

College Expenses by Functional Category (Rounded in \$000)

<u>Category</u>	<u>FY24</u>	<u>FY23</u>	<u>Change</u>	<u>% Change</u>	<u>FY22</u>
Instruction	4,132	4,106	25	0.6%	3,597
Institutional Support	2,316	2,110	206	9.7%	1,957
Public Service	554	539	15	2.7%	373
Academic Support	1,477	1,427	51	3.5%	1,319
Student Support	1,025	860	166	19.3%	1,012
Scholarships/Aid	179	703	(524)	(74.5%)	1,285
Physical Plant	1,432	1,304	129	9.9%	1,260
Capital Expense	161	124	37	29.8%	353
Depreciation/Deletions/Debt	<u>1,324</u>	<u>1,324</u>	<u>0</u>	<u>0.0%</u>	<u>1,022</u>
Total	12,600	12,497	103	0.8%	12,178

Although the overall expenses increased by less than 1%, there was significant variation in expenses from FY23 to FY24. The most significant change was in the category of **Scholarships/Aid**, which decreased by over \$500,000. The FY24 expenses were very similar to the pre-COVID expenses in this category. FY22 and FY23 reflected COVID funds released to students in those years.

The largest increase was in the category of **Institutional Support**. This reflected both the filling of positions as well as the use of consultants for grant writing assistance related to the Title III grant. **Student Services** similarly had a significant expense increase as the College began to

implement the Title III grant, which provides both advising and student support services. Increases in the category of **Physical Plant** primarily reflect increases in insurance, utility and contractual costs for cleaning and security. **Capital expenses** relate to professional engineering and design costs for one-time projects and a maintenance study that began in late spring, 2024.

Although there were smaller increases in the categories of **Instruction, Public Service** and **Academic Support**, there were expense realignments in these areas from FY23 to FY24. In the category of Instruction, there were one-time start-up supply expenses related to both Precision Agriculture and 3D printing that occurred in FY23. Staffing changes and vacancies also accounted for lower spending than budgeted for Instruction and Academic Support. Finally, there was a shift in Public Service from workforce training to customized training, reflecting market demand.

Expenses by Natural Spending Categories

Expenses also can be categorized by “natural” groupings that reflect spending type. These expenses for College funds (excluding State Pension Funds and the Foundation) are shown below. This perhaps more clearly shows the impact of expense changes in FY24.

Expenses by Natural Category (Rounded \$000)

<u>Category</u>	<u>FY24</u>	<u>FY23</u>	<u>Change</u>	<u>Change %</u>	<u>FY22</u>
Employee Salaries	5,299	5,040	258	5.1%	4,552
Employee Fringe Benefits	<u>1,739</u>	<u>1,681</u>	<u>58</u>	3.5%	<u>1,529</u>
Employee Salaries & Benefits	7,038	6,721	317	4.7%	6,081
Non-Salaries					
<i>Materials and Supplies</i>	803	880	-76	-8.7%	710
<i>Services</i>	1,062	794	268	33.7%	690
<i>Computing Expenses</i>	878	954	-76	-8.0%	854
<i>Utilities/Ins./Maintenance.</i>	1,146	1,017	129	12.7%	1,014
<i>Scholarships</i>	<u>208</u>	<u>740</u>	<u>-532</u>	<u>-71.8%</u>	<u>1,456</u>
Subtotal, Non-Salaries	4,098	4,385	-287	-6.6%	4,724
Total, Operating Expenses	11,136	11,106	29	0.3%	10,806
Capital/Depreciation	1,465	1,391	74	5.3%	1,373
Total Expenses	12,600	12,497	103	0.8%	12,178

Reviewing the expenses by shows a different view of expense changes. The main categories of expense increases **Employee Salaries** and **Services**. The former reflects both salary increases and the filling of vacant positions and grant positions. The latter reflects services related to one-time grant writing costs and an increase in the state Abilities grant to support young adults with significant learning disabilities.

Utilities/Ins/Maintenance expenses rose, reflecting cost increases as noted in the prior section under Physical Plant. **Employee Fringe Benefits** increased at a slower pace than salaries, in part because of the lag time of activating benefits for new employees.

Scholarship support declined as the final COVID funds were exhausted in FY23. These expenses are back to their pre-COVID level. The decreases in Materials and Supplies actually reflects one-time supply expenses related to setting up the 3D printing lab and the Precision Agriculture Program. Similarly, **Computer expenses** declined because of one-time expenses made in cloud services in FY23. A significant portion of computing expenses were capitalized in FY24 (active learning classrooms and computers), so these expenses are reflected under assets and their use is recorded under depreciation.

Of the three years highlighted in this section, FY24 reflected a more standard operating year, the first since COVID began in FY20. The College did not have any significant emergency or unplanned capital expenses.²

Statement of Revenues and Expenses: WCCC Foundation

Revenues and expenses for the WCCC Foundation, a component unit within the College's financial statements, are shown below.

Statement of Revenues, Expenses and Change in Net Position (Foundation) (Rounded \$000)

	<u>FY24</u>	<u>FY23</u>	<u>Change</u>	<u>FY22</u>
Foundation Revenues				
Fundraising	97	50	47	60
Other	<u>97</u>	<u>66</u>	<u>31</u>	<u>(135)</u>
Total Revenues	194	116	78	(75)
Foundation Expenses	70	61	9	765
Increase/(Decrease)	124	55	69	(840)

² By statute, WCCC is required to report annually on legal expenses and on any expenses for public relations firms. In FY24, legal expenses were \$37,393 while public relations firm expenses were \$19,650. In addition, the College paid \$66,000 in FY24 for Federal Legislation Monitoring and Development.

Statement of Cash Flows

The third financial statement included in the audit is the Statement of Cash Flows. This statement documents the actual outlay and receipt of cash and cash equivalents of the College and reconciles the decreases in cash in accordance with GASB reporting. As this schedule notes, the overall cash position was \$8,550,662 at the close of FY24. This is an increase from the cash position of \$8,205,712 million at the end of FY23.

The College's cash position as of June 30, 2024 was \$8.4 million, an increase of \$308 thousand from the FY23 level. Most of this increase represents the reimbursement from federal COVID grants for revenue loss as discussed in previous sections.

The Foundation's cash and cash equivalents position stood at \$124,142. This is an increase from the \$87,459 cash balance at the end of FY23. The increase represents cash donations to support new projects.

Long-Term (State) Liabilities

As noted previously, while two Governmental Accounting Standards Board (GASB) pronouncements requires entities to report the net pension liability for their employees along with Other Post Employment Benefits (OPEB), these these expenses are not the responsibility of the College.

In New Jersey, certain employees participate in the PERS pension system, which is a defined benefit plan. The New Jersey Division of Pensions has provided actuarial estimates, which show that the net pension liability for current WCCC employees and retirees. Eligible retirees receive OPEB benefits through PERS. Eligible Retirees through the Alternate Benefits Program (a defined contribution plan) receive OPEB benefits through an annual appropriation in the State budget. The NJ actuarial estimates for these costs are also shown in the financial statements.

