# Financial Statements and Management’s Discussion and Analysis and Report of Independent Certified Public Accountants

**Bloomfield College of Montclair State University (A Component Unit of Montclair State University)**

June 30, 2024

**Contents**

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

To the Board of Trustees
Bloomfield College of Montclair State University

## Report on the audit of the financial statements

**Opinion**
We have audited the financial statements of the business-type activities of Bloomfield College of Montclair State University ("Bloomfield"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Bloomfield's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the business-type activities of Bloomfield as of June 30, 2024, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for opinion**
We conducted our audit of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bloomfield 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.

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Bloomfield'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 opinion. 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 US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

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

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

**Required supplementary information**
Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 6 through 17 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a required 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 US GAAS. These limited procedures 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.

Grant Thornton LLP

Iselin, New Jersey
January 10, 2025

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

**June 30, 2024**

The objective of Management's Discussion and Analysis (MD&A) is to help readers of the Bloomfield College of Montclair State University's financial statements better understand the financial position and operating activities of Bloomfield as of and for the year ended June 30, 2024, with selected comparative information for the year ended June 30, 2023. Management prepared this discussion, and it should be read in conjunction with the financial statements and the notes to the financial statements. Unless otherwise indicated, years (2024 and 2023) in this discussion refer to the fiscal years ended June 30.

Bloomfield College of Montclair State University's financial reports represent vital information through three primary financial statements and notes to the financial statements: the statement of net position, the statement of revenues, expenses and changes in net position, and the statement of cash flows.

***Bloomfield College of Montclair State University***

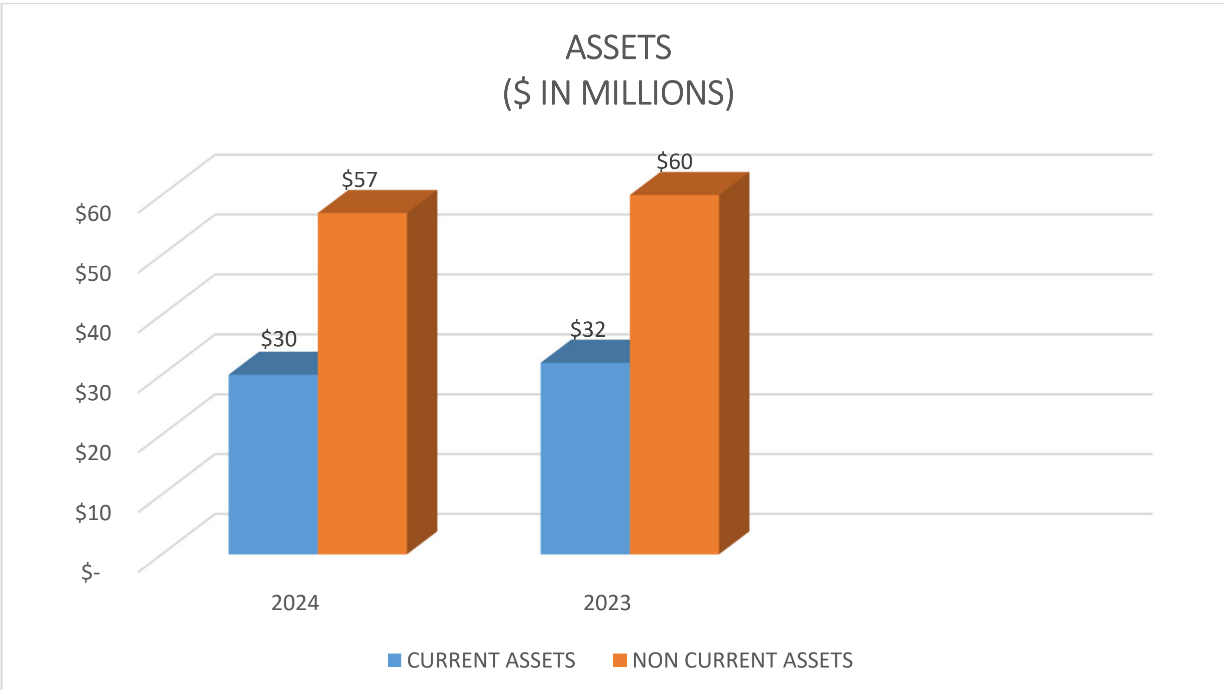
Bloomfield College, founded in 1868, was a private not-for-profit 501(c)(3) organization, located in Bloomfield, New Jersey. It was New Jersey's only institution of higher education designated by the United States Department of Education (ED) as a Predominantly Black, Hispanic-serving, and minority-serving institution. Bloomfield College served a diverse population and prepared students for success in a multicultural and global society.

Montclair State University (Montclair), established in 1908, has been a leading institution of higher education in New Jersey and is committed to serving the educational needs of the State. Its programs are characterized by academic rigor and advancement in the development of knowledge and its application. Due to this commitment, Montclair began a strategic merger with Bloomfield College to ensure the Bloomfield College students complete their degrees in a timely manner.

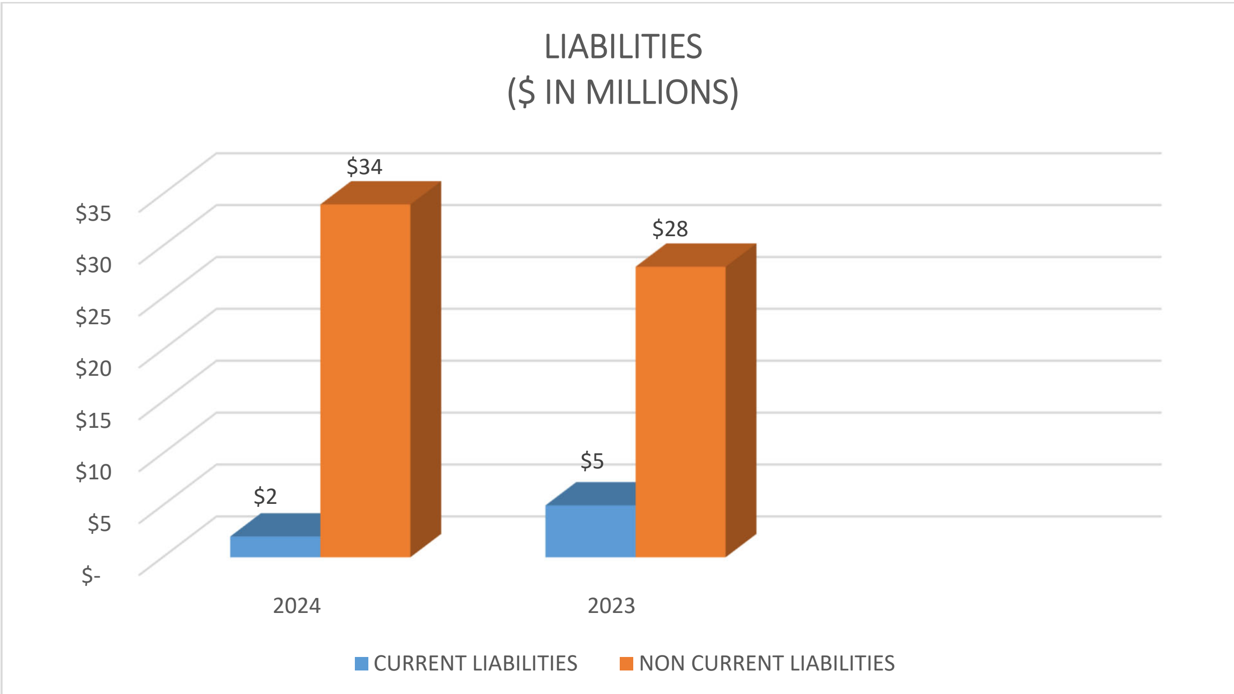
Montclair and Bloomfield commenced working on this merger in 2021, strategically planning for approximately two years. On March 2, 2023, Montclair created a sole member not-for-profit entity named Bloomfield College of Montclair State University, Inc. (Bloomfield-Merger Sub). On June 30, 2023, the Middle States Commission on Higher Education Accrediting Board completed its review of the complex substantive change, authorizing Montclair and Bloomfield College to finalize the transfer of ownership. This approval allowed Montclair and Bloomfield to finalize a change in ownership. Bloomfield College became the thirteenth constituent college of Montclair State University, now known as Bloomfield College of Montclair State University (Bloomfield). This new entity was placed into the Bloomfield-Merger Sub, pending phase two approval of the merger by ED. ED has a two-step process: change in ownership and change in affiliation. Both steps were completed on May 2, 2024 and June 28, 2024, respectively, designating Bloomfield as an additional location of Montclair State University. On June 30, 2024, the second phase was completed by effectuating the merger transaction of Bloomfield and Montclair and dissolving the Bloomfield-Merger Sub entity. Montclair's financial data now includes Bloomfield. While the entity called Bloomfield College no longer exists after the merger, Bloomfield College of Montclair State University will continue to operate and serve these communities. The financial statements of Bloomfield as of and for the fiscal year ended June 30, 2024 serve as the last financial statements under Bloomfield College of Montclair State University.

