

Basic Financial Statements and
Management's Discussion and
Analysis and Schedules of
Expenditures of Federal and State of
New Jersey Awards

**Bloomfield College of Montclair State
University**

June 30, 2024

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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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 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 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 and *Government Auditing Standards*, 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.

Supplementary information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Bloomfield's basic financial statements. The 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*, and the schedule of expenditures of State of New Jersey awards, as required by the State of New Jersey Department of Treasury Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures. These additional procedures included comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with US GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2025 on our consideration of Bloomfield'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 Bloomfield'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 Bloomfield's internal control over financial reporting and compliance.

Grant Thornton LLP

Iselin, New Jersey
January 10, 2025

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

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.

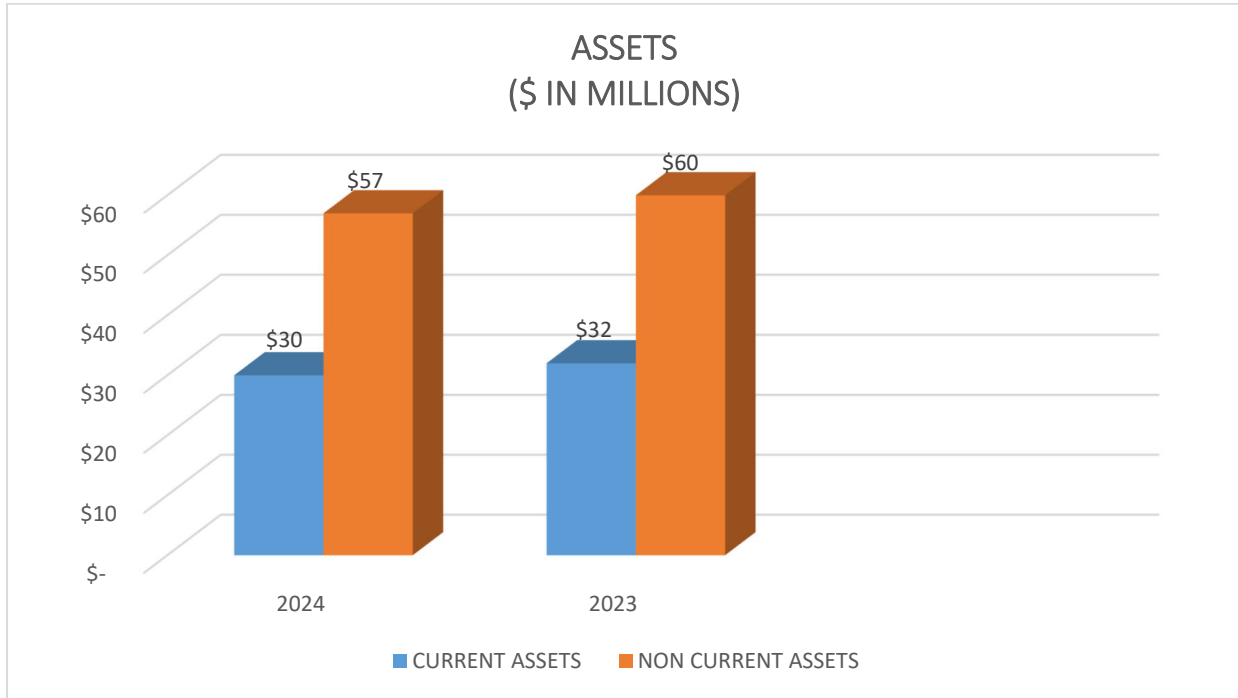
**Bloomfield College of Montclair State University
(A Component Unit of Montclair State University)**

