


CAMDEN COUNTY COLLEGE

Report of Audit

For the Fiscal Years Ended June 30, 2013 and 2012

CAMDEN COUNTY COLLEGE
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INTRODUCTORY SECTION

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

CAMDEN COUNTY COLLEGE
Members of the Board of Trustees and Executive Administration
As of June 30, 2013

FINANCIAL SECTION

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

BOWMAN & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Camden County College
Blackwood, New Jersey 08012

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of ***Camden County College*** (the "College"), a component unit of the County of Camden, State of New Jersey, as of and for the fiscal years ended June 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits 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. The financial statements of the discretely presented component unit (Camden County College Foundation) were audited in accordance with auditing standards generally accepted in the United States of America, but were not audited in accordance with Government Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the College's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

In our opinion, based on our audits, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of ***Camden County College*** as of June 30, 2013 and 2012, and the respective results of their operations and cash flows, where applicable, for the fiscal years then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2013, the College adopted the following new accounting standards issued by the Governmental Accounting Standards Board (GASB): *Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and *Statement No. 65, Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and State of New Jersey Circular 04-04-OMB, 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.

The accompanying Schedule of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2013, on our consideration of ***Camden County College's*** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
December 6, 2013

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

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Camden County College
Blackwood, New Jersey 08012

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the business-type activities of ***Camden County College*** (the "College"), in the County of Camden, State of New Jersey, as of and for the fiscal years ended June 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 6, 2013. The financial statements of the discretely presented component unit (Camden County College Foundation) for the fiscal year ended June 30, 2013 and 2012 were audited in accordance with auditing standards generally accepted in the United States of America, but were not audited in accordance with Government Auditing Standards.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
December 6, 2013

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis
For The Fiscal Years Ended June 30, 2013 and 2012
(Unaudited)

INTRODUCTION

The intent of the Management's Discussion and Analysis (MD&A) is to provide readers with an overview of Camden County College's financial activities for the fiscal year ended (FY) June 30, 2013 with fiscal year 2012 and 2011 data presented for comparative purposes.

The MD&A is designed to focus on current activities, resulting changes, and currently known facts with respect to the College's financial position. It should be read in conjunction with the accompanying basic financial statements and note disclosures.

The following three financial statements are prescribed by the Governmental Accounting Standards Board (GASB) Statement No. 35 - *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*: The Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows. In accordance with GASB Statement No. 39 – *Determining Whether Certain Organizations are Component Units,* these statements also include the most recent audited financial statements for Camden County College Foundation, a component unit, in accordance with GASB 39.

FINANCIAL HIGHLIGHTS

- Over 30% of the College's revenue comes from tuition and fees. Total credit enrollments for FY13 in comparison to FY12 and FY11 are as follows:

	2013	2012	2011	Change 2013-2012	Change 2012-2011
Credit Hours	297,182	307,438	325,727	(10,256)	(18,289)

- To keep education affordable and accessible, particularly in a difficult economy, Camden County College implemented no tuition increases in FY13.

- Camden County College continues to face significant reductions in both State and County Funding. State aid decreased 24% from $13,272,367 in FY07 to $10,041,902 in FY13 and County aid decreased 21% from $11,751,698 in FY07 to $9,225,814 in FY13.

- FY13 revenues include several one-time infusions of revenue from legal settlements and savings from premium sharing.

- During FY13, the College assumed the operation of a new center (Regional Emergency Training Center), the police academy, fire academy and the adult program at the Vo-Tech School.

- A new 107,000 square foot Science Building came online during FY 13.

STATEMENT OF NET POSITION

The Statement of Net Position represents the College's financial position in a snapshot as of the end of the fiscal year. The Statement of Net Position includes all assets, liabilities, and net position of the entire College. Current (available within one year) assets are distinguished from non-current (capital) assets. Liabilities are also distinguished between current (short term) and non-current (long term).

The Statement of Net Position at June 30, 2013, 2012, and 2011

	2013	2012	2011	13 to 12 Percent Change	12 to 11 Percent Change
Assets					
Current Assets	$ 31,255,607	$ 37,241,204	$ 29,512,418	-16.07%	26.19%
Non-Current Assets:					
Capital Assets, net of Depreciation	152,087,869	144,787,606	94,872,716	5.04%	52.61%
Total Assets	183,343,476	182,028,810	124,385,134	0.72%	46.34%
Liabilities					
Current Liabilities	16,603,232	19,331,360	15,440,711	-14.11%	25.20%
Non-Current Liabilities	26,941,446	22,369,968	22,483,421	20.44%	-0.50%
Total Liabilities	43,544,678	41,701,328	37,924,132	4.42%	9.96%
Net Position					
Net Investment in Capital Assets	124,658,903	122,963,201	72,347,524	1.38%	69.96%
Restricted	874,915	898,466	765,155	-2.62%	17.42%
Unrestricted	14,264,980	16,465,815	13,348,323	-13.37%	23.35%
Total Net Position	$ 139,798,798	$ 140,327,482	$ 86,461,002	-0.38%	62.30%

The decrease in current assets from FY 12 to FY 13 was mainly due to the decrease in the College's financial aid and Capital Projects receivables. The increase in non-current assets was mainly due to the construction of the science building, wetland crossings and the culvert. The decrease in current liabilities from FY 12 to FY 13 was due to a decrease in accounts payable and deferred revenue. The increase in non-current liabilities from FY 12 to FY 13 was mainly due to an increase in Capital leases payable which is the debt service to the county.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The Purpose of the Statement of Revenues, Expenses, and Changes in Net Position is to present the revenues received by the College, both operating and non-operating, and the expenses paid by the College and any other revenues, expenses, gains and losses received or spent by the College.

Operating revenues are those for which goods and services are provided. Operating expenses are those expenses paid or acquired to produce those goods or services. Non-Operating revenue is that for which revenues are received for which goods and services are not provided. Examples of non-operating revenues are county and state appropriations, insurance claims and capital grants.

The Statement of Net Position and the Statement of Revenue, Expenses, and Changes in Net Position reviewed together shows the impact of the current operating year activities on the institution as a whole. An increase in Net Position results when current year's revenue and other supports exceed current year's expenses. The relationship between revenues and expenses result in the College's operating results.

Increases or decreases in Net Position are an indicator of the College's financial health. Non-financial factors, such as student retention, building conditions, and campus safety are also very relevant in assessing the overall health of the College.

The major sources of operating revenue are student tuition and fees, federal and state grants. The major sources of non-operating revenue are state and county aid. In addition to operating and non-operating revenues, there is a section entitled Capital Grants and Contributions; its major sources include county capital appropriations and capital grants.

The main sources of operating expenses are instructional, institutional support, student aid, academic support, student services and operation and maintenance of plant. With the implementation of GASB 35 the College is required to depreciate its capital assets, therefore, depreciation expense is also a major component of operating expenses.

The College saw a slight decrease in operating revenue due to many factors. Lower enrollments contributed to decreased student tuition and fees and county chargebacks. Decline in enrollments also resulted in decreased commissions from the bookstore. In addition, the College received fewer funds from the state for adjuncts pensions in FY 13. Although there was an increase in college revenue for shared services, it was not enough to offset the above mentioned losses and the overall effect was a slight decrease in total operating revenues.

The total non-operating revenue increased in FY 13 due to the fact that the College settled an insurance claim from the Madison connector building.