## BLOOMFIELD'S FINANCIAL POSITION

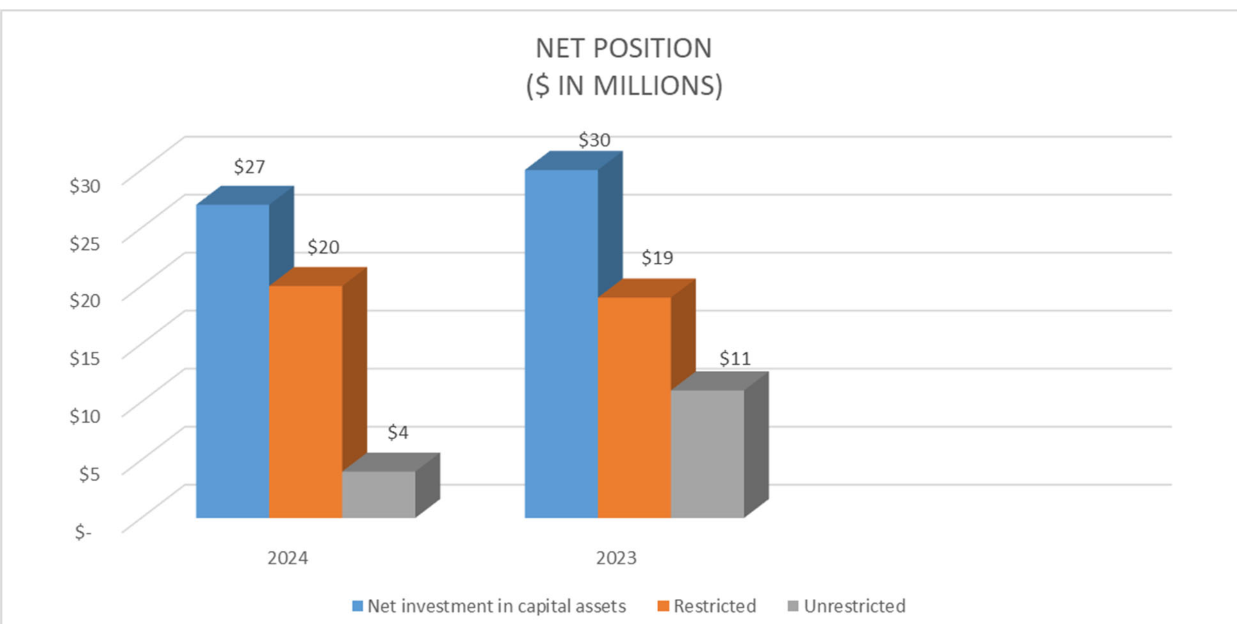
Bloomfield's composition of assets as of June 30, 2024 and 2023 is as follows:



Bloomfield's composition of liabilities as of June 30, 2024 and 2023 is as follows:

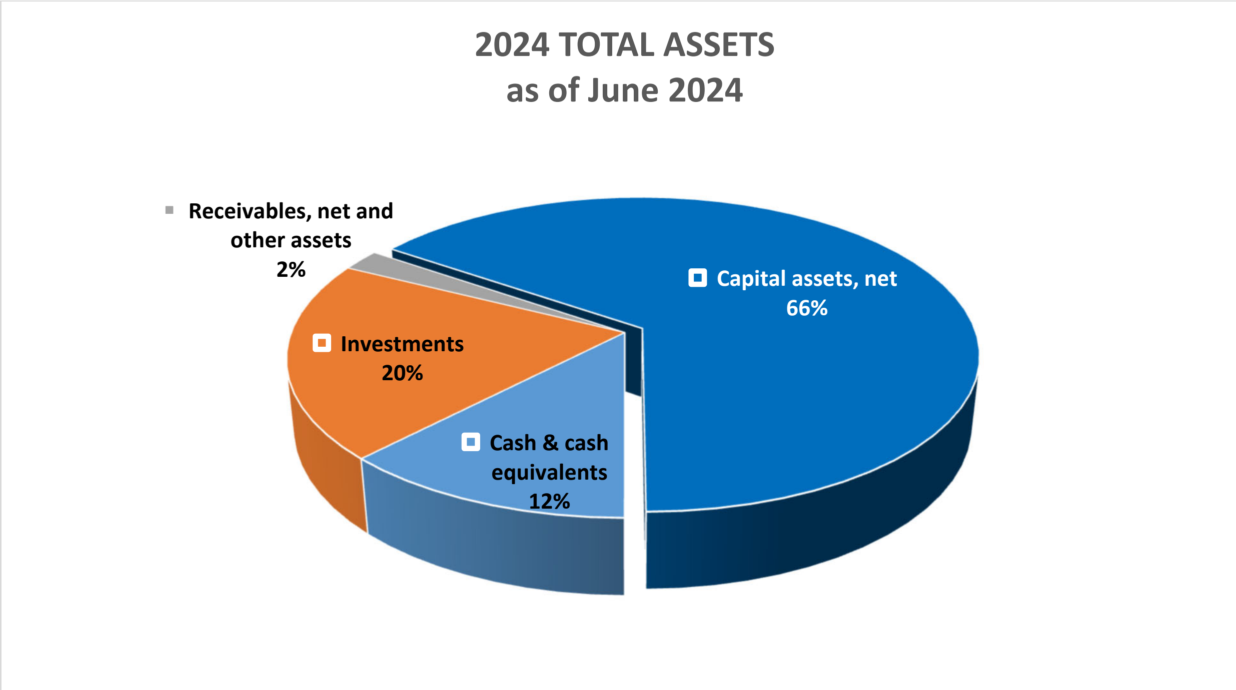



The statement of net position presents the financial position of Bloomfield's at the end of each year. The sum of assets less the sum of liabilities is Bloomfield's net position. See page 9 for a further breakdown of the net position.



The major components of the assets, liabilities, and net position as of June 30, 2024 and 2023 are as follows (dollars in thousands):

| | 2024 | 2023 |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents (including restricted) | $ 10,580 | $ 14,751 |
| Investments | 17,519 | 16,136 |
| Accounts receivable, net | 1,793 | 1,084 |
| Capital assets, net | 56,640 | 60,481 |
| Other assets | 105 | 492 |
| Total assets | 86,637 | 92,944 |
| **Liabilities** | | |
| Bonds payable and other debt | 371 | 31,025 |
| Lease payable | 78 | 143 |
| Subscription payable | 251 | 395 |
| Accounts payable and accrued expenses | 1,461 | 1,540 |
| Unearned tuition and grant revenues | 446 | 304 |
| Compensated absences | 27 | - |
| Assets held on behalf of others | 35 | - |
| Other liabilities | - | 1 |
| Due to component unit | 33,366 | - |
| Total liabilities | 36,035 | 33,408 |
| **Net position** | | |
| Net investment in capital assets | 27,125 | 29,802 |
| Restricted nonexpendable | 13,935 | 13,578 |
| Restricted expendable | 5,826 | 5,077 |
| Unrestricted net position | 3,716 | 11,079 |
| Total net position | $ 50,602 | $ 59,536 |




***Assets***

Bloomfield's total assets decreased to $86.6 million in 2024, from $92.9 million in 2023.

Total assets decreased $6.3 million in 2024 due mainly to a decrease in cash and cash equivalents and reduction in capital assets resulting from depreciation outpacing additions to capital assets.

***Cash and Cash Equivalents***

Bloomfield maintains cash balances sufficient to meet operating liquidity and support its financial profile. In managing cash and cash equivalents, Bloomfield aims to generate earnings on those funds while managing risk. Bloomfield cash and cash equivalents are held primarily in its operating bank account and Vanguard and Provident money market accounts. The balance held in Bloomfield's money market accounts decreased to $5.1 million in 2024 from $10.2 million in 2023. Bloomfield's operating bank account increased to $2.1 million in 2024 from $264 thousand in 2023. Total cash and cash equivalents as of June 30, 2024 was $4.2 million lower than as of June 30, 2023.

Bloomfield entered into a collateral pledge and security agreement with JPM for funds held at the Federal Reserve Bank to reduce the risk of loss in the event of a bank failure as required by NJ State law. Under this arrangement, deposits exceeding federally insured amounts are collateralized.

***Investments***

Additions to Bloomfield investments primarily reflect additions to reserve funds or temporary investment of excess operating cash, which are invested in money market funds managed by Vanguard in accordance with the investment policy. The overall objective of the investment portfolio is to provide current income while preserving capital and liquidity. The investment policy permits purchases of fixed income instruments including US obligations, money market instruments, repurchase agreements, commercial paper, certificates of deposit, corporate bonds, and floating rate securities without interest rate caps that meet the approved criteria for quality, diversification, liquidity, and maturity. Investments as of June 30, 2024 were $1.4 million higher than as of June 30, 2023, which is attributable to investment income, contributions, and deferred payout.