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2024

BLOOMFIELD'S FINANCIAL POSITION

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

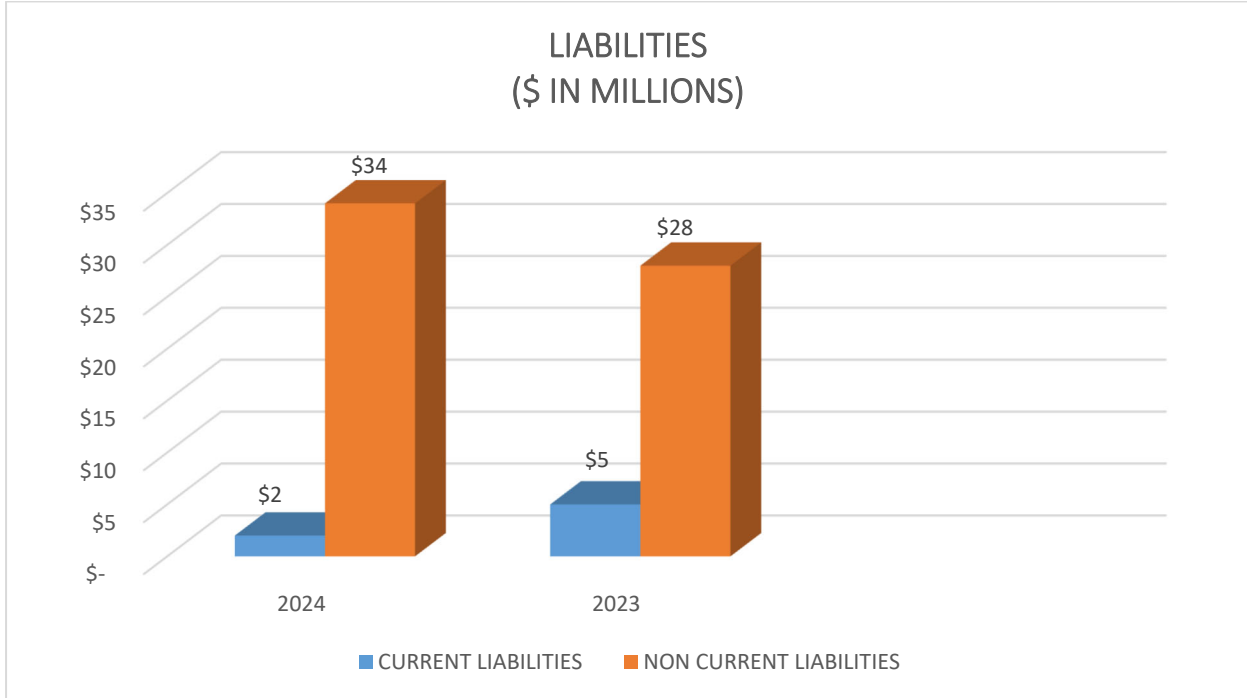


**Bloomfield College of Montclair State University
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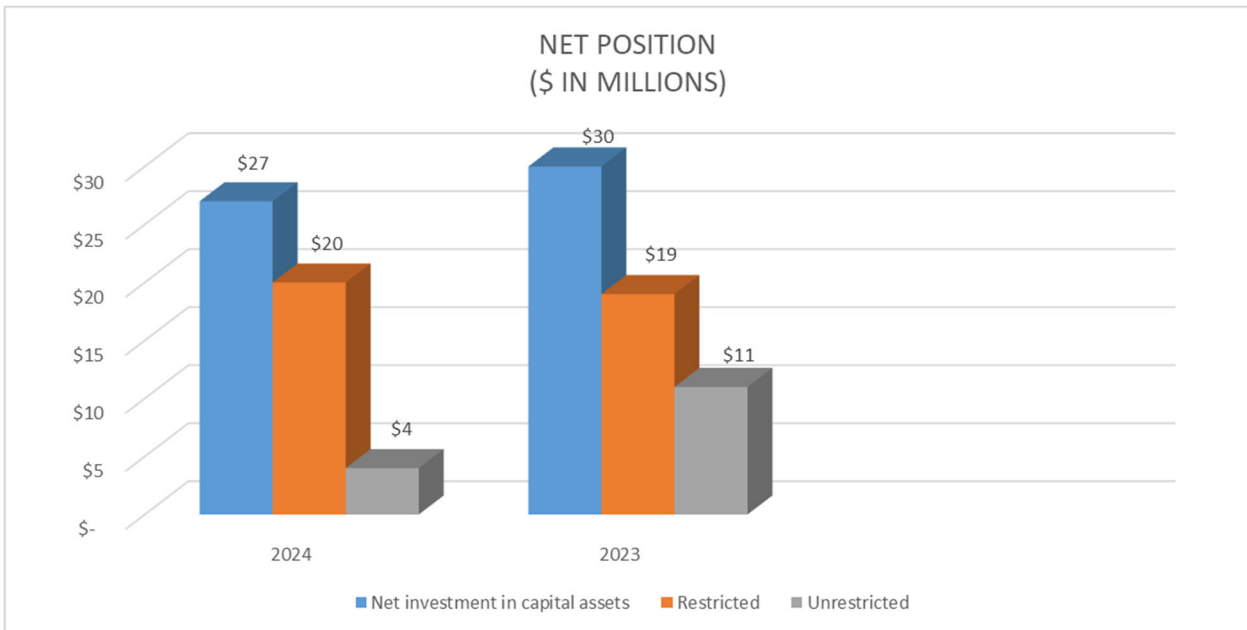
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2024