The expenses for FY 13 increased due to two major factors. The first factor was the purchases of non-capital items for the Science Building. The second factor was the increase in salaries and benefits for security services supplied to the county.

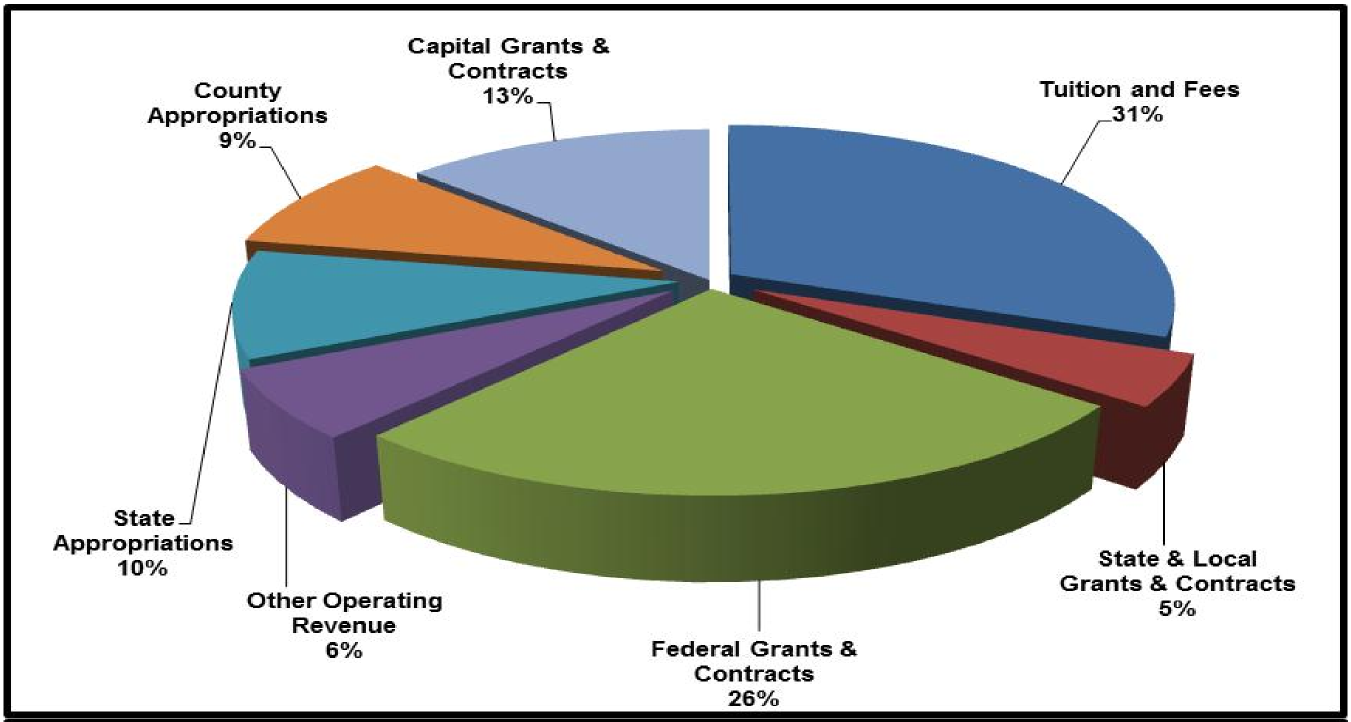
The miscellaneous expenses increased this year due to the fact that the College made an additional payment for debt service to the county.

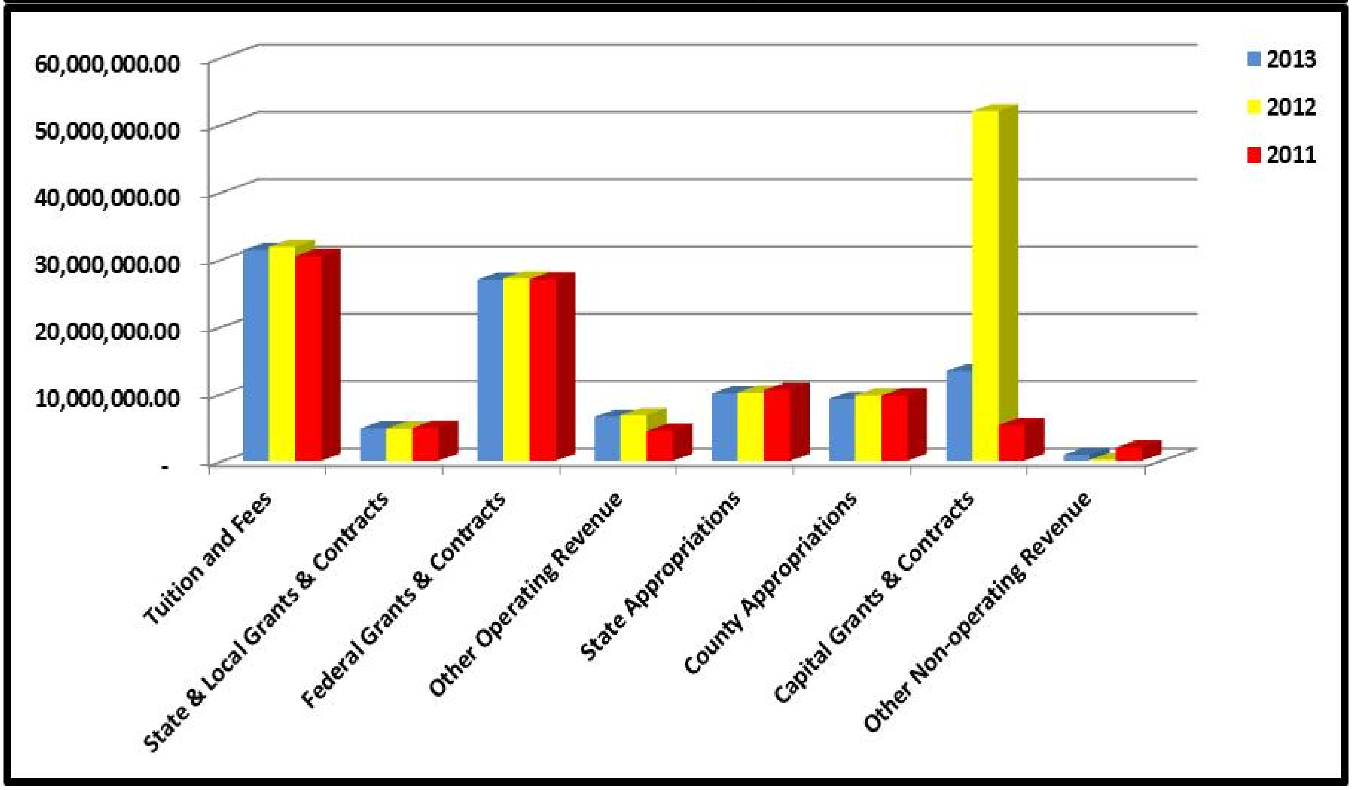
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (CONT'D)

