



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2023

Leslie A. Jamison, CPA
Chief Financial Officer

5100 Black Horse Pike · Mays Landing, New Jersey 08330 · 609-625-1111

**ATLANTIC CAPE COMMUNITY COLLEGE
ANNUAL COMPREHENSIVE FINANCIAL REPORT**

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INTRODUCTORY SECTION



President's Letter



Members of the Atlantic Cape Board of Trustees:

I am pleased to provide you and the college community with the Annual Comprehensive Financial Report for Fiscal Year 2023.

In Fiscal Year 2023, Atlantic Cape was still recovering from the COVID-19 pandemic. Although Fiscal Year 2023 fundable credits totaling 94,354 fell 2.7% below the budgeted credits, they represent the first year-to-year increase since 2010. The State of New Jersey's investment in the Community College Opportunity Grant (CCOG) and other state aid initiatives offered students significant financial assistance. The college continued to utilize funds from the federal government's Higher Education Emergency Relief Fund (HEERF) to: disburse relief funds to our students; offer 3-credit tuition waivers to qualifying students; implement an enhanced Laptop Loaner Program to minimize the digital divide among our students; and address food insecurity among our students. Flexible course offerings provided choices for students, including in-person traditional, remote, online and hybrid selections. As a result, there was improvement in Fiscal Year 2023, as enrollments were up 1.5% compared to Fiscal Year 2022 and the general and online in-county tuition rate remained at \$146.10 for the third consecutive year.

Although enrolled credits for Fiscal Year 2023 were less than the budgeted goal, state appropriations and interest income was above budget mitigating the tuition and fee shortfall. As mentioned above, the three-credit waiver initiative and availability of HEERF student emergency funds had a positive impact on enrollment. Federal funding has been critical in providing support for continued operations, student, and academic resources, and implementing health and safety protocols. The College utilized these funds where allowable to help with the short- and long-term health of the institution. Additionally, the College received a no-cost extension for our remaining \$300,000 in HEERF Student Aid and will be able to offer targeted support for students with exceptional need.

College enrollment decreases over the past decade have been influenced by many major factors. Enrollment declines have primarily been driven by a decrease in the traditional college age demographic population, competition among higher education institutions, including online providers, and a strong labor market. Recovering from the pandemic has brought uncertainty for future enrollment and, moving forward, its effects will continue to be significant as we emerge towards continued recovery and deal with the uncertainties surrounding our national, state, and local economies, as well as student mental health issues and other related lasting effects.

We continue to implement innovations and new programming to increase enrollment. Our dual and concurrent enrollment partnerships with local high schools continue to be enhanced. We expect to advance these initiatives into the future as we expand access to education for more students. The college once again earned recertification of its *Leader College Status* through Achieving the Dream (ATD) in recognition of our work to foster student success and close equity gaps. With the designation of Hispanic Serving Institution (HSI), the College is seeking new grant opportunities to further serve the Hispanic population.

The college is moving forward with infrastructure renovations and upgrades to deliver a strong first impression to current and prospective students utilizing Chapter 12 and grant funds. In Fiscal Year 2023 we received \$3,620,000 in Chapter 12 funds. We recently opened the *Innovation Center* on the Mays Landing Campus which offers innovative programs in Cybersecurity, Game Design and Development, and Esports. Also, construction of the new *Wind Training Center* at the Worthington Atlantic City campus will prepare incumbent workers for jobs in the growing offshore wind industry.

I would like to offer my thanks to the finance department, led by Leslie Jamison, Chief Financial Officer (CFO), for all their efforts to ensure the rigorous standards of the Annual Comprehensive Financial Report have been met.

Thank you to the County of Atlantic and the County of Cape May for their continued support; and many thanks to the Board of Trustees for their leadership and advocacy. We will continue to work together to meet the needs of our students at all three campuses and provide high quality education at an affordable price, even as we navigate challenging times and create greater opportunities for the future.

Sincerely,

A handwritten signature in black ink that reads "Barbara Gaba". The signature is written in a cursive, flowing style.

Dr. Barbara Gaba
President



February 20, 2024

The Board of Trustees
Atlantic Cape Community College
Mays Landing, New Jersey

We are pleased to provide you with the Annual Comprehensive Financial Report (ACFR) of Atlantic Cape Community College (the College) for the Fiscal Year ended June 30, 2023. The purpose of this report is to provide the Board of Trustees, college staff, citizens, and other interested parties with useful information concerning the College's operations and financial position.

The College's Finance Office prepared this report. The responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the College. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the College as of June 30, 2023, and for the Fiscal Year then ended. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities in relation to its mission have been included.

The Annual Comprehensive Financial Report is organized in four sections, as follows:

1. The Introductory Section contains the President's letter, this letter of transmittal with an overview of the College that includes factors affecting the financial condition and required supplementary information, a listing of principal officials, and the organizational chart. This letter of transmittal is designed to complement the Management's Discussion and Analysis (MD&A) and should be read in conjunction with it.
2. The Financial Section includes the MD&A, the basic financial statements and accompanying notes, required supplementary information, supplemental financial and management information, as well as the independent auditor's reports.
3. The Single Audit Section contains the report of the independent auditor's, the schedules of expenditures of federal awards and state financial assistance and notes to the schedules of expenditures of financial awards.
4. The Statistical Section includes selected unaudited financial and demographic information, generally presented on a multi-year basis.

The organization, form and contents of this report were prepared in accordance with the standards prescribed by the Governmental Accounting Standards Board (GASB), the Government Finance Officers Association of the United States and Canada (GFOA), and the American Institute of Certified Public Accountants.

College Information

Atlantic Cape Community College is a two-year publicly supported community college operating under the provisions of N.J.S.A. 18A:64 A1, et seq. In December 1963, the State of New Jersey Department of Education granted approval for the establishment of the College, which became the second community college to be organized by the State on April 14, 1964. The College offers a wide range of programs to meet the needs of the surrounding community. Financial support is received from county and state governments.

The Board of Trustees of the College voted on August 28, 1998 to approve a resolution authorizing Atlantic Community College to enter into a joint venture college with Cape May County. Officials from the College, Atlantic County and Cape May County signed a contract outlining the terms of the agreement. The New Jersey Legislature approved changes to the New Jersey Community College funding formula. The jointure agreement became effective January 1, 1999, and the College was renamed Atlantic Cape Community College in February 1999.

The Counties of Atlantic and Cape May provide support to the College based upon the funding formula specified in the jointure agreement. Atlantic County has nine voting members on the Board of Trustees of the College, including the Atlantic County Superintendent of Schools. Cape May County has five voting members on the Board of Trustees of the College, including the Cape May County Superintendent of Schools. One voting alumnus member from Atlantic or Cape May County is elected for a one-year term by each year's graduating class. The College President serves as *Ex-Officio* on the Board of Trustees.

The College serves Atlantic and Cape May counties in southern New Jersey from three campuses. The College's main campus in Mays Landing is situated on 541 acres in the picturesque New Jersey Pinelands, 15 miles west of Atlantic City's boardwalk and 45 miles from Philadelphia. The Charles D. Worthington Campus in Atlantic City provides a broad range of educational and related services to students, especially those who live and/or work in the Atlantic City area. The College's Cape May County campus in Cape May Court House supports students and the business community of Cape May County.

For the Fiscal Year ended June 30, 2023, the College enrolled 6,324 credit students, compared to 6,313 the prior year. The Fall 2022 unduplicated credit student headcount was 4,278, compared to 4,373 in Fall 2021. Of these, 93% of the students are from either Atlantic or Cape May county. Atlantic Cape Community College accounts for approximately 4% of the 18 New Jersey community college student credit hour enrollments.

The College's Workforce Development and Career Training programs provide students with training and necessary credentials to support business and industry needs. Under these programs, the College enrolled 1,732 students for the Fiscal Year ended June 30, 2023. Of these, 91% of the students are from either Atlantic or Cape May county.

College Mission

Atlantic Cape Community College provides inclusive, accessible and equitable educational programs and services to transform lives and empower students to successfully meet their academic, social and career goals, while also supporting the diverse needs of our community.

The College currently offers 45 academic programs, 13 on-line programs, and 9 certificate programs in addition to workforce and customized training for businesses. Students may choose from an Associate in Arts, Associate in Applied Science, Associate in Science, Associate in Fine Arts, industry certifications, professional series programs, and continuing education professional development and training services. Nationally recognized programs are the College's Casino Career Institute and the Academy of Culinary Arts.

The College is accredited by the Middle States Commission on Higher Education (MSCHE). Inquiries may be sent to: Middle States Commission on Higher Education at 1007 North Orange Street, 4th Floor, MB #166, Wilmington, DE 19801 E-mail: President@msche.org; or, visit www.msche.org

Professional associations have also accredited those professional-technical programs that require approval, such as culinary arts, hospitality management and numerous health science programs.

Long Term Strategic Financial and Operational Planning

The College engages in an annual strategic and operational planning cycle that involves all levels of the organization. This planning process provides a framework to advance the College's mission and goals in order to meet the needs of the students and the community.

Financial Information

The College maintains its accounts and prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) as set forth by the Governmental and Financial Accounting Standards Boards (GASB and FASB) and the National Association of College and University Business Officers (NACUBO). The College follows GASB Statement No. 35 Basic Financial Statements and Management Discussion and Analysis for Public Colleges and Universities. The financial records are maintained on the accrual basis of accounting whereby all revenues are recorded when earned and all expenses are recorded when a legal obligation to pay exists. The notes to the financial statements expand upon the accounting principles applied.

State statutes require an annual audit by an independent certified public accounting firm. The College's Board of Trustees selected the independent public accountants, Ford-Scott & Associates, L.L.C., to audit the College's financial statements. Their report is included as part of the financial presentation.

In accordance with GASB pronouncements, the College's financial statements include all funds and departments of the College (the primary government) and the Atlantic Cape Community College Foundation, Inc., its component unit. The Foundation is included in the College's reporting entity because of the significance of their operational and financial relationship with the College. Notes 2 and 23 to the financial statements give further information about the Foundation included in the financial statements.

Internal Controls

Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the College are protected from loss, theft, or misuse and to ensure adequate accounting information is available for the preparation of the financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Controls

The College maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the College's Board of Trustees. The budget is prepared on an annual basis as part of the College's strategic planning process, and the recommended budget parameters are presented to the Budget, Finance and Audit Committee of the Board of Trustees for review. After these parameters are established, the annual budget request is developed and approved by the College Board of Trustees. The Atlantic Cape Community College Board of School Estimate approves the Atlantic and Cape May Counties appropriations.

Cash Management

The College is governed by New Jersey statute when depositing funds or investing excess funds. The Board of Trustees approves all depositories and investment policies. All excess funds are invested in a prudent, conservative and secure manner with the intent to maximize investment income.

Financial Reporting

An automated financial record system captures all financial transactions and provides data for the preparation of this ACFR, including the audited financial statements. The ACFR is distributed to the College's Board of Trustees and executive management, federal and state agencies, and financial institutions as well as others throughout the general public.

The Budget, Finance and Audit Committee of the Board of Trustees routinely monitors and reports on revenue collections compared to budget and actual expenses compared to budget, carefully reviewing variances. Internal management reports, customized to meet the information and decision-making needs at all levels of the organization, aid in the management of financial resources.

Risk Management

Comprehensive business insurance is purchased through a cooperative pool. The pool provides its members with property, liability, motor vehicle, and other miscellaneous insurance. The pool is a risk sharing public entity that is both an insured and self-administered group established for the purpose of providing low cost insurance coverage to its members. In addition, the College participates in a self-insurance pool for workers' compensation.

Economic Condition and Outlook

On a national level, the COVID-19 pandemic and its widespread effects attributed to the lowest college enrollment levels in about 15 years in 2020, according to the U.S. Census Bureau data. Three years later, higher education continues to contend with its disruptive effects. Although the pandemic exacerbated a trend where fewer students are pursuing postsecondary education, the positive news, reported by the National Student Clearinghouse Research Center (NSCRC), is that freshman enrollment grew 9.2% since spring 2022. Community college enrollment grew slightly in spring 2023, up .05%, after large declines in the previous two years. Community colleges suffered larger enrollment losses during the previous two years, in part because they disproportionately serve low- and middle-income students whose enrollment dropped during the pandemic. In addition, students are choosing employment over college as minimum wage increases and employers attract workers in an increasingly competitive job market. Lower student retention is another factor as a growing number of stop-outs and fewer returning students add to the enrollment declines and impact the number of graduates. Conversely, some fields of study are growing in popularity, like computer science programs which are now above pre-pandemic levels at two-year institutions, according to the NSCRC. In Spring 2023, Atlantic Cape unveiled its new state-of-the-art Innovation Center. The center is geared towards providing instruction and services in Esports, Cybersecurity, Computer Forensics, Game Design and Computer Science. The opening of the center aligns with the growing interest in computer science. Course modality offerings and the demand for flexible instructional methods is also a priority for students' college experience. Atlantic Cape offers flexibility for its students with selections of in-person, online, remote and hybrid courses in a variety of programs.

The College is facing challenges influenced by the economic climate of the State and counties. Since the College's peak enrollment in Fiscal Year 2010, enrollment has been declining, following a predicted decline in anticipated high school graduates which began in 2009. In Fiscal Year 2023, the College achieved a 1.5% increase in fundable credits, increasing from 92,926 to 94,354 fundable credits, or plus 1,428 credits. Fiscal Year 2023's enrollment increase was the first increase in fundable credits since 2010, and occurred after declines of 3.0% and 11.2% for Fiscal Years 2022 and 2021, respectively. Although this improvement is promising, the College is addressing the challenges noted above and implementing strategies to support students and yield a sustained positive enrollment trend.

After reaching a historical high of 15.3% unemployment rate in May 2020, New Jersey's unemployment rate was 3.7% in June 2023, slightly up from 3.4% in June 2022. New Jersey's year-over-year change in unemployment rates of -2.9%, from 6.6% in 2021 to 3.7% in 2022, ranked third best in the Nation, per the U.S. Bureau of Labor Statistics. Atlantic and Cape May counties are heavily reliant on the hospitality, retail and leisure industry; therefore, the negative economic impact of the pandemic was

much greater than regions that are more economically diversified. In June 2023, Atlantic County's unemployment rate was 5.5% and Cape May County's unemployment rate was 4.9% (rates not seasonally adjusted). Both counties saw a 0.9% 12-month net change from June 2022 to June 2023 which mirrors that of New Jersey's 12-month change of 0.9% for the same time period. The economy is an important driver of community college enrollment. Historically, during periods of high unemployment, enrollment improves to meet the need for upskilling or re-training for displaced workers.

Service area population increased to 371,272 in 2022 which is just below the most recent peak at 372,016 in 2013, and a slight increase over 2021. Service area high school graduates decreased 1.5%, from 3,836 in 2022 to 3,779 in 2023. The College has expanded offerings to current high school students across the two counties. Our Early College programming provides multiple avenues, including dual credit, concurrent courses, articulated credit, and associate pathways, to earn college credits, lessen the time and cost it takes to reach academic goals, and allow students to get a running start on earning an associate degree or explore transferring them to other colleges—all at reduced tuition. As the primary feeder market for the College, high school students are a critical component of our success.

The College plays a key role in regional economic development by providing the necessary workforce development and job training to meet the current and future employment needs of local business and industry. The College is closely aligned with the state, counties and local organizations, K-12 and four-year institutions to provide education and training opportunities for displaced and underemployed workers which is vital to our area's economic recovery, stabilization and workforce needs. Atlantic Cape offers training for the nation's hottest careers. Training for in-demand career programs are a priority as demonstrated by the construction of a new Innovation Center, which will offer Esports and cybersecurity programs, as well as the construction of a Wind Training Center which will prepare workers for jobs in the offshore wind industry. In addition, Atlantic Cape secured conditional state-level approval to begin the Licensed Practical Nursing Program this upcoming fall which adds to our health science offerings.

In addition to student tuition and fee revenue, the State of New Jersey and Counties of Atlantic and Cape May support the College. The counties have steadily supported the College with operating and capital appropriations. The State's Fiscal Year 2023 budget included a \$5 million increase in operating aid to the county college sector. This followed a \$10 million increase to the sector for Fiscal Year 2022. The increased support was predicated on the implementation of a new funding distribution model based on factors including enrollment, student completion and demographics. In Fiscal Year 2023, students paid 57.8% toward the cost of education, with the counties funding 22.7% and the State 16.5%.

The College is maintaining its program of cost containment, cost avoidance and revenue enhancement efforts, while continuing to operate within its resources. Funding through the Federal Higher Education Emergency Relief Fund (HEERF) grants provided essential resources over the past three years to help the College serve students and ensure learning continued during the pandemic. In Fiscal Year 2023, the College utilized its HEERF institutional allocation to provide students with mental health services and address food insecurity. The HEERF student portion provided direct emergency funds to students.

College administration remains focused on delivering quality educational offerings while being responsive to community and workforce needs.

Acknowledgments

The timely preparation of the College's annual comprehensive financial report was made possible by the dedicated service of the entire staff of the Finance Office. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

Respectfully submitted,



Leslie A. Jamison
Chief Financial Officer

ATLANTIC CAPE COMMUNITY COLLEGE
(As of June 30, 2023)

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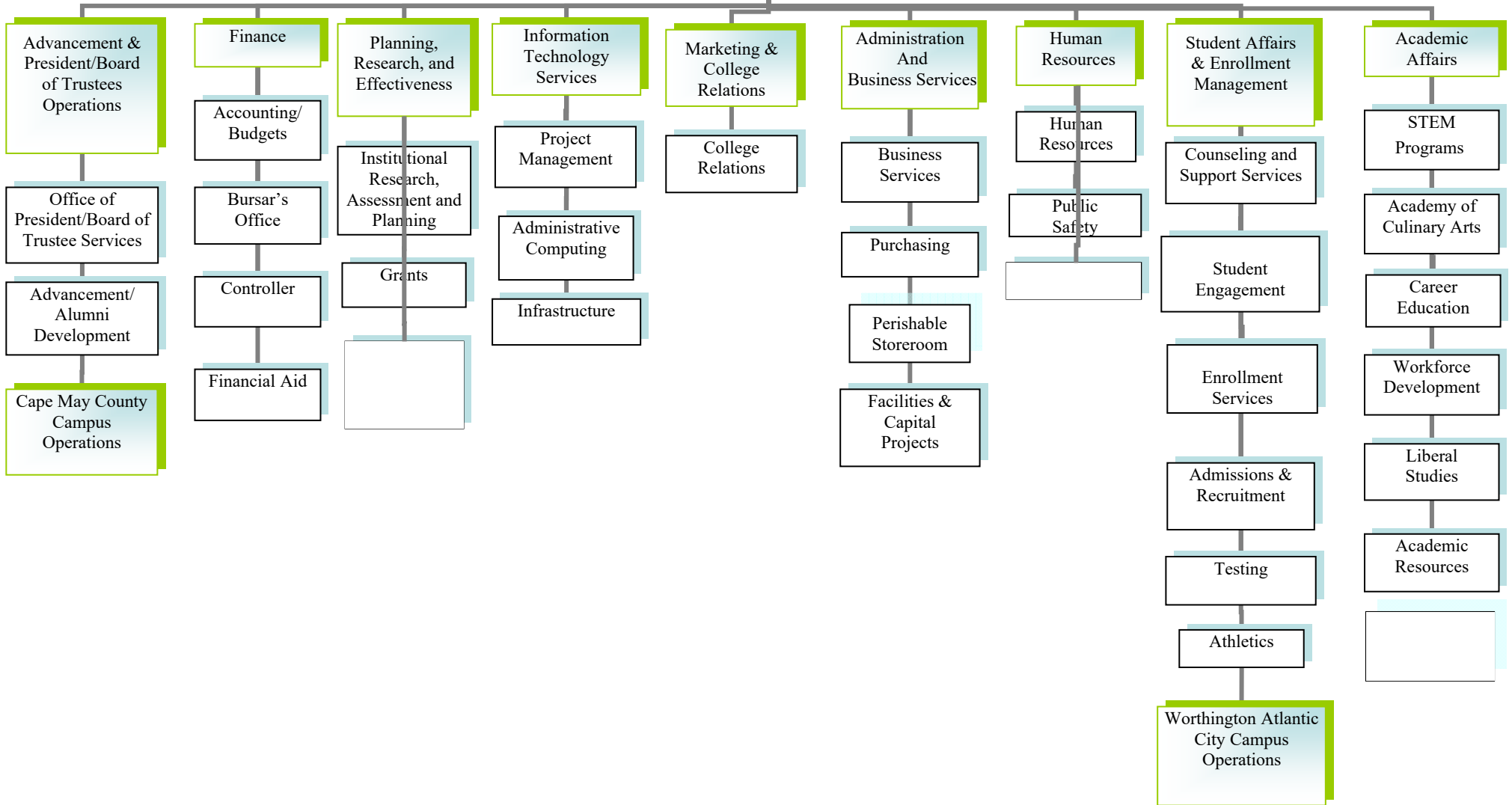
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**Board of Trustees
As of June 30, 2023**

College President



FINANCIAL SECTION



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

Board of Trustees
Atlantic Cape Community College
(a component unit of the County of Atlantic)
Mays Landing, New Jersey

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of Atlantic Cape Community College (the "College"), a component unit of the County of Atlantic, State of New Jersey as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents. In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the College, as of June 30, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

The financial statements as of and for the year ended June 30, 2023 and 2022 of the Atlantic Cape Community College Foundation (the "Foundation"), a discretely presented component unit of the College were audited by other auditors whose reports dated February 12, 2024 and February 23, 2023, respectively, expressed an unmodified opinion on those financial statements in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of 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.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 misstatements, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, and *Government Auditing Standards*, we:

- exercise professional judgement 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 the 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 entity'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 judgement there are conditions or events considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charge 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.

Other Matters

Required Supplementary Information

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

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 supplemental financial information and schedule of expenditures of federal 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 (Uniform

Guidance) and the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections 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 supplemental financial information, schedule of expenditures of federal awards, as required by the Uniform Guidance, and the schedule of state financial assistance as required by NJ OMB 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises of the introductory and statistical sections and have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2024 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

February 20, 2024



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

Board of Trustees
Atlantic Cape Community College
(a component unit of the County of Atlantic)
Mays Landing, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the business-type activities of Atlantic Cape Community College (a component unit of the County of Atlantic), as of and for the year ended June 30, 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 February 20, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

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

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

Report on Compliance and Other Matters

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

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

February 20, 2024

**ATLANTIC CAPE COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

Management's discussion and analysis of the College's financial performance during the Fiscal Years ended June 30, 2023 and 2022, as well as Fiscal Year ended June 30, 2021 activity, is presented in this section of the annual financial report. Management prepared this discussion along with the financial statements and the related footnote disclosures, and this discussion should be read in conjunction with and is qualified in its entirety by the financial statements and footnotes. The financial statements, footnotes and this discussion are the responsibility of management.

Using This Annual Report

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

This annual report consists of a series of financial statements prepared in accordance with Statement 35, *Basic Financial Statements-and Management's Discussion and Analysis for Public Colleges and Universities*, of the Governmental Accounting Standards Board.

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

The Statement of Revenues, Expenses, and Changes in Net Position focuses on the gross and net costs of College activities occurring during the year, and how these activities are supported. Revenues and expenses are reported as either operating or nonoperating. State and county appropriations, federal and state student financial aid, as well as investment activities, are reported as nonoperating and denote the dependency the College has on their support.

Another way to assess the financial health of an institution is to look at the Statement of Cash Flows. Its primary purpose is to provide relevant information about the cash receipts and cash payments of an entity during a period. The Statement of Cash Flows also helps users assess:

- An entity's ability to generate future net cash flows
- Its ability to meet its obligations as they come due and
- Its needs for external financing

The Annual Comprehensive Financial Report (ACFR) is presented in four sections: introductory, financial, single audit and statistical. The introductory section includes the President's letter, the transmittal letter, the College's principal officers, and an organizational chart. The financial section includes the reports of the independent auditor's, management's discussion and analysis, the basic financial statements, notes to the financial statements, required supplementary information, and supplemental financial and management information. The single audit section contains the report of the independent auditor's, the schedules of expenditures of federal awards and state financial assistance and notes to the schedules of expenditures of financial awards. The statistical section includes unaudited financial information.

**ATLANTIC CAPE COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

Financial Highlights

Fiscal Year 2023 Compared to 2022

- Cash balances increased by \$383,721 during the year ended June 30, 2023, compared to an increase of \$3,163,651 during the year ended June 30, 2022. There was a 48.2% increase in net tuition and fee revenues. This increase is due to a reduction of student allowances, as the College utilized nearly \$4.6 million in HEERF Institutional funds in Fiscal Year 2022 to provide students with re-engagement tuition and fee waivers which are reported as non-operating revenues. In Fiscal Year 2023, the amount of re-engagement waivers totaled just under \$1.0 million, or \$3.6 million lower than the prior year, as limited HEERF funds were remaining. Fiscal Year 2023 student credit hour enrollments (excluding dual enrollment) increased by 1.5% from Fiscal Year 2022. This represents the first year-over-year enrollment increase since 2010, and occurred after declines of 3.0% and 11.2% for Fiscal Years 2022 and 2021, respectively. In Fiscal Year 2020, enrollment declined only 1% from the previous year. The COVID-19 pandemic has had a major impact on enrollment over the past several years. Because of the economic climate, the College kept per credit tuition and fee rates level for three years, from Fiscal Years 2021 to 2023. Although this year's enrollment increase is positive, the lasting effects of the pandemic may continue to impact enrollment going forward.

College-wide, salaries and benefits increased by \$512,932, or 1.7%. Included in this increase are the effects of GASB 68 and GASB 75 adjustments accounting for a \$419,069 increase and a \$1,777,378 decrease in staff benefits, respectively. Adding to these adjustments is an increase of \$50,000 for the change in the state unemployment fund.

The following summary of cash flows for the years ended June 30, 2023, 2022, and 2021 was prepared from the College's Statement of Cash Flows:

	FY2023	FY2022	FY2021	Change FY2022- 2023
Cash provided (used) by:				
Operating activities	\$ (35,950,436)	\$ (39,927,274)	\$ (32,307,520)	\$ 3,976,838
Non-capital financing activities	32,299,424	48,321,622	36,543,978	(16,022,198)
Capital and related financing activities	3,501,225	(5,269,523)	(2,866,716)	8,770,748
Investing activities	533,508	38,826	255,733	494,682
Net increase (decrease) in cash	383,721	3,163,651	1,625,475	(2,779,930)
Cash, beginning of year	20,014,020	16,850,369	15,224,894	3,163,651
Cash, end of year	\$ 20,397,741	\$ 20,014,020	\$ 16,850,369	\$ 383,721

- The College's net position at June 30, 2023 increased \$3,197,387, or 4.5% from the level at the previous year-end. This increase is a combination of the increase in the net investment in capital assets, along with the change in pension related items, reduced by a decrease in undesignated, unrestricted net position.

The undesignated unrestricted net position decreased by 19.4%. This change is a combination of factors including a Fiscal Year 2023 education and general operating margin of (\$1,227,029), plus the change in assignments to the FY24 and FY23 budgets. In June 2022, the Board of Trustees established a \$500,000 *A Vision for Success Reserve* from the unrestricted, undesignated net position to support non-recurring and start-up costs of projects or initiatives supporting the Strategic Plan 2022-2026. In June 2021, the Board of Trustees established a \$2.5 million Technology Replacement Reserve to fund future replacement and advancement of technology. Fiscal Year 2023 and 2022 expenditures from the Technology Replacement Reserve totaled \$326,672 and \$23,210, respectively. The expendable restricted net position decreased 6.5% due to a reduction in student government funds along with a decrease in the state unemployment fund. Non-expendable net position increased by 0.8% as the College's

**ATLANTIC CAPE COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

endowments increased by \$6,938. The College's net investment in capital assets increased \$640 thousand, or 0.8%, during the year ended June 30, 2023 as major renovations to three buildings on the Mays Landing campus, as well as the construction of a Wind Training Center on the Atlantic City campus were completed, and netted with depreciation expense and retirements.

The College's financial position, as a whole, is healthy. However, the College has experienced a downturn in enrollment, and if the trend continues, it will have an effect on future years. In addition, lasting impacts of the COVID-19 pandemic are uncertain and could have significant adverse effects on enrollment for future years.

The summary schedule below is prepared from the College's Statement of Net Position. The schedule displays the change in net position from 2022 to 2023 and 2021 activity.

	FY2023	FY2022	FY2021	Change FY2022- 2023	% Change
Assets					
Current assets	\$ 22,817,378	\$ 26,662,069	\$ 24,641,702	\$ (3,844,691)	(14.4)%
Noncurrent assets	83,244,436	83,903,410	77,213,211	(658,974)	(0.8)%
Total assets	106,061,814	110,565,479	101,854,913	(4,503,665)	(4.1)%
Deferred Outflows of Resources					
	2,386,533	1,782,229	2,790,874	604,304	33.9%
Liabilities					
Current liabilities	11,747,223	14,592,597	10,338,693	(2,845,374)	(19.5)%
Noncurrent liabilities	17,342,465	15,247,743	19,319,670	2,094,722	13.7 %
Total liabilities	29,089,688	29,840,340	29,658,363	(750,652)	(2.5)%
Deferred Inflows of Resources					
	5,064,143	11,410,239	12,328,865	(6,346,096)	(55.6)%
Net Position					
Unrestricted (Deficit)	(7,239,923)	(9,898,342)	(14,798,709)	2,658,419	26.9%
Restricted	2,417,159	2,517,797	2,888,554	(100,638)	(4.0)%
Net investment in capital assets	79,117,280	78,477,674	74,568,714	639,606	0.8%
Total Net Position	\$74,294,516	\$71,097,129	\$ 62,658,559	\$3,197,387	4.5%

Enrollment

College enrollment is comprised of credit and non-credit full-time equated students (FTEs). A full time equated student represents a student or combination of students taking thirty (30) credits per academic year.