### *Accounts Receivables, Net*

Receivables primarily include amounts due from students, state and federal government contracts and grants, private grants and contracts. Receivables fluctuate based on the timing of collections. Student accounts which are past due twelve months, are reserved at 50% and those past due 24 months are reserved at 100%. All other receivables are written off when they are determined to be uncollectible based upon management's assessment of individual accounts. Accounts receivables, net as of June 30, 2024 were $709 thousand higher than as of June 30, 2023 due to timing of collections and financial aid drawdowns.

### *Capital Assets, Net*

Capital assets, net as of June 30, 2024, were $3.8 million lower than as of June 30, 2023. Assets increased $35 thousand and accumulated depreciation and amortization increased $3.9 million.

### *Other Assets*

Other assets include prepaid expenses of $105 thousand related to software licenses.

### *Liabilities*

Bloomfield's total liabilities increased to $36.0 million in 2024, from $33.4 million in 2023.

Total liabilities increased $2.6 million in 2024 attributed to funding provided by Montclair.

### *Bonds Payable and Other Debt*

Bloomfield debt is used to partially finance the addition of new capital assets. Amounts outstanding at the end of 2024 and 2023 were $371 thousand and $31 million, respectively.

The table below shows the components of the $30.6 million decrease in 2024 and $31 million increase in 2023. Bloomfield's debt decreased $30.6 million in 2024 due to $30.1 million in refinancing and repayments as part of Montclair's debt refunding, $958 thousand in paydown of principal offset by $414 thousand in amortization of the bond discount (dollars in thousands):

| | 2024 | 2023 |
|---|---|---|
| Beginning balance | $ 31,025 | $ - |
| Additions to outstanding debt | - | 32,512 |
| Refinancing and repayments | (30,110) | - |
| Scheduled principal payments | (958) | (1,487) |
| Amortization of bond premium/discount - net | 414 | - |
| Net (decrease) increase in outstanding debt | (30,654) | 31,025 |
| Ending balance | $ 371 | $ 31,025 |

Bloomfield is obligated to service debt with principal totaling $371 thousand, under Higher Education Capital Improvement Fund program that supports capital improvements.

Bloomfield is obligated to service $19 thousand in lease principal payments primarily consisting of laundry and IT equipment.

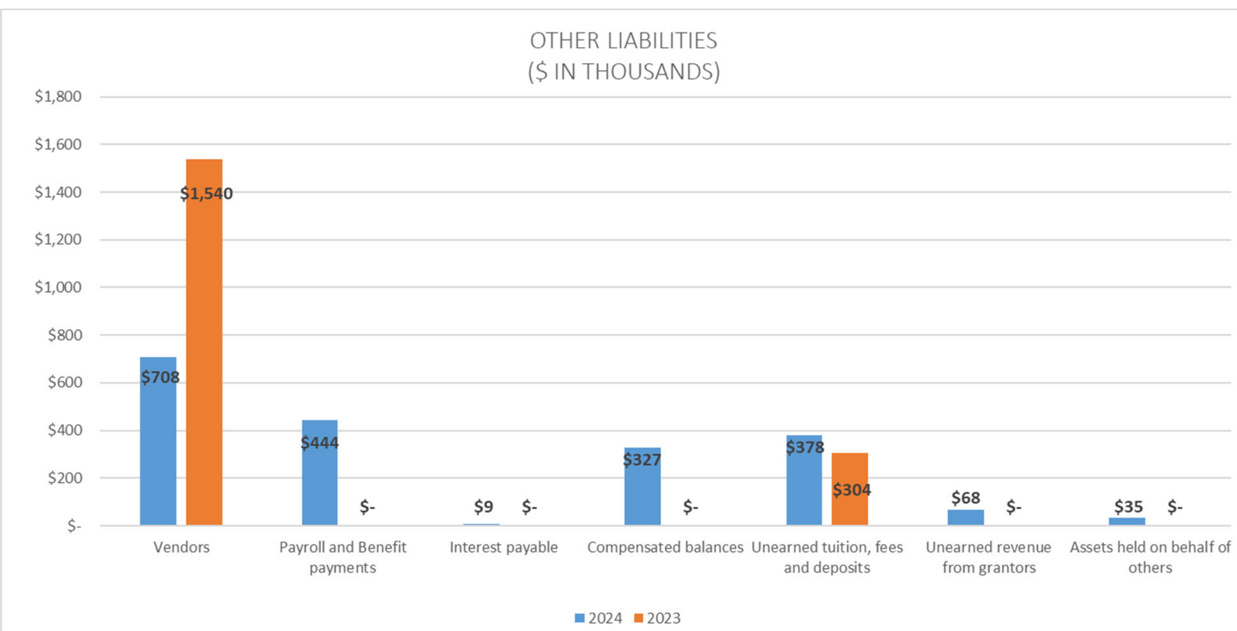
Bloomfield is obligated to service $98 thousand in software subscription principal payments related to cloud-based ERP systems, data management tools, and educational software that assist the campus community.

The composition of Bloomfield's long-term debt as of June 30, 2024 and 2023 follows (dollars in thousands):

| | 2024 | 2023 |
|---|---|---|
| Private Placement Bond | $ - | $ 26,234 |
| Higher Education Capital Improvement Fund | 371 | 391 |
| Commercial Mortgage Loan | - | 4,814 |
| | $ 371 | $ 31,439 |
| Leases | $ 19 | $ 76 |
| Subscriptions | $ 98 | $ 165 |

***Other Liabilities***

Liabilities, other than those related to debt, consist of accounts payable and accrued expenses (due to vendors, payroll and benefit payments, interest, and compensated balances), unearned income, and assets held on behalf of others.



***Due to Component Unit***

Bloomfield's liability was $33.4 million of which $30.2 million related to debt refinancing assumed by Montclair and $3.2 million for operating costs.

***Net Position***

Bloomfield's net position was $50.6 million and $59.5 million in 2024 and 2023, respectively.

Net position is reported in the following categories: net investment in capital assets; restricted - nonexpendable; restricted - expendable; and unrestricted.

***Net Investment in Capital Assets***

The portion of net position invested in capital assets, net of accumulated depreciation and the related outstanding debt used to finance acquisitions, construction or improvement of these capital assets. The amounts as of June 30 were $27.1 million and $29.8 million for 2024 and 2023, respectively.

***Restricted - Nonexpendable***

Restricted - nonexpendable net position is subject to externally imposed stipulations that must be maintained permanently by Bloomfield. The amounts as of June 30 were $13.9 million and $13.6 million for 2024 and 2023, respectively, and are comprised of endowments and restricted cash equivalents.

***Restricted - Expendable***

Restricted - expendable net position is subject to externally imposed restrictions governing the use of certain assets. A portion of the net position may be spent only in accordance with the restrictions placed upon them and may include endowment income and gains, subject to Bloomfield's spending policy; support received from gifts, appropriations or capital grants; or other third-party receipts. The amounts as of June 30 were $5.8 million and $5.1 million for 2024 and 2023, respectively. The $749 thousand increase in 2024 in restricted expendable funds is due principally to an increase in assets held for scholarships.

***Unrestricted***

Under generally accepted accounting principles, net position components not subject to externally imposed restrictions governing their use must be classified as unrestricted for financial reporting purposes. Unrestricted net position was positive in 2024 and 2023. Positive results in 2024 are due primarily to cost reductions which resulted in positive unrestricted net position of $3.7 million. Positive results in 2023 are due primarily to a special purpose state appropriation which resulted in positive unrestricted net position of $11.1 million.

## RESULTS OF OPERATIONS

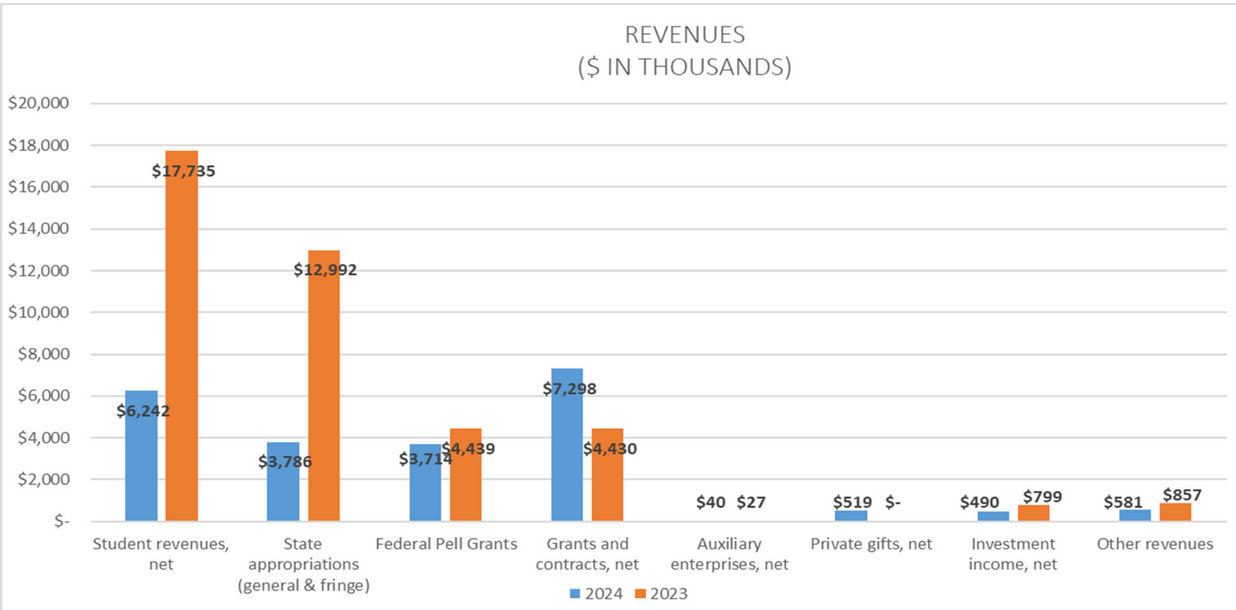
The statement of revenues, expenses and changes in net position is a presentation of Bloomfield's operating results and indicates whether the financial condition has improved or deteriorated. In accordance with the Governmental Accounting Standards Board (GASB) requirements, certain significant revenues relied upon and budgeted for operational support of the core instructional mission of Bloomfield are required to be recorded as non-operating revenues, including state appropriations, financial assistance, private gifts and investment income. A summarized comparison of the operating results for 2024 and 2023, arranged in a format that matches the revenue and expense supporting the core activities of Bloomfield follows (dollars in thousands):