	2013	2012	2011	13 to 12 Percent Change	12 to 11 Percent Change
Operating Revenues					
Student Tuition and Fees, net	$ 31,362,303	$ 31,817,426	$ 30,431,973	-1.43%	4.55%
State and Local Grants and Contracts	4,820,142	4,787,490	4,895,534	0.68%	-2.21%
Federal Grants and Contracts	26,965,540	27,124,689	26,994,769	-0.59%	0.48%
Nongovernmental Grants and Contracts	178,006	156,577	99,041	13.69%	58.09%
Chargeback Revenue	31,400	55,303	73,175	-43.22%	-24.42%
Auxiliary Enterprises	715,112	874,593	1,017,826	-18.23%	-14.07%
Other Operating Revenues	5,623,674	5,720,699	3,257,330	-1.70%	75.63%
Total Operating Revenue	69,696,177	70,536,777	66,769,648	-1.19%	5.64%
Operating Expenses					
Instruction	28,988,481	28,478,564	27,572,628	1.79%	3.29%
Public Services	1,671,035	1,353,462	952,214	23.46%	42.14%
Academic Support	8,488,005	8,474,324	8,744,788	0.16%	-3.09%
Student Services	8,085,795	8,078,377	8,177,875	0.09%	-1.22%
Institutional Support	12,129,419	11,781,733	12,049,060	2.95%	-2.22%
Student Aid	15,260,530	14,618,964	13,971,334	4.39%	4.64%
Operation and Maintenance of Plant	23,253,556	11,095,222	27,333,310	109.58%	-59.41%
Depreciation	3,597,140	3,954,882	2,886,907	-9.05%	36.99%
Amortization			16,583	0.00%	-100.00%
Other Expenses	1,392,503			100.00%	
Total Operating Expenses	102,866,464	87,835,528	101,704,699	17%	-14%
Operating Loss	(33,170,287)	(17,298,751)	(34,935,051)	92%	-50%
Non-Operating Revenues (Expenses)					
State Appropriations	10,041,902	10,151,513	10,540,430	-1.08%	-3.69%
County Appropriations	9,225,814	9,725,814	9,725,814	-5.14%	0.00%
State and Local Grants and Contracts	5,226	148,800	77,246	-96.49%	92.63%
Investment Income Earned	2,941	1,620	30,542	81.54%	-94.70%
Insurance Claims-Revenue	892,500		1,874,979	100.00%	-100.00%
Interest Expense	(893,710)	(869,359)		2.80%	100.00%
On-Behalf Payments:					
State of N.J. Alternative Benefits Program:					
Revenues	1,234,436	1,181,448	927,821	4.49%	27.34%
Expenses	(1,234,436)	(1,181,448)	(927,821)	4.49%	27.34%
Total Non-Operating Revenues	19,274,673	19,158,388	22,249,011	0.61%	-13.89%
Income (Loss) before Other Revenues	(13,895,614)	1,859,637	(12,686,040)	-847.22%	-114.66%
Capital Grants and Contributions	13,366,931	52,006,843	5,310,439	-74.30%	879.33%
Increase (Decrease) in Net Position	(528,683)	53,866,480	(7,375,601)	-100.98%	-830.33%
Net Position					
Net Position - Beginning of Year	140,327,482	86,461,002	93,836,603	62.30%	-7.86%
Net Position - End of Year	$ 139,798,798	$ 140,327,482	$ 86,461,002	-0.38%	62.30%

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (CONT'D)

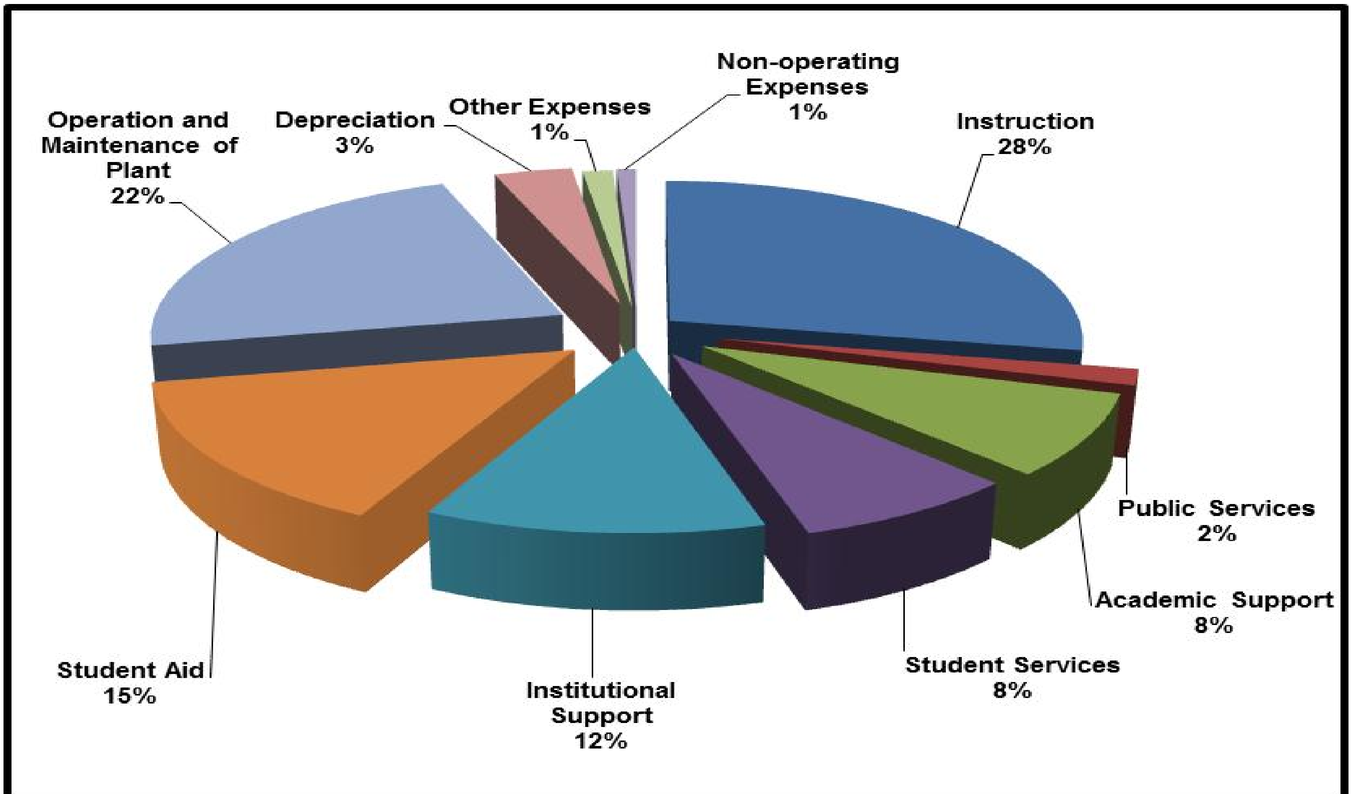
The following are graphic illustrations of the FY 13 operating and non-operating revenues by source:

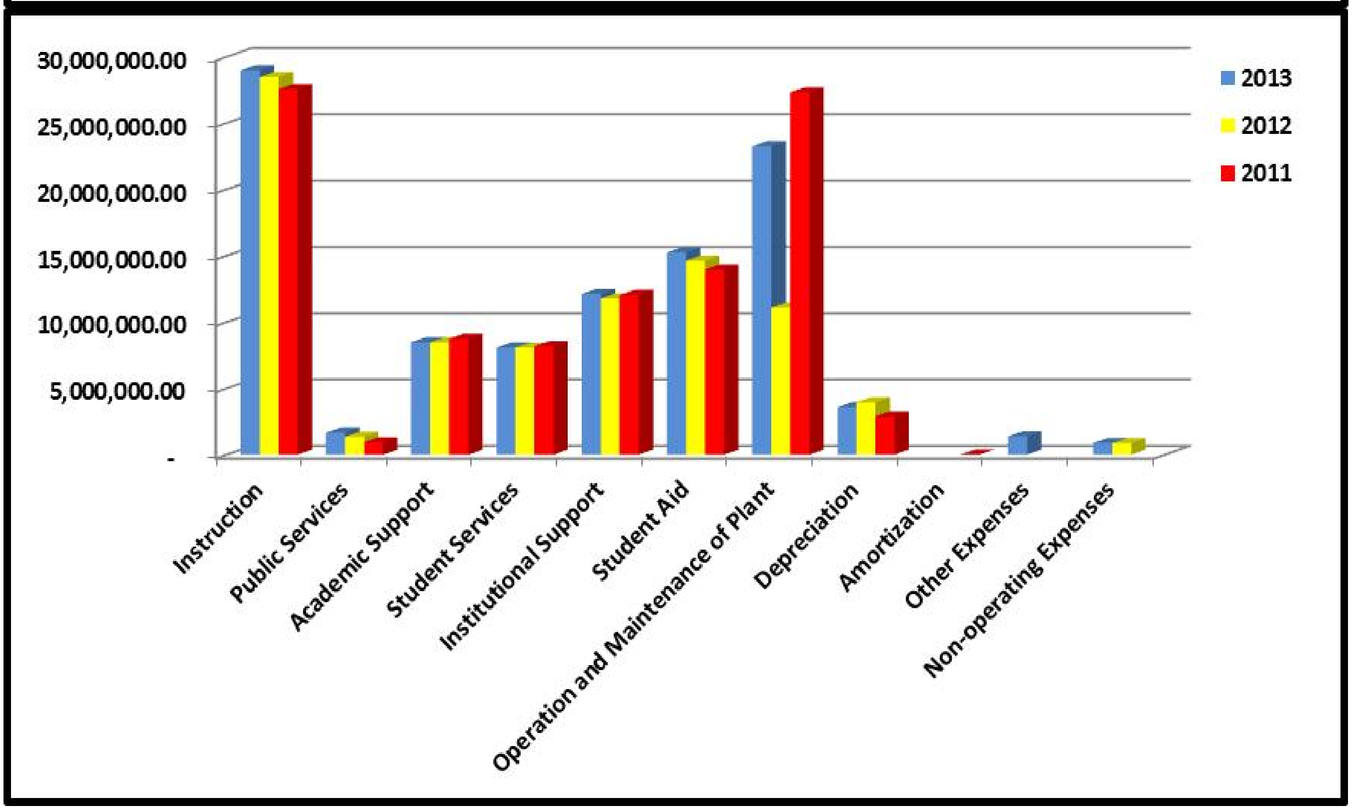




STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (CONT'D)

The following are graphic illustrations of FY 13 expenses by function:





STATEMENT OF CASH FLOWS

The primary purpose of Statement of Cash Flows is to provide relevant information about cash received and cash payments made during the year. Statement users can also assess the College's ability to generate future net cash flows, meet its financial obligations when they come due, and its need for any external funding.

The Statement is separated into five sections. The first section deals with operating cash flows and shows the net cash used in operating activities. The second is cash flows from non-capital financing activities. This section reflects cash received and spent for non-operating, non-investing and non-capital financing purposes. The third section deals with cash flows from capital and related activities. This section reflects the cash used for acquisition and construction of capital and related items. The forth section reflects cash from investing activities and includes interest income. The last section reconciles the net cash used to the operating income or loss shown on the Statement of Revenues, Expenses, and Changes in Net Position.

The following is financial information represented in the Statement of Cash Flows for the fiscal years ending June 30, 2013, 2012, and 2011:

	2013	2012	2011	13 to 12 Percent Change	12 to 11 Percent Change
Cash Provided by (Used in):					
Operating Activities	$ (32,954,919)	$ (10,719,774)	$ (30,224,133)	207.42%	-64.53%
Non-Capital Financing Activities	19,276,106	20,030,843	21,373,695	-3.77%	-6.28%
Capital and Related Financing Activities	18,606,150	(18,238,823)	14,488,368	-202.01%	-225.89%
Investing Activities	2,941	1,620	30,541	81.54%	-94.70%
Net Change in Cash	4,930,278	(8,926,134)	5,668,471	-155%	-257%
Cash, Beginning of Year	8,640,464	17,566,598	11,898,127	-51%	48%
Cash, End of Year	$ 13,570,744	$ 8,640,464	$ 17,566,598	57.06%	-50.81%

The increase in cash at the end of June 30, 2013 is mainly due to the fact that financial aid and capital project were billed and received earlier than in past years.

LONG-TERM DEBT

The College has the following debt outstanding at FY 13:

Capital Leases Payable of $19,402,588 for various Campus Capital Construction Improvements.

Mortgage Payable of $6,383,500 for the Construction of a Parking Garage in the City of Camden.

CAPITAL ASSETS

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013
Non-Depreciable Capital Assets:				
Land	$ 9,455,327		$ (70,000)	$ 9,385,327
Construction in Progress	36,380,778	10,623,471	(31,765,893)	15,238,356
Bond Issuance Costs	126,417		(21,070)	105,347
Total Non-Depreciable Capital Assets	45,962,522	10,623,471	(31,856,963)	24,729,030
Depreciable Capital Assets:				
Land Improvements	4,728,807	9,559		4,738,366
Buildings	117,380,402	31,765,893	(124,300)	149,021,995
Infrastructure	3,411,213		(182,640)	3,228,573
Equipment	5,970,911	627,907	(525,083)	6,073,735
Vehicles	1,352,310		(113,245)	1,239,065
Assets Under Capital Lease	1,773,461			1,773,461
Capitalized Software	3,260,958	32,469		3,293,427
Library Books	2,962,000	20,047		2,982,047
Total Depreciable Capital Assets	140,840,062	32,455,875	(945,268)	172,350,669
Less Accumulated Depreciation For:				
Land Improvements	820,041	90,502.95	(250,635)	659,909
Buildings	27,549,334	2,940,117	(13,673)	30,475,778
Infrastructure	1,480,734	63,515	(3,848)	1,540,401
Equipment	3,964,624	385,215	(346,566)	4,003,273
Vehicles	370,184	97,848	(5,568)	462,464
Assets Under Capital Lease	1,773,461			1,773,461
Capitalized Software	3,130,666	8,481		3,139,147
Library Books	2,925,936	11,461		2,937,397
Total Accumulated Deprecation	42,014,980	3,597,140	(620,290)	44,991,830
Depreciable Capital Assets	98,825,082	28,858,735	(324,978)	127,358,839
Total Capital Assets, Net	$ 144,787,604	$ 39,482,206	$ (32,181,941)	$ 152,087,869

The College incurred the following expenditures for the FY 13 which were charged to Construction in Progress.