	FY2023	FY2022	FY2021	Change FY2022-2023	% Change
Credit FTEs	3,145	3,098	3,194	47	1.5%
Non Credit FTEs	167	52	44	115	221.2%
Leased/High School Curriculum	213	241	180	(28)	(11.6)%
Total FTEs	3,525	3,391	3,418	134	4.0%

**ATLANTIC CAPE COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

Revenue

The College received its revenue from three main unrestricted sources: tuition and fees, state aid and county support. Nonoperating revenues include over \$10.1 million in student financial aid received by the College for participating in the Pell Grant Program. Nonoperating revenues also include \$2.1 million in Federal Coronavirus (COVID-19) Emergency Grants for Postsecondary Education including Higher Education Emergency Relief Fund (HEERF)-Institutional Aid and Student Aid portions and Governor's Emergency Education Relief Funds (GEER). The Federal funding provided the financial means to serve students and ensure learning continues during the COVID-19 pandemic, implement evidence-based practices to monitor and suppress coronavirus, conduct direct outreach to financial aid applicants, provide mental health services and a student loaner laptop program and hotspots, as well as, offer student food vouchers to help address food insecurity. The funding also provided emergency financial aid grants disbursed directly to students towards any component of their cost of attendance or for emergency costs that arise due to coronavirus, such as tuition, food, housing, health (including mental health care) or child care. The balance of revenue was received from miscellaneous sources that included grants, investment income, and other income.

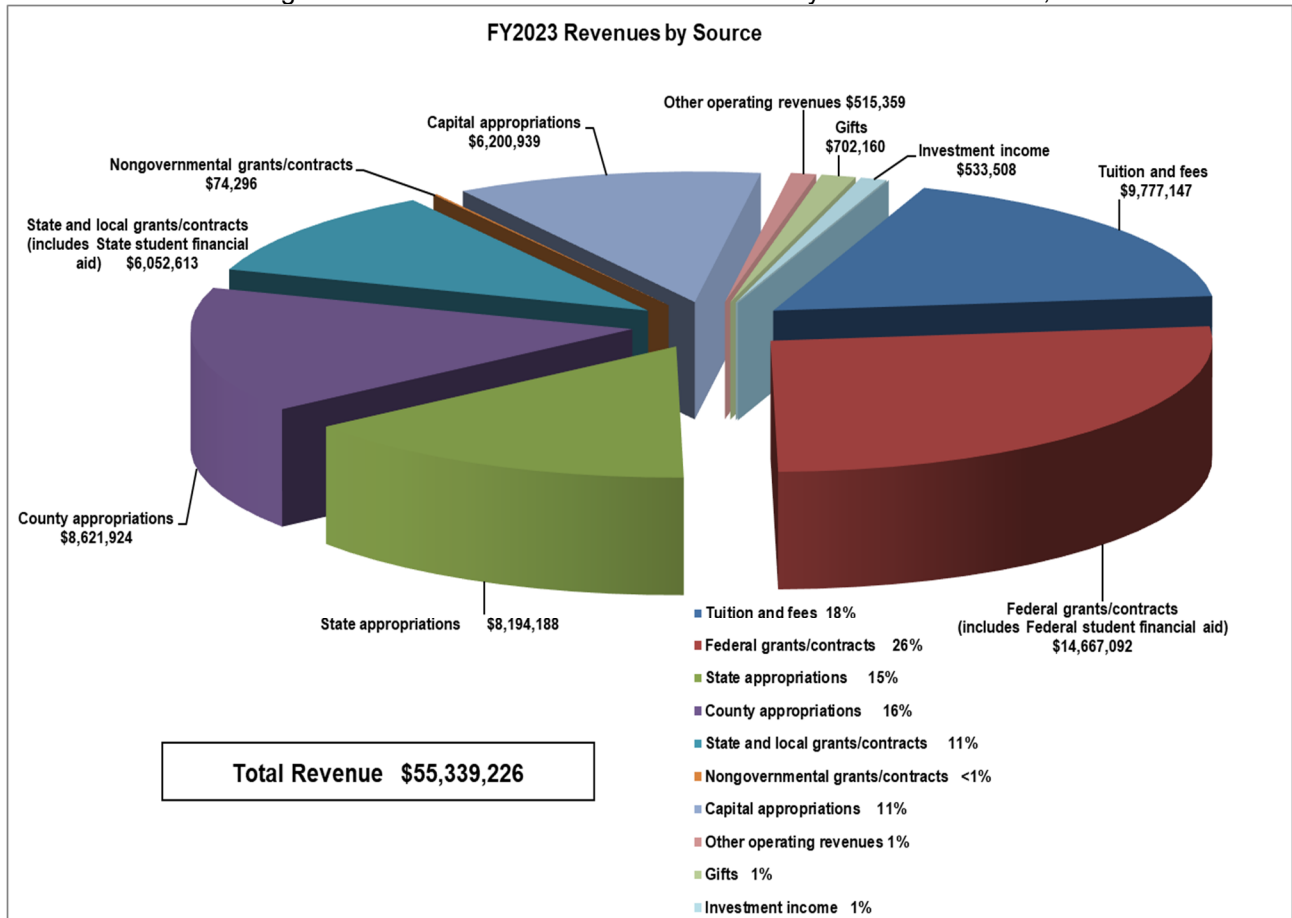
Tuition Rates

The College charged \$146.10 per in-county general education student credit hour (SCH) for an average of \$2,191.50 per term during Fiscal Year 2023. This rate was unchanged from both Fiscal Years 2022 and 2021.

General Fee

The College charged \$27.90 per student credit hour for an average of \$418.50 per term during Fiscal Year 2023. This rate was unchanged from both Fiscal Years 2022 and 2021.

The following chart illustrates sources of revenue for the year ended June 30, 2023:



**ATLANTIC CAPE COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

Fiscal Year 2023 Compared to 2022

From 2022 to 2023, there was a 16.3% decrease in the College's total revenue from \$66.1 million to \$55.3 million.

Operating revenue increased 35.2% or nearly \$3.7 million from the level achieved during the previous year. Of that total, net tuition and fee revenue increased 48.2%, almost \$3.2 million. The increase in net tuition and fee revenue is mainly the result of a \$2.6 million reduction in allowances caused by a decrease in student tuition waivers. In Fiscal Year 2022, student allowances included almost \$4.6 million in 3-credit tuition waivers provided to qualifying students as a re-engagement initiative funded by the Federal Higher Education Emergency Relief Fund (HEERF) – Institutional Portion. In Fiscal year 2023, the re-engagement waivers totaled just under \$1.0 million as the College's remaining HEERF funding was limited. The funding under HEERF is classified as non-operating revenues. Student tuition and fees before allowances increased by \$565 thousand, or 2.6% which is a result of a 19.9% increase in continuing education revenues, and a 1.4% increase in credit tuition and fee revenue. Operating revenues from federal, state and local grants and contracts totaled over \$3.8 million which is a \$485 thousand increase, or 14.5%. Of that, State and local grants and contracts increased 23.1%, or \$313 thousand, largely resulting from the NJ Office of the Secretary of Higher Education's Hunger Free Campus and Adult Transition grants, and the Workforce Development Board Foundations for Success grant.

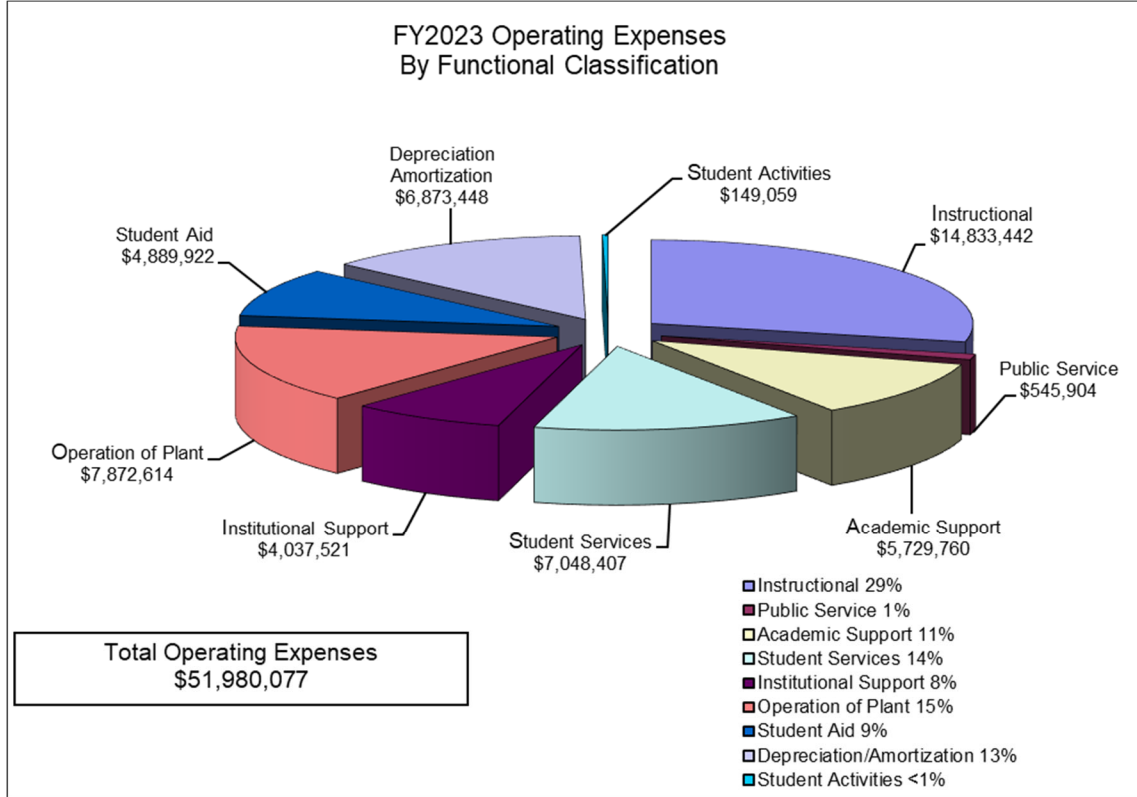
Net nonoperating revenues decreased by 25.4%, or \$11.9 million. The main reason for the decrease in nonoperating revenue is that the College received \$11.8 million less in Federal funding approved in response to the COVID-19 pandemic as the College utilized the majority of its HEERF allocations through Fiscal Year 2022. In Fiscal Year 2023, \$526 thousand in emergency relief grants was disbursed directly to students compared to \$6.8 million in Fiscal Year 2022. The College expended \$1.6 million in Federal coronavirus institutional grant funds compared to the prior year's \$7.1 million, either received directly from the U.S. Department of Education or passed through the NJ Office of the Secretary of Higher Education. These grants provided essential funds allowing the College to continue operations and expand services and support to students during the public health crisis. The Atlantic and Cape May Counties appropriation remained level at \$8,621,346. The State of New Jersey's operating appropriation totaled \$5,717,524, a \$172 thousand increase over Fiscal Year 2022. This reflects Atlantic Cape's share of the State's \$5 million increase in operating aid to the county college sector and new funding model instituted in Fiscal Year 2022. Included in the difference of net nonoperating revenue is the change in the GASB 75 recognition of state appropriations for other post-employment benefits which decreased by almost \$1.8 million, or 47.9%. Federal student financial aid, such as PELL and SEOG, increased 4.7%, or \$464 thousand. State student financial aid increased by 14.1% or \$540 thousand, mainly due to the expansion of the Community College Opportunity Grant program. Charitable contributions increased 3.3%, or \$23 thousand. Investment revenue improved by \$495 thousand, reflecting the market's more favorable interest rates.

Capital appropriations declined by \$2.6 million, or 29.8%, as extensive renovations to three buildings on the Mays Landing campus, including a new *Innovation Center*, plus the construction of a *Wind Training Center* on the Atlantic City campus were completed during Fiscal Year 2023. These buildings were classified as construction in progress at June 30, 2022. Capital appropriations reflects the support by state and county agencies for the College's master facilities plan.

**ATLANTIC CAPE COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

Expenses

The following chart illustrates the relative size of operating expenses for the year ended June 30, 2023:



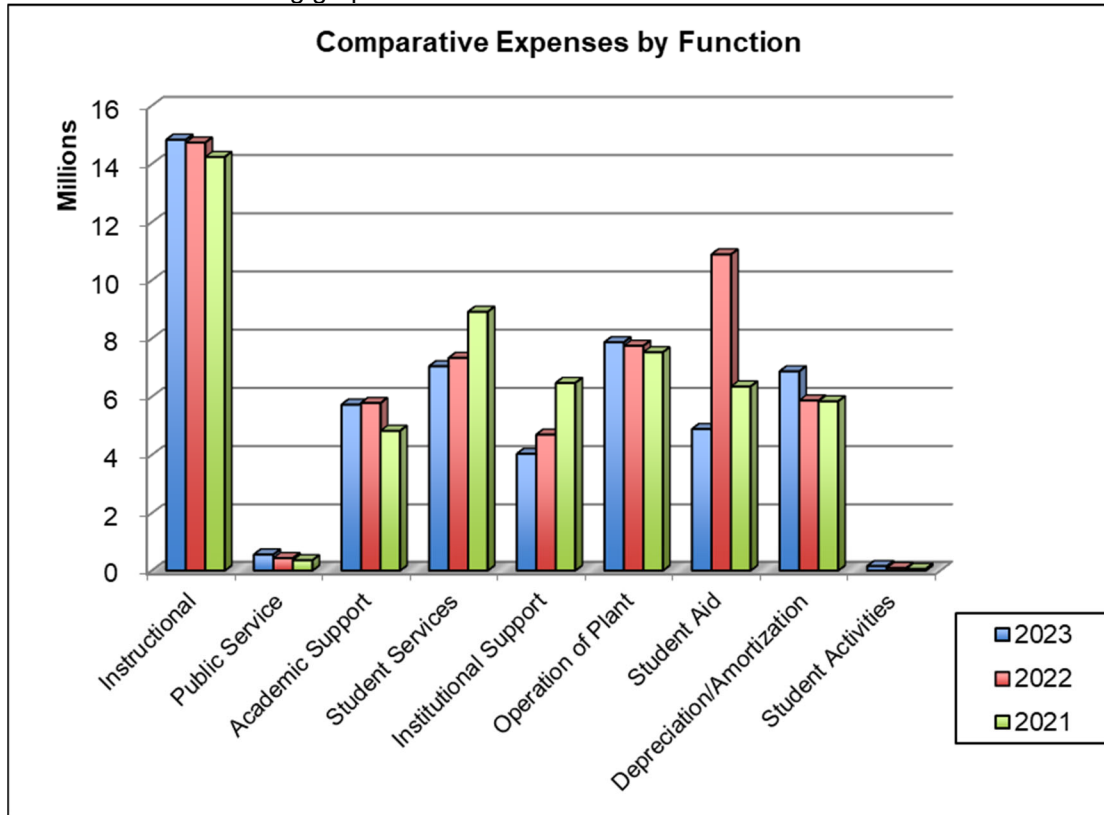
Fiscal Year 2023 Compared to 2022

Operating expenses decreased by 9.7% or \$5.6 million over the prior year. Overall, salaries of \$24.3 million increased by 5.6% or \$1.3 million, and fringe benefits of almost \$6.8 million decreased 10.2%, or \$766 thousand. Included in the fringe benefits decrease is the effect of GASB 68 and 75 adjustments causing a net decrease of nearly \$1.4 million in benefits. Netted with these adjustments in benefits is a \$110 thousand increase in the College's annual PERS Local Employer Billing amount, and a prior year net savings of \$386 thousand reflecting the State of New Jersey's healthcare premium "holiday" for February 2022.

The main reason for the overall decrease in operating expenses is the change in scholarship and student aid. Scholarship and student aid decreased by \$6.0 million, or 55.1%, resulting from less HEERF funded student re-engagement tuition waivers as the College's remaining HEERF allocation was limited in Fiscal Year 2023. Depreciation and amortization expense increased by \$1.0 million, or 17.1%, largely resulting from the implementation of the Governmental Accounting Standards Board (GASB) Statement No. 96 *Subscription Based Information Technology Arrangements*. For the year ending June 30, 2023, the College recognized \$800 thousand in amortization expense related to software subscription right-to-use assets.

**ATLANTIC CAPE COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

A comparison of operating expenses for the years ended June 30, 2023, 2022 and 2021 is illustrated in the following graph:



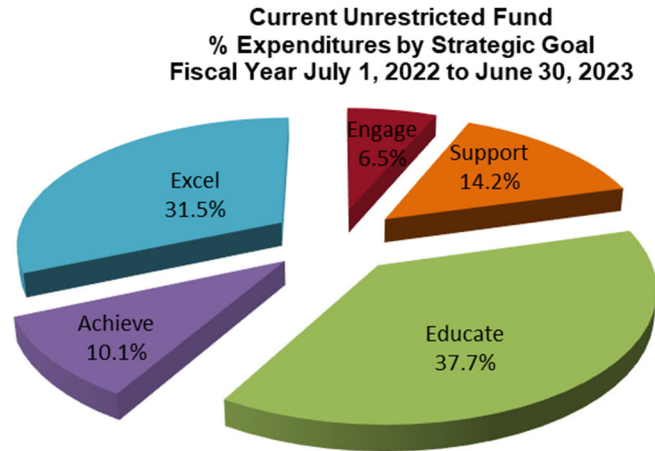
The College engages in an annual strategic and operational planning cycle that involves all levels of the organization. This planning process provides a framework to advance the College’s mission and goals in order to meet the needs of the students and the community. In March 2022, the Board of Trustees approved the 2022-2026 Strategic Plan, *A Vision for Success*, which guides future fiscal cycles.

The schedule below lists the College’s strategic goals for 2022-2026, and the current unrestricted fund budgeted and expended amounts for the Fiscal Year ended June 30, 2023:

	FY2023 Revised Budget Amount	FY2023 Expended Amount	
Goal 1	\$ 2,553,057	\$ 2,529,460	ENGAGE: Ensure high quality and equitable student, employee, and community stakeholder experiences.
Goal 2	5,571,081	5,566,735	SUPPORT: Provide innovative services designed to bolster student progress and wellness that enhance the educational experience.
Goal 3	14,742,336	14,774,140	EDUCATE: Cultivate an innovative and inclusive climate for high quality learning across the college community responsive to both immediate challenges and long-term needs.
Goal 4	4,104,720	3,963,490	ACHIEVE: Eliminate barriers to increase academic, social, and career goal attainment for all students.
Goal 5	12,302,799	12,318,705	EXCEL: Provide fiscal, physical, human, and technological resources that maximize efficiency while delivering innovative, responsive, and inclusive programs and services that foster excellence.
	\$ 39,273,993	\$ 39,152,530	

**ATLANTIC CAPE COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

The following chart illustrates the relative size of current unrestricted fund operating expenses for the year ended June 30, 2023 by strategic goal:



Operating Results

The following summary of operating results displays the change from 2022 to 2023 and 2021 activity and was prepared from the College's Statement of Revenues, Expenses, and Changes in Net Position:

	FY2023	FY2022	FY2021	Change FY2022-2023
Total Operating Revenue	\$ 14,114,192	\$ 10,438,218	\$ 12,795,596	\$ 3,675,974
Total Operating Expenses	51,980,077	57,579,134	54,592,684	(5,599,057)
Operating Loss	(37,865,885)	(47,140,916)	(41,797,088)	(9,275,031)
Net Nonoperating Revenue	34,855,775	46,740,096	45,665,651	(11,884,321)
Gain (Loss) Before Net Other Revenues	(3,010,110)	(400,820)	3,868,563	(2,609,290)
Capital Appropriation	6,200,939	8,831,712	7,100,213	(2,630,773)
Additions to Permanent Endowments	6,558	7,678	1,610	(1,120)
Increase (Decrease) in Net Position	3,197,387	8,438,570	10,970,386	\$ (5,241,183)
Net Position, Beginning of Year	71,097,129	62,658,559	51,688,173	
Net Position, End of Year	<u>\$ 74,294,516</u>	<u>\$ 71,097,129</u>	<u>\$ 62,658,559</u>	

Fiscal Year 2023 Budget to Actual Comparison

Comparing the total original budget to actual activity for the current unrestricted fund, the College earned 100.1% of original budgeted revenues and expended 100.4% of original budgeted expenditures. Encumbrances at June 30, 2023, subject to automatic re-appropriation in FY2024, totaled \$85,633. At June 30, 2022, encumbrances re-appropriated in FY2023 totaled \$282,352 which accounts for expending more than the original budgeted expenditures in Fiscal Year 2023.

**ATLANTIC CAPE COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

The summary schedule below is prepared from the College's Supplemental Financial Information, Budget Comparison to Actual for the Fiscal Year ended June 30, 2023.

	Original Budget	Adjusted Revised Budget	Actual Activity	Original Budget over (under)
Total Education and General Income	\$ 37,342,416	\$ 37,342,416	\$ 37,381,816	\$ 39,400
ABP Reimbursement	550,000	550,000	543,685	(6,315)
Adjusted Education and General Income	37,892,416	37,892,416	37,925,501	33,085
Total Education and General Expenditures	38,991,641	39,273,993	39,152,530	160,889
Education and General Operating Margin	\$ (1,099,225)	\$ (1,381,577)	\$ (1,227,029)	\$ 127,804

The variance in revenues was \$33,085. This positive variance is a result of \$173 thousand more in State operating appropriations which was a result of increased State appropriations to the county college sector and a new funding formula instituted in Fiscal Year 2022. Other revenues were \$339 thousand higher than budgeted largely stemming from an increase in interest rates leading to \$468 thousand more in interest income, netted with shortfalls in indirect costs recovered. The College ended Fiscal Year 2023 with a net tuition and fee revenue shortfall of \$475 thousand, or 2.1% below the original budget. The tuition revenue shortfall from continuing education programs accounted for \$405 thousand of the shortfall as renewable energy programs were delayed until Fiscal Year 2024. Nursing, culinary and aviation program fees, which cover direct expenses of these higher cost programs, totaled nearly \$2.2 million, \$165 thousand above budget. Actual fundable credit enrollment was below the original budget of 97,010 credits by 2.7%. The original revenue budget was based on a 3% increase in student credit hours from prior year actuals and no change in the per credit tuition and fee rate. Actual fundable credit enrollments of 94,354 student credit hours (excluding dual enrollment) were 1.5% more than the prior year.

Overall, expenses were above the original budget by \$160,889. The College utilized most of the original budget plus the revised operating budget of \$282,352 for encumbrances from Fiscal Year 2022 expended in Fiscal Year 2023. The College's labor agreements with its four bargaining units for the period July 1, 2022 to June 30, 2026 were approved by the College's Board of Trustees on November 29, 2022. The compensation approved for Fiscal Year 2023 for all four of the bargaining units comprised of a base salary increase of 3.5% commencing on December 3, 2022, plus a retroactive one-time stipend by unit for all eligible full-time employees which are reflected in the salary and benefits totals for Fiscal Year 2023.

The educational and general operating margin for Fiscal Year 2023 was \$(1,227,029), and an additional \$85,633 was appropriated for encumbrances carried forward to Fiscal Year 2024. The reserve for state unemployment decreased by \$50,000 to \$650,000. Fiscal Year 2023 expenses from the Board Designated Technology Replacement Reserve totaled \$326,672. The balance in the Technology Replacement Reserve at June 30, 2023 was \$2,150,118. At June 30, 2023, the Board designated \$500,000 *A Vision for Success* reserve to support non-recurring and start-up costs of projects or initiatives supporting the Strategic Plan 2022-2026 remained. The College's unrestricted, undesignated net position at June 30, 2023 totaled \$6,755,209.

**ATLANTIC CAPE COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Facilities Expansion Plans

In Fiscal Year 2023, Atlantic Cape completed construction on its new Innovation Center, which will offer Esports and Cybersecurity programs in a state-of-the-art facility located on the Mays Landing campus. This center replaced the existing Charles B. Boyer Hall, which was one of the oldest buildings on the campus. Funding for the project was provided through a \$4 million New Jersey's Securing Our Children's Future Bond Act grant and \$1.3 million match from Atlantic County.

Construction of a 1,700-square-foot Wind Training Center at the Worthington Atlantic City campus as part of a nearly \$3 million state grant aimed at growing the state's offshore wind industry was substantially complete at June 30, 2023. The Wind Training Center is funded by the New Jersey Offshore Wind Safety Training Challenge grant, administered by the Office of the Secretary of Higher Education with the support of the New Jersey Economic Development Authority. The Wind Training Center is scheduled to open in 2024.

The College relies heavily on Chapter 12 funds (Public Law 1971) for its facilities expansion and major capital improvements. The State of New Jersey authorized a 2008 allocation totaling \$9,009,000 of Chapter 12 funds designated for deferred maintenance, capital improvements and new construction based on master plan priorities. A 2010 allocation of \$2,353,000 is designated for the STEM building which opened in Fiscal Year 2015. A 2012 allocation of \$8,500,000 and 2013 allocation of \$1,500,000 supported campus renovations, including repurposing Building A, academic classrooms. A 2014 allocation of \$4,200,000 supported the construction of the Student Center. A 2015 allocation of \$3,200,000 is designated for academic, lab and office renovations at the Mays Landing campus, fire suppression and plumbing upgrades, as well as exterior upgrades to the Worthington Atlantic City Campus. A 2016 allocation of \$3,000,000 was fully expended for the Student Center. A 2017 allocation of \$2,900,000 funded the replacement of the College's phone system and supports infrastructure and building renovations, while a 2018 allocation of \$3,100,000 supports classroom renovations, roof and air handler replacements. A 2019 allocation of \$6,100,000 funds building renovations and roof replacements on the Mays Landing campus, security and lighting systems at the Worthington Atlantic City campus and fire alarm and parking lot improvements at the Cape May campus. Allocations of \$3,100,000 for 2020 and \$4,800,000 for 2021 support renovations to academic buildings and creating a "One-Stop" center on the Mays Landing campus. A 2022 allocation of \$4,807,000 supports building improvements at all three campuses. Projects funded through Chapter 12 funds are included in the College's Facilities Master Plan 2021-2025.

In Fiscal Year 2014, the College entered into a \$803,542 lease agreement with the New Jersey Educational Facilities Authority for the State of New Jersey's Higher Education Equipment Leasing Fund Program for the purpose of providing educational equipment. The lease agreement requires that the College pay 25% of the debt service of which Atlantic and Cape May counties will provide the funds proportionately. The final lease payments under the agreement were completed in Fiscal Year 2023.

**ATLANTIC CAPE COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

Capital asset activity for the Fiscal Year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Land	\$2,370,097	\$ -	\$ -	\$2,370,097
Construction in Progress	8,727,957	957,231	(8,471,070)	1,214,118
Land Improvements	3,170,764	616,000	(90,960)	3,695,804
Infrastructure	1,295,903	-	-	1,295,903
Buildings and Improvements	119,768,153	11,664,708	(2,044,183)	129,388,678
Furniture and Equipment	18,233,386	1,971,754	(900,496)	19,304,644
Library Collection	80,371	-	(17,663)	62,708
Other Improvements	9,600	-	-	9,600
Leasehold Improvements	466,644	-	-	466,644
Other Assets	3,633,612	85,750	-	3,719,362
Total	157,756,487	15,295,443	(11,524,372)	161,527,558
Less Accumulated Depreciation and Amortization	(79,241,904)	(6,073,671)	2,905,297	(82,410,278)
Capital Assets, Net	\$78,514,583	\$9,221,772	\$(8,619,075)	\$79,117,280

Debt Administration

The College has no bonds outstanding at June 30, 2023 and 2022.

Economic Factors That Affect The Future

Although the College's financial position is currently healthy, the economic position of the College is closely tied to that of the State of New Jersey and the Counties of Atlantic and Cape May. The College's state and county appropriations and many state and local grants and contracts are influenced by the economic climate of the state and counties. Other factors that affect college tuition and fee revenues include population growth rate, unemployment rate, and the number of high school graduates in Atlantic and Cape May counties. In addition, the future impact that the COVID-19 pandemic will have on the College's operations is still uncertain.

As Fiscal Year 2023 ended, New Jersey's unemployment rate was steady with the year before at 3.7%, a vast improvement from the historical high of 15.3% in May 2020. In June 2023, Atlantic County's unemployment rate was 5.5%, while Cape May County's rate was 4.9%, which were both up slightly from the previous year. This compares to June 2020, where Atlantic County's unemployment rate reached a staggering 34.3%, while Cape May County's was 20%. Given the severity of the public health crisis, the economy was virtually shut down for more than a year. Heavy losses were seen across the state, with the biggest in Atlantic County which is most dependent on the gaming industry. To slow the spread of COVID-19, Atlantic city's casinos were closed on March 16, 2020 reopening to limited capacity restrictions in early July. Before COVID-19, Atlantic City was on the road to recovery and making progress to diversify its economy and revitalize the casino industry. Atlantic County's June 2019 unemployment rate had reached a record low at 4.0%, while Cape May County's June 2019 unemployment rate was 3.7%.

**ATLANTIC CAPE COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

Historically, community college enrollment has improved during periods of recession as displaced workers enroll to retrain their skills. The current strong labor market impacts community college enrollment, as potential students have employment options, including work from home, which compete with attending higher education. Additional factors are contributing to the nationwide decline in enrollment as current and potential students are still dealing with the effects of the pandemic. Competition with four-year higher education institutions has grown. Atlantic Cape will continue to help remove these challenges by offering loaner laptops and calculators, student food vouchers, tutoring, instructional delivery options and other student services. Maintaining an affordable tuition and fee structure is a necessity in order to stay competitive in higher education. Atlantic Cape strives to bridge the gap between affordability and quality education as evidenced by keeping the per credit tuition and fees level for the past three years. Communication to students about potential financial aid and scholarship opportunities is important, including the State's expansion of the Community College Opportunity Grant program for eligible New Jersey residents with an adjusted gross income of up to \$100,000. Continued and expanded partnerships with area high schools, universities and businesses is key.