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.



**Bloomfield College of Montclair State University
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2024

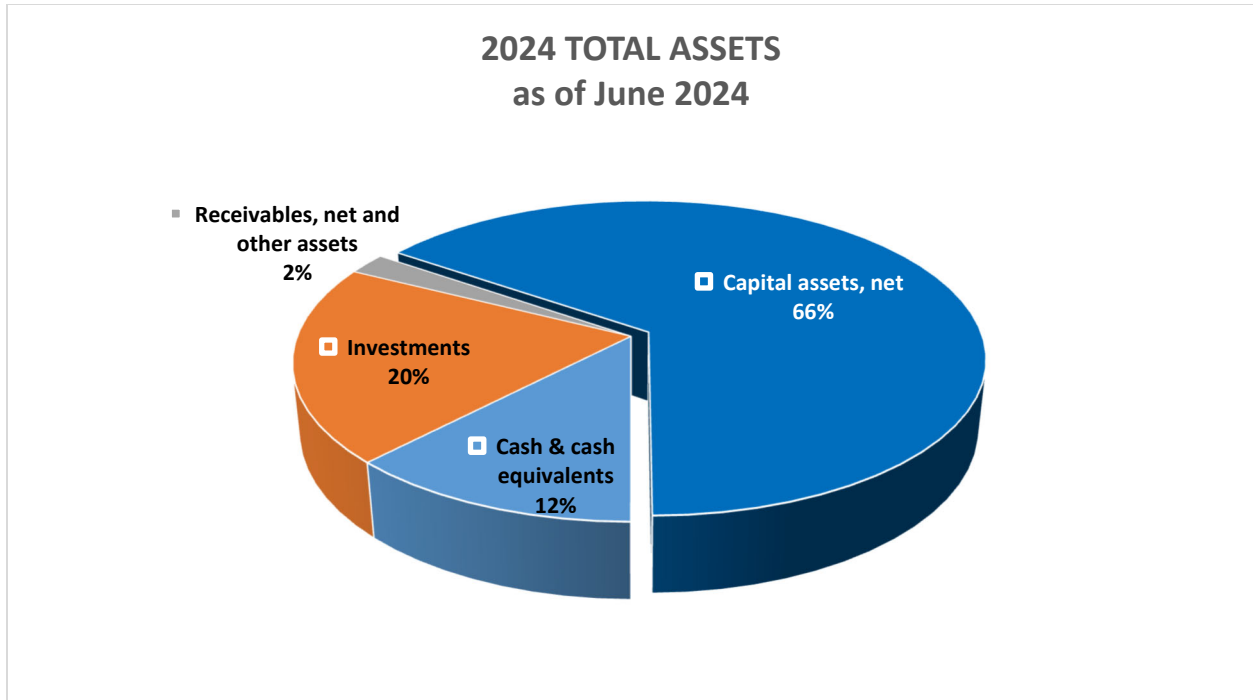
The major components of the assets, liabilities, and net position as of June 30, 2024 and 2023 are as follows (dollars in thousands):