- Roads and Grounds $486,622
- Science Building $7,844,776
- Culvert $1,282,884
- Administrative Building $376,165
- HVAC $293,414
- Taft $153,759

ECONOMIC AND OTHER FACTORS THAT WILL AFFECT THE FUTURE

- The Higher Education Capital Finance Grant Program awarded the College $8,313,266 in Grant money for the following:

  - Building our Future GO BOND grant
    - Purchase another building in Camden
      - $1,624,686 from the State and a $541,561 College match
    - Renovate the Taft Building on the Blackwood Campus into a one stop student services building that also includes classrooms.
      - $4,577,724 from the State and a $5,226,474 College match

  - Higher Education Technology Infrastructure Fund (HETI)
    - The College continues plans to implement technology by upgrading the network and installing more equipment in classrooms.
      - $828,966 from the State and a $828,966 County match

  - Equipment Leasing Fund (ELF)
    - Purchase technology, instructional and lab equipment.
      - $1,281,890 from the State and a $427,297 College match

- The College entered into an agreement with Rutgers University New Brunswick offering a Bachelor of Science Degree in Nursing.

- The College entered into an agreement with Rutgers University Camden in which students can complete a Bachelor of Arts Degree in Business Administration, Liberal Studies and Psychology on the Blackwood Campus.

- Received the Title III iPowers grant which will provide $2,000,000 over a five year period. The grant will employ new strategies to retain larger numbers of students – particularly developmental mathematics students – and to provide clear opportunities and structured pathways for their success.

- The College has also implemented various cost-containment measures that were initiated in previous fiscal years and were maintained through FY 13. Such initiatives include the following:
  - Limiting salary and wage increases.
  - Shared services
  - Benefit sharing
  - Utilities savings
  - Restructuring certain operational areas of the College

REQUESTS FOR INFORMATION

Requests for information concerning any facts provided in this report, or information on or requests for the audit report of Camden County College Foundation, can be addressed to:

Camden County College
P.O. Box 200
College Drive
Blackwood, New Jersey 08012-0200

BASIC FINANCIAL STATEMENTS

CAMDEN COUNTY COLLEGE
Statements of Net Position
As of June 30, 2013 and 2012

	2013		2012	
	College	Component Unit CCC Foundation	College	Component Unit CCC Foundation
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 13,570,744	$ 159,496	$ 8,640,464	$ 113,291
Accounts Receivable, Net	16,889,507	80,000	27,823,422	60,000
Inventories	18,520		19,660	
Prepaid Expenses	776,836		757,658	
Total Current Assets	31,255,607	239,496	37,241,204	173,291
Noncurrent Assets:				
Investments		1,695,439		1,629,345
Accounts Receivable, Net		180,000		30,000
Capital Assets, Net	152,087,869		144,787,606	
Total Noncurrent Assets	152,087,869	1,875,439	144,787,606	1,659,345
Total Assets	183,343,476	2,114,935	182,028,810	1,832,636
LIABILITIES				
Current Liabilities:				
Account Payable	8,164,041	44,623	10,439,982	41,367
Accrued Salaries	909,168		699,333	
Accrued Compensated Absences - Current Portion	693,115		459,536	
Obligations Under Capital Lease - Current Portion	835,284		541,500	
Mortgage Payable - Current Portion	486,848		466,847	
Other Unearned Revenue	203,367		124,734	
Unearned Tuition and Fees Revenue	5,311,409		6,599,428	
Total Current Liabilities	16,603,232	44,623	19,331,360	41,367
Noncurrent Liabilities:				
Accrued Compensated Absences	2,455,059		3,067,825	
Obligations Under Capital Lease	18,567,304		13,358,572	
Mortgage Payable	5,919,083		5,943,571	
Total Noncurrent Liabilities	26,941,446	-	22,369,968	-
Total Liabilities	43,544,678	44,623	41,701,328	41,367
NET POSITION				
Net Investment in Capital Assets	124,658,903		122,963,201	
Restricted for:				
Nonexpendable:				
Scholarships		583,887		552,576
Expendable:				
Scholarships		782,405		518,615
Other	874,915	281,780	898,466	252,012
Unrestricted	14,264,980	422,240	16,465,815	468,066
Total Net Position	$ 139,798,798	$ 2,070,312	$ 140,327,482	$ 1,791,269

The accompanying Notes to Financial Statements are an integral part of this statement.

CAMDEN COUNTY COLLEGE
Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended June 30, 2013 and 2012

	2013		2012	
	College	Component Unit CCC Foundation	College	Component Unit CCC Foundation
REVENUES				
Operating Revenues:				
Student Tuition and Fees (Net of Scholarship Allowance of $13,597,736 in 2013 and $13,959,766 in 2012)	$ 31,362,303		$ 31,817,426	
State and Local Grants and Contracts	4,820,142		4,787,490	
Federal Grants and Contracts	26,965,540		27,124,689	
Nongovernmental Grants and Contracts	178,006		156,577	
Chargeback Revenue	31,400		55,303	
Auxiliary Enterprises	715,112		874,593	
Gifts and Contributions		$ 733,441		$ 507,467
Other Operating Revenues	5,623,674		5,720,699	
Total Operating Revenues	69,696,177	733,441	70,536,777	507,467
EXPENSES				
Operating Expenses:				
Instruction	28,988,481		28,478,564	
Public Services	1,671,035		1,353,462	
Academic Support	8,488,005		8,474,324	
Student Services	8,085,795		8,078,377	
Institutional Support	12,129,419		11,781,733	
Student Aid	15,260,530	76,221	14,618,964	81,081
Operation and Maintenance of Plant	23,253,556		11,095,222	
Depreciation	3,597,140		3,954,882	
Other Expenses	1,392,503	514,867		381,628
Total Operating Expenses	102,866,464	591,088	87,835,528	462,709
Operating Income (Loss)	(33,170,287)	142,353	(17,298,751)	44,758
NON-OPERATING REVENUES (EXPENSES)				
State Appropriations:				
State Aid	10,041,902		10,151,513	
County Appropriations:				
County Aid	9,225,814		9,725,814	
State and Local Grants and Contracts	5,226		148,800	
Investment Income Earned	2,941	136,690	1,620	34,443
Insurance Claims-Revenue	892,500			
Interest Expense	(893,710)		(869,359)	
On-Behalf Payments:				
State of New Jersey Alternate Benefits Program:				
Revenues	1,234,436		1,181,448	
Expenses	(1,234,436)		(1,181,448)	
Total Non-Operating Revenues	19,274,673	136,690	19,158,388	34,443
Income (Loss) before Other Revenues	(13,895,614)	279,043	1,859,637	79,201
CAPITAL GRANTS AND CONTRIBUTIONS	13,366,931		52,006,843	
Increase (Decrease) in Net Position	(528,683)	279,043	53,866,480	79,201
NET POSITION				
Net Position - Beginning of Year	140,327,482	1,791,269	86,461,002	1,712,068
Net Position - End of Year	$ 139,798,798	$ 2,070,312	$ 140,327,482	$ 1,791,269

The accompanying Notes to Financial Statements are an integral part of this statement.