Salaries and benefits account for 80.0% of the College's unrestricted operating expenses. On November 29, 2022, the College's Board of Trustees approved the labor agreements for the period July 1, 2022 to June 30, 2026 for all four bargaining units. The compensation approved for the Fiscal Year ended June 30, 2023 included a 3.5% base salary increase commencing on December 3, 2022 for all eligible full-time employees. Beginning in Fiscal Year 2011, all covered full-time employees began to contribute to health benefits costs. Their contributions totaled \$772 thousand in 2023, which offsets gross medical and prescriptions costs of nearly \$5.5 million. Insurance, utilities and telephone expenses amounted to nearly \$2.4 million, or 6.1% of total unrestricted expenses. As new buildings in the master plan are completed, facilities costs will increase. This increase will be partially offset by expected savings on electricity costs from the solar projects on the Mays Landing and Cape May campuses, as well as expected savings from installing energy efficient lighting and windows in renovated buildings. Technology continues to change and, in order to offer exemplary programs, the College must continue to budget for the purchase of new software and equipment as well as the maintenance of existing technologies, including costs to support the College's Colleague management information system on which implementation was completed in 2011.

Planning for the maintenance of facilities and identifying the funding sources required is ongoing. The College follows its Facilities Master Plan 2021-2025 for planning capital improvements and deferred maintenance projects. The College currently relies heavily on Chapter 12 funding supported by the counties and state. Most of the College's equipment needs are currently funded through grants from various agencies and equipment leasing fund programs made available through the State. Funds from the college's facilities fee, which is charged on a per student credit hour basis, are dedicated to deferred maintenance and improvements and renewals of academic and student areas.

Contacting the College's Financial Management

This financial report is designed to provide readers with a general overview of Atlantic Cape Community College's finances and to demonstrate the College's accountability for the resources it receives. Questions concerning this report or requests for additional financial information should be directed to Leslie A. Jamison, Chief Financial Officer, 5100 Black Horse Pike, Mays Landing, N.J. 08330.

ATLANTIC CAPE COMMUNITY COLLEGE
STATEMENTS OF NET POSITION
AS OF JUNE 30, 2023 and 2022

	2023		2022	
	College	Component Unit	College	Component Unit
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 17,247,648	\$ 590,705	\$ 15,870,172	\$ 399,970
Security deposits	2,017		4,684	
Investments		2,153,599		1,843,283
Accounts receivable:				
Students, net of allowance of \$802,353 and \$372,270 respectively	785,995		367,504	
Federal, state, county, local	3,824,588		9,546,326	
Other	13,329	47,330	47,877	48,190
Promises to give	146,803			25,000
Inventories	91,672		96,115	
Prepaid expenses	627,882	1,445	673,247	798
Other	77,444		56,144	
Total current assets	<u>22,817,378</u>	<u>2,793,079</u>	<u>26,662,069</u>	<u>2,317,241</u>
Noncurrent assets:				
Restricted cash and cash equivalents	3,150,093		4,143,848	
Restricted investments		3,496,553		3,387,751
Software subscriptions, net (Note 16)	977,063		1,244,979	
Capital assets, non-depreciable (Note 15)	3,584,215		11,098,054	
Capital assets, net of accumulated depreciation of \$82,410,278 and \$79,241,904 respectively (Note 15)	75,533,065		67,416,529	
Total noncurrent assets	<u>83,244,436</u>	<u>3,496,553</u>	<u>83,903,410</u>	<u>3,387,751</u>
Total assets	<u>106,061,814</u>	<u>6,289,632</u>	<u>110,565,479</u>	<u>5,704,992</u>
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions (Note 17)	<u>2,386,533</u>		<u>1,782,229</u>	
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	7,810,579	1,108,654	9,491,261	909,095
Unearned revenue	3,027,585	92,878	4,296,877	59,554
Current portion:				
Deposits	4,002		2,448	
Compensated absences	162,458		113,659	
Subscription obligations payable	738,202		626,444	
Accrued interest	4,397			
Capital lease			36,909	
Equipment leasing fund			24,999	
Total current liabilities	<u>11,747,223</u>	<u>1,201,532</u>	<u>14,592,597</u>	<u>968,649</u>
Noncurrent liabilities:				
Deposits	60,841		115,677	
Compensated absences	1,353,442		1,500,214	
Subscription obligations payable	176,401		618,535	
Net pension liability (Note 17)	15,751,781		13,013,317	
Total noncurrent liabilities	<u>17,342,465</u>	<u>-</u>	<u>15,247,743</u>	<u>-</u>
Total liabilities	<u>29,089,688</u>	<u>1,201,532</u>	<u>29,840,340</u>	<u>968,649</u>
DEFERRED INFLOWS OF RESOURCES				
Related to pensions (Note 17)	<u>5,064,143</u>		<u>11,410,239</u>	
NET POSITION				
Net Investment in capital assets	79,117,280		78,477,674	
Restricted for:				
Nonexpendable:				
Scholarships and fellowships	875,462	3,496,553	868,524	3,412,751
Expendable:				
Other	1,541,697	1,064,956	1,649,273	931,858
Unrestricted (Deficit)	(7,239,923)	526,591	(9,898,342)	391,734
Total net position	<u>\$ 74,294,516</u>	<u>\$ 5,088,100</u>	<u>\$ 71,097,129</u>	<u>\$ 4,736,343</u>

The accompanying notes are an integral part of the financial statements

**ATLANTIC CAPE COMMUNITY COLLEGE
STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

	<u>2023</u>		<u>2022</u>	
	<u>College</u>	<u>Component Unit</u>	<u>College</u>	<u>Component Unit</u>
REVENUES				
Operating Revenues:				
Student tuition and fees (including chargebacks and net of allowances of \$12,942,486 and \$15,557,322 respectively)	9,777,147		\$ 6,597,012	
Gifts and contributions		\$ 874,185		\$ 813,578
Federal grants and contracts	2,076,926		1,922,193	
State and local grants and contracts	1,670,464		1,357,115	
Nongovernmental grants and contracts	74,296		57,270	
Sales and services of educational departments	45,936		39,586	
Other operating revenues	380,753		378,479	
Auxillary enterprises - student activities	88,670		86,563	
Total operating revenues	<u>14,114,192</u>	<u>874,185</u>	<u>10,438,218</u>	<u>813,578</u>
EXPENSES				
Operating Expenses:				
Instructional	14,833,442		14,734,050	
Public service	545,904		424,141	
Academic support	5,729,760		5,785,368	
Student services	7,048,407		7,335,259	
Institutional support	4,037,521	62,392	4,699,656	42,322
Operations and maintenance of plant	7,872,614		7,751,190	
Scholarship and student aid	4,889,922	857,224	10,891,697	780,579
Depreciation and amortization	6,873,448		5,870,570	
Auxillary enterprises - student activities	149,059		87,203	
Total operating expenses	<u>51,980,077</u>	<u>919,616</u>	<u>57,579,134</u>	<u>822,901</u>
Total operating income (loss)	<u>(37,865,885)</u>	<u>(45,431)</u>	<u>(47,140,916)</u>	<u>(9,323)</u>
NONOPERATING REVENUES (EXPENSES)				
State Appropriations:				
State aid	5,717,524		5,545,326	
On-behalf fringe benefits:				
Alternate benefit program	543,685		551,396	
Other post employment benefits	1,932,979		3,710,357	
County appropriations	8,621,924		8,621,977	
Education Stabilization Fund (ESF):				
Higher Education Emergency Relief Fund (HEERF):				
Student Aid (COVID-19)	526,179		6,783,450	
Institutional Aid (COVID-19)	1,483,847		6,857,974	
Strengthening Institutions Program (COVID-19)				
Governor's Emergency Education Relief (GEER) Fund (COVID-19)				
(GEER II) Fund (COVID-19)	123,035		156,220	
Federal student financial aid	10,457,105		9,941,624	
State student financial aid	4,382,149		3,842,127	
Gifts	702,160		679,579	
Investment income	533,508	313,387	38,826	(843,965)
Interest Expense	(4,397)			
Repairs funded by capital appropriations and insurance proceeds	(17,214)		(86,997)	
Loss on equipment disposals	(146,709)		(34,324)	
Net nonoperating revenues (expenses)	<u>34,855,775</u>	<u>313,387</u>	<u>46,740,096</u>	<u>(843,965)</u>
Income (loss) before net other revenues	<u>(3,010,110)</u>	<u>267,956</u>	<u>(400,820)</u>	<u>(853,288)</u>
OTHER REVENUES				
Capital appropriations	6,200,939		8,831,712	
Additions to permanent endowments	6,558	83,801	7,678	(50,850)
Total other revenues	<u>6,207,497</u>	<u>83,801</u>	<u>8,839,390</u>	<u>(50,850)</u>
Changes in net position	3,197,387	351,757	8,438,570	(904,138)
NET POSITION				
Net position - beginning of year	71,097,129	4,736,343	62,658,559	5,640,481
Net position - end of year	<u>74,294,516</u>	<u>\$ 5,088,100</u>	<u>\$ 71,097,129</u>	<u>\$ 4,736,343</u>

The accompanying notes are an integral part of the financial statements

ATLANTIC CAPE COMMUNITY COLLEGE
STATEMENTS OF CASH FLOWS
(COLLEGE ONLY)
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees (including chargebacks)	\$ 8,088,429	\$ 6,564,288
Grants and contracts	2,690,210	4,770,253
Payments to suppliers	(18,015,616)	(18,574,509)
Payments to employees	(25,359,013)	(23,141,184)
Payments for scholarships and student aid	(3,824,577)	(9,959,716)
Other receipts	470,131	413,594
Net cash used in operating activities	(35,950,436)	(39,927,274)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	6,258,498	6,085,816
County appropriations	8,621,746	10,354,476
Noncapital grants received - student financial aid	14,842,262	13,703,943
Higher Education Emergency Relief Fund (HEERF):		
Student Aid (COVID-19)	525,679	6,796,050
Institutional Aid (COVID-19)	1,520,882	10,337,461
Opportunity Meets Innovation Challenge (GEER II)		414,297
Gifts and grants received for other than capital purposes	530,357	629,579
Net cash provided by noncapital financing activities	32,299,424	48,321,622
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital appropriations	6,901,026	3,382,539
Capital grants and gifts received	4,333,079	1,241,110
Proceeds from sale of capital assets	1,296	8,404
Payments to suppliers	(17,214)	(86,997)
Purchase of capital assets	(5,904,052)	(1,598,685)
Software subscription payments	(862,237)	
Construction in progress	(957,231)	(8,223,572)
Private gifts for endowment purposes	6,558	7,678
Net cash used in capital and related financing activities	3,501,225	(5,269,523)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	533,508	38,826
Net cash provided by investing activities	533,508	38,826
Net increase in cash	383,721	3,163,651
Cash - beginning of year	20,014,020	16,850,369
Cash - end of year	\$ 20,397,741	\$ 20,014,020
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMPARATIVE STATEMENTS OF NET POSITION:		
Unrestricted Current	\$ 17,247,648	\$ 15,870,172
Restricted Noncurrent	3,150,093	4,143,848
	\$ 20,397,741	\$ 20,014,020

The accompanying notes are an integral part of the financial statements

ATLANTIC CAPE COMMUNITY COLLEGE
STATEMENTS OF CASH FLOWS
(COLLEGE ONLY)
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022
(CONTINUED)

RECONCILIATION OF NET OPERATING REVENUES (EXPENSES)	2023	2022
TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	\$ (37,865,885)	\$ (47,140,916)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	6,873,448	5,870,570
Pension expense	(2,786,107)	(3,314,770)
Other post employment benefits	1,932,979	3,710,357
Noncash Student awards - textbook and food card scholarships	3,700	12,300
Change in assets and liabilities		
Security deposits	2,667	1,606
Student accounts receivable	(418,491)	112,009
Federal, state, county and local receivables	(339,600)	(111,782)
Other accounts receivable	34,548	32,356
Inventories	4,443	6,451
Prepaid expenses	45,365	173,617
Other assets	(45,253)	16,095
Accounts payable and accrued liabilities	(668,711)	(106,683)
Deposits	(53,282)	16,728
Deferred revenue	(1,146,256)	2,147,428
Deferred outflow of resources - related to pensions:		
Contributions made after the measurement date	(1,425,829)	(1,316,232)
Compensated absences	(97,973)	(36,864)
Other liabilities	(199)	456
Net cash used in operating activities	\$ (35,950,436)	\$ (39,927,274)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Donated textbook vouchers	\$ 25,000	\$ 50,000

The accompanying notes are an integral part of the financial statements

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 1: ORGANIZATION

Atlantic Cape Community College (the College) is a two-year publicly supported community college operating under the provisions of N.J.S.A. 18A:64 A1, et seq. The College, which is located in Atlantic and Cape May Counties, New Jersey, offers a wide range of programs to meet the needs of the surrounding community. Financial support is received from county and state governments.

The Board of Trustees of the College voted on August 28, 1998 to approve a resolution authorizing Atlantic Community College to enter into a joint venture college with Cape May County. Officials from the College, Atlantic County and Cape May County signed a contract outlining the terms of the agreement. The New Jersey Legislature approved changes to the New Jersey Community College funding formula. The jointure agreement became effective January 1, 1999.

The Counties of Atlantic and Cape May provide support to the College based upon the funding formula specified in the jointure agreement. Atlantic County has nine voting members on the Board of Trustees of the College, including the Atlantic County Superintendent of Schools. Cape May County has five voting members on the Board of Trustees of the College, including the Cape May County Superintendent of Schools. One voting alumnus member from Atlantic or Cape May County is elected for a one-year term by each year's graduating class. The College President serves as *Ex-Officio* on the Board of Trustees.

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Component Units

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

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

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Component Units (Continued)

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the College has determined that Atlantic Cape Community College Foundation, Inc. (the Foundation) meets the requirement for discrete presentation in the financial statements of the College. In accordance with GASB Statements No. 34 and No. 35, certain presentation adjustments to the financial statements of the Foundation were required to conform to the classification and display requirements in the aforementioned GASB Statements, as applicable to the College.

The Foundation is a legally separate, tax-exempt entity, and acts primarily as a fund-raising organization to provide funding and support to Atlantic Cape Community College, its students and educational endeavors, through special event fund-raising and community philanthropy. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, which the Foundation holds and invests, is restricted to the activities of the College by the donors.

During the fiscal years ended June 30, 2023 and 2022, the College received payments of \$530,660 and \$644,230 from the Foundation for scholarships, other contributions and capital asset donations. Complete financial statements for the Foundation can be obtained from the Foundation Office at 5100 Black Horse Pike, Mays Landing, NJ 08330.

Basis of Accounting and Presentation

The College prepares its financial statements in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB), including GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities*, and the National Association of College and University Business Officers (NACUBO). The College follows the “business-type activities” reporting requirements of GASB Statement Nos. 34 and 35 for financial reporting purposes. Such financial statements are prepared on the accrual basis.

The Foundation reports as a not-for-profit organization under Financial Accounting Standards Board (FASB) standards. As a result, certain revenue recognition criteria and presentation features are different from GASB revenue recognition and presentation features.

Fund Accounting

In order to ensure observance of limitations and restrictions placed on the use of resources available to the College, the accounts of the College are maintained in accordance with the principles of “fund accounting”. The procedure of fund accounting is one by which resources for various purposes are classified for accounting and 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, all funds are combined for an entity-wide presentation to meet the financial reporting requirements under accounting principles generally accepted in the United States of America as promulgated by GASB.

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contribution and nature of fund-raising activity.

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents includes petty cash, amounts in deposits, and short-term investments with original maturities of three months or less. Certificates of deposit that have original maturity dates of more than three months but less than twelve months from the date of purchase are classified as investments.

Cash in excess of daily requirements is invested in short-term marketable securities consisting of commercial paper, certificates of deposit and U.S. Treasury obligations. Such investments with maturities of three months or less are deemed to be cash equivalents for the purpose of the College's financial statement presentation.

Cash is categorized as restricted in compliance with purpose restrictions, such as endowment provisions, certain Board of Trustee funds designations, or federal, state, or other external agency requirements.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. GASB 40 requires that disclosure be made as to the credit rating of all fixed income securities except obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. The cash management fund is unrated.

New Jersey statutes require that county colleges deposit public funds in public depositories located in New Jersey that are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. County colleges are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must be equal to at least 5% of the average daily balance of collected public funds on deposit.

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Credit Risk (Continued)

In addition to the above collateral requirements, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

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

Income Taxes

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

Accounts Receivable

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

Revenues are charged and an allowance is credited with a provision for uncollectible accounts based on experience and on any unusual circumstances that may affect the ability of students or student sponsors to meet their obligations. It is the College policy to write off uncollectible accounts after two years of delinquency. Accounts deemed uncollectible are charged against this allowance. Accounts receivable are reported net of an accumulated allowance of \$802,353 and \$372,270 as of June 30, 2023 and 2022, respectively.

Tuition

Each year the Board of Trustees sets tuition and fee rates based on a per credit hour rate. Rates vary based upon residence within Atlantic and Cape May Counties, out of county, out of state and international students.

Inventory

Inventory is valued at cost, with cost being determined on a first-in, first-out basis.

Prepaid Expenses

Prepaid expenses represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

Capital Assets

Capital assets include land, building and improvements, equipment and infrastructure assets, such as sewer. Capital assets are defined by the College as assets with an initial unit cost of \$2,500 or more, or, an aggregate purchase greater than \$15,000. The costs of normal maintenance and repairs that do not add value to the asset are not capitalized. Major outlays for capital assets are capitalized as projects are constructed. Such assets are recorded at historical cost and net of accumulated depreciation and amortization of \$82,410,278 and \$79,241,904 for the years ended June 30, 2023 and 2022, respectively.

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subscription-Based IT Arrangements

The College has noncancelable subscription-based IT arrangements for the right-to-use IT software (Software subscription IT arrangements).

Short-term Subscription-Based IT Arrangements

For subscription IT arrangements with a term of 12 months or less, the College recognizes expense based on the provisions of the subscription IT arrangement.

Subscription-Based IT Arrangements Other Than Short-term

For subscription IT arrangements with a term over 12 months at commencement, the College recognizes a subscription liability and an intangible right-to-use subscription asset.

Measurement of Subscription-Based IT Amounts

At subscription commencement, the College initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscriptions made. The subscription asset is initially measured as the initial amount of the subscription liability, plus any capitalizable implementation costs. Subsequently, the subscription asset is amortized into depreciation and amortization expense on a straight-line basis over the shorter of the subscription term or the useful life of the underlying software. Amortization expense related to subscription-based assets totaled \$799,777 for the fiscal year ended June 30, 2023, the year of implementation.

Non-Current Liabilities

Non-current liabilities include estimated amounts for accrued compensated absences and other liabilities that will not be paid within the next fiscal year.

Depreciation and Amortization

Depreciation has been applied using the straight-line method, with the half-year convention, over the following useful lives:

Buildings and improvements	40 years
Infrastructure	40 years
Improvements (acquired after June 30, 2005)	15 years
Other improvements (acquired after June 30, 2006)	25 years
Small building	20 years
Equipment and furnishings	10 years
Vehicles	7 years
Library books (acquired prior to July 1, 2020)	7 years
Computer equipment (acquired after June 30, 2001)	5 years

Amortization has been applied over the term of the applicable lease as follows:

Leasehold improvements	2.5 to 5 years
Other assets	5 to 20 years

Effective beginning Fiscal Year 2021, library books are no longer capitalized. Library books with a net book value of zero were retired in Fiscal Year 2023.

Depreciation and amortization expense for capital assets amounted to \$6,073,671 and \$5,870,570 for the years ended June 30, 2023 and 2022, respectively.

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

On-Behalf Payments for Fringe Benefits

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

Classification of Revenue

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

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

Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as non-operating revenues by GASB Statement No. 9 – *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting* and GASB No. 35, such as state appropriations and investment income.

Unearned Revenue

Unearned revenue represents tuition revenue that has been received on or before June 30, 2023 for classes that are scheduled in Summer and Fall 2023. It may also include cash which has been received for grants and/ or commissions but not yet earned. Enrollment from an academic term (for example, summer session) which is conducted over a fiscal year end, is reported totally within the fiscal year in which the term is predominantly conducted. The first Summer 2023 session began May 22, 2023.

Scholarship Discounts and Allowances

Student tuition and fee revenues are reported net of scholarship discount and allowances in the statement of revenues, expenses and changes in net position. Scholarship discount and allowances are the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain government grants, such as Pell grants, as well as other federal grants and state grants are recorded as either operating or non-operating revenue in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees, the College has recorded a scholarship discount and allowance. The amount of scholarship discount and allowances for the fiscal years ended June 30, 2023 and 2022 was \$12,942,486 and \$15,557,322, respectively.

Federal Financial Assistance Programs

The College participates in the following federally funded financial assistance programs: Federal Pell Grants, Federal Supplemental Educational Opportunity Grants (FSEOG), Federal Work-Study Grants and Federal Direct Loan Programs (FDLP). Federal programs are audited in accordance with the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Deferred Inflows of Resources

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

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

Compensated Absences

Compensated absences are those absences for which employees will be paid for vacation and sick leave when used. A liability is accrued for compensated absences that are earned and unused in accordance with College policy at June 30th of each fiscal year.

Net Position

The College's net position is classified as follows:

Net Investment in Capital Assets represents the College's total investment in capital assets, net of accumulated depreciation, and net of outstanding debt obligations related to capital assets.

Restricted for Nonexpendable Net Position include resources in which the College is prohibited from expending the principal portion of the funds and is legally or contractually obligated to spend the interest earnings in accordance with restrictions imposed by external third parties.

Restricted for Expendable Net Position include resources in which the College is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

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

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

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impact of Recently Issued Accounting Principles

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements that will become effective for the College for fiscal years ending after June 30, 2023:

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 100, "Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62". This statement is effective for periods beginning after June 15, 2023, and all reporting periods thereafter. The Statement will become effective for the College in the fiscal year ending June 30, 2024. This statement is not anticipated to have any effect on the College's financial reporting.

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 101, "Compensated Absences". This statement is effective for periods beginning after December 15, 2023, and all reporting periods thereafter. The Statement will become effective for the College in the fiscal year ending June 30, 2025. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the College.

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 102, "Certain Risk Disclosures". This statement is effective for periods beginning after June 15, 2024, and all reporting periods thereafter. The Statement will become effective for the College in the fiscal year ending June 30, 2025. This statement is not anticipated to have any effect on the College's financial reporting.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

NOTE 3: SUPPORT OF THE COLLEGE

State Aid

The New Jersey Department of Treasury, Office of Management and Budget (OMB) allocates the annual appropriation for community college operating aid according to credit hour enrollments as prescribed by N.J.S.A. 18A:64A-22.

County Aid

Support is provided by the Counties of Atlantic and Cape May and from in-county, out-of-county, and out-of-state students who pay tuition and fees up to approximately \$2,700, \$3,450 and \$4,200, respectively, per full-time student taking 15 credits per semester, for each of the two academic semesters.

The Board of School Estimate of Atlantic Cape Community College (consisting of four members of the Boards of County Commissioners (two from each county) and two members of the College's Board of Trustees) adopts a budget for each fiscal year ending June 30 and levies the amount necessary to be raised during that fiscal period on the Atlantic County and Cape May County Boards of County Commissioners. The Counties operate on a calendar year fiscal period and generate the necessary revenue through a levy on a local property in the form of taxation.

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 4: 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, would have an effect on the College's programs and activities.

NOTE 5: CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following as of June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents:		
Cash on hand	\$ 1,750	\$ 2,000
Cash (bank accounts)	10,228,521	9,949,185
New Jersey Cash Management Fund	10,167,470	10,062,835
	<u>\$ 20,397,741</u>	<u>\$ 20,014,020</u>

Bank balances of cash amounted to \$10,867,584 and \$10,766,030 as of June 30, 2023 and 2022, respectively of which \$250,000 was FDIC insured. Bank balances in excess of insured amounts are collateralized in accordance with the provisions of the Governmental Unit Deposit Protection Act (GUDPA).

New Jersey Cash Management Fund

During the year, the College participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State investment Council, who prescribe standards designed to insure the quality of the investments in order to minimize risk to the Fund's participants. Deposits with the New Jersey Cash Management Fund are not subject to FDIC or GUDPA categorizations. At June 30, 2023 and 2022, the College had \$10,167,470 and \$10,062,835, respectively, invested in the Fund.

NOTE 6: ENDOWMENTS

Donor restricted endowments totaled \$875,462 and \$868,524 for the fiscal years ended June 30, 2023 and 2022. Investments, if any, are stated at fair value at the date of the financial statements.

NOTE 7: INVENTORIES

Inventory for the college at June 30, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
Supplies	\$ 65,550	\$ 76,955
Perishable Stores	<u>26,122</u>	<u>19,160</u>
	<u>\$ 91,672</u>	<u>\$ 96,115</u>

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 8: PROMISE TO GIVE

Unconditional promises to give at June 30, 2023 and 2022 are as follows:

	<u>2023</u>		<u>2022</u>	
Promises to Give	\$ <u>146,803</u>		\$ <u>0</u>	

NOTE 9: COMPENSATED ABSENCES

College employees may accrue annual vacation and sick leave based on length of service but subject to certain limitations regarding the amount that will be paid in the event of retirement or separation. Personal time earned but unused at June 30 is rolled into sick leave and accounted for in compensated absences.

The estimated costs of compensated absences, including the college's FICA match, for which employees are vested is estimated at \$1,515,900 and \$1,613,873 for the fiscal years ended June 30, 2023 and 2022, respectively.

NOTE 10: NON-CURRENT LIABILITIES

Non-current liability activity for the fiscal years ended June 30, 2023 and 2022 was as follows:

	<u>June 30, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2023</u>	<u>Current Portion</u>
Deposits	\$ 118,125	\$ -	\$ (53,282)	\$ 64,843	\$ 4,002
Compensated Absences	1,613,873	74,985	(172,958)	1,515,900	162,458
Equipment Leasing Fund	24,999	-	(24,999)	-	-
Obligations under Capital Leases	36,909	-	(36,909)	-	-
Subscription Obligations Payable	1,244,979	531,861	(862,237)	914,603	738,202
Net Pension Liability	13,013,317	(2,786,106)	5,524,570	15,751,781	-
	<u>\$ 16,052,202</u>	<u>\$ (2,179,260)</u>	<u>\$ 4,374,185</u>	<u>\$ 18,247,127</u>	<u>\$ 904,662</u>

	<u>June 30, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2022</u>	<u>Current Portion</u>
Deposits	\$ 101,397	\$ 16,728	\$ -	\$ 118,125	\$ 2,448
Compensated Absences	1,650,737	79,392	(116,256)	1,613,873	113,659
Equipment Leasing Fund	49,988	-	(24,989)	24,999	24,999
Obligations under Capital Leases	109,085	-	(72,176)	36,909	36,909
Subscription Obligations Payable	-	1,244,979	-	1,244,979	626,444
Net Pension Liability	17,734,338	(3,314,772)	(1,406,249)	13,013,317	-
	<u>\$ 19,645,545</u>	<u>\$ (1,973,673)</u>	<u>\$ (1,619,670)</u>	<u>\$ 16,052,202</u>	<u>\$ 804,459</u>

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 11: NET POSITION

The following is a summary of Net Position balances of the College for the fiscal years ended June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Net Investment in Capital Assets		
Gross	\$ 79,117,280	\$ 78,514,583
Related Debt	-	(36,909)
Total Net Invested In Capital Assets	79,117,280	78,477,674
Restricted Net Position		
Nonexpendable		
Scholarships and Fellowships	875,462	868,524
Expendable		
Grants, Scholarships and Fellowships	328,561	313,813
Consent Decree	16,033	19,060
State Unemployment Fund	650,000	700,000
Capital Projects	463,621	472,529
Student Government	83,482	143,871
Subtotal Expendable	1,541,697	1,649,273
Total Restricted Net Position	2,417,159	2,517,797
Unrestricted Net Position (Deficit)		
Assignment to FY23 and FY22 Budget	1,698,508	1,099,225
Appropriated for Encumbrances	85,633	282,352
Pension Related Items	(18,429,391)	(22,641,327)
Undesignated before Pension Related Items:		
Board Designated Technology		
Replacement Reserve	2,150,118	2,476,790
Board Designated <i>A Vision for Success</i>	500,000	500,000
Undesignated	6,755,209	8,384,618
Total Unrestricted Net Position (Deficit)	(7,239,923)	(9,898,342)
TOTAL NET POSITION	\$ 74,294,516	\$ 71,097,129

NOTE 12: NONCASH DONATIONS

During the fiscal years ended June 30, 2023 and 2022, the college received the following non-cash donations that have been reflected in the financial statements:

	<u>2023</u>	<u>2022</u>
Student textbook vouchers	\$ <u>25,000</u>	\$ <u>50,000</u>

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 13: EXPENDITURES

Operating expenditures by natural classification for the fiscal years ended June 30, 2023 and 2022 were:

	<u>2023</u>	<u>2022</u>
Compensation:		
Salaries	\$ 24,303,612	\$ 23,024,275
Staff benefits	6,757,995	7,524,400
Total Compensation	31,061,607	30,548,675
Other Expenditures:		
Supplies and other	5,993,017	7,370,602
Utilities and telephone	1,693,186	1,553,153
Insurance	701,078	640,510
Repairs and maintenance	366,345	494,189
Rent	9,668	12,326
Depreciation and amortization	6,873,448	5,870,570
Scholarship and student aid	4,889,922	10,891,697
Travel	242,747	110,209
Total other expenses before auxiliary enterprises	20,769,411	26,943,256
Auxiliary Enterprises		
Student activities expenses	149,059	87,203
Total Expenditures	\$ 51,980,077	\$ 57,579,134

NOTE 14: CAPITAL IMPROVEMENT PROGRAM

At June 30, 2023, the status of bond related capital improvement projects was:

	<u>Budget</u>	<u>Expended</u>
FY22 Chapter 12 – Atlantic County	\$ 4,807,000	\$ 20,477
FY21 Chapter 12 – Atlantic County	4,800,000	4,220,634
FY20 Chapter 12 – Atlantic County	3,100,000	2,431,604
FY19 Chapter 12 – Atlantic County	6,100,000	5,638,680
FY18 Chapter 12 – Atlantic County	3,100,000	2,743,818
FY17 Chapter 12 – Atlantic County	2,900,000	1,354,156
FY15 Chapter 12 – Atlantic County	3,200,000	3,187,095
FY13 Chapter 12 – Atlantic County	1,500,000	1,480,245
FY12 Chapter 12 – Atlantic County	8,500,000	8,348,282
FY10 Chapter 12 – Atlantic County	2,353,000	2,320,270
FY08 Chapter 12 – Atlantic County	9,009,000	9,009,000

The bond related capital improvement project expenditures have been reflected in the accompanying financial statements. Reimbursements from the County and the State occur as capital expenditures are incurred and are recorded by the College in accordance with the terms of the agreements.