| | 2024 | 2023 |
|---|---|---|
| **Revenues** | | |
| Student revenues, net | $ 6,242 | $ 17,735 |
| State appropriations (general & fringe)* | 3,786 | 12,992 |
| Federal Pell Grants* | 3,714 | 4,439 |
| Grants and contracts | 7,298 | 4,430 |
| Auxiliary enterprises | 40 | 27 |
| Private gifts* | 519 | - |
| Investment income* | 490 | 799 |
| Other revenues* | 581 | 857 |
| Revenues supporting core activities | 22,670 | 41,279 |
| **Expenses** | | |
| Salaries and benefits | 17,387 | 23,045 |
| Services and fees | 6,241 | 8,609 |
| Financial aid excluding pandemic related assistance | 778 | - |
| Utilities | 1,254 | 1,037 |
| Supplies and materials | 741 | 859 |
| Depreciation and amortization | 3,881 | 4,077 |
| Interest expense* | 1,739 | 1,262 |
| Other expenses* | 867 | 1,936 |
| Expenses associated with core activities | 32,888 | 40,825 |
| (Loss) income from core activities | (10,218) | 454 |
| **Other nonoperating activities** | | |
| Net increase in fair value of investments | 1,284 | 886 |
| (Decrease) increase in net position | (8,934) | 1,340 |
| **Gain on governmental combination** | - | 58,196 |
| **Net position** | | |
| Beginning of year | 59,536 | - |
| End of year | $ 50,602 | $ 59,536 |

* Represents nonoperating revenues or expenses.

### *Revenues Supporting Core Activities*

Revenues supporting Bloomfield's core activities, including those classified on the financial statements as non-operating revenues, were $22.7 million and $41.3 million in 2024 and 2023, respectively. These diversified sources of revenue decreased by $18.6 million in 2024. The decrease in 2024 is primarily attributable to decreases in student revenues and state appropriations.




Student tuition and fees in conjunction with State of New Jersey's appropriations are core components that support the instructional mission of Bloomfield. Grants and contracts provide opportunities for undergraduate and graduate students to participate in various programs. Private gifts are a source of funding which can be unrestricted (to provide administrators with the flexibility to address immediate needs) or designated to support a specific program or other Bloomfield initiative.

## CATEGORIES OF BOTH OPERATING AND NON-OPERATING REVENUE THAT SUPPORTED BLOOMFIELD'S CORE ACTIVITIES IN 2024 ARE AS FOLLOWS:

### *Student Revenues, Net*

Student revenues are a large component of operating revenues and are comprised of three main sources: tuition, fees, and room and board. Student revenues, net of scholarship allowances and bad debt expense, were $6.2 million and $17.7 million in 2024 and 2023, respectively. Student tuition and fees were $13.8 million and $32.0 million in 2024 and 2023, respectively. In fiscal 2024, a decrease of $18.2 million in student tuition and fees resulted from enrollment decrease of 21% for academic year 2023-2024 and an average 55% decrease in tuition and fee rates due to merger with Montclair which offered Bloomfield students lower tuition and fees.

Room and board revenue were $4.0 million and $5.1 million in 2024 and 2023, respectively, reflecting a decrease in occupancy and meal counts offset by a slight rate increases of 1.8% for room and board fees. Bad debt (recovery)/expense totaled $(841) thousand and $731 thousand in 2024 and 2023, respectively.

Bloomfield places a high priority on scholarship assistance as part of its commitment to student access and affordability. Scholarship allowances, or financial aid, is the difference between the stated charge for tuition and fees and the amounts paid by students and third parties on behalf of the student, which are reported as offsets to revenue. These amounts totaled $11.6 million in 2024 and $19.4 million in 2023. Scholarships and fellowships are awarded to students and reported as an offset to their tuition and fees and room and board charges, and financial aid is based on the availability of funds.

### *State Appropriations*

Appropriations from the State of New Jersey totaled $3.8 million in 2024 which includes general operating appropriation and an allocation of fringe benefit reimbursement due to merger with Montclair. In 2024 Bloomfield received $1.8 million in Outcome Based Appropriation (OBA). In 2023 Bloomfield received a $13 million appropriation which included a $12.5 million Special Purpose Appropriation and $492 thousand Residential Access Grants.

### *Grants and Contracts*

Revenues from grants and contracts were $7.3 million in 2024 and $4.4 million in 2023, respectively. The increase was due to classification of New Jersey state grants in 2024 as compared to 2023. The State's Tuition Aid Grant (TAG) decreased by $2.7 million in 2024 compared to the previous year, due to the decrease in tuition costs and recipients.

In fiscal 2024, Bloomfield had a total of 23 awards of which two are sponsored external research grants, including 9 financial aid grants.

In 2024, Bloomfield used Montclair's rates approved by the Department of Health and Human Services in October 2021 for its fringe benefit costs for the period through June 30, 2025. The fringe benefit rate charged to grants is based on position type and is 28.10% for full-time employees and 14.80% for adjuncts and postdocs. Bloomfield used the de minimis facilities and administrative (F&A) rate of 10% of modified total direct costs. Fringe benefits recovered in 2024 were $160 thousand. The F&A revenue was $36 thousand in 2024.

## CATEGORIES OF BOTH OPERATING AND NON-OPERATING EXPENSES RELATED TO THE BLOOMFIELD'S CORE ACTIVITIES IN 2024 ARE AS FOLLOWS:

### *Expenses Associated With Core Activities*

Expenses associated with Bloomfield's core activities, including those classified as non-operating expenses, were $32.9 million and $40.8 million, in 2024 and 2023, respectively.

Overall, expenses excluding depreciation and interest, totaled $27.3 million in 2024, representing a decrease of $8.2 million or 23%. The decrease in expenses was due to the merger with Montclair and was comprised of a $5.7 million decrease in salaries and benefits, a $2.4 million decrease in services and fees, and a $1.1 million decrease in other expenses. This was offset by a $778 thousand increase in financial aid excluded pandemic related assistance and a $217 thousand increase in utilities.

### *Salaries and Benefits*

Approximately 53% of Bloomfield's 2024 expenses are related to payroll costs and employee benefits.

In 2024, salaries and benefits decreased by $5.7 million, or 25%. Bloomfield's total payroll decreased to $13.6 million or 24% in 2024 as compared to $17.8 million in 2023, while fringe benefits decreased to $3.8 million or 28% in 2024 as compared to $5.3 million in 2023. The reductions in salaries and benefits costs were a result of the merger with Montclair.

***Other Expenses***

Other expenses include travel, rent and lease expenses totaled $867 thousand in fiscal 2024 and $1.9 million in fiscal 2023. The $1 million decrease is attributed to a decrease in occupancy expenses.

***Operating Results***

Operating losses were $17.1 million in 2024 and $16.5 million in 2023. Operating losses were offset by non-operating revenue that supports the core operating activities of Bloomfield. These include state appropriations, Pell grants, gifts and non-exchange grants, investment income including unrealized and realized gains (loss) and other non-operating revenue, which totaled $8.1 million in 2024 and $76 million in 2023 of which $58.2 million related to gain on government combination as a result of the merger with Montclair, as reported on the statement of revenues, expenses, and changes in net position. Total expenses associated with core activities exceeded total revenues supporting core activities by $10.2 million and $450 thousand for the period ending June 30, 2024 and 2023, respectively. The decrease in income from core activities in 2024 is primarily attributable to decrease in student revenues and state appropriations. The 2024 expenses associated with core activities decreased from the 2023 expenses by $7.9 million. Bloomfield's net decrease consisted of a $5.7 million reduction in salaries and benefits, a $2.4 million decrease in services and fees, and a $1.1 million decrease in other expenses. These decreases in expenses were offset by a $778 thousand increase in financial aid excluded pandemic related assistance and a $477 thousand increase in interest expense.