	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
	<u>86,637</u>	<u>92,944</u>
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	-
	<u>36,035</u>	<u>33,408</u>
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
	<u>50,602</u>	<u>59,536</u>
Total net position	<u>\$ 50,602</u>	<u>\$ 59,536</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2024



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,

**Bloomfield College of Montclair State University
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2024

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 College of Montclair State University
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MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2024

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.

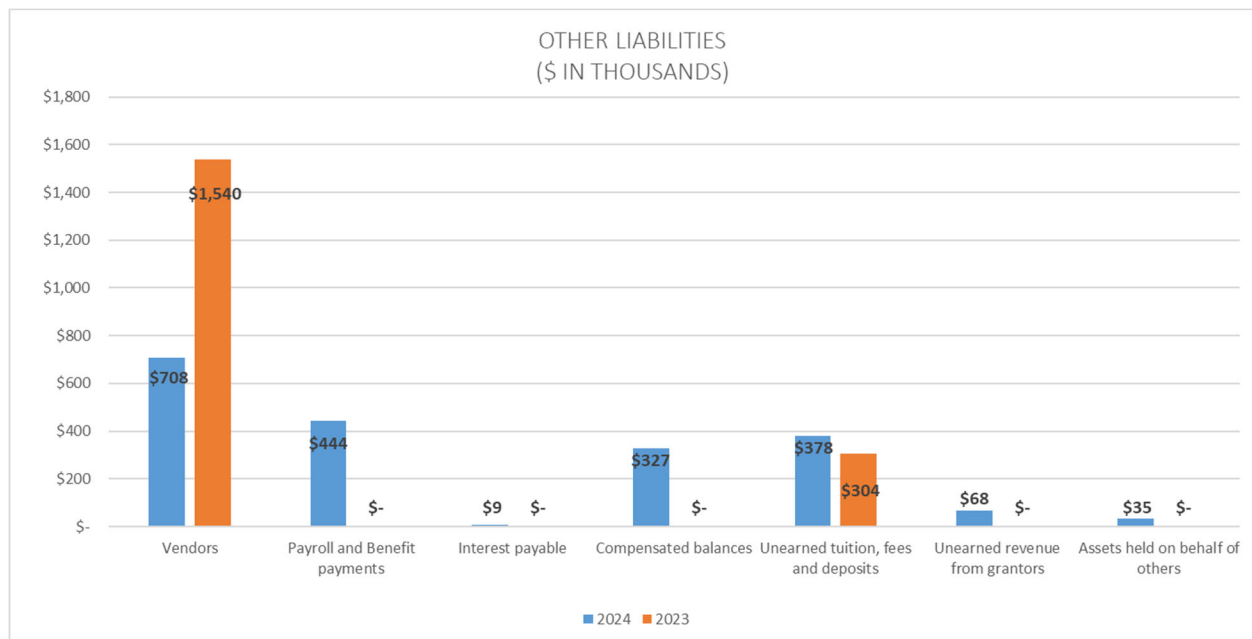
Bloomfield is obligated to service \$98 thousand in software subscription principal payments related to cloud-based ERP systems, data management tools, and educational software that assist the campus community.

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
	<u>\$ 371</u>	<u>\$ 31,439</u>
 Leases	 <u>\$ 19</u>	 <u>\$ 76</u>
 Subscriptions	 <u>\$ 98</u>	 <u>\$ 165</u>

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.



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

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2024

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.

**Bloomfield College of Montclair State University
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2024

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):

	<u>2024</u>	<u>2023</u>
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
	<hr/>	<hr/>
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
	<hr/>	<hr/>
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	<hr/>	<hr/>
	-	58,196
Net position		
Beginning of year	<hr/>	<hr/>
	59,536	-
End of year	<hr/>	<hr/>
	\$ 50,602	\$ 59,536

* Represents nonoperating revenues or expenses.