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 15: CAPITAL ASSET ACTIVITY

The fiscal year 2023 and 2022 activity in capital assets and accumulated depreciation was as follows:

	June 30, 2022			June 30, 2023
	Balance	Additions	Retirements	Balance
Non-depreciable assets:				
Land	\$2,370,097	\$ -	\$ -	\$2,370,097
Construction in Progress	8,727,957	957,231	(8,471,070)	1,214,118
	11,098,054	957,231	(8,471,070)	3,584,215
Depreciable assets:				
Land Improvements	3,170,764	616,000	(90,960)	3,695,804
Infrastructure	1,295,903	-	-	1,295,903
Buildings and Improvements	119,768,153	11,664,708	(2,044,183)	129,388,678
Furniture and Equipment	18,233,386	1,971,754	(900,496)	19,304,644
Library Collection	80,371	-	(17,663)	62,708
Other Improvements	9,600	-	-	9,600
Leasehold Improvements	466,644	-	-	466,644
Other Assets	3,633,612	85,750	-	3,719,362
	146,658,433	14,338,212	(3,053,302)	157,943,343
Less accumulated depreciation and amortization:				
Land Improvements	2,403,044	152,151	(87,928)	2,467,267
Infrastructure	166,157	32,398	-	198,555
Buildings and Improvements	60,384,306	4,218,488	(1,900,218)	62,702,576
Furniture and Equipment	12,919,337	1,379,801	(899,488)	13,399,650
Library Collection	66,385	7,570	(17,663)	56,292
Other Improvements	5,952	384	-	6,336
Leasehold Improvements	432,109	34,535	-	466,644
Other Assets	2,864,614	248,344	-	3,112,958
	79,241,904	6,073,671	(2,905,297)	82,410,278
	67,416,529	8,264,541	(148,005)	75,533,065
Net Depreciable Assets				
	\$78,514,583	\$9,221,772	\$(8,619,075)	\$79,117,280
Net Capital Assets				

Capital asset depreciation and amortization expense for the year ended June 30, 2023 was \$6,073,671. Projects were completed during the year resulting in \$8,471,070 being reclassified from Construction in Progress.

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 15: CAPITAL ASSET ACTIVITY (CONTINUED)

	June 30, 2021			June 30, 2022
	Balance	Additions	Retirements	Balance
Non-depreciable assets:				
Land	\$2,370,097	\$ -	\$ -	\$2,370,097
Construction in Progress	1,175,283	8,223,572	(670,898)	8,727,957
	<u>3,545,380</u>	<u>8,223,572</u>	<u>(670,898)</u>	<u>11,098,054</u>
Depreciable assets:				
Land Improvements	3,170,764	-	-	3,170,764
Infrastructure	1,295,903	-	-	1,295,903
Buildings and Improvements	118,784,578	1,170,464	(186,889)	119,768,153
Furniture and Equipment	17,835,556	937,244	(539,414)	18,233,386
Library Collection	1,282,035	-	(1,201,664)	80,371
Other Improvements	9,600	-	-	9,600
Leasehold Improvements	466,644	-	-	466,644
Other Assets	3,543,912	89,700	-	3,633,612
	<u>146,388,992</u>	<u>2,197,408</u>	<u>(1,927,967)</u>	<u>146,658,433</u>
Less accumulated depreciation and amortization:				
Land Improvements	2,214,559	188,485	-	2,403,044
Infrastructure	133,759	32,398	-	166,157
Buildings and Improvements	56,433,623	4,097,859	(147,176)	60,384,306
Furniture and Equipment	12,234,705	1,221,031	(536,399)	12,919,337
Library Collection	1,257,829	10,220	(1,201,664)	66,385
Other Improvements	5,568	384	-	5,952
Leasehold Improvements	363,039	69,070	-	432,109
Other Assets	2,613,491	251,123	-	2,864,614
	<u>75,256,573</u>	<u>5,870,570</u>	<u>(1,885,239)</u>	<u>79,241,904</u>
Net Depreciable Assets	<u>71,132,419</u>	<u>(3,673,162)</u>	<u>(42,728)</u>	<u>67,416,529</u>
Net Capital Assets	<u>\$74,677,799</u>	<u>\$4,550,410</u>	<u>\$(713,626)</u>	<u>\$78,514,583</u>

Depreciation and amortization expense for the year ended June 30, 2022 was \$5,870,570.
Projects were completed during the year resulting in \$670,898 being reclassified from Construction in Progress.

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 16: SUBSCRIPTION-BASED IT ARRANGEMENTS (SBITA)

The College has noncancelable SBITAs for the right-to-use software subscriptions.

The following is a summary of right-to-use software subscription asset activity during the year ended June 30, 2023:

<u>2023</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Right-to-use Assets:				
Software Subscriptions	\$ 1,244,979	\$ 531,861	\$ -	\$ 1,776,840
Total right-to-use assets	<u>1,244,979</u>	<u>531,861</u>	<u>-</u>	<u>1,776,840</u>
Less accumulated amortization:				
Software Subscriptions	-	799,777	-	\$ 799,777
Total accumulated amortization	<u>-</u>	<u>799,777</u>	<u>-</u>	<u>799,777</u>
Total right-to-use assets, net	<u>\$ 1,244,979</u>	<u>\$ (267,916)</u>	<u>\$ -</u>	<u>\$ 977,063</u>

Amortization expense for right-to-use assets for the year ended June 30, 2023 was \$799,777.

NOTE 17: PENSION PLANS

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

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

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

General Information About the Pension Plans

Plan Descriptions

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

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 17: PENSION PLANS (CONTINUED)

General Information About the Pension Plans (Continued)

administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

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

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

Vesting and Benefits Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

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

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 17: PENSION PLANS (CONTINUED)

General Information About the Pension Plans (Continued)

Vesting and Benefits Provisions - Continued

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

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

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50%. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The College's contractually required contribution rates were 17.11% and 15.98% of the College's covered payroll for the fiscal years ended June 30, 2023, and 2022, respectively. These amounts were actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the PERS measurement date of June 30, 2022, the College's contractually required contribution to the pension plan for the fiscal year ended June 30, 2023, was \$1,316,232 and was paid by April 1, 2023. College employee contributions to the pension plan during the fiscal year ended June 30, 2023, were \$599,423.

Based on the most recent PERS measurement date of June 30, 2021, the College's contractually required contribution to the pension plan for the fiscal year ended June 30, 2022, was \$1,286,465 and was paid by April 1, 2022. College employee contributions to the pension plan during the fiscal year ended June 30, 2022, were \$587,419.

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

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

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

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 17: PENSION PLANS (CONTINUED)

General Information About the Pension Plans (Continued)

Contributions - Continued

Alternate Benefit Program (Continued)

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

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

During the fiscal year end June 30, 2023, the College's share of the employer contributions for participants not eligible for State reimbursement was \$234,012, employee contributions to the plan were \$487,678, and the State of New Jersey made on-behalf payments for the College contributions of \$543,685.

During the fiscal year end June 30, 2022, the College's share of the employer contributions for participants not eligible for State reimbursement was \$185,230, employee contributions to the plan were \$462,114, and the State of New Jersey made on-behalf payments for the College contributions of \$551,396.

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

For the fiscal year ended June 30, 2023, employee contributions totaled \$39,912, the College recognized pension expense of \$21,770. There were no forfeitures during the fiscal year.

For the fiscal year ended June 30, 2022, employee contributions totaled \$27,300, the College recognized pension expense of \$14,891. There were no forfeitures during the fiscal year.

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

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

The College reported a liability of \$15,751,781 and 13,013,317 for its proportionate share of the net pension liability for the fiscal years ended June 30, 2023 and 2022, respectively.

The net pension liability reported at June 30, 2023 was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The College's

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 17: PENSION PLANS (CONTINUED)

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

proportion of the net pension liability was based on a projection of the College's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

For the June 30, 2022 measurement date, the College's proportion was .10437604100%, which was a decrease of 4.98% from its proportion measured as of June 30, 2021.

The net pension liability reported at June 30, 2022 was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The College's proportion of the net pension liability was based on a projection of the College's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

For the June 30, 2021 measurement date, the College's proportion was .10984947290%, which was an increase of 1.01% from its proportion measured as of June 30, 2020.

The College recognized negative expense of (\$2,786,106) and (\$3,314,772), in its financial statements for pension (benefit) expense for PERS, for the fiscal years ended June 30, 2023 and 2022, respectively. These amounts were based on the Plans June 30, 2022 and 2021 measurement dates, respectively.

At June 30, 2022 and 2021 measurement dates, the College reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Measurement Date June 30, 2022</u>		<u>Measurement Date June 30, 2021</u>	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between Expected and Actual Experience	\$ 113,689	\$ 100,258	\$ 205,237	\$ 93,160
Changes of Assumptions	48,804	2,358,665	67,773	4,632,825
Net Difference between Projected and Actual Earnings on Pension Plan Investments	651,952		-	3,428,050
Changes in Proportion and Differences between College Contributions and Proportionate Share of Contributions	146,259	2,605,220	192,987	3,256,204
College Contributions Subsequent to the Measurement Date	1,425,829		1,316,232	
	<u>\$ 2,386,533</u>	<u>\$ 5,064,143</u>	<u>\$ 1,782,229</u>	<u>\$ 11,410,239</u>

\$1,425,829 and \$1,316,232 included in deferred outflows of resources, for the June 30, 2022 and 2021 measurement dates, respectively, will be included as a reduction of the net pension liability in fiscal years ending June 30, 2024 and 2023, respectively.

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 17: PENSION PLANS (CONTINUED)

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

Year ended June 30,		
2024	\$	(3,501,519)
2025		(1,602,437)
2026		(583,861)
2027		1,590,039
2027		(5,661)
Total	\$	(4,103,439)

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

	Deferred Outflows	Deferred Inflows		Deferred Outflows	Deferred Inflows
Differences between Expected and Actual Experience			Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2017	5.48	-	June 30, 2018	5.00	-
June 30, 2018	-	5.63	June 30, 2019	5.00	-
June 30, 2019	5.21	5.21	June 30, 2020	5.00	-
June 30, 2020	5.16	-	June 30, 2021	5.00	-
June 30, 2021	5.13	5.13	June 30, 2022	5.00	-
June 30, 2022	-	5.04			
Changes of Assumptions			Changes in Proportion and Differences between College Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2017	-	5.48	June 30, 2017	5.48	5.48
June 30, 2018	-	5.63	June 30, 2018	5.63	5.63
June 30, 2019	-	5.21	June 30, 2019	5.21	5.21
June 30, 2020	-	5.16	June 30, 2020	5.16	5.16
June 30, 2021	5.13	-	June 30, 2021	5.13	5.13
June 30, 2022	-	5.04	June 30, 2022	5.04	5.04

Actuarial Assumptions

The net pension liability at June 30, 2023 was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022.

The net pension liability at June 30, 2022 was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021.

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 17: PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

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

	Measurement Date June 30, 2022	Measurement Date June 30, 2021
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases: ⁽¹⁾		
Through 2026	2.75% - 6.55%	2.00% - 6.00%
Thereafter	2.75% - 6.55%	3.00% - 7.00%
Investment Rate of Return	7.00%	7.00%
Period of Actual Experience Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021	July 1, 2014 - June 30, 2018

(1) based on years of service

For the June 30, 2022 measurement date, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

For the June 30, 2021 measurement date, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% for the June 30, 2022 and June 30, 2021 measurement dates) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in target asset allocation for the June 30, 2022 and June 30, 2021 measurement dates are summarized in the following tables:

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 17: PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

<u>June 30, 2022 Measurement Date</u>			<u>June 30, 2021 Measurement Date</u>		
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%	U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.38%	Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.33%	Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.80%	Private Equity	13.00%	11.30%
Real Estate	8.00%	11.19%	Real Estate	8.00%	9.15%
Real Assets	3.00%	7.60%	Real Assets	3.00%	7.40%
High Yield	4.00%	4.95%	High Yield	2.00%	3.75%
Private Credit	8.00%	8.10%	Private Credit	8.00%	7.60%
Investment Grade Credit	7.00%	3.38%	Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	1.75%	Cash Equivalents	4.00%	0.50%
U.S. Treasuries	4.00%	1.75%	U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	4.91%	Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>			<u>100.00%</u>	

Discount Rate June 30, 2022 Measurement Date - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to all projected benefit payments to determine the total pension liability.

Discount Rate June 30, 2021 Measurement Date - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for 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 to determine the total pension liability.

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

The following tables present the College's proportionate share of the net pension liability at the June 30, 2022 and 2021 measurement dates, respectively. These amounts were calculated using a discount rate of 7.00% for both June 30, 2022 and June 30, 2021, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 17: PENSION PLANS (CONTINUED)

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

	June 30, 2022 Measurement Date		
	1%	Current Discount	1%
	Decrease (6.00%)	Rate (7.00%)	Increase (8.00%)
College's proportionate share of the net pension liability	\$ 18,889,616	\$ 15,751,781	\$ 13,084,326

	June 30, 2021 Measurement Date		
	1%	Current Discount	1%
	Decrease (6.00%)	Rate (7.00%)	Increase (8.00%)
College's proportionate share of the net pension liability	\$ 15,498,825	\$ 13,013,317	\$ 10,907,008

Pension Plan Fiduciary Net Position

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

NOTE 18: DEFERRED COMPENSATION SALARY ACCOUNT

The College offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Service Code 457. The Plan, available to full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the College or its creditors.

The Plan is administered by the College through TIAA-CREF.

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
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NOTE 19: COMMITMENTS AND CONTINGENCIES

Operating Leases

The College leases copiers, and facilities under long-term operating leases. Rental expenditures in fiscal years 2023 and 2022 under these leases amounted to \$14,004 and \$46,179, respectively.

Aggregate approximate future minimum rental payments under non-cancelable operating leases are as follows:

Year Ending <u>June 30</u>	Rental <u>Payment</u>
2024	\$ 2,731
2025	2,731
2026	1,266

Capital Lease Obligations

The College has no capital lease agreements in effect as of June 30, 2023. There are no future minimum lease payments under capital leases as of June 30, 2023.

Lease Purchase

The College entered into a lease agreement with the New Jersey Educational Facilities Authority for the lease-purchase of equipment approved by the State Board of Higher Education. The total approved project amount is \$803,542. The College paid to the Authority 25% of the principal and interest on the bonds to finance equipment purchases. Lease payments to the Authority for the fiscal years ended June 30, 2023 and 2022 totaled \$24,999 and \$24,989, respectively. The lease term ended in fiscal year 2023, and there are no future lease payments due.

Subscription Obligations Payable

The College has recorded subscription liabilities related to right-to-use assets. Approximate future minimum subscription obligations payable are as follows:

<u>June</u>	<u>Payment</u>
2024	\$738,202
2025	176,401

Solar Site Lease and Power Purchase Agreement

The College entered into a solar site lease agreement and power purchase agreement with Energenic, LLC, on February 26, 2013. The College has no capital investment, but will be assured of a predictable cost of energy over the 15 year term of the lease. Solar arrays were substantially complete in October, 2013 on the Mays Landing and Cape May County campuses.

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 19: COMMITMENTS AND CONTINGENCIES (CONTINUED)

Rutgers University Ground Lease

The College has entered into a 50 year ground lease with Rutgers University. Rutgers completed construction of an academic building on the College's Mays Landing campus which opened for classes in September, 2012. The tenant shall pay the college an annual student use fee, adjusted annually. The student use fees for the fiscal years ended June 30, 2023 and 2022 were \$20,362 and \$10,960, respectively.

Assignment to FY24 Current Operating Budget

The Board of Trustees of the College has assigned a \$1,698,508 fund balance transfer into its FY24 Current Operating Budget – Education and General Revenues.

Encumbrances

The College has encumbrances representing outstanding purchase orders and other commitments with various vendors for materials and services not received as of June 30, 2023 and 2022 as follows:

	<u>2023</u>	<u>2022</u>
Current unrestricted	\$85,633	\$ 282,352

Not included in the above schedule are commitments of \$274,064 and \$2,448,288 for June 30, 2023 and 2022 to be offset with current restricted funds, \$4,210 and \$10,495 for June 30, 2023 and 2022 to be offset with auxiliary enterprises- student activities funds, \$203,565 and \$174,717 for June 30, 2023 and 2022 to be offset with Technology Replacement Reserve funds, and capital projects commitments of \$2,032,237 and \$4,175,953 for June 30, 2023 and 2022 to be offset with state Chapter 12 and facilities fees accounted for in the plant fund. Except as reported as allocated fund balances on the balance sheet, these commitments are not reflected on the accompanying financial statements.

Grantor Agencies

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

NOTE 20: RISK MANAGEMENT

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The College is self-insured for unemployment benefits compensation and participates in a self-insurance pool for workers' compensation.

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 20: RISK MANAGEMENT (CONTINUED)

Property and Liability Insurance

Comprehensive commercial business insurance is purchased and coverage limits are as follows:

Property	\$161,824,215
General Liability	1,000,000/3,000,000
Automobile Liability:	
Bodily Injury and Property Damage	1,000,000
Uninsured Motorists	1,000,000
Underinsured Motorists	1,000,000
Crime / Employee Bond	1,000,000
Directors and Officers Liability	5,000,000
Umbrella Liability	10,000,000
Special Excess	5,000,000
Workers' Compensation	Statutory
Environmental	1,000,000/3,000,000
Flood (Not Atlantic City Campus) & Earthquake	1,000,000 (Flood) 5,000,000 (Earthquake)
Flood Atlantic City (two parcels/lots)	500,000 (each lot)
Boiler & Machinery	Included up to property limit
Cyber Liability	2,000,000
Owned UAV and Non-owned Aircraft	1,000,000
Aviation Insurance:	
Aircraft Liability	1,000,000
Per Passenger Liability	100,000
Student & Renter Pilot Liability	100,000
Medical Limit - Occurrence	20,000
Medical Limit – Per Seat	5,000

New Jersey Unemployment Compensation Insurance

The College has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the College is required to reimburse the New Jersey Unemployment Trust fund for benefits paid to its former employees and charged to its account with the State. The College is billed quarterly for amounts due to the State. As of June 30, 2023, the State has not billed for any of the four quarters in Fiscal Year 2023. The most recent billing received from the State was for the quarter ending June 30, 2021. The College has established a current liability of \$196,381 at June 30, 2023 for the estimated amount of the eight quarterly billings for the Fiscal Years ended June 30, 2022 and June 30, 2023.

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 20: RISK MANAGEMENT (CONTINUED)

New Jersey Unemployment Compensation Insurance (Continued)

The following is a summary of College contributions, reimbursements to the State for benefits paid and the ending balance of the College's restricted net assets for the current and previous four fiscal years:

<u>Fiscal Year Ended June 30,</u>	<u>College Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023	\$ -	\$ -	\$ (50,000)	\$ 650,000
2022	-	-	-	700,000
2021	-	-	-	700,000
2020	268,781	43,281	(202,062)	700,000
2019	75,205	40,154	(175,359)	590,000

Workers' Compensation Insurance Pool

The College is a member of the New Jersey Community College Insurance Pool, a non-profit self-insurance pool created pursuant to the provisions of the New Jersey State Government Regulations Act, Chapter 204, P.L. 1985, to provide workers' compensation insurance to its members. Membership in the insurance pool is limited to New Jersey community colleges. As of June 30, 2023, twelve colleges participated in the insurance pool.

Contributions to the Pool are payable in an annual premium and are based on actuarial assumptions determined by the Pool's actuary. Contributions to the Pool in fiscal years ended June 30, 2023 and 2022 were \$173,281 and \$156,000, respectively. For a copy of the audit of the Pool, contact the plan administrator at 1200 Old Trenton Rd, West Windsor Township, NJ 08550.

NOTE 21: LITIGATION

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

NOTE 22: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN

General Information about the OPEB Plan

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

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

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 22: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONTINUED)

General Information about the OPEB Plan (Continued)

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

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

Employees Covered by Benefit Terms - At June 30, 2022 and 2021, the OPEB Plan's measurement date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

	June 30 2022 Measurement Date	June 30 2021 Measurement Date
Active Plan Members	213,148	213,901
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	151,669	150,427
	364,817	364,328

Total Non-Employer OPEB Liability

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to the OPEB Plan for qualified retired TPAF, PERS, PFRS and ABP pension participants. The College's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB'S No. 75 is zero percent. Accordingly, the College did not recognize any portion of the collective net OPEB liability on the statement of net position.

The State's proportionate share of the net OPEB liability associated with the College as of June 30, 2023 and June 30, 2022 was \$62,710,665 and \$74,654,892, respectively. Since the OPEB liability associated with the College is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

The total non-employer OPEB liability reported at June 30, 2023 was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. For the June 30, 2022 measurement date, the State's proportionate share of the non-employer OPEB Plan liability associated with the College was 0.1238204236%, which was a decrease of 0.001% from its proportion measured as of June 30, 2021.

The total non-employer OPEB liability reported at June 30, 2022 was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. For the June 30, 2021 measurement date, the State's proportionate share of the non-employer OPEB Plan liability associated with the College was 0.1244089558% which was a decrease of 0.002% from its proportion measured as of June 30, 2020.

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 22: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONTINUED)

Total Non-Employer OPEB Liability (Continued)

Actuarial Assumptions and Other Inputs - The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuations at June 30, 2021 and June 30, 2020 used the following actuarial assumptions, applied to the June 30, 2022 measurement date and the June 30, 2021 measurement date, respectively:

Salary Increases (June 30, 2022 Measurement Date)			
	TPAF/ABP	PERS	PFRS
Through 2027	2.75% - 4.25% based on service years	2.75% - 6.55% based on service years	3.25% - 16.25% based on service years
Thereafter	2.75% - 4.25% based on service years	2.75% - 6.55% based on service years	3.25% - 16.25% future years
Salary Increases (June 30, 2021 Measurement Date)			
	TPAF/ABP	PERS	PFRS
Through 2026	1.55% - 4.45% based on service years	2.00% - 6.00% based on service years	3.25% - 15.25% based on service years
Thereafter	2.75% - 5.65% based on service years	3.00% - 7.00% based on service years	Applied to all future years

Mortality Rates (June 30, 2022 Measurement Date) - Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2021 “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.

Mortality Rates (June 30, 2021 Measurement Date) - Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2021 “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.

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 22: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONTINUED)

Total Non-Employer OPEB Liability (Continued)

Actuarial Assumptions and Other Inputs (Continued)

Experience Studies (June 30, 2022 Measurement Date) - The actuarial assumptions used in the June 30, 2021 valuation were based on the results of actuarial experience studies for the periods July 1, 2018 - June 30, 2021 for TPAF, PERS, and PFRS.

Experience Studies (June 30, 2021 Measurement Date) - The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, July 1, 2014 - June 30, 2018, and July 1, 2013 - June 30, 2018 for TPAF, PERS, and PFRS, respectively.

Health Care Trend Assumptions (June 30, 2022 Measurement Date) - For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.5% 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 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.0% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Health Care Trend Assumptions (June 30, 2021 Measurement Date) - For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.7% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.5% after 11 years. For HMO the trend is initially .01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025, and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate - The discount rates for June 30, 2022 and the June 30, 2021 measurement dates were 3.54% and 2.16%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 22: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONTINUED)

Changes in the Total Non-Employer OPEB Liability

The below table summarizes the State's proportionate share of the change in the total non-employer OPEB liability associated with the College:

June 30, 2023		\$
Balance at June 30, 2022		74,654,892
Changes for the year:		
Service Cost	\$ 3,231,558	
Interest Cost	1,661,902	
Change in Benefit Terms		
Difference between Expected and Actual Experience	1,578,365	
Changes in Assumptions	(16,822,699)	
Member Contributions	52,810	
Gross Benefit Payments	(1,646,163)	
Net Changes		(11,944,227)
Balance June 30, 2023		\$ 62,710,665
June 30, 2022		\$
Balance at June 30, 2021		85,927,407
Changes for the year:		
Service Cost	\$ 3,254,549	
Interest Cost	1,936,627	
Change in Benefit Terms	(79,461)	
Difference between Expected and Actual Experience	(14,981,874)	
Changes in Assumptions	73,653	
Member Contributions	49,510	
Gross Benefit Payments	(1,525,519)	
Net Changes		(11,272,515)
Balance June 30, 2022		\$ 74,654,892

There were no changes in benefit terms between the June 30, 2021 measurement date and the June 30, 2022 measurement date.

There were changes in benefit terms between the June 30, 2020 measurement date and the June 30, 2021 measurement date.

Differences between expected and actual experience reflect changes in liabilities due to changes in the census, claims, and premiums experience.

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 22: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONTINUED)

Changes in the Total Non-Employer OPEB Liability (Continued)

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate - The State's proportionate share of the total non-employer OPEB liability, associated with the College, as of the June 30, 2022 and June 30, 2021 measurement dates, using a discount rate of 3.54% and 2.16% respectively, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	June 30, 2022 Measurement Date		
	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability Associated with the College	\$ 73,709,790	\$ 62,710,665	\$ 53,895,416

	June 30, 2021 Measurement Date		
	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability Associated with the College	\$ 89,424,841	\$ 74,654,892	\$ 63,024,444

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates - The State's proportionate share of the total non-employer OPEB liability, associated with the College, as of the June 30, 2022 and the June 30, 2021 measurement dates, using the healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used are as follows:

	June 30, 2022 Measurement Date		
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability Associated with the College	\$ 51,834,198	\$ 62,710,665	\$ 76,997,565

	June 30, 2021 Measurement Date		
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability Associated with the College	\$ 60,433,378	\$ 74,654,892	\$ 93,753,335

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

OPEB Expense - For the fiscal years ended June 30, 2023 and June 30, 2022, the College recognized \$1,932,979 and \$3,710,357, respectively, in OPEB expense and revenue, for the State's proportionate share of the OPEB Plan's OPEB expense, associated with the College. This expense and revenue was based on the OPEB Plan's June 30, 2022 and June 30, 2021 measurement dates.

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
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NOTE 22: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Non-Employer OPEB Liability (Continued)

Deferred Outflows and Inflows of Resources - In accordance with GASBS No. 75, the College's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the College; however, at the June 30, 2022 and June 30, 2021 measurements dates, the State's proportionate share of the total non-employer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with College, from the following sources are as follows:

	<u>Measurement Date</u> <u>June 30, 2022</u>		<u>Measurement Date</u> <u>June 30, 2021</u>	
	<u>Deferred</u> <u>Outflows</u>	<u>Deferred</u> <u>Inflows</u>	<u>Deferred</u> <u>Outflows</u>	<u>Deferred</u> <u>Inflows</u>
Differences between Expected and Actual Experience	\$ 11,196,341	\$ 19,146,291	\$ 11,253,893	\$ 22,405,260
Changes of Assumptions	10,853,629	21,343,285	12,664,256	8,009,774
Changes in Proportion	2,399,140	2,418,836	2,932,170	2,411,700
	<u>\$ 24,449,110</u>	<u>\$ 42,908,412</u>	<u>\$ 26,850,319</u>	<u>\$ 32,826,734</u>

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

<u>Year ended</u> <u>June 30,</u>	
2024	\$ (3,120,077)
2025	(3,120,077)
2026	(3,120,077)
2027	(2,696,528)
2028	(1,541,911)
Thereafter	(4,860,632)
Total	<u>\$ (18,459,302)</u>

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 22: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Non-Employer OPEB Liability (Continued)

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

	Deferred Outflows	Deferred Inflows
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2018	9.51	9.51
June 30, 2019	9.29	9.29
June 30, 2020	9.24	9.24
June 30, 2021	9.24	9.24
June 30, 2022	9.13	9.13
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2017	9.54	9.54
June 30, 2018	9.51	9.51
June 30, 2019	9.29	9.29
June 30, 2020	9.24	9.24
June 30, 2021	9.24	9.24
June 30, 2022	9.13	9.13
Changes in Proportion		
Year of Pension Plan Deferral:		
June 30, 2017	9.54	9.54
June 30, 2018	9.51	9.51
June 30, 2019	9.29	9.29
June 30, 2020	9.24	9.24
June 30, 2021	9.24	9.24
June 30, 2022	9.13	9.13

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 23: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES

Note A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

Atlantic Cape Community College Foundation (the "Foundation") was formed in 1978 as an independent nonprofit organization for the purpose of promoting and furthering higher education among the citizens of Atlantic and Cape May Counties, New Jersey and to provide physical facilities and services at Atlantic Cape Community College (the "College").

Although the Foundation is a legally separate, non-for-profit organization, because of the significance of its operational and financial relationships with the College it is considered a component unit of the College.

The Foundation is governed by an independent, volunteer board of trustees.

Basis of Accounting

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

Financial Statement Presentation

The Foundation's financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – net assets that are not subject to donor-imposed stipulations. This includes funds that are designated for discretionary use by the Foundation.

Net assets with donor restrictions – net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increased in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Measurement of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Foundation's mission to provide direct support the College's students. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be a more unusual or nonrecurring nature.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Foundation places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation covers \$250,000.00 for substantially all depository accounts. Money Market funds intended for non-operating purposes are classified as investments.

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 23: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONTINUED)

Note A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

The Foundation reports all investments in marketable securities with readily determinable fair values and all investments in debt securities at fair value in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Mutual funds are valued at the quoted market prices, which represent the net asset value of the shares held by the Foundation at year-end. Foundation Treasurer, Executive Director, and Associate Directors meet annually with investment firms to review trends and rebalance as needed based on information.

Promises to Give Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in the contribution revenue. Conditional promises to give are not included as support until the conditions are met.

Contributions Receivable

The Foundation records contributions receivable that are expected to be collected within one year at net realizable value.

Allowance for Doubtful Accounts

Promises to Give Receivable and Contributions Receivable are stated net of an allowance for doubtful accounts. The Foundation estimates the allowance based on an analysis of specific donors, taking into consideration the age of past due amounts and an assessment of the donor's ability to pay. The Foundation has determined that there was no allowance for doubtful accounts required for receivables at June 30, 2023 and 2022.