The impact of these liabilities are shown on the financial statements along with the related deferred inflows and outflows. Pension and OPEB liabilities were \$2,736,510 and \$8,890,039 respectively in FY24. They are not recorded in the College's accounting system and are shown for GASB requirements only.

Future Developments

The final component of the MD & A is a discussion of future developments. This section is intended to focus on prospective issues that may affect the College's financial position in future years. There are several items will may have a major impact on WCCC over the next year.

The third financial statement included in the audit is the Statement of Cash Flows. This statement documents the actual outlay and receipt of cash and cash equivalents of the College and reconciles the decrease in cash in accordance with GASB reporting. As this schedule notes, the overall cash position was \$8.5 at the close of FY24. This is an increase from the cash position of \$8.2 million at the end of FY23.

The College's cash position as of June 30, 2024 was \$8.4 million, just over \$300,000 above the FY23 level of \$8.1 million. The Foundation's FY24 cash position was \$124,142 this represents a \$36,683 increase over the FY23 level.

Future Developments

The final component of the MD & A is a discussion of future developments. This section is intended to focus on prospective issues that may affect the College's financial position in future years. There are several items that WCCC will continue to focus on in the coming year.

State Fiscal Accountability Legislation

In early July 2023, the Governor signed Senate 3406, new fiscal accountability legislation that impacts all public colleges in New Jersey. This law provides additional financial oversight requirements of colleges and universities, including the submission of various data to the Office of the Secretary of Higher Education (OSHE). Initial monitoring data were submitted to OSHE in spring 2024 and institutions were categorized in one of four categories from "Least Risk" to "Most Risk." WCCC received a rating of "Least Risk" and was not required to submit additional information.

Managing Enrollment Challenges

Colleges and universities throughout the Northeast continue to face enrollment challenges related to the demographic reduction of college age students. In addition, negative media reports about higher education, have caused skepticism about the value of a higher education in the post-COVID era. WCCC has been more fortunate than many institutions. Although fall and spring enrollment figures have varied, on an FTE basis, the College's non-dual enrollment (referred to as the UG enrollment) has remained remarkably steady over the past four years. Nevertheless, WCCC is cognizant of issues with enrollment reduction. It has tried to combat this through an aggressive dual enrollment program that also encourages students to complete their two-year degree at Warren, along with more sophisticated outreach to local high schools. This has been especially successful with the UAS programs, where in person demonstration activities have helped increase the program enrollment from a handful of enrollees to over 46 matriculated students over the last few years.

WCCC is an open enrollment institution and therefore cannot necessarily control demand for its services. However, it can ensure that it delivers educational services on a cost-effective basis. WCCC continues to explore options to improve the rollout and sequencing of offerings, so that class size is optimized and the schedule of classes works best for student needs and degree progression. In addition, the College has put several programs with low enrollment on moratorium and offered new offerings to attract students. These efforts have resulted in increased cost effectiveness in the academic division, which helps WCCC maintain a strong financial position.

Grant Opportunities

WCCC has been fortunate to have successfully received external federal and state funding to meet the needs of the college activities. These grants have allowed us to expand efforts in precision agriculture, student support needs and technology equipment.

In late Summer 2022, the College was awarded a \$750,000 Congressional Appropriations grant for Precision Agriculture. This program uses high tech drone equipment to assist regional farmers with surveying and monitoring their crops. This grant will continue through FY25, supporting salary and equipment expenses for the Precision Agriculture Program. In Summer 2024, the College was awarded a \$699,000 grant phase II of the Precision Agricultural program. This includes additional equipment funds to support the program as well as expanded salary support for an additional staff member in the program.

WCCC was awarded \$782,815 in Equipment Leasing fund grant funding for installation of upgraded classroom “smartboard” equipment, computers for instructional labs and the library and upgrades for the college’s server room. Half of this equipment was procured in FY24 and installed in Summer 2024.

Finally, in fall 2023, the College was notified that it received \$2.25 million over five years from Title III funds to support enhanced student support activities. FY24 was the start-up year for the program. The grant will support four positions to assist in this effort, along with additional professional development.

Reaccreditation

WCCC has begun the process of preparing for its next re-accreditation that will occur during the 2026-27 academic year. This requires the College to prepare a Self-Study document with appendices for the Middle States Commission on Higher Education (MSSCHE). College staff participated in a Self-Study institute in early Fall 2024 to provide an overview of the process. WCCC has established the structure for its Self-Study and will submit a design document for approval in Spring 2025.

WARREN COUNTY COMMUNITY COLLEGE
STATEMENT OF NET POSITION
JUNE 30, 2024 AND 2023

	2024	2023
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 8,522,911	\$ 8,177,401
Investments	1,003,352	913,508
Real estate held for sale	112,000	112,000
Restricted cash and cash equivalents	27,751	28,311
Receivables:		
Student accounts receivable (less allowance for doubtful accounts of \$1,064,743 for 2024 and \$979,921 for 2023)	169,704	165,744
Third-party receivables	270,273	166,621
Leases Receivable	534,936	678,834
Prepaid expenses	30,015	28,703
Total Current Assets	10,670,942	10,271,122
Noncurrent Assets:		
Capital Assets:		
Depreciable Buildings and Building Improvements and Furniture, Machinery and Equipment	18,712,275	19,320,038
Total Noncurrent Assets	18,712,275	19,320,038
TOTAL ASSETS	29,383,217	29,591,160
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Related to Pensions	521,737	646,289
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts payable	1,351,609	986,365
Compensated absences payable - current portion	166,933	163,733
Unearned revenue	47,767	41,393
Total Current Liabilities	1,566,309	1,191,491
Non-Current Liabilities:		
Compensated absences payable - long term portion	112,000	112,000
Net pension liability	2,736,510	2,822,746
Non-Current Liabilities	2,848,510	2,934,746
TOTAL LIABILITIES	4,414,819	4,126,237
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Lease Resources	534,936	678,834
Related to Pensions	290,634	724,804
	825,570	1,403,638
<u>NET POSITION</u>		
Investment in capital assets	18,712,275	19,320,038
Restricted	691,220	635,639
Unrestricted	5,261,070	4,751,897
TOTAL NET POSITION	\$ 24,664,565	\$ 24,707,574