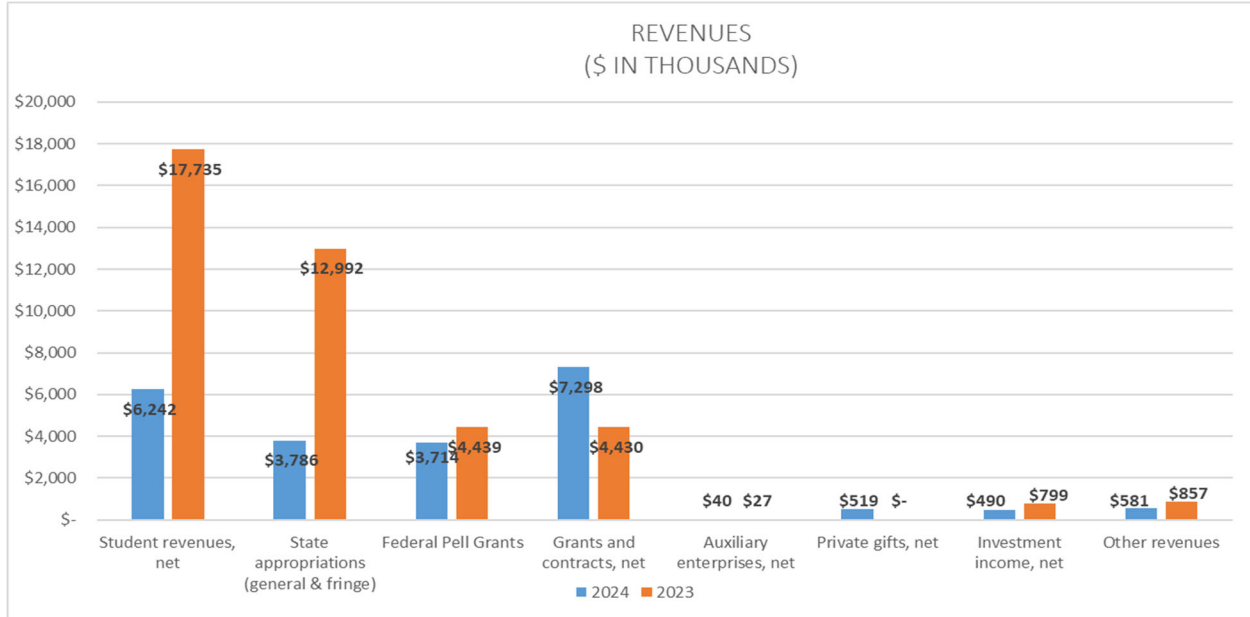
**Bloomfield College of Montclair State University
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MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2024

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 College of Montclair State University
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2024

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.

**Bloomfield College of Montclair State University
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2024

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)
	(7,288)
Net cash used in operating activities	
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
	5,569
Net cash from noncapital financing activities	
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)
	(2,841)
Net cash used in capital financing activities	
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	1,284
Purchases of investments	(1,383)
Interest on investments	488
	389
Net cash from investing activities	
NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH EQUIVALENTS	(4,171)
Cash, cash equivalents, and restricted cash equivalents:	
Beginning of year	14,751
	14,751
End of year	\$ 10,580
	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.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

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.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

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.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

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

**Bloomfield College of Montclair State University
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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

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.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

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

**Bloomfield College of Montclair State University
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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

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.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

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):

Investment Type	2024 Maturities (in years)			
	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

**Bloomfield College of Montclair State University
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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

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):

<u>Investment Type</u>	<u>Moody's Rating</u>	<u>S&P Rating</u>	<u>2024</u>
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			<u>10,844</u>
			<u>\$ 17,519</u>

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.