CAMDEN COUNTY COLLEGE
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2013 and 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Tuition and Fees	$ 28,678,073	$ 30,659,049
Receipts from Grants and Contracts	32,042,321	32,116,581
Other Receipts	6,899,039	5,805,476
Payments to Employees and Fringe Benefits	(62,061,390)	(57,083,945)
Payments to Vendors and Suppliers	(24,673,766)	(7,420,875)
Payments for Scholarships and Student Aid	(13,839,196)	(14,796,060)
Net Cash Used in Operating Activities	(32,954,919)	(10,719,774)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
County Appropriations	9,225,814	9,725,814
State Appropriations	10,041,902	10,151,513
Noncapital Grants Received	8,390	153,516
Net Cash Provided by Noncapital Financing Activities	19,276,106	20,030,843
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Grants and Contributions	24,365,411	16,855,056
Purchases of Capital Assets	(5,155,615)	(33,587,773)
Principal Paid on Capital Debt and Leases	(673,486)	(636,747)
Interest Paid on Capital Debt and Leases	(893,710)	(869,359)
Proceeds from Sale of Capital Assets	71,050	
Proceeds from Insurance Claims	892,500	
Net Cash Provided by (Used in) Capital and Related Financing Activities	18,606,150	(18,238,823)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	2,941	1,620
Net Cash Provided by Investing Activities	2,941	1,620
Net Increase (Decrease) in Cash and Cash Equivalents	4,930,278	(8,926,134)
Cash and Cash Equivalents - Beginning of the Year	8,640,464	17,566,598
Cash and Cash Equivalents - End of the Year	$ 13,570,744	$ 8,640,464

Reconciliation of Net Operating Revenues (Expenses) to Net Cash Used in Operating Activities:		
Operating Loss	$ (33,170,287)	$ (17,298,751)
Adjustments to Reconcile Net Loss to Net Cash Provided by (Used in) Operating Activities:		
Changes in Assets and Liabilities:		
Depreciation	3,597,140	3,954,882
Miscellaneous Nonoperating Income	358,674	
Change in Assets and Liabilities:		
Receivables, net	(67,729)	(1,806,853)
Inventories	1,140	1,384
Prepaid Expenses	(19,178)	15,621
Accounts Payable and Accrued Liabilities	(2,066,106)	4,182,563
Accrued Compensated Absences	(379,187)	588,367
Other Liabilities		(4,487)
Unearned Revenues	(1,209,386)	(352,500)
Net Cash Used in Operating Activities	$ (32,954,919)	$ (10,719,774)

The accompanying Notes to Financial Statements are an integral part of this statement.

CAMDEN COUNTY COLLEGE
Notes to Financial Statements
For the Fiscal Years Ended June 30, 2013 and 2012

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Description of Financial Reporting Entity - Camden County College is a comprehensive, co-educational, community college, founded in 1967 by the Board of Chosen Freeholders, the governing body of Camden County. Camden County College is an instrumentality of the State of New Jersey, established to function as a two-year community college. The College is an accredited member of the Middle States Association of Colleges and Schools. The College operates one main campus in Blackwood, New Jersey approximately twelve miles east of the City of Philadelphia. In addition to the main campus, the College operates a campus in the City of Camden and a center in the Township of Cherry Hill. In addition to offering courses at several county high schools, the College has instituted a distance learning program that allows students to choose from internet courses, telecourses, and hybrid courses.

The Board of Trustees of Camden County College consists of the Executive County Superintendent of Schools and ten persons, eight of whom shall be appointed by the appointing authority of the County with the advice and consent of the Board of Chosen Freeholders and two of whom shall be appointed by the Governor. The term of office of appointed members shall be for four years. The Board is responsible for the fiscal control of the College. A president is appointed by the Board and is responsible for the administrative control of the College. The College offers a wide range of academic programs, including associate degrees in arts, science and applied science.

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

Component Units - Camden County College Foundation (the "Foundation") is a New Jersey non-profit corporation. The Foundation was formed in 1992 to enhance the College's tradition of academic excellence. The Foundation receives and administers funds from private donations for the purpose of carrying out the educational goals of the College. The Foundation is governed by a board of directors. College employees and facilities are utilized for virtually all daily operating activities of the Foundation. The Foundation reports under Financial Accounting Standards Board (FASB) Standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features.

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, provide guidance that all entities associated with a primary government are potential component units, and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statements No. 14 and No. 39. In addition, GASB Statement No. 61 (GASB 61), *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34,* provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government's management determines that it would be misleading to exclude them. In addition, GASB Statement No. 61 clarifies the manner in which component units are presented (discretely presented, blended, or included in the fiduciary fund financial statements).

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Component Units (Cont'd) - In accordance with GASB 61 the Foundation meets the requirements for discrete presented in the financial statements of the College. In accordance with GASB Statement 34 and 35, certain presentation adjustments to the financial statements of the Foundation were required to conform to the classification and display requirements in the aforementioned GASB Statements as applicable to the College.

During the fiscal years ending June 30, 2013 and June 30, 2012, the Foundation distributed $244,221 and $117,341 to the College for both restricted and unrestricted purposes, respectively.

A separate report of audit for the Foundation for the fiscal years ended June 30, 2013 and 2012 can be obtained at the Foundation's offices at the following address during normal business hours:

Camden County College Foundation
P. O. Box 200
Blackwood, New Jersey 08012

Basis of Presentation - The accompanying financial statements include all activities that are directly controlled by the College. In addition, the financial statements include the financial position and activities of the College's discretely presented component unit, Camden County College Foundation. The financial statements are presented in accordance with accounting principles generally accepted in the United States of America applicable to governmental colleges and universities engaged in business-type activities as adopted by the Governmental Accounting Standards Board (GASB) Statement No. 35 – *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. The financial statement presentation required by GASB No. 35 provides a comprehensive, entity-wide perspective of the College's assets, liabilities, net position, revenues, expenses, changes in net position, cash flows and replaces the fund-group perspective previously required.

Basis of Accounting and Measurement Focus - For financial reporting purposes, the College is considered a special-purpose government engaged in only business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when an obligation has been incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Cash, Cash Equivalents and Investments - For the purposes of the statement of cash flows, the College considers all highly liquid investments with an original maturity of three months or less to be cash and cash equivalents. Funds invested through the State of New Jersey Cash Management Fund are also considered cash and cash equivalents.

The College accounts for its investments at fair value in accordance with GASB Statement No. 31 - *Accounting and Financial Reporting for Certain Investments and for External Investment Pools.* Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the statement of revenues, expenses, and changes in net position.

Additionally, the College has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. The Act was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Cash, Cash Equivalents and Investments (Cont'd) - N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

The College has adopted an investment policy which enables it to prudently invest available funds in a manner which will yield the highest possible return with minimum risk, while conforming to all federal, state, and local statutes governing the investment of public funds.

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

Inventory – Inventory consists primarily of Ophthalmic Clinic supplies and is carried on an average cost basis. The cost is recorded as expenses as the inventory is consumed.

Tuition - Each year the Board of Trustees sets tuition rates based on a per credit hour rate. Rates vary based upon residence within Camden County, out of county and international students. Tuition revenue is earned in the fiscal year the classes are taken.

Federal Financial Assistance Programs – The College participates in the following federally funded financial assistance programs: Federal Pell Grants, Federal Supplemental Educational Opportunity Grants (FSEOG), Federal Work-Study Grants, and Federal Family Education Loan Programs (FFELP). Federal programs are audited in accordance with the Single Audit Act Amendments of 1996, the U.S. Office of Management and Budget Revised Circular A-133, *Audit of States, Local Governments and Non-Profit Organizations* and the OMB Circular A-133 Compliance Supplement.