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT

WARREN COUNTY COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Operating Revenue:		
Student Tuition and Fees (Net of Scholarship Allowances of \$178,822 and \$702,609)	\$ 2,145,918	\$ 1,796,617
Federal Grants and Contracts	1,182,176	2,147,982
State and Local Grants and Contracts	2,214,285	1,953,601
Foundation Revenue - Gain/(Loss)	193,765	115,665
Other	240,278	245,436
	<u>5,976,422</u>	<u>6,259,301</u>
Operating Expenses:		
Instruction	4,131,698	4,106,340
Institutional Support	2,593,149	2,174,282
Public Service	553,762	539,175
Academic Support	1,477,123	1,426,535
Operation and Maintenance of Plant	1,432,471	1,303,922
Student Support	1,025,403	859,673
Capital Expenses	165,294	124,139
Foundation Expenses	70,086	60,670
Depreciation	1,319,772	1,324,174
	<u>12,768,758</u>	<u>11,918,910</u>
Operating Loss	<u>(6,792,336)</u>	<u>(5,659,609)</u>
Nonoperating Revenue:		
State Appropriations	3,126,282	2,777,311
State Alternate Benefits Plan	187,062	197,880
County Appropriations	2,530,133	2,480,523
Other	134,361	139,552
Investment Income	325,214	176,361
	<u>6,303,052</u>	<u>5,771,627</u>
Income/ (Loss) Before Capital Contributions	<u>(489,284)</u>	<u>112,018</u>
Capital Contributions	<u>446,275</u>	<u>813,267</u>
Total Capital Contributions	<u>446,275</u>	<u>813,267</u>
Change in Net Position	(43,009)	925,285
Net Position- Beginning of Year	<u>24,707,574</u>	<u>23,782,289</u>
Net Position - End of Year	<u>\$ 24,664,565</u>	<u>\$ 24,707,574</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT

WARREN COUNTY COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Students for Tuition and Fees	\$ 3,936,362	\$ 4,443,730
Grants and Contracts Received	1,664,989	2,155,032
Payments to Suppliers	(4,452,632)	(5,938,754)
Payment for Employee Salaries and Benefits	(7,030,947)	(6,717,713)
Other Receipts	279,704	297,694
Net Cash (Used for) Operating Activities	(5,602,524)	(5,760,011)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash Received from Capital Contributions	446,275	813,267
Cash Received from State Appropriations	3,126,282	2,777,311
Cash Received from State Appropriations - Alternate Benefits Plan	187,062	197,880
Cash Received from County Appropriations	2,530,133	2,480,523
Cash Received from Other Non-Operating Activities	134,361	139,552
Net Cash Provided by Noncapital Financing Activities	6,424,113	6,408,533
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Capital Assets	(712,009)	(710,771)
Net Cash (Used for) Capital and Related Financing Activities	(712,009)	(710,771)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income	325,214	176,361
Interest and Dividends - Reinvested	(26,245)	(21,623)
Unrealized Gains/Losses	(63,599)	(40,589)
Net Cash Provided by/(Used for) Investing Activities	235,370	114,149
Net Increase in Cash and Cash Equivalents	344,950	51,900
Cash and Cash Equivalents - Beginning of Year	8,205,712	8,153,812
Cash and Cash Equivalents - End of Year	\$ 8,550,662	\$ 8,205,712
Reconciliation of operating loss to net cash		
(used for) operating activities:		
Operating Loss	\$ (6,792,336)	\$ (5,659,609)
Adjustment to reconcile operating loss to net cash used for operating activities:		
Depreciation	1,319,772	1,324,174
Changes in assets and liabilities:		
(Increase)/Decrease in Student accounts receivable	(3,960)	(66,501)
(Increase)/Decrease in Third-party receivables	(103,652)	586,965
(Increase)/Decrease in Prepaid expenses	(1,312)	(17,932)
(Increase)/Decrease in Leases receivable	143,898	146,775
(Increase)/Decrease in Deferred Outflows of Resources	124,552	(32,083)
Increase/(Decrease) in Accounts payable	365,244	(1,179,450)
Increase/(Decrease) in Scholarships payable		(1,246)
Increase/(Decrease) in Accrued compensated absences payable	3,200	(1,308)
Increase/(Decrease) in Unearned revenue	6,374	(116,837)
Increase/(Decrease) in Non current liabilities	(86,236)	493,921
Increase/(Decrease) in Deferred Inflows of Resources	(578,068)	(1,236,880)
Net Cash (Used for) Operating Activities	\$ (5,602,524)	\$ (5,760,011)

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT

WARREN COUNTY COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2024

Note 1: Organization and Summary of Significant Accounting Policies

The Warren County Community College (the “College”) and its component units’ financial statements are based on all applicable Governmental Accounting Standards Board (GASB) procurements. The following is a summary of the more significant policies.

Basis of Accounting

The Warren County Community College’s financial statements are based on all applicable Governmental Accounting Standards Board (GASB) pronouncements.

The College makes a distinction between operating and non-operating revenues and expenses. The College’s policy for defining operating activities as reported on the Statement of Revenues, Expenses and Changes in Net Position are those that generally result from exchange transactions such as payments received for providing services and payments made for services or goods received. Nearly all of the College’s expenses are from exchange transactions. Certain significant revenue streams relied upon for operations are recorded as non-operating revenues, as defined by GASB including state and county appropriations as well as investment income. Restricted resources are spent and tracked at the discretion of the College within the guidelines of donor restrictions, if any.

Reporting Entity

Governmental Accounting Standards Board (“GASB”) Codification Section 2100, “Defining the Financial Reporting Entity” establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the governing body of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization’s governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Accordingly, the Warren County Community College is a component unit of the County of Warren.

WARREN COUNTY COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

The Warren County College 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 appoints a voting majority of the Foundation's board. All financial resources of the Foundation are held for the direct benefit of the College or its constituents and the College has the ability to 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 College have been prepared using the total economic resources measurement focus and the accrual basis of accounting, and conform to generally accepted accounting principles in the United States of America as applicable to colleges and universities. For financial reporting purposes, the College utilizes the business-type activities model.

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 position may be available to finance the program. It is the College's policy to first apply cost-reimbursement grants and other restricted resources to such programs, followed by general revenue.

Fund Accounting

In order 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 in order 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, contract and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation.

The College accounts for its financial transactions through the following separate funds:

Operating Fund – to account for funds which are expendable for any purpose in performing the primary objectives of the College, including tuition and student fees funds.

WARREN COUNTY COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

Restricted Fund – to account for those funds expendable for operating purposes, but restricted by donors and other outside agencies, as to the specific purposes for which they may be expended.

Accounts included in the Restricted Funds are:

College Funds – to account for state and local grant revenue and expenses as well as student club activities.

Foundation Funds – to account for revenue and expenses of funds for the Warren County Community College Foundation.

Plant Fund – to account for funds expended for property and equipment.

Net Position:

Net position represents the difference between assets, deferred inflows and outflows, and liabilities. Investment in capital assets consists of capital assets, net of accumulated depreciation, and subscription assets, net of accumulated amortization 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 creditors, grantors, or laws or regulations of other governments. 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.

Compensated Absences:

The College accounts for compensated absences (e.g., unused vacation, 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. Employees can accrue up to a one-year allocation of vacation leave. 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, faculty who have worked at the College for 10 or more years shall be paid by the College for up to \$8,000 in unused sick leave in accordance with their contract. The College has established a long-term liability equivalent to the number of faculty with 10 or more years of service.

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.

Inventory

The College had no inventory at June 30, 2024 or 2023.

Income Taxes

The College, as an instrumentality of the State of New Jersey and therefore a governmental entity, has determined itself to be a tax-exempt organization and not subject to either federal or state income taxes. The Warren County Community College Foundation, as a 501(c)(3) organization, also is not subject to taxes.