**Bloomfield College of Montclair State University
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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

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):

Type	Total	2024		
		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 College of Montclair State University
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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

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):

	<u>Unrestricted</u>	<u>Restricted Expendable</u>	<u>Restricted Nonexpendable</u>	<u>Total</u>
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	<u>\$ 2,710</u>	<u>\$ 4,264</u>	<u>\$ 10,545</u>	<u>\$ 17,519</u>

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

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

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

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	<u>121,562</u>	<u>346</u>	<u>(5)</u>	<u>121,903</u>
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	<u>64,714</u>	<u>3,876</u>	<u>-</u>	<u>68,590</u>
Depreciable/amortizable assets, net	<u>56,848</u>	<u>(3,530)</u>	<u>(5)</u>	<u>53,313</u>
Non-depreciable assets:				
Land	3,327	-	-	3,327
Construction in progress	306	-	(306)	-
Total nondepreciable assets	<u>3,633</u>	<u>-</u>	<u>(306)</u>	<u>3,327</u>
Total capital assets, net	<u>\$ 60,481</u>	<u>\$ (3,530)</u>	<u>\$ (311)</u>	<u>\$ 56,640</u>

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

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

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

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):

Description	2024					
	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

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

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 %	2024		
				Original Amount	Ending Balance	Current Portion
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
					<u>\$ 251</u>	<u>\$ 153</u>

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):

<u>Years Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 153	\$ 5
2026	85	1
2027	13	-
2025 - 2027 subtotal	<u>\$ 251</u>	<u>\$ 6</u>

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

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.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

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.

SUPPLEMENTARY INFORMATION

Bloomfield College of Montclair State University

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2024

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Grantor's Identifying Number	Federal Expenditures
U.S. Department of Education:			
Student Financial Assistance Cluster:			
Federal Supplemental Educational Opportunity Grants	84.007		\$ 198,822
Federal Work-Study Program	84.033		76,239
Federal Pell Grant Program	84.063		3,721,643
Federal Direct Student Loans	84.268		4,479,907
Total Student Financial Assistance Cluster			<u>8,476,611</u>
TRIO Cluster:			
TRIO - Student Support Services	84.042		248,386
TRIO - McNair Post-Baccalaureate Achievement	84.217		221,507
Total TRIO Cluster			<u>469,893</u>
Higher Education Institutional Aid	84.031		138,094
Strengthening Minority-Serving Institutions	84.382		260,678
Passed-through from N.J. Higher Education Administration			
COVID-19: Governor's Emergency Education Relief (GEER II) Fund	84.425C	GEER II Fund Grant	17,376
Total U.S. Department of Education			<u>9,362,652</u>
Research and Development Cluster:			
U.S. Department of Health and Human Services - National Institute of Health:			
Passed-through from Southern Connecticut State University			
Drug Use and Addiction Research Programs	93.279	HHS104-002	13,354
National Science Foundation			
STEM Education	47.076		40,883
Total Research and Development Cluster			<u>54,237</u>
Total Expenditures of Federal Awards			<u><u>\$ 9,416,889</u></u>

The accompanying notes to the schedules of expenditures of federal and State of New Jersey awards should be read in conjunction with this schedule.