State Aid - The New Jersey Department of Treasury, Office of Management and Budget (OMB) allocates the annual appropriation for community college operating aid according to credit hour enrollments as prescribed by N.J.S.A.18A:64A-22. Aid is based upon audited enrollments, which are made up of credit course categories.

County Aid - N.J.S.A. 18A:64A-22 States that each county which operates a county college shall continue to provide moneys for the support of the college in an amount no less than those moneys provided in the year in which this act is enacted or 25% of the operational expense in the base State fiscal year, whichever is greater.

Unearned Revenue - Unearned revenue represents tuition revenue that has been billed before June 30th for classes that are scheduled to begin the next fiscal year. It also includes cash, which has been received for grants, but not yet earned.

Prepaid Expenses - Prepaid expenses represent payments made to vendors for services that will benefit periods beyond June 30, 2013.

Compensated Absences - Compensated absences are those absences for which employees will be paid for vacation and sick leave when used. A liability is accrued for compensated absences that are earned and unused in accordance with College policy at June 30th of each fiscal year. Eligible employees earn a right to vacation benefits and some sick leave benefits based on seniority.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Capital Assets – Capital assets include land, buildings, improvements, and infrastructure assets, such as roads and sidewalks. Assets acquired or constructed during the year are recorded at actual historical cost. The College defines capital assets as assets with an initial unit cost of $2,500 or more and an estimated useful life in excess of five years. An exception to the $2,500 threshold is made for improvements to buildings and site improvements which are capitalized at an initial cost of $50,000. In addition, an exception to the $2,500 threshold is made for the purchase of library books in bulk. Purchases of this nature are categorized as a composite group of assets and recorded as such. Donated capital assets are valued at their estimated fair market value on the date of donation. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized.

The property, plant and equipment of the College are depreciated using straight-line method over the useful lives of the assets, generally 50 years for buildings, 5 to 20 years for equipment, and 25 to 50 years for infrastructure. Assets purchased under capital lease are depreciated over the term of the lease as opposed to the useful life of the asset. Construction in progress is depreciated when the asset is placed into service.

Financial Dependency – Among the College's largest revenue sources include appropriations from the State of New Jersey and County of Camden, including contributions made by the State on behalf of the College for the Alternate Benefit Program. The College is economically dependent on these appropriations to carry out its operations.

Allowance for Doubtful Accounts – The allowance for doubtful accounts represents the amount estimated to be uncollectible for student accounts receivable. The amount is adjusted annually based on past year's collection rates. It is the College policy to write off uncollectible accounts after one year of delinquency. The allowances for June 30, 2013 and 2012 were $709,434 and $1,048,199 respectively.

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

Non-Current Liabilities – Non-current liabilities include (1) principal amounts of mortgage notes and capital lease obligations with contractual maturities greater than one year; (2) estimated amounts for accrued compensated absences and other liabilities that will not be paid within the next fiscal year; and (3) other liabilities that, although payable within one year, are to be paid from funds that are classified as non-current assets.

On-Behalf Payments for Pension Contributions – In fiscal year 1997, the College adopted the requirements of Governmental Accounting Standards Board (GASB) Statement No. 24 – *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance.* GASB Statement No. 24 recommends that revenue and expenditures be recorded in the financial statements for the State of New Jersey Pension payments for Alternate Benefit Program (ABP).

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

Reclassifications – Certain 2012 amounts have been reclassified to conform to 2013 presentation.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

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

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

Non-Operating Revenues – Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as non-operating revenues by GASB No. 9 – Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting and GASB Statement No. 35, such as state appropriations, county appropriations, investment income, and amounts paid by the State of New Jersey on behalf of the College for the employer contribution to the Alternate Benefit Program (ABP).

Net Position - The College's net position is classified as follows:

Net Investment in Capital Assets - This represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of Net Investment in Capital Assets.

Restricted Net Position – Expendable - Restricted expendable net position includes resources in which the College is legally or contractually obligated to spend resources in accordance with the restrictions imposed by external third parties.

Restricted Net Position – Non-Expendable – Non-expendable restricted net position consists of endowment and similar types of funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

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

Scholarship Discounts and Allowances – Student tuition and fees revenue, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statement of revenues, expenses, and changes in net position. Scholarship discounts and allowance are the difference between the stated charge for goods and services provided by the College and the amount paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, state or nongovernmental programs are recorded as either operating or non-operating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship discount and allowance. The amount of scholarship discount and allowances for the fiscal years ending June 30, 2013 and 2012 were $13,597,736 and $13,959,766 respectively.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

In November 2010, the GASB issued Statement 60, *Accounting and Financial Reporting for Service Concession Arrangements.* GASBS 60 provides financial reporting guidance for service concession arrangements (SCAs). SCAs are defined as an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. This Statement is effective for periods beginning after December 15, 2011. The College does not have any SCA’s and therefore the adoption of GASBS 60 does not have any impact on the College's financial statements.

In November 2010, the GASB issued Statement 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34.* GASBS 61 provides additional criteria for classifying entities as component units to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. This Statement is effective for periods beginning after June 15, 2012. The adoption of GASBS 61; however, does not have any impact on the College’s financial statements.

In December 2010, the GASB issued Statement 62, C*odification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.* GASBS 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This Statement is effective for periods beginning after December 15, 2011. The adoption of GASBS 62 does not have any impact on the College's financial statements.

In June 2011, the GASB issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.* GASBS 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes four components: assets, deferred outflows of resources, liabilities, and deferred inflows of resources. This Statement is effective for financial statements for periods beginning after December 15, 2011. The adoption of GASBS 63, however, does not have a material impact on the College’s financial statements.

In March 2012, the GASB issued Statement 65, *Items Previously Reported as Assets and Liabilities.* GASBS 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement is effective for periods beginning after December 15, 2012. The College elected to early implement GASBS 65 effective for fiscal year 2013. The adoption of GASB 65; however, does not have a material impact on the College's financial statements.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Impact of Recently Issued Accounting Principles (Cont'd)

Recently Issued and Adopted Accounting Pronouncements (Cont'd)

In March 2012, the GASB issued Statement 66, *Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62.* GASBS 66 is to improve accounting and financial reporting by state and local governmental entities by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Since the release of these Statements, questions have arisen concerning differences between the provisions in Statement 54 and Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, regarding the reporting of risk financing activities. Questions also have arisen about differences between Statement 62 and Statements No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, regarding the reporting of certain operating lease transactions, and No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, concerning the reporting of the acquisition of a loan or a group of loans and the recognition of servicing fees related to mortgage loans that are sold. This Statement is effective for periods beginning after December 15, 2012. Management is currently evaluating the impact of the adoption of this Statement on the College's financial statements although no impact is expected.

In June 2012, the GASB issued Statement 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25.* GASBS 67 is to improve the usefulness of pension information included in the general purpose external financial reports (financial reports) of state and local governmental pension plans for making decisions and assessing accountability. This Statement is effective for periods beginning after June 15, 2013. The College does not administer any state or local pension plans; therefore, the adoption of GASBS 67 will not have any impact on the College's financial statements.