WARREN COUNTY COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

Allowance for Uncollectible Accounts:

The College had an allowance for uncollectible accounts of \$1,064,743 and \$979,921 at June 30, 2024 and 2023, respectively. The allowance for uncollectible accounts consists of all items that are currently 365 days or more overdue as well as 80% of the receivables over 120 days based on an analysis of aging receivable and historical data.

Deferred Outflows and Deferred Inflows of Resources for Pensions:

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.

Pensions:

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

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.

Lease Receivables

Lease receivables are recognized at the net present value of the leased assets at a borrowing rate either explicitly described in the agreement or implicitly determined by the College, reduced by principal payments received.

WARREN COUNTY COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

Subscription Assets

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets is determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

Subscription Payable

In the district-wide financial statements, subscription payables are reported as liabilities in the Statement of Net Position. In the financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

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.

The College generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The College categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Investments are presented in the financial statements in the aggregate at fair value based on quoted market prices. The College's investments for the years ended June 30, 2024 and 2023 consisted of investments with the New Jersey Cash Management Fund.

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 formal cash management plan, the College ensures that any deposit or investment matures within the time 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.

Credit Risk – The College limits its investments to those authorized in its formal cash management plan which are those permitted under state statute as detailed on the following pages.

Custodial Credit Risk – The College does not have a formal policy with respect to custodial credit risk. However, the College ensures that College funds are only deposited in financial institutions in which NJ Colleges are permitted to invest their funds.

WARREN COUNTY COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

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 market 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 market value equal to 100% of the amount exceeding 75%.

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

Cash and cash equivalents of the College as of June 30, 2024 consisted of the following:

	College	Foundation	Total
Cash, Checking and Cash Equivalents	\$ 2,113,415	\$ 124,142	\$ 2,237,557
New Jersey Cash Management Fund	6,313,105		6,313,105
	\$ 8,426,520	\$ 124,142	\$ 8,550,662

Cash and cash equivalents of the College as of June 30, 2023 consisted of the following:

	College	Foundation	Total
Cash, Checking and Cash Equivalents	\$ 2,130,362	\$ 87,459	\$ 2,217,821
New Jersey Cash Management Fund	5,987,891		5,987,891
	\$ 8,118,253	\$ 87,459	\$ 8,205,712

The carrying amount of the College's cash and cash equivalents at cost at June 30, 2024 was \$8,550,662 and the bank balance was \$8,640,136. The \$6,313,105 with the New Jersey Cash Management Fund was uninsured and unregistered. The carrying amount of the College's cash and cash equivalents at cost at June 30, 2023 was \$8,205,712 and the bank balance was \$8,268,682. The \$5,987,891 with the New Jersey Cash Management Fund was uninsured and unregistered.

Investments

New Jersey statutes permit 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;

WARREN COUNTY COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

Investments (Cont'd)

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, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
5. Local government investment pools;
6. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
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, mutual funds, and obligations of the United States Government. The credit quality rating for the Common Fund high equity bond investment is AA+.

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

	2024	2023
Balance July 1	\$ 913,508	\$ 851,296
Investment activity:		
Realized gain/(loss) on investments	\$ 63,599	\$ 40,589
Dividend and Interest Income	26,245	21,623
	89,844	62,212
Balance June 30	\$ 1,003,352	\$ 913,508

WARREN COUNTY COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

Investments (Cont'd)

Investments consisted of the following:

	June 30, 2024		June 30, 2023	
	Cost Value	Fair Value	Cost Value	Fair Value
Mutual Funds	\$ 604,887	\$ 1,003,352	\$ 604,887	\$ 913,508
	\$ 604,887	\$ 1,003,352	\$ 604,887	\$ 913,508

Note 3: Student Accounts Receivable

Unpaid student accounts are included in the student accounts receivable, and students are notified of payments due to the College. No provision for delinquent penalty interest is provided. Fees charged by these agents ranged from 25% to 35% of the amount collected.

As of June 30, 2024 and 2023, accounts receivable from students amounted to \$1,234,447 and \$1,145,665, respectively, excluding the allowance for doubtful accounts in the amount of \$1,064,743 for the fiscal year ending 2024 and \$979,921 in 2023. The allowance for doubtful accounts recorded for the fiscal year ended 2024 amounted to \$1,064,743 as a result of the following provision rates applied to the receivable balance per receivable aging category.

Age in Days	Provision Rate
121-365	80%
365 and over	100%

The College’s policy is to write off any student accounts that have been outstanding for more than three years.

Note 4: Third-Party Receivables

As of June 30, 2024 and 2023, the College had third party-receivables in the amounts of \$270,273 and \$166,621, respectively.

Note 5: Prepaid Expenses

Prepaid expenses at June 30, 2024 and 2023 total \$30,015 and \$28,703, respectively, and include a number of small pre-payments for warranties, copier fees, and computer licenses. Prepaid expenses represent that portion of items paid or accrued which will be charged to operations over time.

Note 6: 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.

WARREN COUNTY COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Note 6: Capital Assets (Cont'd)

Major outlays for capital assets and improvements are capitalized as projects are constructed. The County of Warren is responsible for the issuance of bonds and notes for the College's capital expenditures which are financed by bond ordinances. The County is also responsible for the payment of interest on issued bonded debt and the retirement of such obligations. Accordingly, this debt is reported in the financial statements of the County of Warren. Real estate held for sale is recorded at acquisition value. Capital assets were reviewed for impairment.

Capital assets are recorded at cost and consisted of the following, as of June 30, 2024 and 2023:

	Beginning Balance 1/1/2024	Additions	Adjustments/ Deletions	Ending Balance 12/31/2024
Capital Assets Being Depreciated:				
Building	\$ 23,454,990			\$ 23,454,990
Building Improvements	5,700,117	\$ 189,890		5,890,007
Furniture and Fixtures	1,931,083			1,931,083
Computer and Equipment	3,514,493	522,119	\$ (110,133)	3,926,479
	<u>34,600,683</u>	<u>712,009</u>	<u>(110,133)</u>	<u>35,202,559</u>
Less Accumulated Depreciation for:				
Building	(9,367,442)	(469,027)		(9,836,469)
Building Improvements	(2,221,022)	(412,787)		(2,633,809)
Furniture and Fixtures	(1,604,893)	(76,214)		(1,681,107)
Computer and Equipment	(2,087,288)	(361,744)	110,133	(2,338,899)
	<u>(15,280,645)</u>	<u>(1,319,772)</u>	<u>110,133</u>	<u>(16,490,284)</u>
Capital Assets, Net of Accumulated Depreciation	<u>\$ 19,320,038</u>	<u>\$ (607,763)</u>	<u>\$ -0-</u>	<u>\$ 18,712,275</u>
	Beginning Balance 1/1/2023	Additions	Adjustments/ Deletions	Ending Balance 12/31/2023
Capital Assets Being Depreciated:				
Building	\$ 23,454,990			\$ 23,454,990
Building Improvements	5,535,131	\$ 164,986		5,700,117
Furniture and Fixtures	1,817,786	113,297		1,931,083
Computer and Equipment	3,447,539	432,488	\$ (365,534)	3,514,493
	<u>34,255,446</u>	<u>710,771</u>	<u>(365,534)</u>	<u>34,600,683</u>
Less Accumulated Depreciation for:				
Building	(8,898,415)	(469,027)		(9,367,442)
Building Improvements	(1,807,291)	(413,731)		(2,221,022)
Furniture and Fixtures	(1,534,715)	(70,178)		(1,604,893)
Computer and Equipment	(2,081,584)	(371,238)	365,534	(2,087,288)
	<u>(14,322,005)</u>	<u>(1,324,174)</u>	<u>365,534</u>	<u>(15,280,645)</u>
Capital Assets, Net of Accumulated Depreciation	<u>\$ 19,933,441</u>	<u>\$ (613,403)</u>	<u>\$ -0-</u>	<u>\$ 19,320,038</u>