Bloomfield College of Montclair State University

SCHEDULE OF EXPENDITURES OF STATE OF NEW JERSEY AWARDS

Year ended June 30, 2024

<u>State of New Jersey Grantor / Pass-Through Grantor / Program or Cluster Title</u>	<u>Grant / Account or Other I.D. Number</u>	<u>Grant Period</u>	<u>Grant Amount</u>	<u>Life to Date Amount</u>	<u>Current Year Expenditures</u>
N.J. Department of Treasury - Office of Student Assistance					
Student Financial Assistance Cluster:					
N.J. Higher Education Student Assistance Authority:					
Tuition Aid Grant Program	100-074-2405-007	07/01/23 - 06/30/24	\$ 4,543,775	\$ 4,489,416	\$ 4,489,416
Governor's Urban Scholarship Program	100-074-2405-329	06/01/23 - 06/30/24	1,000	1,000	1,000
New Jersey STARS II Program	100-082-2160-058	06/01/23 - 12/31/26	3,750	3,750	3,750
New Jersey College Loans to Assist State Students	N/A	07/01/23 - 06/30/24	10,000	10,000	10,000
Subtotal N.J. Higher Education Student Assistance Authority			<u>4,558,525</u>	<u>4,504,166</u>	<u>4,504,166</u>
N.J. Commission on Higher Education:					
Educational Opportunity Fund - Article III Academic Year Undergraduate Grants	100-074-2401-001	06/01/23 - 06/30/24	321,750	261,000	261,000
Educational Opportunity Fund - Article III Summer Program 2023	100-074-2601-001	06/01/23 - 06/30/24	319,090	317,959	317,959
Educational Opportunity Fund - Article IV Summer Program Summer 2023	100-074-2601-002	06/01/23 - 06/30/24	21,740	21,740	21,740
Educational Opportunity Fund - Article IV Academic Year Program Support	100-074-2601-002	06/01/23 - 06/30/24	211,844	210,797	210,797
Educational Opportunity Fund - Social Engagement Series	100-074-2601-002	10/01/23 - 06/30/24	23,502	23,500	23,500
Educational Opportunity Fund - Home Away From Home Initiative	100-074-2601-002	10/01/23 - 06/30/24	24,170	24,170	24,170
Educational Opportunity Fund - Article III Summer Program 2024	100-074-2601-002	06/01/23 - 06/30/24	296,400	1,108	1,108
Subtotal N.J. Commission on Higher Education			<u>1,218,496</u>	<u>860,274</u>	<u>860,274</u>
Total Student Financial Assistance Cluster			<u>5,777,021</u>	<u>5,364,439</u>	<u>5,364,439</u>
N.J. Higher Education Administration:					
Student Teacher Scholarship	N/A	06/01/23 - 06/30/24	9,000	9,000	9,000
Garden State Guarantee	100-074-2405-345	06/01/23 - 06/30/24	748,638	733,872	733,872
Mental Health In Higher Education and Professional Development	N/A	06/01/23 - 12/31/26	74,931	18,958	18,958
Mental Health In Professional Development	N/A	06/01/23 - 12/31/26	21,785	9,681	9,681
Total Expenditures of State of New Jersey Awards			<u>\$ 6,631,375</u>	<u>\$ 6,135,951</u>	<u>\$ 6,135,951</u>

The accompanying notes to the schedules of expenditures of federal and State of New Jersey awards should be read in conjunction with this schedule.

Bloomfield College of Montclair State University

**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL
AND STATE OF NEW JERSEY AWARDS**

June 30, 2024

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards has been prepared in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). The accompanying schedule of expenditures of State of New Jersey awards has been prepared in accordance with the requirements of the State of New Jersey Department of Treasury Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. The purpose of these schedules is to present the respective expenditures of federal and State of New Jersey programs, under the accrual basis of accounting, of Bloomfield for the year ended June 30, 2024. For purposes of the respective schedules, federal and State of New Jersey awards include any assistance provided by a federal or State of New Jersey agency directly or indirectly in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, direct appropriations, and other non-cash assistance. Because these schedules present only a selected portion of the activities of Bloomfield, they are not intended to, and do not, present either the net position of Bloomfield at June 30, 2024 or its changes in net position or cash flows for the year then ended. Accordingly, some amounts presented in the respective schedules may differ from amounts presented in, or used in the preparation of, Bloomfield's June 30, 2024 financial statements.

**NOTE 2 - FEDERAL DIRECT LOAN PROGRAM AND NEW JERSEY COLLEGE LOANS TO ASSIST
STATE STUDENTS ("NJ CLASS")**

Bloomfield is responsible only for the performance of certain administrative duties with respect to the Federal Direct Loan program and NJ CLASS program and has no responsibility to collect these loans. Accordingly, these loans are not included in Bloomfield's basic financial statements. It is not practical to determine the balance of loans outstanding to students of Bloomfield under these programs as of June 30, 2024.