**BLOOMFIELD COLLEGE OF MONTCLAIR STATE UNIVERSITY**
**(A Component Unit of Montclair State University)**

**STATEMENT OF NET POSITION**

**As of June 30, 2024**
**(dollars in thousands)**

| | Business-Type Activities |
|---|---|
| **ASSETS** | |
| **Current assets** | |
| Cash and cash equivalents | $ 7,190 |
| Investments | 17,519 |
| Restricted cash equivalents | 3,390 |
| Receivables: | |
| Students, less allowance for doubtful accounts of $478 | 1,140 |
| Gifts, grants and contracts | 151 |
| State of New Jersey | 128 |
| Other receivables | 374 |
| Total receivables | 1,793 |
| **Other current assets** | 105 |
| Total current assets | 29,997 |
| **Noncurrent assets** | |
| Capital assets, net | 56,640 |
| Total noncurrent assets | 56,640 |
| Total assets | 86,637 |
| **LIABILITIES** | |
| **Current liabilities** | |
| Accounts payable and accrued expenses | 1,461 |
| Bonds payable and other long-term debt | 21 |
| Lease payable | 59 |
| Subscription payable | 153 |
| Unearned tuition, fees, and deposits | 378 |
| Unearned revenue from grantors | 68 |
| Assets held on behalf of others | 35 |
| Total current liabilities | 2,175 |
| **Noncurrent liabilities** | |
| Bonds payable and other long-term debt | 350 |
| Lease payable | 19 |
| Subscription payable | 98 |
| Compensated absences | 27 |
| Due to component unit | 33,366 |
| Total noncurrent liabilities | 33,860 |
| Total liabilities | 36,035 |
| **Net position** | |
| Net investment in capital assets | 27,125 |
| Restricted nonexpendable | 13,935 |
| Restricted expendable for: | |
| Scholarships | 4,609 |
| Other | 1,217 |
| Unrestricted | 3,716 |
| Total net position | $ 50,602 |

The accompanying notes are an integral part of this financial statement.

**BLOOMFIELD COLLEGE OF MONTCLAIR STATE UNIVERSITY**
**(A Component Unit of Montclair State University)**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

**Year Ended June 30, 2024**
**(dollars in thousands)**

| | Business-Type Activities |
|---|---|
| **Operating revenues** | |
| Student revenues: | |
| Student tuition and fees | $ 13,790 |
| Residence life - room and board | 4,013 |
| Less scholarship allowance | 11,561 |
| Net student revenues | 6,242 |
| Federal grant and contracts | 1,199 |
| State of New Jersey grants and contracts | 6,094 |
| Auxiliary enterprises | 40 |
| Other operating revenues | 99 |
| Total operating revenues | 13,674 |
| **Operating expenses** | |
| Instruction | 8,306 |
| Research | 53 |
| Academic support | 2,028 |
| Student services | 4,114 |
| Institutional support | 6,218 |
| Operations and maintenance of plant | 3,026 |
| Depreciation and amortization | 3,881 |
| Student aid | 326 |
| Residence life and auxiliary enterprises | 2,781 |
| Total operating expenses | 30,733 |
| Operating loss | (17,059) |
| **Nonoperating revenues (expenses)** | |
| State of New Jersey appropriations | 1,806 |
| State of New Jersey paid fringe benefits | 1,980 |
| Pell grants | 3,714 |
| Gifts and non-exchange grants | 519 |
| Unrealized and realized gains on investment securities | 1,284 |
| Investment income, net | 490 |
| Interest expense | (1,739) |
| Administrative costs | (416) |
| Other nonoperating revenues | 487 |
| Net nonoperating revenues | 8,125 |
| **DECREASE IN NET POSITION** | (8,934) |
| **Net position** | |
| Beginning of year | 59,536 |
| End of year | $ 50,602 |

The accompanying notes are an integral part of this financial statement.

**BLOOMFIELD COLLEGE OF MONTCLAIR STATE UNIVERSITY**
**(A Component Unit of Montclair State University)**

**STATEMENT OF CASH FLOWS**

**Year Ended June 30, 2024**
**(dollars in thousands)**

| | Business-Type Activities |
|---|---|
| **Cash flows from operating activities:** | |
| Student tuition and fees | $ 1,149 |
| Grants and contracts | 6,745 |
| Payments for salaries | (7,396) |
| Payments for fringe benefits | (1,791) |
| Payments to suppliers | (8,369) |
| Payments for utilities | (1,073) |
| Payments for student aid | (326) |
| Auxiliary enterprises charges: | |
| Residence life | 4,013 |
| Other | 40 |
| Other receipts | (280) |
| Net cash used in operating activities | (7,288) |
| **Cash flows from noncapital financing activities:** | |
| State of New Jersey appropriations | 814 |
| Pell grants | 3,714 |
| Gifts and non-exchange grants | 519 |
| Student organization agency transactions | 35 |
| Other receipts | 487 |
| Net cash from noncapital financing activities | 5,569 |
| **Cash flows from capital financing activities:** | |
| Principal paid on capital debt | (544) |
| Interest paid on capital debt | (1,634) |
| Purchases of capital assets | (248) |
| Administrative costs | (415) |
| Net cash used in capital financing activities | (2,841) |
| **Cash flows from investing activities:** | |
| Proceeds from sales and maturities of investments | 1,284 |
| Purchases of investments | (1,383) |
| Interest on investments | 488 |
| Net cash from investing activities | 389 |
| **NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH EQUIVALENTS** | (4,171) |
| **Cash, cash equivalents, and restricted cash equivalents:** | |
| Beginning of year | 14,751 |
| End of year | $ 10,580 |

The accompanying notes are an integral part of this financial statement.

**BLOOMFIELD COLLEGE OF MONTCLAIR STATE UNIVERSITY**
**(A Component Unit of Montclair State University)**

**STATEMENT OF CASH FLOWS - CONTINUED**

**Year Ended June 30, 2024**
**(dollars in thousands)**

| | | Business-Type Activities |
|---|---|---|
| **Reconciliation of operating loss to net cash from operating activities:** | | |
| Operating loss | $ | (17,059) |
| Adjustments to reconcile operating loss to net cash used by operating activities: | | |
| State of New Jersey paid fringe benefits | | 1,590 |
| Depreciation and amortization expense | | 3,876 |
| Provision for bad debts | | (934) |
| Changes in assets and liabilities: | | |
| Student receivables | | (32) |
| Grants receivables | | 760 |
| Other receivables | | (374) |
| Other current assets | | 385 |
| Accounts payable and accrued expenses | | (87) |
| Unearned tuition, fees and deposits | | 74 |
| Unearned revenue from grantors | | 68 |
| Compensated absences - noncurrent portion | | 27 |
| Net pension liability | | (1) |
| Due to/from component unit | | 4,419 |
| Net cash used by operating activities | $ | (7,288) |

The accompanying notes are an integral part of this financial statement.

## NOTE 1 - ORGANIZATION

Bloomfield College, founded in 1868, was New Jersey's only institution of higher education designated by the U.S. Department of Education (ED) as a Predominantly Black, Hispanic-serving, and minority serving institution. Bloomfield College served a diverse population and prepared students for success in a multicultural and global society. The entity referred to as Bloomfield College is no longer in existence following the merger with Bloomfield College of Montclair State University (Bloomfield).

Montclair commenced working on this merger in 2021, strategically planning for approximately two years. On March 2, 2023, Montclair created a sole member not-for-profit entity named Bloomfield College of Montclair State University, Inc. (Bloomfield-Merger Sub). On June 30, 2023, the Middle States Commission on Higher Education Accrediting Board completed its review of the complex substantive change, authorizing Montclair and Bloomfield College to finalize the transfer of ownership. This approval allowed Montclair and Bloomfield (collectively, the University) to finalize a change in ownership. Bloomfield College became the thirteenth constituent college of Montclair State University, now known as Bloomfield College of Montclair State University. This new entity was placed into the Bloomfield-Merger Sub, pending phase two approval of the merger by ED. ED has a two-step process: change in ownership and change in affiliation. Both steps were completed on May 2, 2024, and June 28, 2024, respectively, designating Bloomfield as an additional location of Montclair State University. On June 30, 2024, the second phase was completed by effectuating the merger transaction of Bloomfield and Montclair and dissolving the Bloomfield-Merger Sub entity.

Bloomfield, which is financially dependent on Montclair State University, is reported as a blended component unit engaged in the same business-type activities of Montclair State University for financial reporting purposes.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### *Basis of Presentation*

The accounting policies of Bloomfield conform to accounting principles generally accepted in the United States of America (U.S. GAAP) as applicable to public colleges and universities. Bloomfield's reports are based on all applicable GASB authoritative literature in accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

GASB Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - Public Colleges and Universities*, and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, establish standards for external financial reporting for public colleges and universities and require that resources be classified for accounting and reporting purposes into the following net position categories:

- *Net investment in capital assets*: Capital assets, net of accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

- *Restricted:*

  *Nonexpendable* - Net position subject to externally-imposed stipulations that must be maintained permanently by Bloomfield.