WARREN COUNTY COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Note 6: Capital Assets (Cont'd)

The College did not have active construction projects as of June 30, 2024.

Depreciation is recognized on a straight-line basis over the estimated useful life of the asset as follows:

<u>Classification</u>	<u>Life</u>
Buildings	50 years
Building Improvements	15 years
Furniture and Fixtures	7 years
Computers and Equipment	4 years

Note 7: Long-term Liabilities

The College’s long-term liabilities consist of unused sick leave that is paid upon retirement, and net pension liability. The following table presents the long term liabilities for the fiscal years ended June 30, 2024 and 2023:

	June 30,	
	2024	2023
Compensated Absences Payable - Current Portion	\$ 166,933	\$ 163,733
Compensated Absences - Long Term Portion	112,000	112,000
Net Pension Liability	<u>2,736,510</u>	<u>2,822,746</u>
	<u>\$ 3,015,443</u>	<u>\$ 3,098,479</u>

The only post-retirement benefit offered through the College is a sick leave payout of up to \$8,000 for faculty members meeting criteria contained within the faculty contract, including one year’s advance notice of retirement. The Public Employee’s Retirement System (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the Unrestricted Fund. The current portion of the net pension liability at June 30, 2024 is \$-0- and the long term portion is \$2,736,510. See Note 8 for further information on the PERS.

Note 8: Pension Plans

Substantially all of the College’s employees participate in either the Public Employee’s Retirement System (PERS) of New Jersey; or the New Jersey Alternate Benefit Program (ABP).

A. Public Employees’ Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees’ Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division’s annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

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:

WARREN COUNTY COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Note 8: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Benefits Provided (Cont'd)

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

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. College contributions to PERS amounted to \$252,508 for fiscal year 2024. During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$8,534 to the PERS for normal pension benefits on behalf of the College.

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

WARREN COUNTY COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Note 8: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Special Funding Situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statement of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense as well as revenue associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

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

At June 30, 2024, the College reported a liability of \$2,736,510 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. 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 members, actuarially determined. At June 30, 2023, the College's proportion was .0019%, which was an increase of .0001% from its proportion measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the College recognized an actual pension benefit of \$110,314. Additionally, for the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of \$8,534 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements. At June 30, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

WARREN COUNTY COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Note 8: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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

	<u>Year</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2019	5.21		\$ 14,864
	2020	5.16		135,254
	2021	5.13	\$ 6,012	
	2022	5.04		15,726
				<u>6,012</u>
Difference Between Expected and Actual Experience	2019	5.21	1,137	
	2020	5.16	7,535	
	2021	5.13		4,781
	2022	5.04		6,405
	2023	5.08	17,493	
			<u>26,165</u>	<u>11,186</u>
Changes in Proportion	2019	5.21		4,155
	2020	5.16	9,214	
	2021	5.13	156,975	
	2022	5.04		109,449
	2023	5.08	25,229	
			<u>191,418</u>	<u>113,604</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2020	5.00	42,378	
	2021	5.00	(352,439)	
	2022	5.00	419,317	
	2023	5.00	(96,654)	
			<u>12,602</u>	
Contribution Subsequent to the Measurement Date	2023	1.00	285,540	
			<u>\$ 521,737</u>	<u>\$ 290,634</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts excluding changes in proportion and the contribution subsequent to measurement date) related to pensions will be recognized in the pension benefit as follows:

WARREN COUNTY COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Note 8: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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

Fiscal Year Ending June 30,	Total
2024	\$ (119,247)
2025	(61,597)
2026	125,553
2027	(13,490)
2028	836
	\$ (67,946)

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. This 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 a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

WARREN COUNTY COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Note 8: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected_returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2023 are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 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.

WARREN COUNTY COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Note 8: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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

The following presents the College's proportionate share of the collective net pension liability as of June 30, 2023 calculated using the discount rate as disclosed below, 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-percentage-point lower or 1-percentage point higher than the current rate:

	June 30, 2023		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
College's proportionate share of the Net Pension Liability	\$ 3,562,354	\$ 2,736,510	\$ 2,033,608

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Alternate Benefit Program (ABP)

Plan Description

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.). The ABP provides retirement, life insurance, long-term disability coverage, and medical benefits to qualified members.

Contributions

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.

WARREN COUNTY COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Note 8: Pension Plans (Cont'd)

B. Alternate Benefit Program (ABP) (Cont'd)

Contributions (Cont'd)

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

AXA Financial (Equitable)
Prudential
Voya Financial Services
Teacher's Insurance and Annuity Association/College Retirement Equities Fund
(TIAA/CREF)
MassMutual Retirement Services
VALIC
Metlife

During the fiscal year end June 30, 2024 employee contributions to the plan were \$140,801 and College contributions were \$225,281. The State of New Jersey reimbursed the College a total of \$187,062 for eligible employees.

Note 9: Unearned Revenue

Unearned revenue consists of the unearned portion of tuition and fees for courses offered during the summer and fall, as well as advanced funding for summer courses. Tuition received for courses is recognized as tuition revenue based on the class start date. As of June 30, 2024 and 2023, unearned revenue is a total of \$47,767 and \$41,393, respectively.

Note 10: 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 11: Risk Management

The College maintains commercial insurance coverage for property, liability, student accident and surety bonds. The College is a member of a joint insurance Pool for workers' compensation. Health benefits are provided to employees through the State of New Jersey Health Benefits Plan.

The College is a member of the New Jersey Community College Insurance Pool Worker's Compensation Fund (the "Pool"). The Pool provides the College with workers' compensation insurance. The Pool is a risk-sharing public entity risk pool that is both an insured and self-administered group of school Colleges established for the purpose of providing low-cost insurance coverage for its members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective College for the purpose of creating a governing body from which officers for the Pool are elected.