Income Taxes

The Foundation claims exemption from federal and state income taxes under section 501(c) (3) of the Internal Revenue Code and, accordingly, does not record a provision for income taxes on related income. The Foundation is eligible to receive a charitable contribution deduction under Section 170(b)(1)(A) and is classified as an organization other than a private foundation under Section 509(a)(2).

The Foundation regularly reviews and evaluates its tax positions taken in previously filed information returns and as reflected in its financial statements, with regard to issues affecting its tax exempt status, unrelated business income, and related matters. The Foundation believes that in the event of an examination by taxing authorities, the Foundation's positions would prevail based upon the technical merits of such positions. Therefore, the Foundation has concluded that no tax benefits or liabilities are required to be recognized in accordance with the new requirements.

Fair Value Measurement

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

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 23: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONTINUED)

Note A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Services and In-Kind Contributions

The Foundation receives donated services from a variety of personnel who are employed by the College. The value of these services has been reflected in the statement of activities. Volunteers contribute significant amounts of time to our program services and fundraising activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by U.S. GAAP. Contributed goods are recorded at fair value at the date of donation.

Contributions

Unconditional cash contributions and other assets, including securities, to the Foundation are reported at fair value on the date they are received. Conditional contributions and indications of intentions to give are reported at fair value on the date the gift becomes unconditional. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Special events revenue is recorded equal to the fair value of direct benefits to donors, and contribution revenue for the difference.

Use of Estimates

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

Functional Allocation of Expenses

The cost of program and supporting services have been summarized on a functional basis in the Statements of Activities. The Statements of Functional Expenses present the natural classification detail of expenses by function. Expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include donated services, printing and postage, travel, supplies and office expenses, fees and licenses, administration, professional fees, software, and miscellaneous, which are allocated on the basis of estimates of time and effort.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Recently Issued Accounting Pronouncements

Financial Instruments—Credit Losses – Issued in June 2016, Accounting Standards Update (ASU) No. 2016-13 requires a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. In addition, credit losses relating to available-for-sale debt securities should be recorded through an allowance for credit losses. The standard will take effect for fiscal years beginning January 1, 2023. Early application will be permitted. The Organization continues to evaluate the effects the adoption of ASU 2016-13 will have on the financial statements and related disclosures.

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 23: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONTINUED)

Note A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

The Foundation has evaluated events and transactions through February 12, 2024, the date the financial statements were available to be issued, and determined there were no items requiring recognition in the financial statements.

Note B - CONCENTRATION OF CREDIT RISK

The Foundation maintains cash balances in their banking institutions, which are insured by the Federal Deposit Insurance Corporation (F.D.I.C) up to \$250,000.00 per institution. At June 30, 2023, the Foundation's balances did not exceed the insured limit. At June 30, 2022, the Foundation's balances exceeded the insured limit by \$116,033.18.

Note C - PROMISES TO GIVE RECEIVABLE

Promises to give receivable at June 30, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Due within one year	\$ -	\$ 25,000.00
Due in two to five years	-	-
Total Promises to Give Receivable	-	25,000.00
Less: unamortized discount	-	-
Net Promises to Give Receivable	\$ -	\$ 25,000.00

Note D - INVESTMENTS

Investments, stated at fair value, are composed of the following as of June 30, 2023 and 2022, respectively:

	2023		Unrealized Gain (Loss)
	<u>Cost</u>	<u>Fair Market Value</u>	
Mutual Funds:			
Fixed Income	\$ 2,648,371.75	\$ 2,449,977.06	\$ (198,394.69)
Domestic Equities	1,924,433.67	2,229,860.87	305,427.20
International Equities	454,875.09	477,628.90	22,753.81
Corporate Stock	441,932.47	492,684.90	50,752.43
Total	\$ 5,469,612.98	\$ 5,650,151.73	\$ 180,538.75
	2022		
	<u>Cost</u>	<u>Fair Market Value</u>	<u>Unrealized Gain (Loss)</u>
Mutual Funds:			
Fixed Income	\$ 2,493,759.51	\$ 2,378,428.10	\$ (115,331.41)
Domestic Equities	2,009,730.97	1,910,376.84	(99,354.13)
International Equities	462,242.20	454,639.74	(7,602.46)
Corporate Stock	503,413.52	487,589.44	(15,824.08)
Total	\$ 5,469,146.20	\$ 5,231,034.12	\$ (238,112.08)

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 23: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONTINUED)

Note D – INVESTMENTS (CONTINUED)

The following summarizes the investment returns as of June 30, 2023 and 2022, respectively:

	2023		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Interest and Dividends	\$ 78,717.27	\$ 128,664.67	\$ 207,381.94
Investment Fees	<u>(15,473.24)</u>	<u>(25,671.79)</u>	<u>(41,145.03)</u>
Net Interest and Dividends	63,244.03	102,992.88	166,236.91
Realized Gains (Losses)	(64,432.66)	(106,900.74)	(171,333.40)
Unrealized Gains (Losses)	<u>151,285.64</u>	<u>250,999.25</u>	<u>402,284.89</u>
Total Gains (Losses)	86,852.98	144,098.51	230,951.49
Total Investment Return	<u>\$ 150,097.01</u>	<u>\$ 247,091.39</u>	<u>\$ 397,188.40</u>

	2022		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Interest and Dividends	\$ 132,839.22	\$ 163,463.94	\$ 296,303.16
Investment Fees	<u>(21,091.08)</u>	<u>(25,953.41)</u>	<u>(47,044.49)</u>
Net Interest and Dividends	111,748.14	137,510.53	249,258.67
Realized Gains (Losses)	30,660.78	37,729.31	68,390.09
Unrealized Gains (Losses)	<u>(543,574.21)</u>	<u>(668,889.65)</u>	<u>(1,212,463.86)</u>
Total Gains (Losses)	(512,913.43)	(631,160.34)	(1,144,073.77)
Total Investment Return	<u>\$ (401,165.29)</u>	<u>\$ (493,649.81)</u>	<u>\$ (894,815.10)</u>

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 23: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONTINUED)

Note E – FAIR VALUE MEASUREMENT

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

Level 1

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

Level 2

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

Level 3

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

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

The following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis. There have been no changes to the methodologies used at June 30, 2023 and 2022.

- Mutual Funds – Valued at quoted market prices in active markets on which individual securities are traded.
- Corporate Stocks – Valued at quoted market prices in active markets on which individual securities are traded.

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 23: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONTINUED)

Note E – FAIR VALUE MEASUREMENT (CONTINUED)

Fair Value on a Recurring Basis

The following tables below present the fair value of financial instruments as measured on a recurring basis as of June 30, 2023 and 2022.

		2023		
		Fair Value		
	<u>Total</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Mutual Funds:				
Fixed Income	\$ 2,449,977.06	\$ 2,449,977.06		
Domestic Equities	2,229,860.87	2,229,860.87		
International Equities	477,628.90	477,628.90		
Corporate Stock	492,684.90	492,684.90		
Total	\$ 5,650,151.73	\$ 5,650,151.73	\$ -	\$ -

		2022		
		Fair Value		
	<u>Total</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Mutual Funds:				
Fixed Income	\$ 2,378,428.10	\$ 2,378,428.10		
Domestic Equities	1,910,376.84	1,910,376.84		
International Equities	454,639.74	454,639.74		
Corporate Stock	487,589.44	487,589.44		
Total	\$ 5,231,034.12	\$ 5,231,034.12	\$ -	\$ -

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 23: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONTINUED)

Note F – ENDOWMENT FUNDS

The Foundation's endowment consists of approximately 45 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Foundation Board to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Foundation Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

One endowment requires that 10% of the income earned be added to principal and the remainder be used to fund scholarships. Endowments received after May 1, 2010 requires that 20% of the income earned be added to principal and the remainder be used to fund scholarships. All other endowments require that all income be used for scholarships.

The Foundation has interpreted state law as requiring the preservation of the value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restriction – perpetual in nature (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions – perpetual in nature is classified as net assets with donor restrictions – purpose restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by state law.

The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Foundation and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Foundation
- (7) The investment policies of the Foundation.

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Foundation Board, the endowment assets are invested in a manner that seeks long-term capital growth, current income and growth of income, consistent with prudent, conservative, and risk-averse investments for its endowment. The endowment investments may be invested in any combination of common stocks, bond funds or mutual funds containing both stocks and bonds.

To satisfy its long-term objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation to achieve its long-term objectives within prudent risk constraints.

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 23: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONTINUED)

Note F – ENDOWMENT FUNDS (CONTINUED)

The Foundation has adopted an investment spend policy. Unless otherwise directed by the donor at the time of the donation and agreed to by the Foundation, 80% of annual audited net interest (interest earned less fees paid) shall be distributed from the endowed funds as per donor designation or Foundation Board direction. The remaining 20% shall be reinvested to preserve the purchasing power of the corpus over time.

From time-to-time, the fair value of assets associated with an individual donor restricted endowment fund may fall below the level that the donor or State law required the Foundation to retain as a fund of perpetual duration. The Foundation Board's policy is to restore these funds to the original endowed amount by enduring any market losses in their unrestricted funds thus enabling the endowment to remain whole.

The following table provides information regarding the change in endowments for the year ended 2023 and 2022:

	2023		
	With Donor Restrictions		
	Purpose Restrictions	Perpetual In Nature	Total
Endowment Net Assets, Beginning of Year	\$ 931,858.10	\$ 3,412,751.22	\$ 4,344,609.32
Contributions and Transfers	710,544.53	49,100.00	759,644.53
Investment Returns	212,389.93	34,701.46	247,091.39
Appropriation for Expenditure	(789,836.16)	-	(789,836.16)
Endowment Net Assets, End of Year	<u>\$ 1,064,956.40</u>	<u>\$ 3,496,552.68</u>	<u>\$ 4,561,509.08</u>
	2022		
	With Donor Restrictions		
	Purpose Restrictions	Perpetual In Nature	Total
Endowment Net Assets, Beginning of Year	\$ 1,381,115.76	\$ 3,463,601.27	\$ 4,844,717.03
Contributions and Transfers	668,850.47	19,181.56	688,032.03
Investment Returns	(423,618.20)	(70,031.61)	(493,649.81)
Appropriation for Expenditure	(694,489.93)	-	(694,489.93)
Endowment Net Assets, End of Year	<u>\$ 931,858.10</u>	<u>\$ 3,412,751.22</u>	<u>\$ 4,344,609.32</u>

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 23: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONTINUED)

Note G - DONATED SERVICES

The Foundation receives donated services from a variety of personnel who are employed by College. The value of these services shown below has been reflected in the Statements of Activities and Changes in Net Assets.

	<u>2023</u>	<u>2022</u>
Administrative Support	\$ 180,654.69	\$ 132,694.29
Less: Paid to College	(35,000.00)	-
Administrative Support Donated	145,654.69	132,694.29
Fundraising Support	202,748.14	148,341.01
Total	\$ 348,402.83	\$ 281,035.30

Note H - NET ASSETS WITH DONOR RESTRICTIONS

The Foundation follows the policy of maintaining funds when grants and gifts are received for specific projects. Such grants and gifts are reported as net assets with donor restrictions – purpose restrictions until the donor-imposed restrictions are satisfied. Net assets with donor restrictions – purpose restrictions include monies raised by the Restaurant Gala, golf events, other fundraisers, and amounts specifically designated by donors, which generally have been restricted for distributions to the College for scholarships.

Investment income derived from net assets with donor restrictions – perpetual in nature, which is restricted by the donor for a specific purpose, is included as net assets with donor restrictions – purpose restrictions.

As of June 30, 2023 and 2022, nets assets with donor restrictions, consisted of the following:

	<u>2023</u>	<u>2022</u>
With Donor Restrictions - Purpose Restrictions		
Restaurant Gala Scholarships	\$ 166,686.54	\$ 120,352.67
Golf Outing Scholarships	39,480.42	38,129.64
WOW	21,680.54	18,482.03
Alumni	-	479.00
Scholarships	680,074.85	630,291.96
Athletics - Other	15,990.00	-
Athletics - Baseball Field	13,838.65	12,758.65
Emergency Funds	12,190.40	11,179.15
Food Pantry	9,290.00	685.00
Other	6,725.00	500.00
Culinary Loan Grant	99,000.00	99,000.00
	1,064,956.40	931,858.10
With Donor Restrictions - Perpetual in Nature		
Endowments	3,496,552.68	3,412,751.22
	\$ 4,561,509.08	\$ 4,344,609.32

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 23: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONTINUED)

Note I - GIFTS-IN-KIND, DONATED SERVICES

The Foundation receives various forms of gifts-in-kind (GIK) including venue/event space, prizes/baskets, media, food and non-food items, and donated services. GIK are reported as contributions at their estimated fair value on the date of receipt and reported as expenses when utilized. GIK are valued based upon estimates of fair market or wholesale values that would be received for selling the goods in their principal market considering their condition and utility for use at the time the goods are contributed by the donor. Donated GIK are not sold, and goods are only distributed for program use. Donated services from College personnel are value at cost based on estimated time and effort. The computation of the value of the contribution of these services and products represent the difference between fair value of these services or products and the fair value of the services given in exchange.

For the year ended June 30, 2023 and 2022, the information is summarized as follows:

	<u>2023</u>	<u>2022</u>
Gifts-In-Kind		
Venue / Event Space	\$ 53,000.00	\$ 30,665.00
Prizes/Baskets	9,528.22	9,569.02
Media	25,075.00	25,482.00
Food and non-food items	31,270.83	50,128.44
Total	<u>118,874.05</u>	<u>115,844.46</u>
Value Provided	<u>(15,300.00)</u>	<u>(21,700.00)</u>
Net Gifts-In-Kind	103,574.05	94,144.46
Donated Services	348,402.83	281,035.30
Total	<u>\$ 451,976.88</u>	<u>\$ 375,179.76</u>

Note J - AVAILABILITY AND LIQUIDITY

The Foundation receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs.

The Foundation considers investment income without donor restrictions, appropriated earnings from donor-restricted endowments, contributions without donor restrictions and contributions with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses, fundraising expenses expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Foundation's fiscal year.

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 23: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONTINUED)

Note J - AVAILABILITY AND LIQUIDITY (CONTINUED)

The tables below present financial assets available for general expenditures within one year at June 30, 2023 and 2022:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Financial assets at year end:		
Cash and Cash Equivalents	\$ 590,705.30	\$ 399,969.92
Investments	5,650,151.73	5,231,034.12
Contributions Receivable	47,330.00	48,190.00
Promises to Give Receivable	-	25,000.00
	<u>6,288,187.03</u>	<u>5,704,194.04</u>
Less amounts not available to be used within one year:		
Investments held for Permanent Endowments	<u>(3,496,552.68)</u>	<u>(3,387,751.22)</u>
Financial assets not available to be used within one year	<u>(3,496,552.68)</u>	<u>(3,387,751.22)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 2,791,634.35</u>	<u>\$ 2,316,442.82</u>

NOTE K – FUNDRAISING

Fundraising proceeds for the years ended June 30, 2023 and 2022 consisted of the following:

	<u>2023</u>				
	<u>Restaurant Gala</u>	<u>Golf Event</u>	<u>Other Events</u>	<u>In Kind Services</u>	<u>Total</u>
Gross Receipts	\$ 363,056.12	\$ 69,252.22	\$ 26,294.71	\$ 202,748.14	\$ 661,351.19
Direct Benefit to Donors:					
Room Rental and Setup Fees	79,500.00				79,500.00
Catering and Meals		9,388.00			9,388.00
Wine and Liquor	21,100.00	2,500.00	5,529.88		29,129.88
Entertainment	7,108.48	404.13			7,512.61
Plates	4,350.00				4,350.00
Decor	1,875.00				1,875.00
Gifts and Souvenirs	18,924.94	456.00			19,380.94
	<u>1,875.00</u>	<u>5,233.14</u>	<u>9,940.72</u>		<u>17,048.86</u>
Total Direct Benefit to Donors	<u>134,733.42</u>	<u>17,981.27</u>	<u>15,470.60</u>	-	<u>168,185.29</u>
Gross Receipt less Direct Benefit to Donors	228,322.70	51,270.95	10,824.11	202,748.14	493,165.90
Expenses:					
Raffle Prizes	11,609.60	4,882.89			16,492.49
Licenses and Fees	50.00	100.00	100.00		250.00
Supplies	48.72	1,431.46			1,480.18
Donated Services				202,748.14	202,748.14
Advertising	15,375.00				15,375.00
Postage and Printing	4,816.77	313.43	378.43		5,508.63
Travel	255.84	26.04	107.86		389.74
Miscellaneous	269.10	650.00	1,112.50		2,031.60
Total Expenses	<u>32,425.03</u>	<u>7,403.82</u>	<u>1,698.79</u>	<u>202,748.14</u>	<u>244,275.78</u>
Net Proceeds	<u>\$ 195,897.67</u>	<u>\$ 43,867.13</u>	<u>\$ 9,125.32</u>	<u>\$ -</u>	<u>248,890.12</u>
Net Proceeds for General Use					<u>(24,313.26)</u>
Net Proceeds for Scholarships					<u>\$ 224,576.86</u>

**ATLANTIC CAPE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

NOTE 23: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONTINUED)

NOTE K – FUNDRAISING (CONTINUED)

	2022				<u>Total</u>
	<u>Restaurant Gala</u>	<u>Golf Event</u>	<u>Other Events</u>	<u>In Kind Services</u>	
Gross Receipts	\$ 334,081.44	\$ 69,591.02	\$ 24,636.55	\$ 148,341.01	\$ 576,650.02
Direct Benefit to Donors:					
Room Rental and Setup Fees	78,006.21				78,006.21
Catering and Meals		7,930.00			7,930.00
Wine and Liquor	23,100.00	3,538.12	5,457.00		32,095.12
Entertainment	17,327.31	2,024.68	229.80		19,581.79
Plates	5,550.00				5,550.00
Decor			250.00		250.00
Gifts and Souvenirs	5,511.87	200.00			5,711.87
	3,146.99	4,698.00	725.06		8,570.05
Total Direct Benefit to Donors	132,642.38	18,390.80	6,661.86	-	157,695.04
Gross Receipt less Direct Benefit to Donors	201,439.06	51,200.22	17,974.69	148,341.01	418,954.98
Expenses:					
Raffle Prizes	9,978.72	6,159.76			16,138.48
Licenses and Fees	50.00	100.00	102.50		252.50
Supplies	184.45	1,398.62			1,583.07
Donated Services				148,341.01	148,341.01
Advertising	25,170.00	962.00			26,132.00
Postage and Printing	3,955.29	372.40	404.11		4,731.80
Travel	129.99	13.40			143.39
Miscellaneous	55.25	50.00			105.25
Total Expenses	39,523.70	9,056.18	506.61	148,341.01	197,427.50
Net Proceeds	<u>\$ 161,915.36</u>	<u>\$ 42,144.04</u>	<u>\$ 17,468.08</u>	<u>\$ -</u>	<u>221,527.48</u>
Net Proceeds for General Use					<u>(21,397.94)</u>
Net Proceeds for Scholarships					<u>\$ 200,129.54</u>

Note L – DIRECT SUPPORT TO COLLEGE

The Foundation provided direct support to the College during the fiscal years ended June 30, 2023 and 2022, respectively, for the following:

	<u>2023</u>	<u>2022</u>
Baseball Field	\$ -	\$ 35,000.00
Other Enhancements	<u>46,210.25</u>	<u>35,303.88</u>
	<u>\$ 46,210.25</u>	<u>\$ 70,303.88</u>

NOTE 24: SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2022 and February 20, 2024, the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the college that would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

ATLANTIC CAPE COMMUNITY COLLEGE
 Required Supplementary Information - Part II
 Schedule of the College's Proportionate Share of the Net Pension Liability
 Public Employees' Retirement System (PERS)
 Last Ten Plan Years

	Plan Measurement Date Ending June 30,				
	2022	2021	2020	2019	2018
College's Proportion of the Net Pension Liability	0.1043760410%	0.1098494729%	0.1087503520%	0.1146218535%	0.1340898712%
College's Proportionate Share of the Net Pension Liability	\$ 15,751,781	\$ 13,013,317	\$ 17,734,338	\$ 20,653,119	\$ 26,401,627
College's Covered Payroll (Plan Measurement Period)	\$ 7,992,311	\$ 7,833,710	\$ 7,940,004	\$ 8,249,076	\$ 9,341,500
College's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	197.09%	166.12%	223.35%	250.37%	282.63%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	58.32%	52.67%	53.60%
	Plan Measurement Date Ending June 30,				
	2017	2016	2015	2014	2013
College's Proportion of the Net Pension Liability	0.1417440239%	0.1457388356%	0.1465382569%	0.1546096918%	0.1659589777%
College's Proportionate Share of the Net Pension Liability	\$ 32,995,743	\$ 43,163,663	\$ 32,894,902	\$ 28,947,163	\$ 31,718,058
College's Covered Payroll (Plan Measurement Period)	\$ 10,017,260	\$ 10,150,520	\$ 10,353,340	\$ 11,023,844	\$ 11,789,404
College's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	329.39%	425.24%	317.72%	262.59%	269.04%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%	52.08%	48.72%

ATLANTIC CAPE COMMUNITY COLLEGE
 Required Supplementary Information - Part II
 Schedule of the College's Contributions
 Public Employees' Retirement System (PERS)
 Last Ten Fiscal Years

	Fiscal Year Ended June 30,				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$ 1,425,829	\$ 1,316,232	\$ 1,286,465	\$ 1,189,675	\$ 1,114,937
Contributions in Relation to the Contractually Required Contribution	(1,425,829)	(1,316,232)	(1,286,465)	(1,189,675)	(1,114,937)
Contribution Deficiency (Excess)	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
College's Covered Payroll (Fiscal Year)	\$ 7,992,311	\$ 7,833,710	\$ 7,582,701	\$ 8,033,450	\$ 7,948,478
Contributions as a Percentage of College's Covered Payroll	17.84%	16.80%	16.97%	14.81%	14.03%
	Fiscal Year Ended June 30,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,333,761	\$ 1,313,107	\$ 1,294,723	\$ 1,259,836	\$ 1,274,580
Contributions in Relation to the Contractually Required Contribution	(1,333,761)	(1,313,107)	(1,294,723)	(1,259,836)	(1,274,580)
Contribution Deficiency (Excess)	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
College's Covered Payroll (Fiscal Year)	\$ 8,470,547	\$ 9,536,327	\$ 9,843,180	\$ 9,823,077	\$ 10,102,683
Contributions as a Percentage of College's Covered Payroll	15.75%	13.77%	13.15%	12.83%	12.62%

ATLANTIC CAPE COMMUNITY COLLEGE
 Required Supplementary Information - Part II
 Notes to Required Supplementary Information
 Public Employees' Retirement System (PERS)
 Last Nine Fiscal Years

Public Employees' Retirement System (PERS)

Changes in Benefit Terms

The June 30, 2022 measurement date included the following changes to the plan provisions:

NONE

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	5.00%
2021	7.00%	2016	3.98%
2020	7.00%	2015	4.90%
2019	6.28%	2014	5.39%
2018	5.66%		

The long-term expected rate of return used as of June 30 measurement date was as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	7.00%
2021	7.00%	2016	7.65%
2020	7.00%	2015	7.90%
2019	7.00%	2014	7.90%
2018	7.00%		

The mortality assumption was updated upon direction from the DPB.

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

REQUIRED SUPPLEMENTARY INFORMATION

PART III

ATLANTIC CAPE COMMUNITY COLLEGE
 Required Supplementary Information - Part III
 Schedule of the College's Total OPEB Liability and Related Ratios
 Last Six Plan Years

	Plan Measurement Date Ending June 30,					
	2022	2021	2020	2019	2018	2017
Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the College						
Changes for the Year:						
	\$ 3,231,558	\$ 3,254,549	\$ 2,177,721	\$ 2,200,001	\$ 2,620,896	\$ 3,137,386
Service Cost	1,661,902	1,936,627	1,899,123	2,361,281	2,397,930	2,061,623
Interest Cost		(79,461)				
Change in Benefit Terms	1,578,365	(14,981,874)	14,803,179	(10,567,721)	(2,170,570)	-
Difference Between Expected and Actual Experience	(16,822,699)	73,653	15,695,984	787,282	(6,838,705)	(8,544,924)
Changes in Assumptions	52,810	49,510	45,342	48,047	55,075	55,542
Member Contributions	(1,646,163)	(1,525,519)	(1,495,925)	(1,620,864)	(1,593,521)	(1,508,384)
Gross Benefit Payments						
Net Change in Total Non-Employer OPEB Liability	(11,944,227)	(11,272,515)	33,125,424	(6,791,974)	(5,528,895)	(4,798,757)
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	<u>74,654,892</u>	<u>85,927,407</u>	<u>52,801,983</u>	<u>59,593,957</u>	<u>65,122,852</u>	<u>69,921,609</u>
Total Non-Employer OPEB Liability - End of Fiscal Year	<u>62,710,665</u>	<u>74,654,892</u>	<u>85,927,407</u>	<u>52,801,983</u>	<u>59,593,957</u>	<u>\$ 65,122,852</u>
College's Covered Payroll (Plan Measurement Period)	<u>25,202,752</u>	<u>23,231,794</u>	<u>15,054,588</u>	<u>14,626,553</u>	<u>15,520,110</u>	<u>\$ 16,759,740</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability	248.82%	321.35%	570.77%	361.00%	383.98%	388.57%
Associated with the College as a Percentage of Covered Payroll						

Note: This schedule is presented to illustrate the requirement to show information for 10 years.

However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

ATLANTIC CAPE COMMUNITY COLLEGE
 Required Supplementary Information - Part III
 Notes to Required Supplementary Information
 For the Fiscal Year Ended June 30, 2023

OPEBChanges in Benefit Terms

NONE

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>
2022	3.54%
2021	2.16%
2020	2.21%
2019	3.50%
2018	3.87%
2017	3.58%

The mortality assumption was updated upon direction from the DPB.

Mortality Rates (June 30, 2022 Measurement Date) - Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2021 "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.