*Expendable* - Net position whose use by Bloomfield is subject to externally-imposed stipulations that can be fulfilled by actions of Bloomfield pursuant to the stipulations or that expire by the passage of time.

- *Unrestricted* - Net position not subject to externally-imposed stipulations that may be designated for specific purposes by action of management or the Board of Trustees or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net position is designated for academic programs and initiatives and capital programs.

When an expense is incurred that can be paid using either restricted or unrestricted resources, Bloomfield's policy is to first apply the expense towards restricted resources, and then towards unrestricted resources.

***Measurement Focus and Basis of Accounting***

The accompanying financial statements have been prepared on the accrual basis of accounting using the economic resources measurement focus. Bloomfield reports as a business - type activity, as defined by GASB Statement No. 35. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

***Use of Estimates***

The presentation of the financial statement in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Cash and Cash Equivalents***

Cash and cash equivalents consist of cash on deposit with banking institutions and highly liquid short-term investment securities held in other investment accounts, with an original maturity of three months or less.

***Investments***

Investments are recorded in the financial statements at fair value, which is based on quoted market prices. Purchase and sales of investments are accounted for on the trade-date basis. Investment income is recorded on an accrual basis.

***Restricted Cash Equivalents***

ED determined in March 2023 that Bloomfield College failed to meet the financial responsibility standards set by ED. Bloomfield College was allowed to continue to participate in the Title IV, HEA programs by choosing to supply ED a Provisional Certification Alternative in the amount of $3.1 million. This amount represents 25% of the Title IV, HEA program funds received by Bloomfield College during its 2023 fiscal year. Bloomfield College obtained a secured letter of credit from Provident Bank in the amount of $3.1 million, which is secured by a money market account totaling $3.4 million as of June 30, 2024, and is included as restricted cash equivalents in the accompanying statement of net position.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported in the statement of net position that sum to the same such total shown in the statement of cash flows (dollars in thousands):

| | 2024 |
|---|---|
| Cash and cash equivalents | $ 7,190 |
| Restricted cash equivalents | 3,390 |
| Total cash, cash equivalents and restricted cash equivalents | $ 10,580 |

***Receivables***

Student receivables consist of tuition and fees charged to current and former students. State of New Jersey grants and contract receivables and gifts, grants and contracts receivables are amounts due from federal and state governments in connection with reimbursement of allowable expenditures made pursuant to grants and contracts and other miscellaneous sources. Other receivables consist of employee receivables and other billings.

Receivables are reported at net realizable value. Student receivables which are past due by twelve months are reserved for at 50% and those past due by twenty-four months are reserved at 100%. Gifts, grants and contracts receivables, rent receivables, State of New Jersey grants and contracts receivables, and other receivables are written off when they are determined to be uncollectible based upon management's assessment of individual accounts. The allowance for doubtful grants and contracts and other receivables is estimated based upon management's evaluation and periodic review of individual accounts.

***Capital Assets***

Capital assets with acquisition costs of at least $5,000 and useful lives of at least three years are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Assets acquired under lease agreements are classified as right-to-use assets and are recorded as capital assets.

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

| | Useful Lives |
|---|---|
| Buildings | 50 years |
| Building improvements | 20 years |
| Right-to-use buildings | 4 - 22 years |
| Infrastructure | 25 years |
| Land improvements | 10 - 25 years |
| Equipment and vehicles | 3 -10 years |
| Right-to-use equipment | 2 - 5 years |
| Furniture and fixtures | 10 years |
| Leasehold improvements | 5 years |
| Software and licenses | 3 years |
| Subscription agreements | 2 - 10 years |

***Leases***

Bloomfield is a lessee for noncancelable leases of equipment. Bloomfield recognizes a lease liability and an intangible right-to-use lease asset, included within capital assets, net, in the accompanying statement of net position. At commencement of a lease, Bloomfield initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

*Key estimates and judgments to lessee accounting include:*

| | |
|---|---|
| Discount rate | Bloomfield uses the lessor's implicit interest rate as the discount rate to discount the expected lease payments to the present value. When the interest rate is not provided, Bloomfield uses its estimated incremental borrowing rate as the discount rate for leases. |
| Lease term | The lease term includes the non-cancellable period of the lease. |
| Lease payments | Lease payments included in the measurement of the lease liability are composed of fixed payments and any purchase option price that Bloomfield is reasonably certain to exercise. |

Operating leases with a term of 12 months or less are not recorded in the statement of net position and are expensed. Right-to-use assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the right-to-use asset and is included in depreciation and amortization expense in the statement of revenues, expenses, and changes in net position. The interest expense related to leases is recognized using the effective interest method based on the discount rate determined at lease commencement and is included within interest expense in the statement of revenues, expenses and changes in net position.

Bloomfield monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets and liability where Bloomfield is a lessee if certain changes occur that are expected to significantly affect the amount of the lease liability.

***Subscription Based Information Technology Arrangements (SBITAs)***

Bloomfield is a party to noncancelable subscription-based information technology agreements that convey the right to use a vendor's IT software. Bloomfield recognizes a subscription liability and an intangible right-to-use subscription asset, included within capital assets, net, in the accompanying statements of net position. At commencement of the agreement, Bloomfield initially measures the agreement liability at the present value of payments expected to be made during the agreement term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for the payments made at or before the commencement date, plus certain initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life which corresponds to the agreement term.

*Key estimates and judgments to subscription accounting include:*

| | |
|---|---|
| Discount rate | Bloomfield uses its estimated incremental borrowing rate as the discount rate to discount expected subscription payments to the present value. |
| Subscription term | The subscription term is the period during which Bloomfield has a noncancelable right to use the vendor's IT software alone or in combination with the underlying IT assets. |
| Subscription payments | Subscription payments included in the measurement of the subscription liability are composed of fixed payments. |

Subscription agreements with a term of 12 months or less are not recorded in the statement of net position and are expensed. Subscription assets are amortized on a straight-line basis over the subscription term which is included in depreciation and amortization expense in the statement of revenues, expenses, and changes in net position. The interest expense related to subscriptions is recognized using the effective interest method based on the discount rate determined at subscription commencement and is included within interest expense in the statement of revenues, expenses and changes in net position.

Bloomfield monitors changes in circumstances that would require a remeasurement of its agreements and will remeasure subscription assets and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

***Revenue Recognition***

Student tuition and fees are presented net of scholarships applied to student accounts, and bad debt (recovery) of $(841) thousand for the year ended June 30, 2024. Other payments made directly to students are presented as student aid and are included in operating expenses in the period earned. Student tuition, fees, and deposits collected in advance of the academic year are recorded as unearned tuition, fees, and deposits in the accompanying financial statements.

Grants and contracts revenue consists mainly of funding received from Federal and State governments, and other nongovernmental sources and are recognized as the related expenses are incurred. Amounts received from grants which have not yet been earned under the terms of the agreement are recorded as unearned revenue from grantors in the accompanying financial statements.

Revenue from State appropriations is recognized in the fiscal year during which the State appropriates the funds to Bloomfield. Bloomfield is fiscally dependent upon the support of Montclair State University and these appropriations.

***Scholarship Allowance***

Scholarship allowances are the difference between the stated charge for tuition and services provided by Bloomfield and the amount paid by students and/or third parties making payments on students' behalf. To the extent that revenues from such programs are used to satisfy tuition and fees and other student services, Bloomfield has recorded a scholarship allowance.

***Classification of Revenue and Expense***

Bloomfield's policy for defining operating activities in the statements of revenues, expenses, and changes in net position are those that serve Bloomfield's principal purpose and generally result from exchange transactions, such as the payment received for services and payment made for the purchase of goods and services. Examples include student tuition and fees and residence life, net of scholarship allowances; sales and services of auxiliary enterprises; and most Federal, State, local and other grants and contracts. Non-operating revenues include activities that have the characteristics of non-exchange transactions and financial assistance, such as operating and capital appropriations from the State, Pell grants, Pandemic related financial assistance, and net investment income and gifts and non-exchange grants.

Interest expense is reported as a non-operating activity.

***Tax Status***

Bloomfield is exempt from Federal income taxes under the Internal Revenue Code Section 501(c)(3) and, therefore, has made no provision for Federal income taxes. Bloomfield is subject to the accounting standard for uncertain tax positions and has determined that no liabilities are required to be recorded for uncertain tax positions. Bloomfield is subject to file Federal Form 990.

***Accounting Pronouncements***

The GASB issued Statement No. 100, *Accounting Changes and Error Corrections*, in June 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Management has determined no impact of the Statement on the financial statements as of and for the year ended June 30, 2024.

The GASB issued Statement No. 101, *Compensated Absences,* in June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for periods beginning after December 15, 2023, and all reporting periods thereafter. Management has not yet determined the impact of the Statement on the financial statements.