WARREN COUNTY COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Note 11: Risk Management (Cont'd)

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 at December 31, 2024 and 2023 is as follows:

	New Jersey Community College Insurance Pool Worker's Compensation Fund	
	2024	2023
Total Assets	\$ 12,260,669	\$ 11,849,566
Net Position	\$ 7,878,112	\$ 7,374,069
Operating Revenue	\$ 2,151,053	\$ 2,327,417
Total Expenses and Adjustments	\$ 1,647,010	\$ 1,860,589
Nonoperating Revenue	\$ -0-	\$ -0-
Change in Net Position	\$ 504,043	\$ 466,828
Member Dividends	\$ -0-	\$ -0-

Financial statements for the Pool are available at the Pool's Executive Director's Office:

New Jersey Community College Insurance Pool
PO Box B
Trenton, NJ 08690

Note 12: 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 would not have a material adverse effect on the financial position or operations of the College.

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 expenses 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 expenses.

WARREN COUNTY COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Note 13: Accounts Payable

The College’s accounts payable as of June 30 consists of:

	2024	2023
Accounts Payable, including accruals	\$ 777,909	\$ 463,397
Contribution Subsequent to Measurement Date - Pensions	285,540	252,508
Payroll Liabilities	288,160	270,460
	\$ 1,351,609	\$ 986,365

Note 14: Restricted Net Position

There was restricted net position of \$691,220 and \$635,639 as of June 30, 2024 and June 30, 2023, respectively. The restricted net position of the College is for student group funds. The donor restricted net position of the Foundation is for temporary and permanently restricted awards.

Note 15: Related Party Transactions

Related party transactions with the Entity below is provided to comply with the *Financial Responsibility, Administrative Capability, Certification Procedures, Ability To Benefit* regulation promulgated by the U.S. Department of Education.

During the fiscal years ended June 30, 2024 and 2023, the College recognized \$2,530,133 and \$2,480,522, respectively in operating aid from the County of Warren.

Note 16: Unrestricted Net Position

The total Unrestricted Net Position at June 30, 2024 and 2023, was \$5,261,070 and \$4,751,897 respectively. The increase in the Unrestricted Net Position exists primarily due to change in the net pension liability, and deferred inflows and outflows from pensions of \$2,790,947 in 2024. This does not reflect that the College is in financial hardship and is a permitted practice under Generally Accepted Accounting Principles.

Net Position without GASB 68	\$ 8,052,017	
GASB 68 - Pensions and Deferred Inflows/Outflows	(2,790,947)	
Net Position	\$ 5,261,070	

Of the total Unrestricted Net Position, the following have been designated by the Board of Trustees as of June 30, 2024 and 2023:

	2024	2023
Designated for Future Projects	\$ 442,466	\$ 815,545
Designated for Building Projects	3,081,521	3,182,320
Designated for Subsequent Fiscal Year	2,508,477	2,226,046
	\$ 6,032,464	\$ 6,223,911

WARREN COUNTY COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Note 17: Post-Employment Benefits Other Than Pensions (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

The College is in a “special funding situation”, as described in GASB Codification Section P50, 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 Employees 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 No. 75, *Accounting and Financial Reporting for the 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 nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits is the responsibility of the individual education employers.

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division’s annual financial statements can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

WARREN COUNTY COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Note 17: Post-Employment Benefits Other Than Pensions (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Employees Covered by Benefit Terms

At June 30, 2022, the plan membership consisted of the following:

Retiree Plan Members and Spouses or Retirees Currently Receiving Benefit Payments	152,383
Active Plan Members	217,212
Total	369,595

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023.

Actuarial Assumptions and Other Inputs

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

	TPAF/ABP	PERS	PFRS
Salary Increases:	2.75 - 4.25%	2.75 - 6.55%	3.25 - 16.25%
	based on years of service	based on years of service	based on years of service

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of actuarial experience studies prepared for July 1, 2018 – June 30, 2021.

100% of active employees are considered to participate in the Plan upon retirement.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), and “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale 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.

WARREN COUNTY COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Note 17: Post-Employment Benefits Other Than Pensions (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Mortality Rates (Cont'd)

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.5% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven 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 3.65%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. 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.

Changes in the State’s Proportionate Share of the Total OPEB Liability Associated with the College

	Total OPEB Liability
Balance at June 30, 2022	\$ 8,785,022
Changes for Year:	
Service Cost	418,134
Interest on the Total OPEB Liability	313,096
Change in Benefit Terms	
Changes of Assumptions	17,919
Differences between Expected and Actual Experience	(408,092)
Gross Benefit Payments by the State	(244,064)
Contributions from Members	8,024
Net Changes	105,017
Balance at June 30, 2023	\$ 8,890,039

WARREN COUNTY COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Note 17: Post-Employment Benefits Other Than Pensions (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the College to Changes in the Discount Rate

The following presents the total nonemployer OPEB Liability attributable to the College as of June 30, 2023, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer 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, 2023		
	At 1% Decrease (2.65%)	At Discount Rate (3.65%)	At 1% Increase (4.65%)
Total OPEB Liability Attributable to the College	\$ 10,422,045	\$ 8,890,039	\$ 7,660,016

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the College to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the College as of June 30, 2023, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer 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, 2023		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the College	\$ 7,380,103	\$ 8,890,039	\$ 10,865,794

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 \$640,211 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 Codification Section P50, in which there is a special funding situation.

WARREN COUNTY COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Note 17: Post-Employment Benefits Other Than Pensions (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

In accordance with GASB Codification Section P50, as the College’s proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2023 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the College from the following sources:

	<u>Deferral</u> <u>Year</u>	<u>Period</u> <u>in Years</u>	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Changes in Assumptions	2017	9.54		\$ 320,342
	2018	9.51		331,582
	2019	9.29	\$ 48,781	
	2020	9.24	1,192,614	
	2021	9.24	6,788	
	2022	9.13		1,801,409
	2023	9.30	15,992	
			<u>1,264,175</u>	<u>2,453,333</u>
Differences between Expected and Actual Experience	2018	9.51		313,449
	2019	9.29		574,155
	2020	9.24	1,111,563	
	2021	9.24		1,305,385
	2022	9.13	185,519	
	2023	9.30		148,559
			<u>1,297,082</u>	<u>2,341,548</u>
Changes in Proportion	N/A	N/A	1,808,781	215,034
			<u>\$ 4,370,038</u>	<u>\$ 5,009,915</u>

WARREN COUNTY COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Note 17: Post-Employment Benefits Other Than Pensions (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

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
2024	\$ (443,338)
2025	(443,338)
2026	(385,323)
2027	(227,172)
2028	(46,499)
Thereafter	(687,954)
	\$ (2,233,624)

Note 18: Leases Receivable

	Original Amount	Outstanding June 30, 2023	Decrease	Outstanding June 30, 2024
Building Sublease; interest at 4%, monthly payments of principal and interest range from \$13,488 to \$17,403, due 5/31/2028	\$ 1,853,455	\$ 678,834	\$ 143,898	\$ 534,936
	\$ 1,853,455	\$ 678,834	\$ 143,898	\$ 534,936

WARREN COUNTY COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Note 18: Leases Receivable (Cont'd)

Future maturities are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 140,969	\$ 52,642
2026	137,998	60,834
2027	134,998	69,056
2028	120,971	70,466
	<u>\$ 534,936</u>	<u>\$ 252,998</u>

Annual amortization of deferred inflow of resources mirror the principal payment maturities.