ATLANTIC CAPE COMMUNITY COLLEGE

June 30, 2023

Supplemental Financial Information

**ATLANTIC CAPE COMMUNITY COLLEGE
SUPPLEMENTAL FINANCIAL INFORMATION
BALANCE SHEETS
JUNE 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>
ASSETS			LIABILITIES AND FUND BALANCES		
Current funds:			Current funds:		
Unrestricted:			Unrestricted:		
Cash and cash equivalents	\$ 17,247,648	\$ 15,870,172	Accounts payable and other accruals	\$ 4,618,703	\$ 4,823,645
Security deposit	2,017	4,684	Compensated absences	1,515,900	1,613,873
Restricted cash	3,150,093	4,143,848	Deferred revenue	2,050,007	2,389,189
Accounts receivable:			Student deposits and other liabilities	64,843	118,125
Students, less allowance for				<u>8,249,453</u>	<u>8,944,832</u>
uncollectible accounts of			Interfund balances	2,073,760	-
\$802,353 and \$372,270 respectively	785,995	367,504	Fund balances:		
Federal, state, county and local	199,120	181,213	Allocated for student activities	83,482	143,871
Other	101,708	47,877	Allocated for SUI reserve	650,000	700,000
Inventories, at cost	91,672	96,115	Allocated for encumbrances	289,198	282,352
Prepaid expenses	667,910	629,675	Allocated for Technology Replacement Reserve	1,946,552	2,476,790
Interfund balances	-	1,190,600	Allocated for <i>A Vision for Success</i> Reserve	500,000	500,000
			Unallocated	8,453,718	9,483,843
				<u>11,922,950</u>	<u>13,586,856</u>
Total unrestricted	<u>22,246,163</u>	<u>22,531,688</u>	Total unrestricted	<u>22,246,163</u>	<u>22,531,688</u>
Restricted:			Restricted:		
Accounts receivable			Accounts payable and other accruals	2,220,080	2,729,304
Federal, state, county and local	2,596,632	4,046,221	Deferred revenue	977,578	1,907,688
Other assets	77,444	56,144		<u>3,197,658</u>	<u>4,636,992</u>
Prepaid expenses	18,035	43,572			
Interfund balances	850,141	823,928	Fund balance	344,594	332,873
Total restricted	<u>3,542,252</u>	<u>4,969,865</u>	Total restricted	<u>3,542,252</u>	<u>4,969,865</u>
Total current funds	<u>\$ 25,788,415</u>	<u>\$ 27,501,553</u>	Total current funds	<u>\$ 25,788,415</u>	<u>\$ 27,501,553</u>

(CONTINUED)

**ATLANTIC CAPE COMMUNITY COLLEGE
SUPPLEMENTAL FINANCIAL INFORMATION
BALANCE SHEETS
JUNE 30, 2023 and 2022**

	2023	2022		2023	2022
ASSETS			LIABILITIES AND FUND BALANCES		
Endowment fund:			Endowment fund:		
Cash	\$ -	\$ -	Fund balance - true endowment	\$ 875,462	\$ 868,524
Interfund balances	875,462	868,524			
Total endowment fund	\$ 875,462	\$ 868,524	Total endowment fund	\$ 875,462	\$ 868,524
Plant funds:			Plant funds:		
Unexpended:			Unexpended:		
Cash	\$ -	\$ -	Accounts payable	\$ 971,796	\$ 1,938,312
Accounts receivable			Equipment leasing fund:		
Federal, state, county and local	1,087,260	5,318,892	Current portion	-	24,999
Interfund balances	348,157	-	Interfund balances	-	2,883,052
Fund balances:			Restricted expendable	463,621	472,529
Total unexpended plant funds	1,435,417	5,318,892	Total unexpended plant funds	1,435,417	5,318,892
Investment in plant:			Investment in plant:		
Land	2,370,097	2,370,097	Obligations under capital leases:		
Construction in progress	1,214,118	8,727,957	Current portion	-	36,909
Land improvements	1,228,537	767,720			
Infrastructure	1,097,348	1,129,746			
Buildings and improvements	66,686,102	59,383,847	Fund balance	79,117,280	78,477,674
Other improvements	3,264	3,648		79,117,280	78,477,674
Furniture and equipment	5,904,994	5,314,049	Total investment in plant	79,117,280	78,514,583
Library books and audio equipment	6,416	13,986			
Leasehold improvements	0	34,535			
Other assets	606,404	768,998	Total plant funds	\$ 80,552,697	\$ 83,833,475
Total investment in plant	79,117,280	78,514,583			
Total plant funds	\$ 80,552,697	\$ 83,833,475			

**ATLANTIC CAPE COMMUNITY COLLEGE
SUPPLEMENTAL FINANCIAL INFORMATION
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Current Funds		Endowment Fund	Plant Funds	
	Unrestricted	Restricted		Unexpended	Investment in Plant
Revenues and other additions:					
Educational and general revenues	\$ 36,879,245			\$ 281,373	
Sales and services auxiliary enterprises	88,670				
Federal, state and county grants and contracts - restricted		\$ 23,179,182			
Private gifts, grants and contracts - restricted		702,160	\$ 6,558		
Chargeback minor capital				578	
State pension contribution	543,685				
Investment and other income	502,571	30,937			
Restricted appropriations				3,660,731	
Funds for plant facilities					\$ 11,664,708
Capital funded by operations					2,710,414
Total revenues and other additions	<u>38,014,171</u>	<u>23,912,279</u>	<u>6,558</u>	<u>3,942,682</u>	<u>14,375,122</u>
Expenditures and other deductions:					
Educational and general expenditures	39,208,509	21,128,609			
Auxiliary enterprises expenditures	149,059				
Depreciation and amortization expense					6,073,671
Expansion of plant facilities	320,693	6,284,291		7,953,820	
Disposal of plant assets					146,709
Total expenditures and other deductions	<u>39,678,261</u>	<u>27,412,900</u>	<u>-</u>	<u>7,953,820</u>	<u>6,220,380</u>
Transfers among funds:					
Non-mandatory:					
Endowment fund		(380)	380		
Restricted fund	184	(184)			
Other transfers:					
Interfund transfers				1,297	(1,297)
Construction in progress		3,512,906		4,000,933	(7,513,839)
Net transfers	<u>184</u>	<u>3,512,342</u>	<u>380</u>	<u>4,002,230</u>	<u>(7,515,136)</u>
Net increase (decrease)	(1,663,906)	11,721	6,938	(8,908)	639,606
Fund balance, beginning of year	\$ 13,586,856	\$ 332,873	\$ 868,524	\$ 472,529	\$ 78,477,674
Fund balance, end of year	<u>\$ 11,922,950</u>	<u>\$ 344,594</u>	<u>\$ 875,462</u>	<u>\$ 463,621</u>	<u>\$ 79,117,280</u>

ATLANTIC CAPE COMMUNITY COLLEGE
SUPPLEMENTAL FINANCIAL INFORMATION
STATEMENT OF CURRENT FUND REVENUES, EXPENDITURES
AND OTHER CHANGES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Revenues:			
Tuition and fees	\$ 22,115,271		\$ 22,115,271
Appropriations:			
State	6,261,209		6,261,209
Local	8,621,346		8,621,346
Chargebacks	56,960		56,960
Grants and contracts:			
Federal, state and local	155,027	\$ 20,395,513	20,550,540
Private gifts, grants and contracts		702,160	702,160
Sales and services of educational departments	45,936		45,936
Sales and services auxiliary enterprises	88,670		88,670
Other sources	<u>883,324</u>	<u>30,937</u>	<u>914,261</u>
 Total current revenues	 <u>38,227,743</u>	 <u>21,128,610</u>	 <u>59,356,353</u>
 Expenditures:			
Educational and general:			
Instruction	13,199,260	1,109,032	14,308,292
Public service	72,461	471,243	543,704
Academic support	4,975,517	655,809	5,631,326
Student services	5,232,432	1,441,202	6,673,634
Institutional support	8,475,870	39,219	8,515,089
Operation and maintenance of plant	7,252,970	59,297	7,312,267
Scholarship and other student aid	<u>213,571</u>	<u>17,352,807</u>	<u>17,566,378</u>
 Total education and general expenditures	 <u>39,422,081</u>	 <u>21,128,609</u>	 <u>60,550,690</u>
 Auxiliary enterprises	 <u>149,059</u>		 <u>149,059</u>
 Total expenditures	 <u>39,571,140</u>	 <u>21,128,609</u>	 <u>60,699,749</u>
 Transfers among funds and other additions:			
Non-mandatory:			
Plant fund			
Endowment fund		(380)	(380)
Restricted fund	184	(184)	
Expansion of plant facilities	(320,693)	(2,771,385)	(3,092,078)
Other			
Excess of restricted revenues over expenditures and transfers		2,783,669	2,783,669
 Net transfers	 <u>(320,509)</u>	 <u>11,720</u>	 <u>(308,789)</u>
 Net increase in fund balances	 <u>\$ (1,663,906)</u>	 <u>\$ 11,721</u>	 <u>\$ (1,652,185)</u>

**ATLANTIC CAPE COMMUNITY COLLEGE
SUPPLEMENTAL FINANCIAL INFORMATION
BUDGET COMPARISON TO ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Adjusted Revised Budget	Actual Activity	Variance from Original Budget
<u>Current Unrestricted Income</u>				
General Education:				
Credit Tuition	\$ 14,816,514	\$ 14,816,514	\$ 14,562,683	\$ (253,831)
Continuing Education	1,700,000	1,700,000	1,294,698	(405,302)
Student Fees	5,860,314	5,860,314	6,044,318	184,004
Government Appropriations:				
Atlantic County	6,977,092	6,977,092	6,977,092	-
Cape May County	1,644,254	1,644,254	1,644,254	-
State of New Jersey	5,544,107	5,544,107	5,717,524	173,417
Chargeback	54,385	54,385	56,960	2,575
Other Source (includes Investment Income, Bookstore and Vending Commissions, Rents, Conferencing)	745,750	745,750	1,084,287	338,537
Total Education and General Income	37,342,416	37,342,416	37,381,816	39,400
ABP Reimbursement	550,000	550,000	543,685	(6,315)
Adjusted Education and General Income	37,892,416	37,892,416	37,925,501	33,085
<u>Current Unrestricted Expenses</u>				
Instructional	12,644,174	13,232,850	13,199,260	555,086
Public Service	59,797	72,465	72,461	12,664
Academic Support	4,844,573	4,989,326	4,984,131	139,558
Student Services	5,215,792	5,254,149	5,232,432	16,640
Institutional Support	9,498,514	8,510,518	8,469,981	(1,028,533)
Plant Operations and Maintenance	6,728,791	7,214,685	7,194,265	465,474
Total Education and General Expenditures	38,991,641	39,273,993	39,152,530	160,889
Education and General Operating Margin	\$ (1,099,225)	\$ (1,381,577)	(1,227,029)	\$ (127,804)

**

Non-Mandatory Transfers

From Current Restricted funds for Beacons professor

184

Auxiliary Enterprises

(60,389)

Adjusted Operating Margin

\$ (1,287,234)

**Note: Mandatory and non-mandatory transfers requiring use of funds from the current unrestricted fund balance are recorded as additions or deductions from the current year operations in the above schedule.

**ATLANTIC CAPE COMMUNITY COLLEGE
SUPPLEMENTAL FINANCIAL INFORMATION
SALARY EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Current unrestricted fund:	
Educational and general:	
Instruction	\$9,324,024
Public service	35,844
Academic support	3,000,966
Student services	3,128,764
Institutional support	4,445,746
Operations and maintenance of plant	<u>2,789,887</u>
Total educational and general expenditures	22,725,231
Auxiliary enterprises	<u>1,120</u>
Total unrestricted salary expenditures	22,726,351
Restricted funds salary expenditures	1,791,856
Capital projects salary expenditures	-
Subtotal	<u>24,518,207</u>
Federal college work study program included in Restricted funds salary expenditures	(213,475)
Total salary expenditures	<u><u>\$24,304,732</u></u>

* This schedule presents wages only. Fringe benefits are not included.

SINGLE AUDIT SECTION

ATLANTIC CAPE COMMUNITY COLLEGE

June 30, 2023

The following single audit financial information is provided in accordance with the Title 2 U.S. Code of Federal Regulations Part 200 and New Jersey OMB Circular 15-08



FORD - SCOTT

& ASSOCIATES, L.L.C.

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08

Board of Trustees
Atlantic Cape Community College
(a component unit of the County of Atlantic)
Mays Landing, New Jersey

Report on Compliance for Each Major Federal & State Program

Opinion on Each Major Federal & State Program

We have audited the Atlantic Cape Community College (a component unit of the County of Atlantic)'s compliance with the types of compliance requirements described 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 College's major federal and state programs for the year ended June 30, 2023. The College's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal & State Program

We conducted our audit 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, and 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 NJ OMB 15-08. Our responsibilities under those standards and the Uniform Guidance 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 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 opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the College's compliance with the requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's 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 generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and NJ OMB 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 or state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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 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 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 NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance or NJ OMB 15-08.

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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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 have not been 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 and NJ OMB 15-08. Accordingly, this report is not suitable for any other purpose.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

February 20, 2024

ATLANTIC CAPE COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

FAL	PASS THROUGH	GRANT ID	GRANT	AWARD	FY23	AMOUNT	FY23	FY23	PASS-	CUMULATIVE	BALANCE JUNE 30, 2023			
											NUMBER	PERIOD	IZATIONS	CASH
NUMBER	ENTITY IDENTIFYING	NUMBER	PERIOD	IZATIONS	RECEIVED	TO DATE	GRANTOR	EXPENDITURES	TRANSFER	SUBRECIPIENTS	EXPENDITURES	RECEIVABLE	REVENUE	6/30/2023
U.S. DEPARTMENT OF EDUCATION:														
(DIRECT FUNDING)														
Student Financial Aid Cluster:														
84.063	N/A	P063P221803	7/1/22-8/31/23	\$ 10,114,338	\$ 9,252,058	\$ 9,252,058	\$ (44,337)	\$ 10,114,338			\$ 10,114,338	\$ 906,617		
Federal Pell Grant Program- Authorization														
84.063	N/A	P063Q221803	7/1/22-8/31/23	13,740	10,780	10,780		13,740			13,740	2,960		
Federal Pell Grant Program- ACA														
84.063	N/A	P063P211803	7/1/21-8/31/22	9,529,901	975,335	9,582,844	(56,503)	(3,560)			9,526,341			
Federal Pell Grant Program- Authorization														
84.063	N/A	P063Q211803	7/1/21-8/31/22	13,660	2,670	13,580		80			13,660	80		
Federal Pell Grant Program- ACA														
84.063	N/A	P063Q201803	7/1/20-8/31/21	14,190	130	14,190					14,190			
<hr/>														
					10,240,973	18,873,452	(100,840)	10,124,598			19,682,269	909,657		
<hr/>														
84.007	N/A	P007A222529	7/1/22-8/31/23	215,895	146,812	146,812		190,472	\$ 6,814		197,286	50,474		
Federal Supplemental Educational Opportunity Grants														
					146,812	146,812		190,472	6,814		197,286	50,474		
<hr/>														
84.033	N/A	P033A222529	7/1/22-6/30/23	186,098	186,098	186,098		213,475	(27,377)		186,098			
Federal Work-Study Program														
84.033	N/A	P033A212529	7/1/21-6/30/22	168,317	73,943	168,317		20,563			168,317			
<hr/>														
					260,041	354,415		213,475	(6,814)		354,415			
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84.268	N/A	P268K231803	7/1/22-8/31/23	1,152,383	1,084,494	1,084,494		1,152,383			1,152,383	67,889		
Federal Direct Student Loans - Subsidized														
84.268	N/A	P268K231803	7/1/22-8/31/23	1,015,648	901,999	901,999		1,015,648			1,015,648	113,649		
Federal Direct Student Loans - Unsubsidized														
84.268	N/A	P268K231803	7/1/22-8/31/23	147,521	141,084	141,084		147,521			147,521	6,437		
Federal Direct Student Loans - PLUS														
84.268	N/A	P268K221803	7/1/21-8/31/22	960,936	35,957	960,936		3,464			960,936			
Federal Direct Student Loans - Subsidized														
84.268	N/A	P268K221803	7/1/21-8/31/22	863,346	54,950	863,346		15,472			863,346			
Federal Direct Student Loans - Unsubsidized														
84.268	N/A	P268K221803	7/1/21-8/31/22	81,735	16,582	81,735		3,281			81,735			
Federal Direct Student Loans - PLUS														
					2,235,066	4,033,594		2,337,769			4,221,569	187,975		
<hr/>														
	Total Student Financial Aid Cluster				12,882,892	23,408,273	(100,840)	12,866,314			24,455,539	1,148,106		
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Education Stabilization Fund (ESF):														
84.425E	N/A	P425E201484	4/24/20-12/31/23	11,489,560	525,679	11,186,900		526,179			11,189,400	2,500		
Higher Education Emergency Relief Fund (HEERF):														
84.425F	N/A	P425F201385	5/6/20-6/30/23	15,708,231	1,520,882	15,708,231		1,483,847			15,708,231			
<hr/>														
					2,046,561	26,895,131		2,010,026			26,897,631	2,500		
<hr/>														
84.425C		N/A	6/1/21-9/30/23	414,297		414,297		123,035			279,255	\$ 135,042		
Opportunity Meets Innovation Challenge (GEER II)														
						414,297		123,035			279,255	\$ 135,042		
<hr/>														
					2,046,561	27,309,428		2,133,061			27,176,886	2,500	135,042	
<hr/>														
TRIO Cluster:														
84.042	N/A	P042A201430	9/1/22-9/30/23	348,002	299,176	299,176		302,128			302,128	2,952		
Student Support Services														
84.042	N/A	P042A201430	9/1/21-9/30/22	348,002	82,029	290,171		51,404			290,171			
Student Support Services														
					381,205	589,347		353,532			592,299	2,952		
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84.116Z	N/A	P116Z220115	9/1/22-8/31/23	69,000	50,098	50,098		50,098			50,098			
Omnibus Appropriations Act of 2022:														
					50,098	50,098		50,098			50,098			
<hr/>														
(PASS THROUGH NJ DEPARTMENT OF EDUCATION)					738,189	1,277,969		742,387			1,429,829	151,860		
<hr/>														
84.048A	100-034-5062-084	PSFS021101	7/1/22-6/30/23	666,095	505,531	505,531		641,893			641,893	136,362		
Career and Technical Education - Basic Grants to States														
84.048A	100-034-5062-084	PSFS021101	7/1/22-6/30/23	115,497	84,996	84,996		100,494			100,494	15,498		
Career and Technical Education - Basic Grants to States - RURAL														
84.048A	100-034-5062-084	PSFS021101	7/1/21-6/30/22	644,665	121,612	584,496		584,496			584,496			
Career and Technical Education - Basic Grants to States														
84.048A	100-034-5062-084	PSFS021101	7/1/21-6/30/22	106,866	26,050	102,946		102,946			102,946			
Career and Technical Education - Basic Grants to States - RURAL														
					738,189	1,277,969		742,387			1,429,829	151,860		
<hr/>														
(PASS THROUGH NJ COUNCIL OF COMMUNITY COLLEGES)					38,218	600	600	25,635			25,635	25,035		
College Access Challenge Grant Program														
84.378A	N/A	N/A	7/1/22-8/20/23	38,340	35,807	38,340		3,945			38,340			
College Access Challenge Grant Program														
					36,407	38,940		29,580			63,975	25,035		
<hr/>														
(PASS THROUGH NJ DEPARTMENT OF LABOR					471,475	997,913		549,636		\$ 164,045	1,176,437	178,524		
Adult Education - Basic Grants to States														
84.002	100-062-4545-348/349/351	ABS-FY2023	7/1/22-6/30/23	636,193	371,112	371,112		549,636			549,636	178,524		
Adult Education - Basic Grants to States														
84.002	100-062-4545-348/349/351	ABS-FY2022	7/1/21-6/30/22	720,556	100,363	626,801					626,801			
AND WORKFORCE DEVELOPMENT)														
					471,475	997,913		549,636		\$ 164,045	1,176,437	178,524		
<hr/>														
	Total U.S. Department of Education				16,606,827	53,671,968	(100,840)	16,724,608		164,045	54,945,063	1,508,977	135,042	
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(CONTINUED)

ATLANTIC CAPE COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	FAL NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	GRANT ID NUMBER	GRANT PERIOD	AWARD AUTHOR- IZATIONS	FY23 CASH RECEIVED	AMOUNT RECEIVED TO DATE	FY23 RETURN TO GRANTOR	FY23 GRANT EXPENDITURES	TRANSFER	PASS- THROUGH TO SUBRECIPIENTS	CUMULATIVE GRANT EXPENDITURES	BALANCE JUNE 30, 2023				
													ACCOUNTS RECEIVABLE	DEFERRED REVENUE	DUE TO GRANTOR AT 6/30/2023		
U.S. DEPARTMENT OF AGRICULTURE:																	
(DIRECT FUNDING)																	
bizHub Project	10.351		35-001-413944614	7/13/20-7/13/23	\$ 40,000	\$ 3,068			\$ 20,330		\$ 33,348	\$ 30,280					
Total U.S. Department of Agriculture						3,068			20,330		33,348	30,280					
U.S. DEPARTMENT OF LABOR:																	
(PASS THROUGH BERGEN COMMUNITY COLLEGE)																	
Scaling Apprenticeships in Health Professions (NJ HealthWorks)	17.268	N/A	N/A	7/15/19-7/14/23	531,840	75,821	329,478		147,640		403,950	74,472					
Total U.S. Department of Labor						75,821	329,478		147,640		403,950	74,472					
(PASS THROUGH ATLANTIC COUNTY WORKFORCE DEVELOPMENT BOARD)																	
Online Summer Work Program	17.259	N/A	N/A	4/29/22-9/30/22	15,430	13,454	13,454		9,633		13,454						
Total U.S. Department of Labor						13,454	13,454		9,633		13,454						
Total U.S. Department of Labor						89,275	342,932		157,273		417,404	74,472					
U.S. SMALL BUSINESS ADMINISTRATION:																	
(U.S. ECONOMIC DEVELOPMENT ADMINISTRATION, PASS THROUGH ATLANTIC COUNTY ECONOMIC ALLIANCE)																	
Congress Earned Income Tax Credit	59.059	N/A	SBAHQ22IO110	9/1/22-10/31/23	212,000	212,000			91,211		91,211	\$ 120,789					
Total U.S. Small Business Administration						212,000	212,000		91,211		91,211	120,789					
U.S. DEPARTMENT OF COMMERCE:																	
(U.S. ECONOMIC DEVELOPMENT ADMINISTRATION, PASS THROUGH ATLANTIC COUNTY ECONOMIC ALLIANCE)																	
USEDA Prime Grant for Aviation-Related Statewide Planning	11.302	N/A	ED22PHI30700034/1	22-12/31/23	20,000				5,197		5,197	5,197					
Total U.S. Department of Commerce									5,197		5,197	5,197					
NATIONAL SCIENCE FOUNDATION:																	
(PASS THROUGH SINCLAIR COMMUNITY COLLEGE)																	
Educating Entrepreneurial Technicians for Unmanned Aerial Systems	47.076	SCC-AC1902003	SCC-AC1902003	10/1/19-9/30/22	33,545	8,739	33,001		5,569		33,001						
Total National Science Foundation						8,739	33,001		5,569		33,001						
Total Federal Awards						\$ 16,916,841	\$ 54,262,969	\$ (100,840)	\$ 17,004,188	\$ -	\$ 164,045	\$ 55,525,224	\$ 1,618,926	\$ 255,831	\$ -		

The accompanying Notes to the Financial Statements and Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

ATLANTIC CAPE COMMUNITY COLLEGE
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

GRANT ID NUMBER	GRANT PERIOD	AWARD AUTHORIZ-ATIONS	FY23 CASH RECEIVED	AMOUNT RECEIVED TO DATE	FY23 RETURN TO GRANTOR	FY23 GRANT EXPENDITURES	PASS-THROUGH TO SUBRECIPIENTS	CUMULATIVE GRANT EXPENDITURES	BALANCE JUNE 30, 2023			
									ACCOUNTS RECEIVABLE	DEFERRED REVENUE	DUE TO GRANTOR AT 6/30/2023	
STUDENT FINANCIAL AID CLUSTER: NEW JERSEY COMMISSION ON HIGHER EDUCATION:												
100-074-2401-001	7/1/22-6/30/23	\$ 486,400	\$ 238,879	\$ 238,879		\$ 238,079		\$ 238,079				\$ 800
Educational Opportunity Fund (EOF) Article III	100-074-2401-001	7/1/21-6/30/22	223,488	223,488	\$ (6,213)			215,975				1,300
Educational Opportunity Fund (EOF) Article III	100-074-2401-001	7/1/22-6/30/23	54,513	54,513	(18,046)	36,467		36,467				
Educational Opportunity Fund (EOF) Article III - Summer	100-074-2401-001	11/10/22-2/17/23	29,580	29,580	(14,649)	14,931		14,931				
NEW JERSEY HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY:												
Tuition Aid Grant (TAG)	100-074-2405-007	7/1/22-6/30/23	1,950,203	2,005,762	2,005,762		1,950,203	1,950,203				55,559
Tuition Aid Grant (TAG)	100-074-2405-007	7/1/21-6/30/22	1,866,892	1,914,114	(44,829)			1,866,892				2,393
Tuition Aid Grant (TAG)	100-074-2405-313	7/1/22-6/30/23	336,283	449,590	449,590		336,283	336,283				113,307
NJ Stars Program	100-074-2405-313	7/1/21-6/30/22	421,554	422,524	(970)			421,554				
NJ Stars Program	100-074-2405-308	7/1/22-6/30/23	4,500	4,500	4,500		4,500	4,500				
NJ Stars Program	100-074-2405-332	7/1/22-6/30/23	1,774,035	1,832,552	1,832,552		1,774,035	1,774,035				58,517
NJ BEST	100-074-2405-332	7/1/21-6/30/22	1,233,555	1,291,712	(52,226)			1,233,555				5,931
Community College Opportunity Grant	N/A	7/1/22-6/30/23	204,207	204,207	204,207		204,207	204,207				
Community College Opportunity Grant - Total Student Financial Aid			4,819,583	8,671,421	(136,933)	4,558,705	-	8,296,681	-	-	-	237,807
New Jersey Class Loans												
NEW JERSEY OFFICE OF THE SECRETARY OF HIGHER EDUCATION:												
Educational Opportunity Fund (EOF) Article IV	100-074-2401-002	7/1/22-6/30/23	260,786	260,786	260,786		228,927	228,927				31,859
Educational Opportunity Fund (EOF) Article IV	100-074-2401-002	7/1/21-6/30/22	260,786	260,786	(45,731)			215,055				
Educational Opportunity Fund (EOF) Article IV	100-074-2401-002	7/1/22-6/30/23	1,759	1,759	1,759	(707)	1,052	1,052				
Educational Opportunity Fund (EOF) Article IV - Summer	100-074-2401-002	7/1/22-6/30/23	39,598	39,598	39,598		27,035	27,035				12,563
Educational Opportunity Fund (EOF) Special Projects	100-074-2401-002	7/1/22-6/30/23	36,450	36,450	36,450		24,820	24,820				11,630
Educational Opportunity Fund (EOF) Retention Initiative	100-074-2401-002	10/18/21-6/30/22	37,200	37,200	(35,570)			1,630				
Educational Opportunity Fund (EOF) Retention Initiative	N/A	6/25/21-1/31/26	2,989,198	2,989,198		835,566		2,357,673		\$ 631,525		
NJ Offshore Wind Safety Training Challenge	100-074-2400-061	7/1/22-6/30/23	246,569	246,569	246,569		246,569	246,569				
Community College Opportunity Planning Grant	100-062-4545-384	4/4/22-8/31/22	13,614	13,614	13,614		11,051	11,051				2,563
NJ Career Accelerator Internship Grant Program	N/A	7/1/22-6/30/23	250,000	125,000	250,000		43,073	43,073				206,927
Center for Adult Transition	N/A	7/1/22-6/30/23	52,113	50,000	50,000		52,113	52,113	\$ 2,113			
Hunger Free Campus	100-082-2000-A92	7/1/21-6/30/25	4,000,000	3,497,513	3,497,513	1,704,642		3,992,739	495,226			
Securing Our Children's Future Bond Act			4,257,675	7,683,473	(82,008)	3,174,848	-	7,201,737	497,339	631,525		265,542
NEW JERSEY DEPARTMENT OF TREASURY HIGHER EDUCATION ADMINISTRATION:												
Operational Costs - County Colleges	100-082-2155-015	7/1/22-6/30/23	5,717,524	5,717,524	5,717,524		5,717,524	5,717,524				
Operational Costs - County Colleges	100-082-2155-017	7/1/22-6/30/23	543,685	362,776	362,776		543,685	543,685	180,909			
Employer Contributions - Alternate Benefits Program	100-082-2155-017	7/1/21-6/30/22	551,396	178,197	551,396			551,396				
Employer Contributions - Alternate Benefits Program	100-082-2155-016	7/1/22-6/30/23	1,538,174	1,079,090	1,079,090		1,538,174	1,538,174	459,084			
Employer Contributions - Alternate Benefits Program P.L. 1971, Chapter 12 Debt Service	100-082-2155-016	7/1/21-6/30/22	2,256,061	2,256,061	2,256,061			2,256,061				
			9,593,648	9,966,847	-	7,799,383	-	10,606,840	639,993	-	-	-
NEW JERSEY DEPARTMENT OF HEALTH AND HUMAN SERVICES:												
(PASS THROUGH ATLANTIC COUNTY WORKFORCE DEVELOPMENT BOARD)												
WFNJ/Foundations for Success	N/A	2/1/22-6/30/23	553,665	154,190	193,080		192,568	245,049	51,969			
WFNJ/Oceanside Literacy	N/A	3/1/23-6/30/23	11,892				2,618	2,618	2,618			
WFNJ/Oceanside Literacy	N/A	7/1/22-6/30/23	80,350	39,086	39,086		59,607	59,607	20,521			
Supplemental Learning Lab	N/A	7/1/21-6/30/22	80,350	7,672	62,008			62,008				
Supplemental Learning Lab			200,948	294,174	-	254,793	-	369,282	75,108	-	-	-
NEW JERSEY DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT:												
Atlantic City Regional Leisure & Hospitality Career Initiative (Table Games)	780-062-4545-002	5/1/21-8/31/22	150,000	13,750	36,250		14,918	36,250				
Atlantic City Regional Leisure & Hospitality Career Initiative (Culinary)	780-062-4545-002	5/1/21-8/31/22	120,000	42,000	42,000		14,944	42,000				
Adult Education - Basic Grants to States	ABS-FY2023	7/1/22-6/30/23	161,539	99,529	99,529		136,087	136,087	36,558			
Adult Education - Online Teaching and Learning Plan	780-062-4545-007	6/1/22-10/30/22	151,619	113,958	113,958		113,958	113,958				
			269,237	291,737	-	279,907	103,278	328,295	36,558	-	-	-
NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS:												
Code Official Tuton Remission	100-022-8015-036	7/1/22-6/30/23	16,714	16,714	16,714		16,714	16,714				
Neighborhood Revitalization Tax Credit (NRTC) Program	100-022-8020-168	4/1/21-3/31/22	50,000		30,000		7,261	50,000	20,000			
			16,714	46,714	-	23,975	-	66,714	20,000	-	-	-
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY:												
(PASS THROUGH COUNTY OF CAPE MAY)												
Innovation Challenge Grant - Bizhub	N/A	1/25/19-6/30/23	65,000	65,000		5,467		57,610		7,390		
			-	65,000	-	5,467	-	57,610	-	7,390	-	-
Total State Financial Assistance			\$ 19,157,805	\$ 27,019,366	\$ (218,941)	\$ 16,097,078	\$ 103,278	\$ 26,927,159	\$ 1,268,998	\$ 638,915	\$ 503,349	

The accompanying Notes to the Financial Statements and Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

ATLANTIC CAPE COMMUNITY COLLEGE

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2023

Note 1: **BASIS OF PRESENTATION**

The accompanying schedules of expenditures of federal awards and state financial assistance (“the schedules”) include federal and state award activity of Atlantic Cape Community College (hereafter referred to as the “College”). The College is defined in note 2 to the College’s basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules. Because these schedules present only a selected portion of the operations of the College, it is not intended to and does not present the financial position and changes in operations of the College. Accordingly, some amounts presented in the respective schedules may differ from amounts presented in, or used in the preparation of, the College’s June 30, 2023 financial statements.

Note 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

Note 3: **INDIRECT COST RATE**

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

Note 4: **OTHER STUDENT LOAN PROGRAMS**

The College is responsible only for the performance of certain administrative duties with respect to Federal Direct Student Loans and New Jersey Class Loans; accordingly, these loans balances are not included in the College’s basic financial statements. It is not practical to determine the balance of loans outstanding to students of the College under these programs as of June 30, 2023.

Note 5: **MAJOR PROGRAMS**

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

**ATLANTIC CAPE COMMUNITY COLLEGE
(a component unit of the County of Atlantic)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2023**

I. SUMMARY OF AUDITORS RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified Opinion
Internal control over financial reporting:	
1) Material weakness identified?	No
2) Significant deficiencies identified?	None reported
Noncompliance material to the Basic Financial Statements noted?	No

Federal Awards

Internal control over major programs:	
1) Material weakness identified?	No
2) Significant deficiencies identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified Opinion
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	No

Identification of major programs:

Education Stabilization Fund

84.007	Federal Supplemental Ed. Opportunity Grant
84.048A	Career and Technical Education – Basic Grant to States
84.042	TRIO – Student Support Services
84.425E	COVID-19 Student Aid Portion
84.425F	COVID-19 Institutional Portion
84.425C	Opportunity Meets Innovation Challenge (GEER II)
84.425C	Governor's Emergency Education Relief (GEER) Fund

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

ATLANTIC CAPE COMMUNITY COLLEGE
(a component unit of the County of Atlantic)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2023
(CONTINUED)

I. SUMMARY OF AUDITORS RESULTS - CONTINUED

State Awards

Dollar threshold used to distinguish between type A and Type B Programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified Opinion
Internal Control over major programs:	
1) Material weakness identified?	No
2) Significant deficiencies identified?	None reported
Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08?	No

Identification of major programs:

GMIS Numbers

100-082-2155-016
100-082-2000-A92
100-082-2155-017

Name of State Program

P.L. 1971, Chapter 12 Debt Service
Securing our Children's Future Bond Act
Employer Contributions – Alt. Benefit Program

ATLANTIC CAPE COMMUNITY COLLEGE
(a component unit of the County of Atlantic)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2023
(CONTINUED)

II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS

Our audit disclosed no material Findings or Questioned Costs

III. FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

Federal:

Our audit disclosed no material Findings or Questioned Costs.