***Subsequent Events***

Bloomfield has reviewed and evaluated all events and transactions from June 30, 2024 through January 10, 2025, the date that the financial statements are available to be issued. Except as disclosed in Note 15, Bloomfield is not aware of any subsequent events which would require recognition or disclosure in the accompanying financial statements. The effects of those events and transactions that provide information about conditions that existed at the statement of net position date have been disclosed in the accompanying financial statements.

## NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

Bloomfield has assessed the custodial credit risk, interest rate risk, credit risk, and concentration of credit risk of its cash and cash equivalents and investments.

### *Custodial Credit Risk*

Bloomfield is exposed to custodial credit risk, which is the risk that in the event of a bank or counterparty failure, Bloomfield may not be able to recover deposits or the value of its investments held by such parties. To protect bank deposits that are in excess of Federal Deposit Insurance Corporation (FDIC) coverage limits, Bloomfield entered into collateral management agreement with JP Morgan. The agreements secure the uninsured portion of deposits held at JP Morgan. As of June 30, 2024, cash and cash equivalents were held by depositories and amounted to $5.7 million.

As of June 30, 2024, $250,000 was FDIC insured at each bank and $5.2 million was collateralized with securities according to the agreements.

### *Interest Rate Risk*

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment.

As of June 30, 2024, Bloomfield had the following investments and maturities (dollars in thousands):

| | | 2024 Maturities (in years) | | |
|---|---|---|---|---|
| Investment Type | Fair Value | Less than 1 | 1-5 | Greater than 5 |
| U.S. Treasury Bonds | $ 1,828 | $ - | $ 1,034 | $ 794 |
| Agency Bonds | 203 | 3 | 125 | 75 |
| Corporate Bonds | 3,670 | 12 | 1,797 | 1,861 |
| Mortgage Securities | 753 | 15 | 126 | 612 |
| Asset Based Securities | 91 | - | 91 | - |
| Mutual Funds: | | | | |
| U.S. equities | 6,159 | 6,159 | - | - |
| International equities | 3,928 | 3,928 | - | - |
| Money market Funds | 757 | 757 | - | - |
| Other fixed income securities | 130 | 35 | 59 | 36 |
| Total | $ 17,519 | $ 10,909 | $ 3,232 | $ 3,378 |

### *Credit Risk*

The following table summarizes Moody's and related Standard & Poor's agency ratings and of Bloomfield's investments at fair value as of June 30, 2024 (in thousands):

| Investment Type | Moody's Rating | S&P Rating | 2024 |
|---|---|---|---|
| U.S. Treasury Bonds | AAA | AAA | $ 1,828 |
| Agency Bonds | AAA | AAA | 203 |
| Corporate Bonds | A2 | A | 1,840 |
| Corporate Bonds | BAA2 | BBB | 1,830 |
| Mortgage Securities | AAA | AAA | 753 |
| Asset Based Securities | AAA | AAA | 91 |
| Other fixed income securities | AAA | AAA | 130 |
| Not rated | | | 10,844 |
| | | | $ 17,519 |

### *Concentration of Credit Risk*

Financial instruments which potentially subject Bloomfield to concentrations of credit risk consist principally of cash, temporary cash investments and student accounts receivable. Bloomfield places its temporary cash investments with high quality financial institutions. At times, Bloomfield's cash balances with these institutions may exceed the current insured amount under the FDIC.

Concentrations of credit risk with respect to student accounts receivable are limited due to the large number of students enrolled, the payment terms are generally short and the participation in government financial aid programs. On a periodic basis, Bloomfield evaluates its student accounts receivable and establishes an allowance for doubtful accounts, based on a history of collections and current credit considerations.

### *Fair Value Measurement*

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the financial statement measurement date. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

Level 1 - Unadjusted quoted prices for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2 - Quoted prices other than those included within Level 1 and other inputs that are observable for an asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3. When the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level that is significant to the entire measurement.

While Bloomfield believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following is a description of the valuation methodologies used for instruments measured at fair value:

- U.S. treasuries and agencies are valued at quoted price reported on the active market.
- Municipal bonds, corporate bonds, mortgage securities, asset backed securities and other fixed income securities are valued using prices based on bid evaluations or quoted prices in an inactive market.
- Money market funds are recorded at the quoted price which approximates fair value.

As of June 30, 2024 Bloomfield's investments are summarized in the following table by their fair value hierarchy (dollars in thousands):

| | | 2024 | | |
|---|---|---|---|---|
| Type | Total | Level 1 | Level 2 | Level 3 |
| Investments | | | | |
| U.S. Treasury Bonds | $ 1,828 | $ 1,828 | $ - | $ - |
| Agency Bonds | 203 | 203 | - | - |
| Corporate Bonds | 3,670 | 3,670 | - | - |
| Mortgage Securities | 753 | 753 | - | - |
| Asset Based Securities | 91 | 91 | - | - |
| Mutual funds: | | | | |
| US equities | 6,159 | 6,159 | - | - |
| International equities | 3,928 | 3,928 | - | - |
| Money market funds | 757 | 757 | - | - |
| Other fixed income securities | 130 | 130 | - | - |
| Total investments | $ 17,519 | $ 17,519 | $ - | $ - |

## NOTE 4 - ENDOWMENT

Bloomfield's endowment consists of funds established for a variety of purposes. The endowment consists of restricted and unrestricted funds. As required by U.S. GAAP, net position associated with endowment funds, including funds designated by the board to function as endowments are classified and reported based on the existence or absence of donor-imposed restrictions.

Endowment assets are invested in a well-diversified asset mix, which includes mutual funds, money market funds and equity securities that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 4%, while growing the funds if possible. Therefore, Bloomfield expects its endowment assets, over time, to produce an average rate of return of approximately 6% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Bloomfield has established a spending policy, which provides for annual spending at a rate of 4%. Income earned above the stated rate is reinvested and added to the endowment accumulated income and valuation reserve, while any shortfall is covered by capital appreciation if available. Bloomfield complies with the "Uniform Prudent Management of Institutional Funds Act" (UPMIFA) P.L. 2009, Chapter 64, adopted by New Jersey. This law provides guidance for the management and investment of charitable funds.

Changes in endowment net position for the year ended June 30, 2024 are as follows (dollars in thousands):

| | Unrestricted | Restricted Expendable | Restricted Nonexpendable | Total |
|---|---|---|---|---|
| Endowment net position, June 30, 2023 | $ 2,418 | $ 2,779 | $ 10,292 | $ 15,489 |
| Contributions | - | - | 247 | 247 |
| Investment income | 106 | 588 | - | 694 |
| Net realized/unrealized gain on investments | 165 | 914 | - | 1,079 |
| Amounts transferred | 21 | (17) | 6 | 10 |
| Endowment net position, June 30, 2024 | $ 2,710 | $ 4,264 | $ 10,545 | $ 17,519 |

The composition of net position by type of endowment fund at June 30, 2024 was:

| | Unrestricted | Restricted Expendable | Restricted Nonexpendable | Total |
|---|---|---|---|---|
| Donor-restricted endowment funds | $ - | $ 4,264 | $ 10,545 | $ 14,809 |
| Board-designated endowment funds | 2,710 | - | - | 2,710 |
| Total endowment funds | $ 2,710 | $ 4,264 | $ 10,545 | $ 17,519 |

## NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 is comprised of the following (dollars in thousands):

| | 2024 | | | |
|---|---|---|---|---|
| | Beginning Balance | Additions | Dispositions and Transfers | Ending Balance |
| Capital assets being depreciated/ amortized: | | | | |
| Infrastructure | $ - | $ 6 | $ - | $ 6 |
| Buildings and improvements | 101,322 | 179 | - | 101,501 |
| Right-to-use leased buildings | 586 | - | - | 586 |
| Equipment | 16,557 | 57 | - | 16,614 |
| Right-to-use leased equipment | 2,460 | - | (5) | 2,455 |
| Right-to-use subscription assets | 637 | 91 | - | 728 |
| Other | - | 13 | - | 13 |
| Total capital assets being depreciated/amortized | 121,562 | 346 | (5) | 121,903 |
| Less: accumulated depreciation/ amortization on: | | | | |
| Infrastructure | - | 6 | - | 6 |
| Buildings and improvements | 46,266 | 3,268 | - | 49,534 |
| Right-to-use leased buildings | 586 | - | - | 586 |
| Equipment | 15,341 | 249 | - | 15,590 |
| Right-to-use leased equipment | 2,274 | 105 | - | 2,379 |
| Right-to-use subscription assets | 247 | 235 | - | 482 |
| Other | - | 13 | - | 13 |
| Total accumulated depreciation/amortization | 64,714 | 3,876 | - | 68,590 |
| Depreciable/amortizable assets, net | 56,848 | (3,530) | (5) | 53,313 |
| Non-depreciable assets: | | | | |
| Land | 3,327 | - | - | 3,327 |
| Construction in progress | 306 | - | (306) | - |
| Total nondepreciable assets | 3,633 | - | (306) | 3,327 |
| Total capital assets, net | $ 60,481 | $ (3,530) | $ (311) | $ 56,640 |

## NOTE 6 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

As of June 30, 2024, accounts payable and accrued expenses consist of the following (dollars in thousands):

| | 2024 |
|---|---|
| Vendors | $ 708 |
| Employees | 444 |
| Interest payable | 9 |
| Compensated absences | 300 |
| | $ 1,461 |

## NOTE 7 - BONDS PAYABLE AND OTHER LONG-TERM DEBT

***Refunding Activity***

On April 3, 2024, the New Jersey Educational Facilities Authority issued Revenue Refunding Bonds (Montclair State University Issue, Series 2024 A) for $159.4 million to refund Private Placement Bond due May 1, 2043, Commercial Mortgage Loan due January 1, 2036.