REQUIRED SUPPLEMENTARY INFORMATION

WARREN COUNTY COMMUNITY COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF COLLEGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30.									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
College's proportion of the net pension liability	0.0256108314%	0.0239193198%	0.0235313329%	0.0227452015%	0.0181979693%	0.0177427815%	0.0179248666%	0.0196583392%	0.0196583392%	0.0188928432%
College's proportionate share of the net pension liability	\$ 4,795,048	\$ 5,369,408	\$ 6,969,306	\$ 5,294,719	\$ 3,583,089	\$ 3,196,980	\$ 2,923,077	\$ 2,328,825	\$ 2,822,746	\$ 2,736,510
College's covered employee payroll	\$ 1,263,741	\$ 1,289,532	\$ 1,305,864	\$ 1,373,086	\$ 1,302,570	\$ 1,265,405	\$ 1,713,458	\$ 1,357,419	\$ 1,385,227	\$ 1,663,291
College's proportionate share of the net pension liability as a percentage of its covered employee payroll	379.43%	416.38%	533.69%	385.61%	275.08%	252.64%	170.60%	171.56%	203.77%	164.52%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%	65.23%

WARREN COUNTY COMMUNITY COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF COLLEGE'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 211,132	\$ 205,642	\$ 209,428	\$ 211,511	\$ 210,710	\$ 172,797	\$ 196,089	\$ 230,222	\$ 235,871	\$ 252,508
Contributions in relation to the contractually required contribution	<u>(211,132)</u>	<u>(205,642)</u>	<u>(209,428)</u>	<u>(211,511)</u>	<u>(210,710)</u>	<u>(172,797)</u>	<u>(196,089)</u>	<u>(230,222)</u>	<u>(235,871)</u>	<u>(252,508)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
College's covered employee payroll	\$ 1,289,532	\$ 1,305,864	\$ 1,373,086	\$ 1,302,570	\$ 1,265,405	\$ 1,713,458	\$ 1,357,419	\$ 1,385,227	\$ 1,663,291	\$ 1,832,899
Contributions as a percentage of covered employee payroll	16.37%	15.75%	15.25%	16.24%	16.65%	10.08%	14.45%	16.62%	14.18%	13.78%

WARREN COUNTY COMMUNITY COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY
ASSOCIATED WITH THE COLLEGE AND RELATED RATIOS
LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2017	2018	2019	2020	2021	2022	2023
Service Cost	\$ 542,245	\$ 456,786	\$ 346,685	\$ 385,709	\$ 564,128	\$ 501,356	\$ 418,134
Interest	203,542	242,755	245,271	229,472	261,182	232,813	313,096
Change of Benefit Terms					(10,716)		
Changes in Assumptions	(871,565)	(698,104)	(320,999)	1,977,939	9,933	(2,356,661)	17,919
Differences between Expected and Actual Experience		(162,864)	93,356	2,156,636	(1,385,374)	562,435	(408,092)
Member Contributions	5,460	5,622	5,697	5,714	6,677	7,398	8,024
Gross Benefit Payments	(148,282)	(162,669)	(192,201)	(188,510)	(205,738)	(230,608)	(244,064)
Net Change in Total OPEB Liability	(268,600)	(318,474)	177,809	4,566,960	(759,908)	(1,283,267)	105,017
Total OPEB Liability - Beginning	6,670,502	6,401,902	6,083,428	6,261,237	10,828,197	10,068,289	8,785,022
Total OPEB Liability - Ending	<u>\$ 6,401,902</u>	<u>\$ 6,083,428</u>	<u>\$ 6,261,237</u>	<u>\$ 10,828,197</u>	<u>\$ 10,068,289</u>	<u>\$ 8,785,022</u>	<u>\$ 8,890,039</u>
College's Covered Employee Payroll *	\$ 1,289,532	\$ 1,305,864	\$ 1,373,086	\$ 1,302,570	\$ 1,265,405	\$ 1,713,458	\$ 1,357,419
Total OPEB Liability as a Percentage of Covered Employee Payroll	496%	466%	456%	831%	796%	513%	655%

* - Covered payroll for the fiscal years ending June 30, 2017, 2018, 2019, 2020, 2021, 2022 and 2023 are based on the payroll on the June 30, 2016, 2017, 2018, 2019, 2020, 2021 and 2022 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.

WARREN COUNTY COMMUNITY COLLEGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED JUNE 30, 2024

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

There were none.

B. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2023 was 3.65%. The discount rate for June 30, 2022 was 3.54%, a change of .11%.

The health care trend rates in the valuation as of June 30, 2023 were based on the following:

For pre-Medicare medical benefits, the trend is initially 6.50% and decreased to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

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 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years.

PART II

WARREN COUNTY COMMUNITY COLLEGE

FISCAL YEAR ENDED JUNE 30, 2024



Mount Arlington, NJ
 Newton, NJ
 Bridgewater, NJ
 973.298.8500
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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
 Warren County Community College
 Washington, 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 the Treasury, State of New Jersey (the "Department"), the financial statements of the Warren County Community College (the "College") as of and for the fiscal year ended June 30, 2024 and 2023, 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 9, 2025.

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
Warren County Community College
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.

Mount Arlington, New Jersey
January 9, 2025

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
 Warren County Community College
 Washington, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Warren County Community College's (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, 2024. 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, 2024.

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.

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

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.

The Honorable Chairman and
Members of the Board of Trustees
Warren County Community College
Page 3

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.

Mount Arlington, New Jersey
January 9, 2025

Nisivoccia LLP

NISIVOCCIA LLP

WARREN COUNTY COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED JUNE 30, 2024

Name of Federal Agency or Department Cluster	C.F.D.A. Account No.	Name of Grant	Grant I.D. No.	Grant Period	Award Authori- zations	Amount Received Fiscal Year 2024	Grant Ex- penditures Fiscal Year 2024	Amount Provided to Subrecipients
U.S. Department of Education Pass-Through NJ Department of Education	84.048	Carl D. Perkins Vocational and Technical Education	PSFS718007	7/1/23-6/30/24	\$ 126,676	\$ 126,676	\$ 126,676	
						<u>126,676</u>	<u>126,676</u>	
Student Financial Assistance Cluster:								
U.S. Department of Education	84.063	Federal Pell Grant Program	P063P004578	7/1/23-6/30/24	1,612,871	1,612,871	1,612,871	
U.S. Department of Education	84.007	Federal Supplemental Education Opportunity Grants	P007A007578	7/1/23-6/30/24	27,475	27,475	27,475	
U.S. Department of Education	84.033	Federal College Work Study Program	P033A007578	7/1/23-6/30/24	24,980	24,980	24,980	
Federal Direct Student Loans Program:								
U.S. Department of Education	84.268	Federal Direct Student Loans-Subsidized	N/A	7/1/23-6/30/24	61,564	61,564	61,564	
U.S. Department of Education	84.268	Federal Direct Student Loans-Unsubsidized	N/A	7/1/23-6/30/24	147,713	147,713	147,713	
Total Federal Direct Student Loans Program						<u>209,277</u>	<u>209,277</u>	
Total Student Financial Assistance Cluster						<u>1,874,603</u>	<u>1,874,603</u>	
U.S. Department of Education	84.116Z	Precision Agriculture	P116Z220027	9/1/22-8/31/25	750,000	185,974	185,974	
U.S. Department of Education	84.031A	Title III	P031A230164	10/1/23-9/30/24	450,000	113,082	113,082	
Total U.S. Department of Education						<u>2,300,335</u>	<u>2,300,335</u>	
Total Federal Awards						<u>\$ 2,300,335</u>	<u>\$ 2,300,335</u>	<u>\$ -0-</u>