NOTE 3 - INDIRECT COSTS

Bloomfield utilizes a negotiated indirect cost rate and has not elected to use the 10% de minimis cost rate, as provided by §200.414 Indirect Cost (F&A) of the Uniform Guidance.

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees
Bloomfield College of Montclair State University

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), 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, and have issued our report thereon dated January 10, 2025.

Report on internal control over financial reporting

In planning and performing our audit of the financial statements, we considered Bloomfield's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bloomfield's internal control. Accordingly, we do not express an opinion on the effectiveness of Bloomfield'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 Bloomfield'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 or significant deficiencies may exist that were not identified.

Report on compliance and other matters

As part of obtaining reasonable assurance about whether Bloomfield'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this report

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

Grant Thornton LLP

Iselin, New Jersey
January 10, 2025

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE OF NEW JERSEY PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND STATE OF NEW JERSEY DEPARTMENT OF THE TREASURY CIRCULAR 15-08

To the Board of Trustees
Bloomfield College of Montclair State University

Report on compliance for each major federal and State of New Jersey program

Opinion on each major federal and State of New Jersey program

We have audited the compliance of Bloomfield College of Montclair State University ("Bloomfield") with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget's *OMB Compliance Supplement* and the State of New Jersey Department of the Treasury Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* ("NJ Circular 15-08"), that could have a direct and material effect on each of Bloomfield's major federal and State of New Jersey programs for the year ended June 30, 2024. Bloomfield's major federal and State of New Jersey programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Bloomfield 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 of New Jersey programs for the year ended June 30, 2024.

Basis for opinion on each major federal and State of New Jersey program

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

We are required to be independent of 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 opinion on compliance for each major federal and State of New Jersey program. Our audit does not provide a legal determination of Bloomfield's compliance with the compliance requirements referred to above.

Responsibilities of management for compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Bloomfield's federal and State of New Jersey 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 Bloomfield'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 US GAAS, *Government Auditing Standards*, the Uniform Guidance, and NJ Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Bloomfield's compliance with the requirements of each major federal and State of New Jersey program as a whole.

In performing an audit in accordance with US GAAS, *Government Auditing Standards*, the Uniform Guidance, and NJ Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Bloomfield'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 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 Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Bloomfield's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on internal control over compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct,

noncompliance with a type of compliance requirement of a federal or State of New Jersey program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or State of New Jersey 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 of New Jersey program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in Bloomfield's internal control over compliance that we consider to be material weaknesses or significant deficiencies. 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 Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Grant Thornton LLP

Iselin, New Jersey
January 10, 2025

Bloomfield College of Montclair State University
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal and State of New Jersey Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance or NJ Circular 15-08? _____ yes X no

Identification of major programs:

Program or Cluster Title	Federal Assistance Listing Number or New Jersey State Identifying Number
--------------------------	--

Federal:	
Student Financial Assistance Cluster	84.007, 84.033, 84.063, and 84.268

State of New Jersey:	
Student Financial Assistance Cluster	Various

Dollar threshold used to distinguish between type A and type B programs for both federal and State of New Jersey awards: \$750,000

Auditee qualified as low-risk auditee for both federal and State of New Jersey awards? _____ yes X no

Bloomfield College of Montclair State University
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
Year ended June 30, 2024

SECTION II - FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III – FEDERAL AND STATE OF NEW JERSEY AWARD FINDINGS AND QUESTIONED COSTS

None noted.

Bloomfield College of Montclair State University
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year ended June 30, 2024

Prior Year Federal Award Findings and Questioned Costs

Finding #	Page #	Program Name	Summary Finding	Status
2023-001	41	Student Financial Assistance Cluster	Untimely enrollment reporting submissions	Proposed corrective action has been implemented
2023-002	43	Student Financial Assistance Cluster	Inaccurate enrollment reporting submissions	Proposed corrective action has been implemented