State:

Our audit disclosed no material Findings or Questioned Costs

**ATLANTIC CAPE COMMUNITY COLLEGE
(a component unit of the County of Atlantic)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2023
(CONTINUED)**

STATUS OF PRIOR YEAR FINDINGS

None

STATISTICAL SECTION

(UNAUDITED)

Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the College's financial position has changed over time. Please refer to the following schedules for a historical view of the College's financial performance.

ATLANTIC CAPE COMMUNITY COLLEGE
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(UNAUDITED)

	For the Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Investment in Capital Assets	79,117,280	78,477,674	74,568,714	\$ 71,200,805	\$ 72,886,720	\$ 75,814,158	\$ 75,289,360	\$ 70,698,513	\$ 67,194,490	\$ 61,456,749
Restricted - expendable	1,541,697	1,649,273	1,670,353	1,710,838	1,759,974	2,043,003	3,158,309	3,547,177	3,680,323	4,057,005
Restricted - nonexpendable	875,462	868,524	860,817	859,163	854,125	846,653	835,685	825,765	817,160	807,479
Unrestricted (Deficit)	(7,239,923)	(9,898,342)	(14,441,325)	(22,082,633)	(25,861,038)	(27,200,058)	(27,279,336)	(23,603,807)	(22,816,930)	7,212,590
Total Net Position	\$ 74,294,516	\$ 71,097,129	\$ 62,658,559	\$ 51,688,173	\$ 49,639,781	\$ 51,503,756	\$ 52,004,018	\$ 51,467,648	\$ 48,875,043	\$ 73,533,823

Note: GASB Statement No. 68 was implemented for June 30, 2015 year end.

Source: Annual Comprehensive Financial Reports of the College

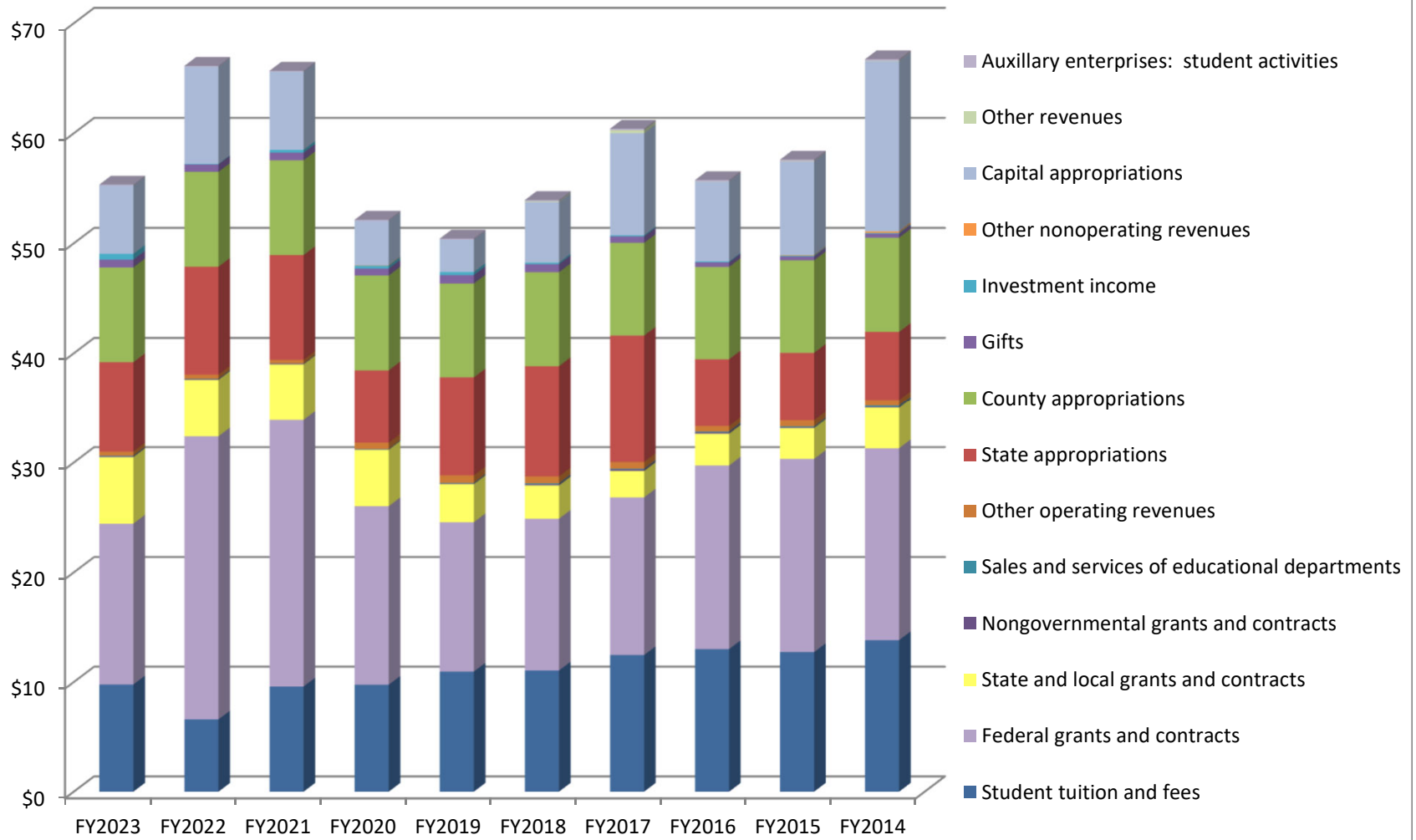
**ATLANTIC CAPE COMMUNITY COLLEGE
CAPITAL ASSET INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	For the Year Ended									
	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Academic Space										
Net assignable square feet	190,125	189,629	189,629	189,629	189,629	189,629	167,629	167,629	167,629	117,214
Mays Landing	116,375	115,879	115,879	115,879	115,879	115,879	93,879	93,879	93,879	65,964
Worthington Atlantic City	53,182	53,182	53,182	53,182	53,182	53,182	53,182	53,182	53,182	30,682
Cape May County	20,568	20,568	20,568	20,568	20,568	20,568	20,568	20,568	20,568	20,568
Administrative and support buildings										
Net assignable square feet	182,265	182,265	181,959	181,959	181,959	181,959	181,959	181,959	181,959	181,959
Mays Landing	135,152	135,152	134,846	134,846	134,846	134,846	134,846	134,846	134,846	134,846
Worthington Atlantic City	22,662	22,662	22,662	22,662	22,662	22,662	22,662	22,662	22,662	22,662
Cape May County	24,451	24,451	24,451	24,451	24,451	24,451	24,451	24,451	24,451	24,451
Athletic facilities										
Practice and intramural fields	3	3	3	3	3	3	3	3	3	3
Gymnasiums	1	1	1	1	1	1	1	1	1	1
Transportation										
Vehicles	12	10	10	12	12	12	12	12	12	11
Parking capacity	1,866	1,866	1,868	1,868	1,868	1,861	1,882	1,882	1,882	1,892
Mays Landing	1,296	1,296	1,298	1,298	1,298	1,298	1,308	1,308	1,308	1,318
Worthington Atlantic City	252	252	252	252	252	245	256	256	256	256
Cape May County	318	318	318	318	318	318	318	318	318	318

Source: College records

**ATLANTIC CAPE COMMUNITY COLLEGE
REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)**

Millions



ATLANTIC CAPE COMMUNITY COLLEGE
REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)

	FY2023 ACTUAL	FY2022 ACTUAL	FY2021 ACTUAL	FY2020 ACTUAL	FY2019 ACTUAL	FY2018 ACTUAL	FY2017 ACTUAL	FY2016 ACTUAL	FY2015 ACTUAL	FY2014 ACTUAL
Student tuition and fees	\$ 22,719,633	\$ 22,154,334	\$ 21,497,433	\$ 23,806,723	\$ 22,645,055	\$ 22,462,604	\$ 23,657,536	\$ 24,820,999	\$ 25,635,567	\$ 26,239,396
Allowances	(12,942,486)	(15,557,322)	(11,900,849)	(14,049,952)	(11,690,475)	(11,411,093)	(11,193,510)	(11,810,732)	(12,905,396)	(12,415,667)
Student tuition and fees, net	9,777,147	6,597,012	9,596,584	9,756,771	10,954,580	11,051,511	12,464,026	13,010,267	12,730,171	13,823,729
Federal grants and contracts	14,667,092	25,794,022	24,287,472	16,275,557	13,619,298	13,838,463	14,368,475	16,721,372	17,596,061	17,477,807
State and local grants and contracts	6,052,613	5,199,242	5,117,107	5,129,801	3,462,203	3,030,770	2,402,557	2,896,765	2,818,259	3,703,562
Nongovernmental grants and contracts	74,296	57,270	56,250	34,764	54,709	112,170	127,445	123,422	54,304	74,410
Sales and services of educational departments	45,936	39,586	18,136	37,687	55,329	77,356	67,627	75,981	82,304	115,185
Other operating revenues	380,753	378,479	331,757	566,378	685,396	624,544	626,157	501,552	567,518	540,627
Operating Revenues	30,997,837	38,065,611	39,407,306	31,800,958	28,831,515	28,734,814	30,056,287	33,329,359	33,848,617	35,735,320
State appropriations	8,194,188	9,807,079	9,521,867	6,651,389	8,978,848	10,098,949	11,552,290	6,126,540	6,194,910	6,208,042
County appropriations	8,621,924	8,621,977	8,621,685	8,622,037	8,536,603	8,536,679	8,431,319	8,408,622	8,409,196	8,574,993
Gifts	702,160	679,579	689,059	630,207	770,454	728,020	586,768	401,750	350,384	362,823
Investment income	533,508	38,826	255,733	265,746	275,198	144,328	100,880	81,144	77,724	68,168
Other nonoperating revenues	0	0	3,365	38,521	0	0	0	0	55,200	133,210
Nonoperating revenues	18,051,780	19,147,461	19,091,709	16,207,900	18,561,103	19,507,976	20,671,257	15,018,056	15,087,414	15,347,236
Capital appropriations	6,200,939	8,831,712	7,100,213	4,030,264	2,940,594	5,498,809	9,269,879	7,254,485	8,502,101	15,476,336
Other revenues	0	0	0	0	0	78,300	294,040	12,988	22,115	25,825
Auxiliary enterprises: student activities	88,670	86,563	87,248	105,866	101,523	117,187	127,708	140,656	148,771	152,908
	\$ 55,339,226	\$ 66,131,347	\$ 65,686,476	\$ 52,144,988	\$ 50,434,735	\$ 53,937,086	\$ 60,419,171	\$ 55,755,544	\$ 57,609,018	\$ 66,737,625

	FY2023 ACTUAL	FY2022 ACTUAL	FY2021 ACTUAL	FY2020 ACTUAL	FY2019 ACTUAL	FY2018 ACTUAL	FY2017 ACTUAL	FY2016 ACTUAL	FY2015 ACTUAL	FY2014 ACTUAL
Student tuition and fees	41.06%	33.50%	32.73%	45.65%	44.90%	41.65%	39.16%	44.52%	44.50%	39.32%
Allowances	-23.39%	-23.52%	-18.12%	-26.94%	-23.18%	-21.16%	-18.53%	-21.18%	-22.40%	-18.60%
Student tuition and fees, net	17.67%	9.98%	14.61%	18.71%	21.72%	20.49%	20.63%	23.33%	22.10%	20.71%
Federal grants and contracts	26.50%	39.00%	36.97%	31.21%	27.00%	25.66%	23.78%	29.99%	30.54%	26.19%
State and local grants and contracts	10.94%	7.86%	7.79%	9.84%	6.86%	5.62%	3.98%	5.20%	4.89%	5.55%
Nongovernmental grants and contracts	0.13%	0.09%	0.09%	0.07%	0.11%	0.21%	0.21%	0.22%	0.09%	0.11%
Sales and services of educational departments	0.08%	0.06%	0.03%	0.07%	0.11%	0.14%	0.11%	0.14%	0.14%	0.17%
Other operating revenues	0.69%	0.57%	0.51%	1.09%	1.36%	1.16%	1.04%	0.90%	0.99%	0.81%
Operating Revenues	56.01%	57.56%	60.00%	60.99%	57.16%	53.27%	49.75%	59.78%	58.76%	53.55%
State appropriations	14.81%	14.83%	14.50%	12.76%	17.80%	18.72%	19.12%	10.99%	10.75%	9.30%
County appropriations	15.58%	13.04%	13.12%	16.53%	16.93%	15.83%	13.95%	15.08%	14.60%	12.85%
Gifts	1.27%	1.03%	1.05%	1.21%	1.53%	1.35%	0.97%	0.72%	0.61%	0.54%
Investment income	0.96%	0.06%	0.39%	0.51%	0.55%	0.27%	0.17%	0.15%	0.13%	0.10%
Other nonoperating revenues	0.00%	0.00%	0.00%	0.07%	0.00%	0.00%	0.00%	0.00%	0.10%	0.20%
Nonoperating revenues	32.62%	28.96%	29.06%	31.08%	36.81%	36.17%	34.21%	26.94%	26.19%	23.00%
Capital appropriations	11.21%	13.35%	10.81%	7.73%	5.83%	10.19%	15.34%	13.01%	14.76%	23.19%
Other revenues	0.00%	0.00%	0.00%	0.00%	0.00%	0.15%	0.49%	0.02%	0.04%	0.04%
Auxiliary enterprises: student activities	0.16%	0.13%	0.13%	0.20%	0.20%	0.22%	0.21%	0.25%	0.26%	0.23%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

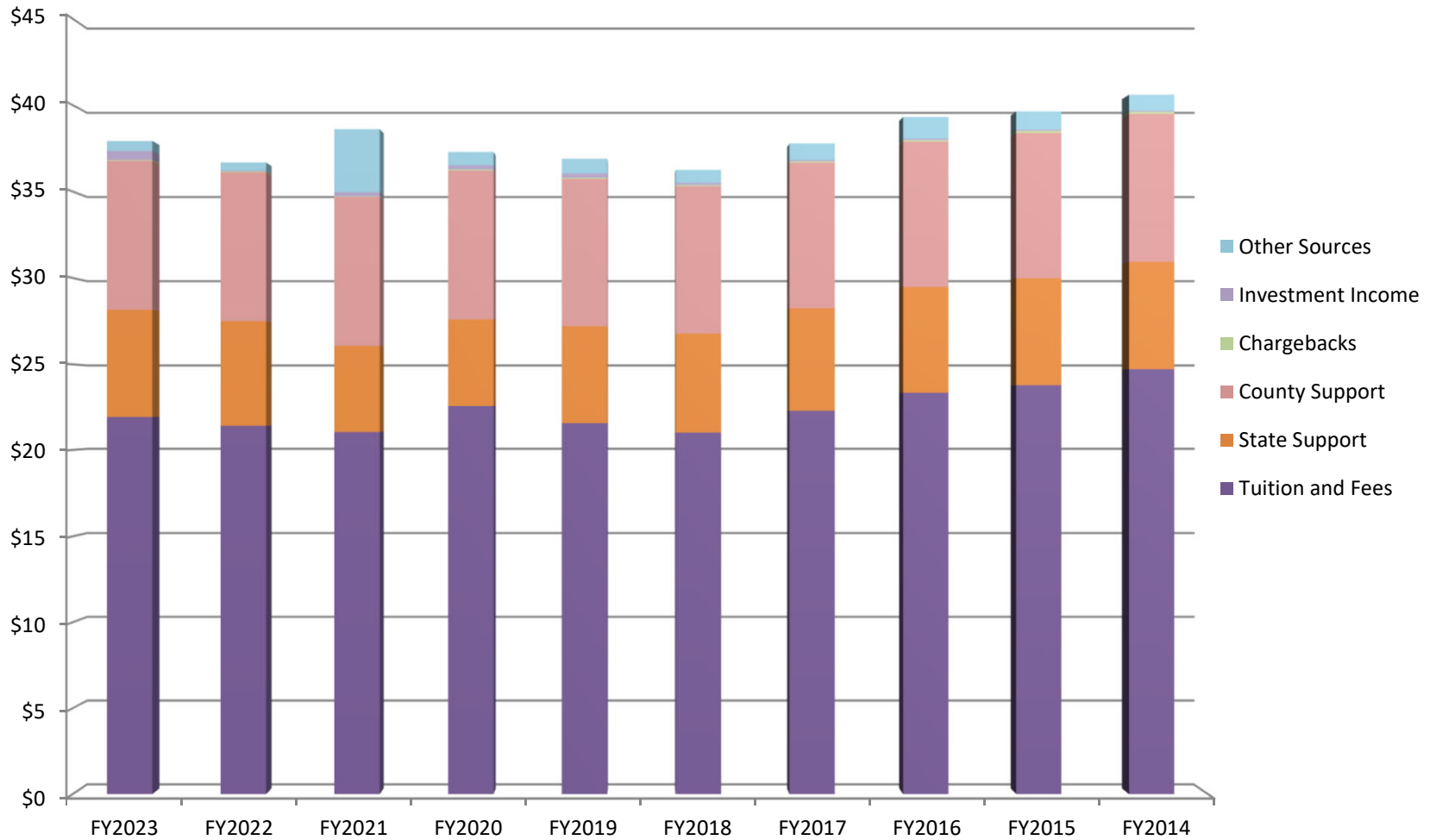
Note: GASB Statement No. 75 was implemented for June 30, 2017 year end.

(Excludes Additions to Permanent Endowments)

Source: Statement of Revenues, Expenses, and Changes in Net Position by Year

**ATLANTIC CAPE COMMUNITY COLLEGE
REVENUES BY SOURCE
CURRENT UNRESTRICTED OPERATING FUND
LAST TEN FISCAL YEARS
(UNAUDITED)**

Millions



ATLANTIC CAPE COMMUNITY COLLEGE
REVENUES BY SOURCE
CURRENT UNRESTRICTED OPERATING FUND
LAST TEN FISCAL YEARS
(UNAUDITED)

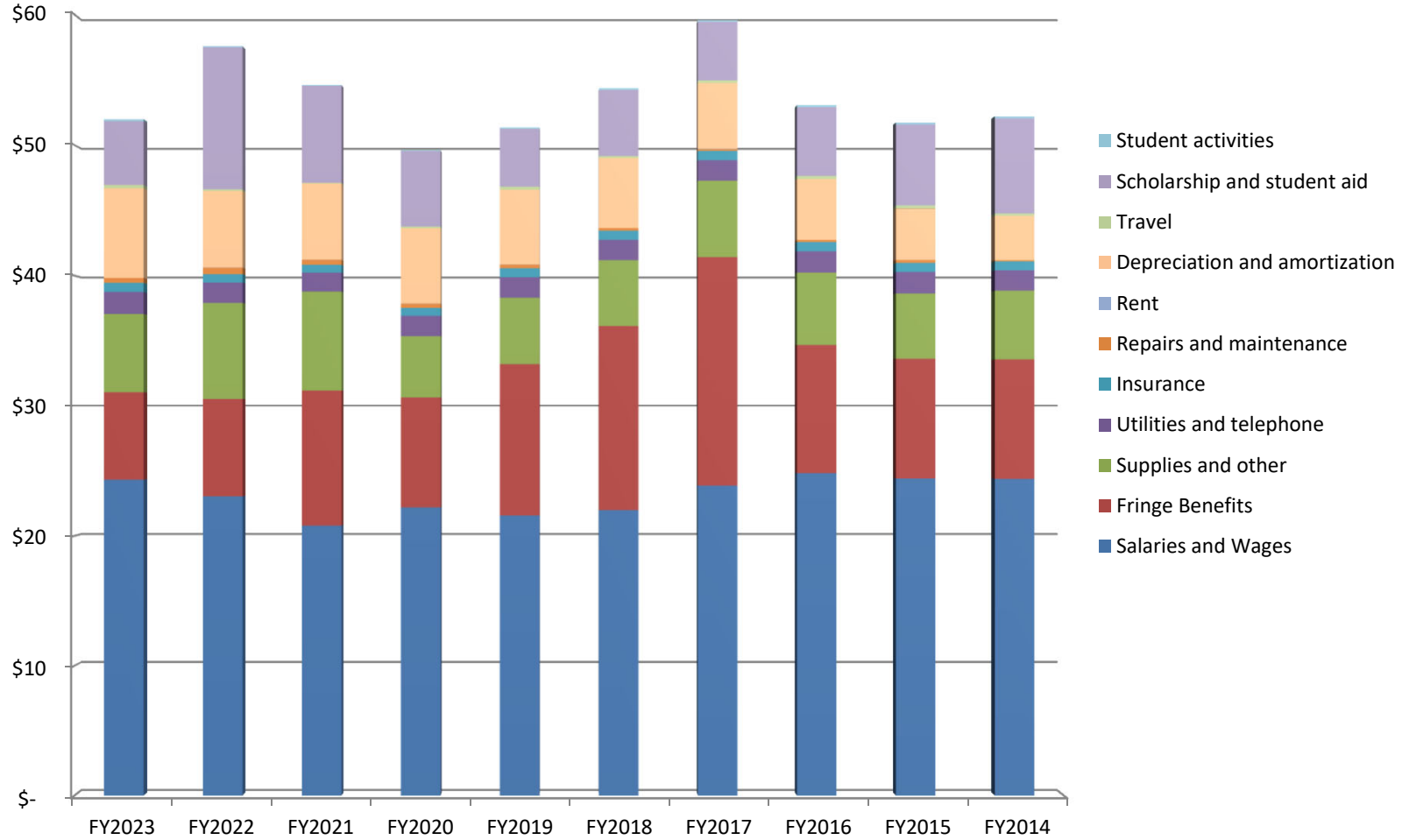
	FY2023 ACTUAL	FY2022 ACTUAL	FY2021 ACTUAL	FY2020 ACTUAL	FY2019 ACTUAL	FY2018 ACTUAL	FY2017 ACTUAL	FY2016 ACTUAL	FY2015 ACTUAL	FY2014 ACTUAL
Source:										
Credit Tuition and Fees	\$ 20,607,001	\$ 20,315,812	\$ 20,584,914	\$ 21,981,223	\$ 20,688,445	\$ 20,107,654	\$ 21,278,827	\$ 22,290,697	\$ 22,695,549	\$ 23,806,989
Continuing Education Programs	1,294,698	1,079,573	455,139	597,844	861,843	894,796	990,872	1,066,620	1,093,266	911,570
Tuition and Fees	21,901,699	21,395,385	21,040,053	22,579,067	21,550,288	21,002,450	22,269,699	23,357,317	23,788,815	24,718,559
State Support	6,261,209	6,096,722	5,028,625	5,017,319	5,649,578	5,773,278	5,974,625	6,126,540	6,194,910	6,208,042
County Support	8,621,346	8,621,346	8,621,346	8,621,346	8,535,828	8,535,828	8,430,448	8,407,171	8,407,171	8,572,942
Chargebacks	56,960	62,358	32,119	57,968	64,439	66,499	70,427	94,387	121,428	117,892
Investment Income	502,571	36,220	236,858	245,628	256,172	132,196	95,842	78,122	75,505	65,979
Other Sources	581,716	471,979	3,657,510	773,943	848,546	744,175	942,016	1,257,862	1,054,243	922,132
TOTAL	\$ 37,925,501	\$ 36,684,010	\$ 38,616,511	\$ 37,295,271	\$ 36,904,851	\$ 36,254,426	\$ 37,783,057	\$ 39,321,399	\$ 39,642,072	\$ 40,605,546

	FY2023 ACTUAL	FY2022 ACTUAL	FY2021 ACTUAL	FY2020 ACTUAL	FY2019 ACTUAL	FY2018 ACTUAL	FY2017 ACTUAL	FY2016 ACTUAL	FY2015 ACTUAL	FY2014 ACTUAL
Source:										
Tuition and Fees	57.75%	58.32%	54.49%	60.54%	58.39%	57.93%	58.94%	59.40%	60.01%	60.87%
State Support	16.51%	16.62%	13.02%	13.45%	15.31%	15.93%	15.81%	15.58%	15.63%	15.29%
County Support	22.73%	23.50%	22.33%	23.12%	23.13%	23.54%	22.31%	21.38%	21.21%	21.11%
Chargebacks	0.15%	0.17%	0.08%	0.16%	0.17%	0.18%	0.19%	0.24%	0.31%	0.29%
Investment Income	1.33%	0.10%	0.61%	0.66%	0.70%	0.37%	0.25%	0.20%	0.19%	0.16%
Other Sources	1.53%	1.29%	9.47%	2.07%	2.30%	2.05%	2.50%	3.20%	2.66%	2.27%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Schedules of Budget Comparison To Actual

**ATLANTIC CAPE COMMUNITY COLLEGE
EXPENDITURES BY NATURAL CLASSIFICATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

Millions



ATLANTIC CAPE COMMUNITY COLLEGE
EXPENDITURES BY NATURAL CLASSIFICATION
LAST TEN FISCAL YEARS
(UNAUDITED)

	FY2023 ACTUAL	FY2022 ACTUAL	FY2021 ACTUAL	FY2020 ACTUAL	FY2019 ACTUAL	FY2018 ACTUAL	FY2017 ACTUAL	FY2016 ACTUAL	FY2015 ACTUAL	FY2014 ACTUAL
Compensation										
Salaries and Wages	\$ 24,303,612	\$ 23,024,275	\$ 20,786,926	\$ 22,185,944	\$ 21,562,203	\$ 21,968,434	\$ 23,856,062	\$ 24,805,205	\$ 24,392,423	\$ 24,363,547
Fringe Benefits	6,757,995	7,524,400	10,414,636	8,478,490	11,656,497	14,169,775	17,564,926	9,877,457	9,238,260	9,220,697
Total Compensation	31,061,607	30,548,675	31,201,562	30,664,434	33,218,700	36,138,209	41,420,988	34,682,662	33,630,683	33,584,244
Other Expenditures										
Supplies and other	5,993,017	7,370,602	7,574,758	4,700,488	5,082,373	5,045,453	5,843,985	5,539,948	5,002,350	5,259,621
Utilities and telephone	1,693,186	1,553,153	1,449,170	1,548,803	1,572,188	1,554,973	1,566,252	1,633,870	1,633,998	1,562,308
Insurance	701,078	640,510	605,045	619,148	686,187	699,938	723,061	725,052	704,949	689,991
Repairs and maintenance	366,345	494,189	379,680	325,105	285,029	199,437	153,213	148,320	222,468	83,864
Rent	9,668	12,326	12,073	11,651	10,732	10,241	21,299	7,284	7,083	7,617
Depreciation and amortization	6,873,448	5,870,570	5,843,938	5,759,415	5,723,540	5,361,021	5,028,518	4,662,374	3,946,402	3,401,444
Travel	242,747	110,209	44,125	126,908	233,365	153,429	192,708	237,147	220,360	168,362
	15,879,489	16,051,559	15,908,789	13,091,518	13,593,414	13,024,492	13,529,036	12,953,995	11,737,610	11,173,207
	46,941,096	46,600,234	47,110,351	43,755,952	46,812,114	49,162,701	54,950,024	47,636,657	45,368,293	44,757,451
Scholarship and student aid	4,889,922	10,891,697	7,426,421	5,785,929	4,425,942	5,055,970	4,481,558	5,262,088	6,210,634	7,290,880
Auxilliary enterprises										
Student activities	149,059	87,203	55,912	74,842	109,283	126,125	128,936	162,898	148,573	146,224
	\$ 51,980,077	\$ 57,579,134	\$ 54,592,684	\$ 49,616,723	\$ 51,347,339	\$ 54,344,796	\$ 59,560,518	\$ 53,061,643	\$ 51,727,500	\$ 52,194,555

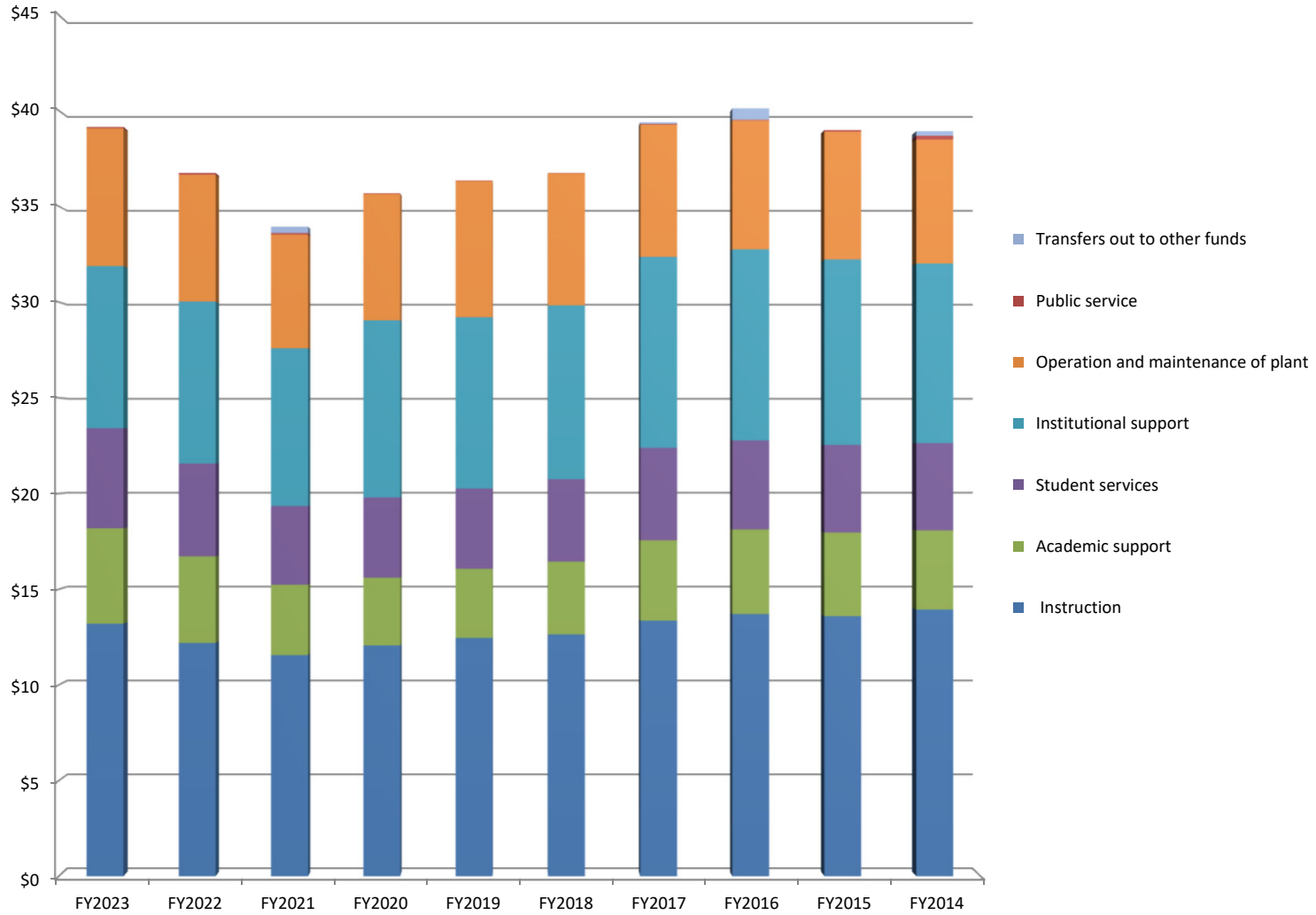
	FY2023 ACTUAL	FY2022 ACTUAL	FY2021 ACTUAL	FY2020 ACTUAL	FY2019 ACTUAL	FY2018 ACTUAL	FY2017 ACTUAL	FY2016 ACTUAL	FY2015 ACTUAL	FY2014 ACTUAL
Expenditures by Natural Classification										
Compensation										
Salaries and Wages	51.8%	49.4%	44.1%	50.7%	46.1%	44.7%	43.4%	52.1%	53.8%	54.4%
Fringe Benefits	14.4%	16.2%	22.1%	19.4%	24.9%	28.8%	32.0%	20.7%	20.4%	20.6%
Total Compensation	66.2%	65.6%	66.2%	70.1%	71.0%	73.5%	75.4%	72.8%	74.1%	75.0%
Other Expenditures										
Supplies and other	12.8%	15.8%	16.1%	10.7%	10.8%	10.3%	10.6%	11.6%	11.0%	11.8%
Utilities and telephone	3.6%	3.3%	3.1%	3.5%	3.4%	3.2%	2.9%	3.4%	3.6%	3.5%
Insurance	1.5%	1.4%	1.3%	1.4%	1.5%	1.4%	1.3%	1.5%	1.6%	1.5%
Repairs and maintenance	0.8%	1.1%	0.8%	0.7%	0.6%	0.4%	0.3%	0.3%	0.5%	0.2%
Rent	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Depreciation and amortization	14.6%	12.6%	12.4%	13.2%	12.2%	10.9%	9.2%	9.8%	8.7%	7.6%
Travel	0.5%	0.2%	0.1%	0.3%	0.5%	0.3%	0.4%	0.5%	0.5%	0.4%
	33.7%	34.4%	33.8%	29.9%	29.0%	26.5%	24.6%	27.2%	25.9%	25.0%
	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note: GASB Statement No. 75 was implemented for June 30, 2017 year end.