***Other Long-Term Debt***

The following other long-term debt was outstanding as of June 30, 2024 (dollars in thousands):

| | Interest Rates % | 2024 |
|---|---|---|
| Higher Education Capital Improvement Fund due serially to 2037 | 3.00 - 5.00 | $ 371 |

***Future Principal and Interest Payments***

The following is a schedule of future minimum principal and interest and fee payments on Bloomfield's bonds payable and other long-term debt as of June 30, 2024 (dollars in thousands):

| Years Ending June 30: | Principal | Interest and Fees |
|---|---|---|
| 2025 | $ 21 | $ 19 |
| 2026 | 22 | 18 |
| 2027 | 23 | 18 |
| 2028 | 24 | 17 |
| 2029 | 25 | 15 |
| 2025 - 2029 subtotal | 115 | 87 |
| 2030 - 2034 | 147 | 55 |
| 2035 - 2039 | 109 | 11 |
| | $ 371 | $ 153 |

## NOTE 8 - SUMMARY OF CHANGES IN NONCURRENT LIABILITIES

The following table summarizes the changes in noncurrent liabilities during the year ended June 30, 2024 (dollars in thousands):

| | 2024 | | | | |
|---|---|---|---|---|---|
| | Beginning Balance | Increases | Decreases | Ending Balance | Current Portion |
| Bonds payable and other long-term debt | $ 31,025 | $ - | $ (30,654) | $ 371 | $ 21 |
| Leases | 143 | - | (65) | 78 | 59 |
| Subscriptions | 395 | 134 | (278) | 251 | 153 |
| Compensated absences | - | 327 | - | 327 | 300 |
| Other long-term liability | 1 | - | (1) | - | - |
| Total noncurrent liabilities | $ 31,564 | $ 461 | $ (30,998) | $ 1,027 | $ 533 |

## NOTE 9 - LONG TERM LIABILITIES - LEASES

Leases payable as of June 30, 2024 are comprised of the following individual agreements (dollars in thousands):

| | 2024 | | | | | |
|---|---|---|---|---|---|---|
| Description | Contract Date | Remaining Lease Term (Years) | Interest Rate % | Original Amount | Ending Balance | Current Portion |
| IT Servers | 7/1/2022 | 2.7 | 2.30 | $ 181 | $ 71 | $ 57 |
| Laundry equipment | 7/1/2022 | 1.2 | 2.10 | 12 | 7 | 2 |
| | | | | | $ 78 | $ 59 |

### *Future Principal and Interest Payments*

The following is a schedule of future minimum principal and interest payments on Bloomfield’s lease payable as of June 30, 2024 (dollars in thousands):

| Years Ending June 30: | Principal | Interest |
|---|---|---|
| 2025 | $ 59 | $ 1 |
| 2026 | 17 | - |
| 2027 | 2 | - |
| 2025 - 2027 subtotal | $ 78 | $ 1 |

## NOTE 10 - LONG TERM LIABILITIES - SUBSCRIPTIONS

Subscriptions payable as of June 30, 2024 are comprised of the following subscription-based information technology agreement groups (dollars in thousands):

| Description | Starting Contract Date | Remaining Lease Term (Years) | Interest Rate % | Original Amount | Ending Balance | Current Portion |
|---|---|---|---|---|---|---|
| | | 2024 | | | | |
| Data Management Tools | 7/1/22 - 10/18/22 | 2.3 | 2.20 - 3.38 | $ 141 | $ 78 | $ 34 |
| Education and Engagement Tools | 7/1/22 - 10/11/22 | 0.3 - 2 | 2.10 - 3.31 | 205 | 79 | 62 |
| Cloud Based ERP Systems | 7/1/23 | 1 - 2 | 3.22 - 3.29 | 133 | 83 | 52 |
| Cloud Based Data Storage | 7/1/22 | 2.1 | 2.20 | 21 | 11 | 5 |
| | | | | | $ 251 | $ 153 |

Bloomfield has subscription-based information technology agreements (SBITAs) for various needs throughout Bloomfield. They are listed above according to their type of subscription usage.

Subscriptions have remaining agreement terms ranging from 0.3 years to 2.3 years, some of which include options to extend the agreement term and some of which include options to terminate the agreement. For most subscriptions, Bloomfield concluded it is not reasonably certain to exercise the options to extend the subscription or terminate the subscription. Therefore, as of the subscription commencement date, the subscription terms generally do not include these options. Bloomfield includes options to extend the subscriptions when it is reasonably certain that it will exercise that option.

***Future Principal and Interest Payments***

The following is a schedule of future minimum principal and interest payments on Bloomfield's subscription payable as of June 30, 2024 (dollars in thousands):

| Years Ending June 30: | Principal | Interest |
|---|---|---|
| 2025 | $ 153 | $ 5 |
| 2026 | 85 | 1 |
| 2027 | 13 | - |
| 2025 - 2027 subtotal | $ 251 | $ 6 |

## NOTE 11 - RESTRICTED NET POSITION AND CONTINGENT LIABILITIES

Restricted expendable net position includes gifts that are restricted to use for specific purposes by the donor, endowment income and appreciation, and other restricted resources. Funds that are restricted are utilized only for the specified purposes. Restricted expendable net position by purpose or passage of time related to Bloomfield consist of funds restricted for the following purposes (dollars in thousands):

| | | 2024 |
|---|---|---|
| Scholarships | $ | 4,609 |
| Other: | | |
| Instruction support | | 211 |
| Institution support | | 67 |
| Academic support | | 735 |
| Student support | | 204 |
| Total other | $ | 1,217 |

Restricted nonexpendable net position is comprised of endowments and restricted cash equivalents. Endowments are subject to restrictions of gift instruments requiring that the principal be invested in perpetuity from which the income generated becomes restricted expendable net position that can be used for the following donor specified purposes at that time. The type of nonexpendable net position is as follows with the purposes listed relating to future expendable net position of the earnings (dollars in thousands):

| | | 2024 |
|---|---|---|
| Academic | $ | 1,207 |
| Institution support | | 1,000 |
| Physical plant | | 213 |
| Scholarships | | 8,125 |
| Total endowments | | 10,545 |
| Restricted cash | | 3,390 |
| Total restricted nonexpendable | $ | 13,935 |

## NOTE 12 - STATE OF NEW JERSEY PAID FRINGE BENEFITS

The State of New Jersey, through separate appropriations, pays certain fringe benefits (principally health insurance, retirement and FICA taxes) on behalf of Bloomfield employees. For the year ended June 30, 2024, Bloomfield’s portion of such benefits amounted to approximately $2 million, and are included in non-operating revenues as State of New Jersey paid fringe benefits and in operating expenses by function in the accompanying statements of revenues, expenses, and changes in net position.

## NOTE 13 - COMPENSATED ABSENCES

Bloomfield recorded a liability for compensated absences (i.e., unused vacation, sick leave, and paid leave bank days attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee) in the amount of $327 thousand as of June 30, 2024. The liability is calculated based upon employees' accrued vacation and furlough leave as of June 30, 2024, as well as an estimated vested amount for accrued sick leave.

Payments for accumulated sick leave balances are made to retiring employees upon regular retirement. The payment is based on 50% of the employee's sick leave accumulation, at the pay rate in effect at the time of retirement up to a maximum of $15,000. Employees separating from Bloomfield service prior to retirement are not entitled to payments for accumulated sick leave balances. During the year ended June 30, 2024, Bloomfield paid $0, in sick leave payments for employees who retired.

## NOTE 14 - STUDENT FINANCIAL ASSISTANCE PROGRAM

Bloomfield's students receive support from Federal and State of New Jersey student financial assistance programs. Bloomfield's compliance with the requirements of the Federal student financial assistance programs authorized by Title IV of the U.S. Higher Education Act of 1965, as amended (Title IV Programs), is subject to annual audit by an independent auditor. Such compliance audits are subject to review by ED. Management is of the opinion that a liability, if any, resulting from compliance audits would not have a material adverse effect on Bloomfield's financial position.

## NOTE 15 - SUBSEQUENT EVENTS

On October 25, 2024, Montclair State University renewed the Letter of Credit with Provident bank for the benefit of Bloomfield as required by ED in the amount of $3.1 million, with a deposit of $3.2 million in a secured cash account (cash collateral). The agreement will be in effect for one year or until further instructions from ED.