N/A - Not Available

WARREN COUNTY COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FISCAL YEAR ENDED JUNE 30, 2024

Name of State Agency or Department	Name of Grant	Account I.D. #	Grant Period	Award Authorizations	Amount Received Fiscal Year 2024	Grant Ex- penditures Fiscal Year 2024
New Jersey Department of Education:						
	ABE/GED Grant	22-100-034-2405-510	7/1/23-6/30/24	\$ 110,111	\$ 110,111	\$ 110,111
					<u>110,111</u>	<u>110,111</u>
New Jersey Department of Treasury						
	State Support Operational Costs	10-100-082-2155-015	7/1/23-6/30/24	3,126,282	3,126,282	3,126,282
	Alternate Benefit Plan	10-100-082-2155-017	7/1/23-6/30/24	187,062	187,062	187,062
					<u>3,313,344</u>	<u>3,313,344</u>
Department of State - Commission on Higher Education						
	EOF Summer	11-100-074-1401	7/1/23-6/30/24	56,831	56,831	56,831
	EOF Article III	11-100-074-1401	7/1/23-6/30/24	91,588	91,588	91,588
	EOF Article IV Academic Year	11-100-074-1401	7/1/23-6/30/24	107,108	107,108	107,108
	County College-Based Adult Center	24-100-074-078	7/1/23-6/30/24	239,282	239,282	239,282
					<u>494,809</u>	<u>494,809</u>
Department of State -Higher Education Assistance Authority						
	Tuition Aid Grant	20-100-074-2405-007	7/1/23-6/30/24	354,367	354,367	354,367
	NJ STARS	20-100-074-2405-313	7/1/23-6/30/24	64,687	64,687	64,687
	Community College Opp. Grant (CCOG)	20-100-074-2405-332	7/1/23-6/30/24	284,405	284,405	284,405
	CCOG Planning Grant	20-100-074-2405-332	7/1/23-6/30/24	146,194	146,194	146,194
					<u>849,653</u>	<u>849,653</u>
Total State Awards					<u>\$ 4,767,917</u>	<u>\$ 4,767,917</u>

WARREN COUNTY COMMUNITY COLLEGE
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FISCAL YEAR ENDED JUNE 30, 2024

Note 1: Basis of Presentation

The accompanying schedules of expenditures of federal and state awards present the activity of federal and state award programs of the Warren County Community College (the "College") under programs of the federal and state governments for the fiscal year ended June 30, 2024. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey'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. This basis of accounting is described in Note 1 to the College's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represents adjustments or credits made in the normal course of business to amounts reports as expenditures in prior years.

Note 3: Indirect Cost Rate

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

Note 4: Relationship to Basic Financial Statements

There is an adjustment needed to reconcile the Schedule of Expenditures of Federal and State Awards to the basic financial statements. The adjustment for federal awards is (\$1,118,159) and the adjustment for state awards is (\$2,553,632). The adjustment is necessary because the College must reflect the entire drawdown amounts on the Schedules of Expenditures of Federal and State Awards. In the basic financial statements, the College is only reflecting the revenue and expenses pertaining to the College and is not accounting for awards that pass through the College and are refunded to the students.

Note 5: Relationship to Federal and State Financial Reports

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

WARREN COUNTY COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

1.) Material weakness identified?	_____	Yes	_____ X _____	No
2.) Significant deficiencies identified?	_____	Yes	_____ X _____	None reported
Noncompliance material to basic financial statements noted?	_____	Yes	_____ X _____	No

Federal Awards

Type of auditor's report issued on compliance for major programs:

Unmodified

Internal control over major programs:

1.) Material weakness identified?	_____	Yes	_____ X _____	No
2.) Significant deficiencies identified?	_____	Yes	_____ X _____	None reported
Noncompliance material to basic financial statements noted?	_____	Yes	_____ X _____	No

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

_____ Yes _____ X _____ No

Identification of major programs:

Program Name or Cluster	Assistance Listing No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
Student Financial Assistance Cluster:					
Federal Pell Grant Program	84.063	7/1/22	6/30/23	\$ 1,612,871	\$ 1,612,871
Federal Supplemental Education Opportunity Grants	84.007	7/1/23	6/30/24	27,475	27,475
Federal College Work Study Program	84.033	7/1/23	6/30/24	24,980	24,980
Federal Direct Student Loans - Subsidized	84.268	7/1/23	6/30/24	61,564	61,564
Federal Direct Student Loans - Unsubsidized	84.268	7/1/22	6/30/24	147,713	147,713

Dollar threshold used to distinguish between Type A and B programs \$ 750,000

Auditee qualified as low-risk auditee? _____ X _____ Yes _____ No

WARREN COUNTY COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

Section I - Summary of Auditors' Results (Cont'd)

State Awards

Type of auditor's report issued on compliance for major programs: Unmodified

Internal control over major programs:

1.) Material weakness identified?	<u> </u> Yes	<u> X </u>	No
2.) Significant deficiencies identified?	<u> </u> Yes	<u> X </u>	None reported
Noncompliance material to basic financial statements noted?	<u> </u> Yes	<u> X </u>	No
Any audit findings disclosed that are required to be reported in accordance with New Jersey's OMB Circular 15-08?	<u> </u> Yes	<u> X </u>	No

Identification of major programs:

Program Name or Cluster	State Grant No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
State Support Operational Costs	10-100-082-2155-015	7/1/23	6/30/24	\$ 3,126,282	\$ 3,126,282
Alternate Benefit Plan	10-100-082-2155-017	7/1/23	6/30/24	187,062	187,062

Dollar threshold used to distinguish between Type A and B programs \$ 750,000

Auditee qualified as low-risk auditee? X Yes No

Section II - Financial Statement Findings - N/A

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs - N/A

WARREN COUNTY COMMUNITY COLLEGE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FISCAL YEAR ENDED JUNE 30, 2024

Status of Prior Year Findings:

There were no findings or questioned costs noted during the audit of the fiscal year ended June 30, 2023.