Source: Statement of Revenues, Expenses, and Changes in Net Position by Year
GASB Statement No. 96 was implemented for June 30, 2023 year end.

**ATLANTIC CAPE COMMUNITY COLLEGE
EXPENDITURES BY FUNCTION
CURRENT UNRESTRICTED OPERATING FUND
LAST TEN FISCAL YEARS
(UNAUDITED)**

Millions



ATLANTIC CAPE COMMUNITY COLLEGE
EXPENDITURES BY FUNCTION
CURRENT UNRESTRICTED OPERATING FUND
LAST TEN FISCAL YEARS
(UNAUDITED)

	FY2023 ACTUAL	FY2022 ACTUAL	FY2021 ACTUAL	FY2020 ACTUAL	FY2019 ACTUAL	FY2018 ACTUAL	FY2017 ACTUAL	FY2016 ACTUAL	FY2015 ACTUAL	FY2014 ACTUAL
Functional category:										
Educational and general:										
Instruction										
Credit instruction	\$ 12,531,001	\$ 11,588,626	\$ 11,207,107	\$ 11,693,854	\$ 11,953,587	\$ 12,107,886	\$ 12,830,064	\$ 13,162,859	\$ 12,948,059	\$ 13,469,850
Continuing education instruction	668,259	602,509	346,791	369,264	508,650	528,150	533,049	546,280	642,532	471,032
Academic support	4,984,131	4,525,549	3,683,088	3,535,176	3,607,211	3,805,360	4,194,522	4,420,263	4,370,483	4,132,992
Student services	5,232,432	4,855,543	4,111,558	4,194,020	4,193,086	4,304,070	4,829,018	4,646,032	4,580,976	4,555,309
Institutional support	8,469,981	8,462,269	8,243,610	9,253,933	8,944,293	9,083,622	9,970,427	9,986,231	9,683,970	9,391,470
Operation and maintenance of plant	7,194,265	6,620,366	5,936,113	6,595,325	7,121,231	6,897,030	6,918,137	6,736,448	6,684,695	6,474,015
Public service	72,461	95,282	84,681	40,083	22,892	18,738	35,621	29,957	79,997	195,853
Transfers out to other funds	0	0	333,500	0	0	0	80,000	599,130	0	235,235
TOTAL	\$ 39,152,530	\$ 36,750,144	\$ 33,946,448	\$ 35,681,655	\$ 36,350,950	\$ 36,744,856	\$ 39,390,838	\$ 40,127,200	\$ 38,990,712	\$ 38,925,756

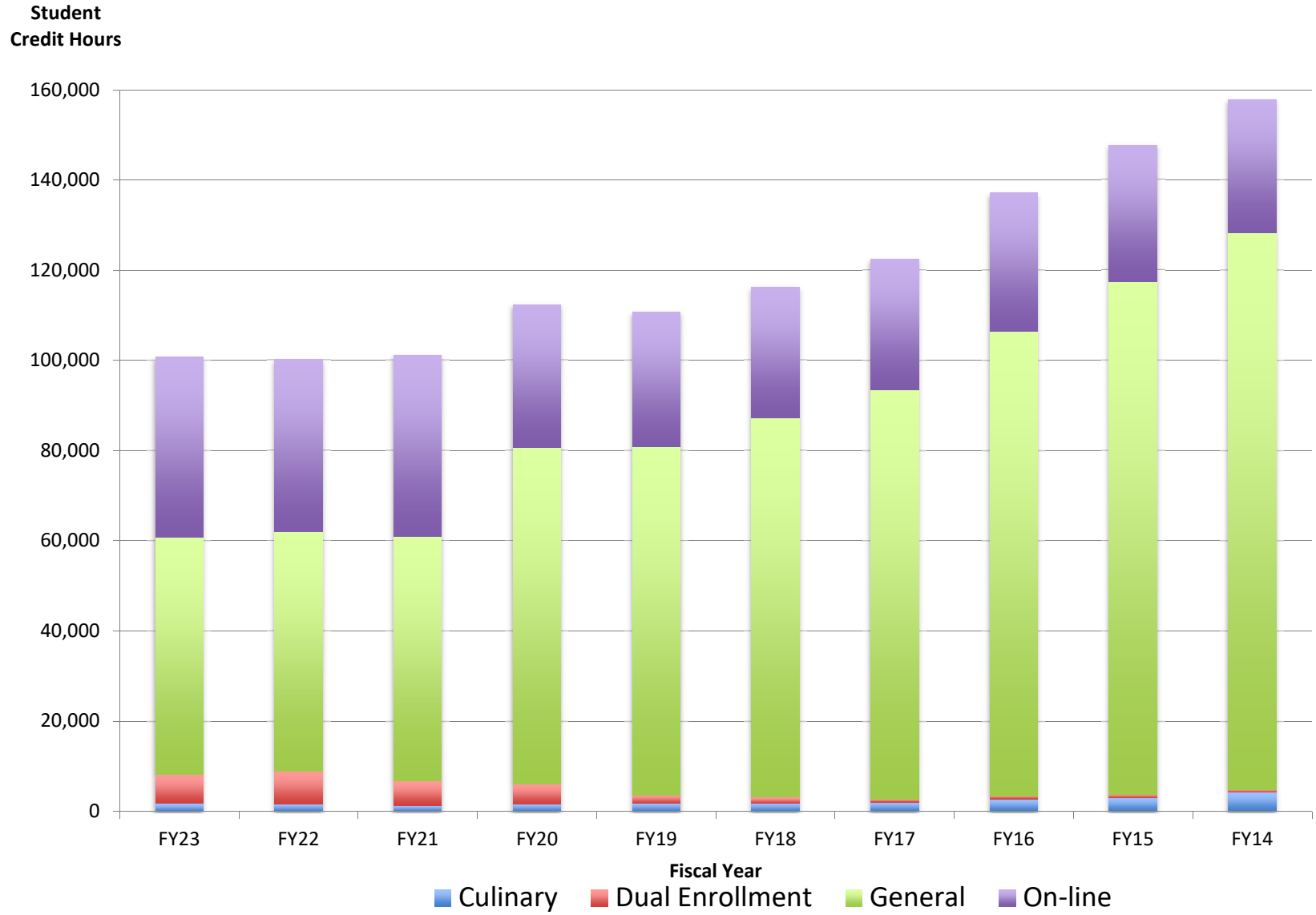
	FY2022 ACTUAL	FY2022 ACTUAL	FY2021 ACTUAL	FY2020 ACTUAL	FY2019 ACTUAL	FY2018 ACTUAL	FY2017 ACTUAL	FY2016 ACTUAL	FY2015 ACTUAL	FY2014 ACTUAL
Functional category:										
Educational and general:										
Instruction										
Credit instruction	32.01%	31.53%	33.01%	32.77%	32.88%	32.95%	32.57%	32.80%	33.21%	34.60%
Continuing education instruction	1.71%	1.64%	1.02%	1.04%	1.40%	1.44%	1.35%	1.36%	1.65%	1.21%
Academic support	33.72%	33.17%	34.04%	33.81%	34.28%	34.39%	33.92%	34.16%	34.86%	35.81%
Student services	12.74%	12.32%	10.85%	9.91%	9.92%	10.36%	10.65%	11.02%	11.21%	10.62%
Institutional support	13.36%	13.21%	12.11%	11.75%	11.54%	11.71%	12.26%	11.58%	11.75%	11.70%
Operation and maintenance of plant	21.63%	23.03%	24.28%	25.94%	24.61%	24.72%	25.31%	24.89%	24.84%	24.13%
Public service	18.37%	18.01%	17.49%	18.48%	19.59%	18.77%	17.56%	16.79%	17.14%	16.63%
Transfers out to other funds	0.18%	0.26%	0.25%	0.11%	0.06%	0.05%	0.09%	0.07%	0.21%	0.50%
Transfers out to other funds	0.00%	0.00%	0.98%	0.00%	0.00%	0.00%	0.20%	1.49%	0.00%	0.60%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Schedules of Budget Comparison To Actual

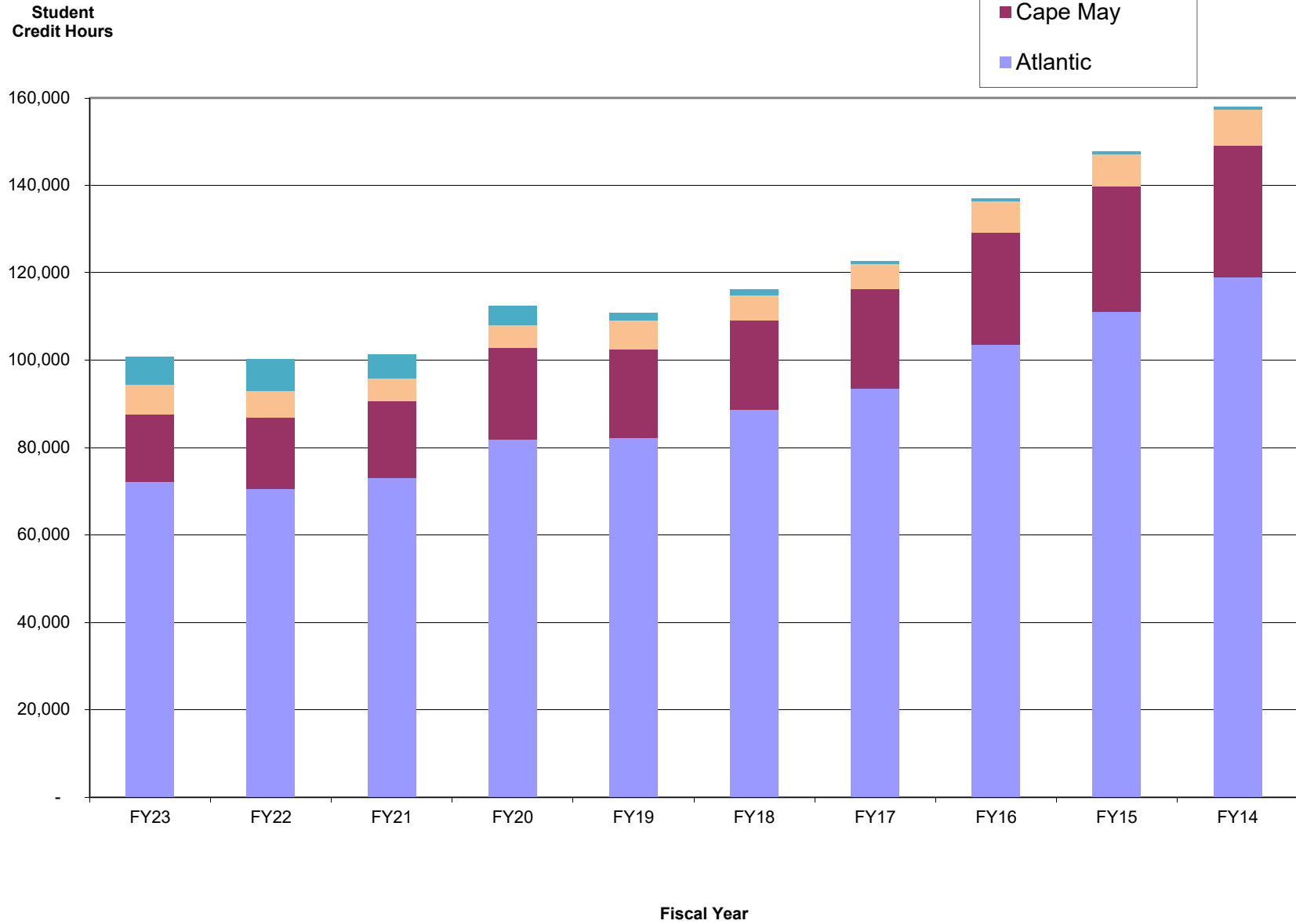
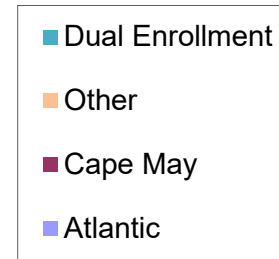
Revenue Capacity Information

Revenue capacity information is intended to assist the user in understanding and assessing the factors affecting the College's ability to generate revenues. Please refer to the following schedules for a historical view of student credit hour enrollments which are the College's most significant revenue source.

**ATLANTIC CAPE COMMUNITY COLLEGE
CREDIT HOUR ENROLLMENTS BY TUITION TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**



**ATLANTIC CAPE COMMUNITY COLLEGE
CREDIT HOUR ENROLLMENTS BY COUNTY OF ORIGIN
LAST TEN FISCAL YEARS
(UNAUDITED)**



**ATLANTIC CAPE COMMUNITY COLLEGE
ENROLLMENT DATA
LAST TEN FISCAL YEARS
(UNAUDITED)
CREDIT HOUR ENROLLMENT BY SEMESTER**

Fiscal Year Ended	<u>Summer</u>	<u>Fall</u>	<u>Spring</u>	<u>Total</u>
6/30/2023	11,375	43,276	46,080	100,731
6/30/2022	9,072	43,943	47,143	100,158
6/30/2021	11,089	45,744	44,385	101,218
6/30/2020	10,706	50,875	50,821	112,402
6/30/2019	11,424	50,332	49,003	110,759
6/30/2018	11,465	55,200	49,548	116,213
6/30/2017	11,637	58,407	52,568	122,612
6/30/2016	13,376	63,818	59,825	137,019
6/30/2015	13,547	68,932	65,274	147,753
6/30/2014	14,365	74,309	69,240	157,914

Total student credit-hours including high school dual enrollment credit hours,
not including non-credit equivalent credit hours

Source: Annual Enrollment Reports

**ATLANTIC CAPE COMMUNITY COLLEGE
ENROLLMENT DATA
LAST TEN FISCAL YEARS
(UNAUDITED)**

CREDIT HOUR ENROLLMENT COMPARISON BY COUNTY OF ORIGIN

		Atlantic	Cape May	Other	Dual Enrollment	Total
FY23	General	42,595	8,023	2,090		52,708
	Culinary	806	199	754		1,759
	On-line	28,822	7,060	4,005		39,887
	Dual Enrollment				6,377	6,377
	Total	72,223	15,282	6,849	6,377	100,731
FY22	General	42,204	8,851	2,111		53,166
	Culinary	802	139	710		1,651
	On-line	27,470	7,384	3,255		38,109
	Dual Enrollment				7,232	7,232
	Total	70,476	16,374	6,076	7,232	100,158
FY21	General*	43,098	9,376	1,820		54,294
	Culinary	673	107	612		1,392
	On-line	29,252	8,007	2,887		40,146
	Dual Enrollment				5,386	5,386
	Total	73,023	17,490	5,319	5,386	101,218
FY20	General	58,599	14,114	1,802		74,515
	Culinary	709	229	732		1,670
	On-line	22,585	6,536	2,646		31,767
	Dual Enrollment				4,450	4,450
	Total	81,893	20,879	5,180	4,450	112,402
FY19	General	60,644	13,950	2,590		77,184
	Culinary	686	226	937		1,849
	On-line	20,838	6,186	2,952		29,976
	Dual Enrollment				1,750	1,750
	Total	82,168	20,362	6,479	1,750	110,759
FY18	General	67,548	14,007	2,572		84,127
	Culinary	742	235	863		1,840
	On-line	20,289	6,258	2,328		28,875
	Dual Enrollment				1,371	1,371
	Total	88,579	20,500	5,763	1,371	116,213
FY17	General	72,369	15,856	2,671		90,896
	Culinary	845	258	982		2,085
	On-line	20,320	6,579	2,168		29,067
	Dual Enrollment				564	564
	Total	93,534	22,693	5,821	564	122,612
FY16	General	80,976	18,699	3,173		102,848
	Culinary	1,094	272	1,361		2,727
	On-line	21,428	6,754	2,559		30,741
	Dual Enrollment				703	703
	Total	103,498	25,725	7,093	703	137,019
FY15	General	89,812	20,864	3,100		113,776
	Culinary	1,048	333	1,706		3,087
	On-line	20,291	7,365	2,559		30,215
	Dual Enrollment				675	675
	Total	111,151	28,562	7,365	675	147,753
FY14	General	97,309	22,726	3,361		123,396
	Culinary	1,504	438	2,314		4,256
	On-line	20,115	7,009	2,541		29,665
	Dual Enrollment				597	597
	Total	118,928	30,173	8,216	597	157,914

* - Due to the COVID-19 pandemic, the majority of FY21 general courses were held remotely

Source: County and Fiscal Year totals agree to audited Full-Time Equivalent Enrollment reports

**ATLANTIC CAPE COMMUNITY COLLEGE
ENROLLMENT DATA
LAST TEN FISCAL YEARS
(UNAUDITED)**

% CREDIT HOUR ENROLLMENT COMPARISON BY COUNTY OF ORIGIN

		Atlantic	Cape May	Other	Dual Enrollment	% of Total
FY23	General	58.98%	52.50%	30.52%		52.33%
	Culinary	1.12%	1.30%	11.01%		1.75%
	On-line	39.91%	46.20%	58.48%		39.60%
	Dual Enrollment				100.00%	6.33%
	Total	100.00%	100.00%	100.00%	100.00%	100.00%
FY22	General	59.88%	54.06%	34.74%		53.08%
	Culinary	1.14%	0.85%	11.69%		1.65%
	On-line	38.98%	45.10%	53.57%		38.05%
	Dual Enrollment				100.00%	7.22%
	Total	100.00%	100.00%	100.00%	100.00%	100.00%
FY21	General*	59.02%	53.61%	34.22%		53.64%
	Culinary	0.92%	0.61%	11.51%		1.38%
	On-line	40.06%	45.78%	54.28%		39.66%
	Dual Enrollment				100.00%	5.32%
	Total	100.00%	100.00%	100.00%	100.00%	100.00%
FY20	General	71.56%	67.60%	34.79%		66.29%
	Culinary	0.87%	1.10%	14.13%		1.49%
	On-line	27.58%	31.30%	51.08%		28.26%
	Dual Enrollment				100.00%	3.96%
	Total	100.00%	100.00%	100.00%	100.00%	100.00%
FY19	General	73.80%	68.51%	39.98%		69.69%
	Culinary	0.83%	1.11%	14.46%		1.67%
	On-line	25.36%	30.38%	45.56%		27.06%
	Dual Enrollment				100.00%	1.58%
	Total	100.00%	100.00%	100.00%	100.00%	100.00%
FY18	General	76.26%	68.33%	44.63%		72.39%
	Culinary	0.84%	1.15%	14.97%		1.58%
	On-line	22.90%	30.53%	40.40%		24.85%
	Dual Enrollment				100.00%	1.18%
	Total	100.00%	100.00%	100.00%	100.00%	100.00%
FY17	General	77.37%	69.87%	45.89%		74.13%
	Culinary	0.90%	1.14%	16.87%		1.70%
	On-line	21.72%	28.99%	37.24%		23.71%
	Dual Enrollment				100.00%	0.46%
	Total	100.00%	100.00%	100.00%	100.00%	100.00%
FY16	General	78.24%	72.69%	44.73%		75.06%
	Culinary	1.06%	1.06%	19.19%		1.99%
	On-line	20.70%	26.25%	36.08%		22.44%
	Dual Enrollment				100.00%	0.51%
	Total	100.00%	100.00%	100.00%	100.00%	100.00%
FY15	General	80.80%	73.05%	42.09%		77.00%
	Culinary	0.94%	1.17%	23.16%		2.09%
	On-line	18.26%	25.79%	34.75%		20.45%
	Dual Enrollment				100.00%	0.46%
	Total	100.00%	100.00%	100.00%	100.00%	100.00%
FY14	General	81.82%	75.32%	40.91%		78.14%
	Culinary	1.26%	1.45%	28.16%		2.69%
	On-line	16.91%	23.23%	30.93%		18.79%
	Dual Enrollment				100.00%	0.38%
	Total	100.00%	100.00%	100.00%	100.00%	100.00%

* - Due to the COVID-19 pandemic, the majority of FY21 general courses were held remotely

Source: County and Fiscal Year totals agree to audited Full-Time Equivalent Enrollment reports

Demographic and Economic Information

Demographic and economic information is intended (1) to assist the user in understanding the socioeconomic environment within which the College operates and (2) to provide information that facilitates comparisons of financial statement information over time and among Colleges. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the College operates.

**ATLANTIC CAPE COMMUNITY COLLEGE
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS
(UNAUDITED)**

<u>YEAR</u>	<u>SERVICE AREA POPULATION</u>	<u>SERVICE AREA PERSONAL INCOME (\$ths)</u>	<u>SERVICE AREA PER CAPITA INCOME</u>	<u>SERVICE AREA UNEMPLOYMENT %</u>	<u>SERVICE AREA SECONDARY AND ELEMENTARY ENROLLMENT</u>	<u>SERVICE AREA HIGH SCHOOL GRADUATES</u>
2023	NA	NA	NA	NA	53,199	3,779
2022	371,272	\$22,259,427	\$59,954	5.5	50,376	3,836
2021	370,627	\$22,921,899	\$61,846	5.4	50,470	3,792
2020	354,983	\$19,123,779	\$53,763	11.0	54,806	3,878
2019	355,709	\$19,123,779	\$53,763	6.1	55,101	4,003
2018	357,989	\$19,123,779	\$53,763	6.2	55,521	3,937
2017	363,471	\$18,022,841	\$50,345	8.2	56,098	3,955
2016	364,750	\$17,138,232	\$46,986	8.7	56,610	3,989
2015	368,946	\$17,031,890	\$46,164	9.0	58,132	4,131
2014	370,553	\$16,866,555	\$45,517	12.0	58,062	4,352

Note: The College's service area is comprised on Atlantic and Cape May Counties, New Jersey
Note: Secondary & Elementary Enrollments & High School Graduates are based on fiscal year, i.e., 2023 (07/01/2022-06/30/2023)

Source: State of New Jersey Department of Labor and Workforce Development,
State of New Jersey Department of Education, and
Bureau of Economic Analysis

NA - Not Available

**ATLANTIC CAPE COMMUNITY COLLEGE
MAJOR PRIVATE EMPLOYERS, 2023
Service Area: Atlantic and Cape May Counties, New Jersey
(UNAUDITED)**

LARGEST EMPLOYERS		
COUNTY	EMPLOYER	TYPE
ATLANTIC	Spirit Halloween Stores	Retail
ATLANTIC	Spirit Airlines	Aircraft/ Aerospace
ATLANTIC	Lockheed Martin	Aircraft/ Aerospace
ATLANTIC	FAA Technical Center	Aircraft/ Aerospace
ATLANTIC	Northrop Grumman Systems Corporation	Aircraft/ Aerospace
ATLANTIC	AtlantiCare	Healthcare
ATLANTIC	Shore Medical Center	Healthcare
ATLANTIC	Stockton University	Education
ATLANTIC	Borgata Hotel Casino and Spa	Hospitality
ATLANTIC	Tropicana Casino and Resort	Hospitality
ATLANTIC	Ocean Resort and Casino	Hospitality
ATLANTIC	Atlantic City Electric	Utility
CAPE MAY	Cape Regional Medical Center	Healthcare
CAPE MAY	Morey's Piers	Entertainment
CAPE MAY	Colonial Electric Supply	Utility
CAPE MAY	Ocean First Bank	Financial Services
CAPE MAY	Lund's Fisheries	Food & Beverage
CAPE MAY	Capemay.com	IT & Communicaitons
CAPE MAY	ICONA Resorts	Hospitality
CAPE MAY	Cape Resorts	Hospitality

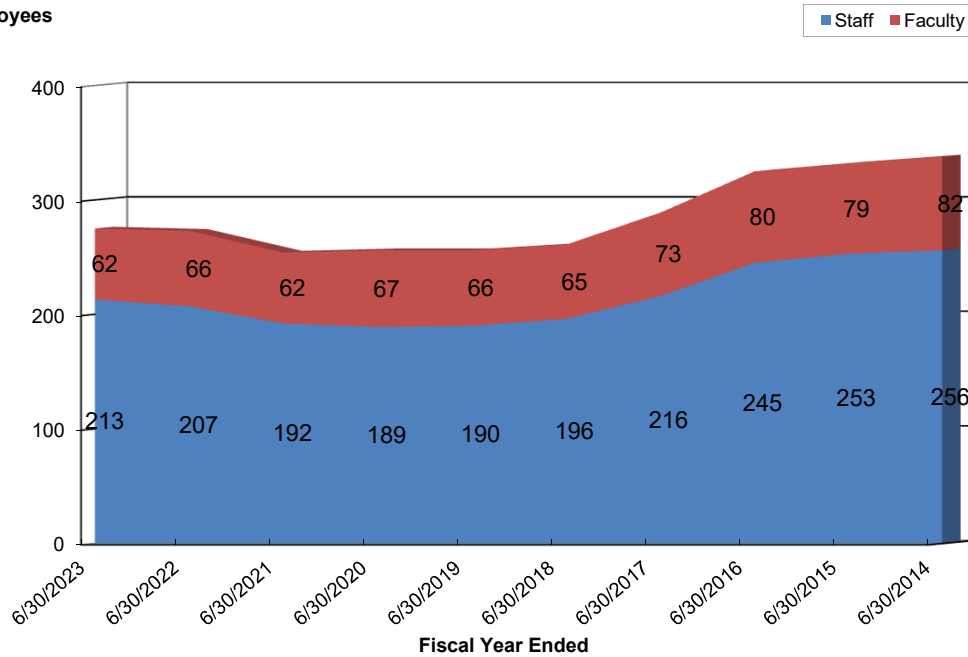
Source: choose.newjersey

ATLANTIC CAPE COMMUNITY COLLEGE
 FULL-TIME COLLEGE STAFFING
 LAST TEN FISCAL YEARS
 (UNAUDITED)

CREDIT HOUR ENROLLMENT AND FULL TIME COLLEGE STAFFING

Fiscal Year Ended	Credit Hour Enrollment (AUDITED)*	FTE	% Change	Faculty	Staff	TOTAL FULL-TIME	% Change
6/30/2023	100,731	3,358	0.6%	62	213	275	0.7%
6/30/2022	100,158	3,339	-1.0%	66	207	273	7.5%
6/30/2021	101,218	3,374	-10.0%	62	192	254	-0.8%
6/30/2020	112,402	3,747	1.5%	67	189	256	0.0%
6/30/2019	110,759	3,692	-4.7%	66	190	256	-1.9%
6/30/2018	116,213	3,874	-5.2%	65	196	261	-9.7%
6/30/2017	122,612	4,087	-10.5%	73	216	289	-11.1%
6/30/2016	137,019	4,567	-7.3%	80	245	325	-2.1%
6/30/2015	147,753	4,925	-6.4%	79	253	332	-1.8%
6/30/2014	157,914	5,264	-3.0%	82	256	338	-0.9%

of Full-time Employees



* - includes Dual Enrollment Credits