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27.* GASBS 68 is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. In addition, this Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This Statement is effective for periods beginning after June 15, 2014. Management is currently evaluating the impact of the adoption of this Statement on the College's financial statements and expects the impact to be material.

In January 2013, the GASB issued Statement 69, *Government Combinations and Disposals of Government Operations*. GASBS 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement is effective for periods beginning after December 15, 2013. Management is currently evaluating the impact of the adoption of this Statement on the College's financial statements although no impact is expected.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Impact of Recently Issued Accounting Principles (Cont'd)

Recently Issued and Adopted Accounting Pronouncements (Cont'd)

In April 2013, the GASB issued Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees.* GASBS 70 is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range. This Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to report the obligation until legally released as an obligor. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units. This Statement is effective for periods beginning after June 15, 2013. Management is currently evaluating the impact of the adoption of this Statement on the College's financial statements although no impact is expected.

Note 2: **CASH AND CASH EQUIVALENTS**

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the College's deposits might not be recovered. Although the College does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first $250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the College in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, athletic and student activity funds, or funds that may pass to the College relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule below.

As of June 30, 2013 and 2012 the College's bank balances were exposed to custodial credit risk as follows:

	2013	2012
Insured	$ 250,000	$ 250,000
Collateralized under GUDPA	10,770,165	4,814,950
	$ 11,020,165	$ 5,064,950

New Jersey Cash Management Fund - During the year, the College participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Fund's participants. Deposits with the New Jersey Cash Management Fund are not subject to categorization as defined above. At June 30, 2013 and 2012, the College had $4,710,848 and $4,707,920 invested in the Fund, respectively.

Note 3: **CAPITAL ASSETS**

A summary of changes in the various capital asset categories for the year ending June 30, 2013 is presented as follows:

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013
Non-Depreciable Capital Assets:				
Land	$ 9,455,327		$ (70,000)	$ 9,385,327
Construction in Progress	36,380,778	$ 10,623,471	(31,765,893)	15,238,356
Bond Issuance Costs	126,417		(21,070)	105,347
Total Non-Depreciable Capital Assets	45,962,522	10,623,471	(31,856,963)	24,729,030
Depreciable Capital Assets:				
Land Improvements	4,728,807	9,559		4,738,366
Buildings	117,380,402	31,765,893	(124,300)	149,021,995
Infrastructure	3,411,213		(182,640)	3,228,573
Equipment	5,970,911	627,907	(525,083)	6,073,735
Vehicles	1,352,310		(113,245)	1,239,065
Assets Under Capital Lease	1,773,461			1,773,461
Capitalized Software	3,260,958	32,469		3,293,427
Library Books	2,962,000	20,047		2,982,047
Total Depreciable Capital Assets	140,840,062	32,455,875	(945,268)	172,350,669
Less Accumulated Depreciation For:				
Land Improvements	820,041	90,503	(250,635)	659,909
Buildings	27,549,334	2,940,117	(13,673)	30,475,778
Infrastructure	1,480,734	63,515	(3,848)	1,540,401
Equipment	3,964,624	385,215	(346,566)	4,003,273
Vehicles	370,184	97,848	(5,568)	462,464
Assets Under Capital Lease	1,773,461			1,773,461
Capitalized Software	3,130,666	8,481		3,139,147
Library Books	2,925,936	11,461		2,937,397
Total Accumulated Depreciation	42,014,980	3,597,140	(620,290)	44,991,830
Depreciable Capital Assets	98,825,082	28,858,735	(324,978)	127,358,839
Total Capital Assets, Net	$ 144,787,604	$ 39,482,206	$ (32,181,941)	$ 152,087,869

Depreciation expense for the year ended June 30, 2013 was $3,597,140.
Projects were completed during the year resulting in $31,765,893 being reclassified from Construction in Progress.

Note 3: **CAPITAL ASSETS (CONT'D)**

A summary of changes in the various capital asset categories for the year ending June 30, 2012 is presented as follows:

	Balance June 30, 2011	Additions	Reductions	Balance June 30, 2012
Non-Depreciable Capital Assets:				
Land	$ 3,855,327	$ 5,600,000		$ 9,455,327
Construction in Progress	6,056,195	30,324,583		36,380,778
Bond Issuance Costs	147,487		$ (21,070)	126,417
Total Non-Depreciable Capital Assets	10,059,009	35,924,583	(21,070)	45,962,522
Depreciable Capital Assets:				
Land Improvements	2,576,098	2,152,709		4,728,807
Buildings	103,886,139	13,494,263		117,380,402
Infrastructure	3,228,572	182,641		3,411,213
Equipment	5,112,443	858,468		5,970,911
Vehicles	220,075	1,132,235		1,352,310
Assets Under Capital Lease	1,773,461			1,773,461
Capitalized Software	3,123,808	137,150		3,260,958
Library Books	2,953,209	8,791		2,962,000
Total Depreciable Capital Assets	122,873,805	17,966,257	-	140,840,062
Less Accumulated Depreciation For:				
Land Improvements	711,146	108,895		820,041
Buildings	24,328,881	3,220,453		27,549,334
Infrastructure	1,413,370	67,364		1,480,734
Equipment	3,602,566	362,058		3,964,624
Vehicles	279,497	90,687		370,184
Assets Under Capital Lease	1,686,961	86,500		1,773,461
Capitalized Software	3,123,808	6,858		3,130,666
Library Books	2,913,869	12,067		2,925,936
Total Accumulated Depreciation	38,060,098	3,954,882	-	42,014,980
Depreciable Capital Assets	84,813,707	14,011,375	-	98,825,082
Total Capital Assets, Net	$ 94,872,716	$ 49,935,958	$ (21,070)	$ 144,787,604

Depreciation expense for the year ended June 30, 2012 was $3,954,882.

Note 4: LEASES

Lease Obligations - At June 30, 2013 the College had operating lease agreements in effect for copiers, a mail machine and vehicles.

Operating Leases - Future minimum rental payments under operating lease agreements are as follows:

Year Ending June 30,		
2014	$	138,409
2015		108,173
2016		7,869

Rental payments under operating leases for the fiscal years ended June 30, 2013 and 2012 were $138,408 and $135,597 respectively.

Capital Leases Obligations – At June 30, 2013, the College had lease agreements in effect for various Campus Capital Construction Improvements.

The following is a schedule of future minimum lease payments under these capital leases at June 30, 2013.

Various Campus Capital Construction Improvements

Year Ending June 30,	Principal	Interest	Total
2014	$ 835,284	$ 886,386	$ 1,721,670
2015	857,614	883,536	1,741,150
2016	883,029	855,871	1,738,900
2017	915,775	826,518	1,742,293
2018	948,436	791,789	1,740,225
2019-2023	5,069,072	3,352,343	8,421,415
2024-2028	4,718,738	2,157,625	6,876,363
2029-2033	2,702,640	1,268,441	3,971,081
2034-2038	1,545,000	601,793	2,146,793
2039-2041	927,000	98,475	1,025,475
	$ 19,402,588	$ 11,722,777	$ 31,125,365

During the fiscal year ended June 30, 2013, the College paid $669,000 and $792,505 for principal and interest respectively. During the fiscal year ended June 30, 2012, the College paid $525,500 and $601,195 for principal and interest respectively.

Note 5: REIMBURSEMENT AGREEMENT/LEASE PURCHASE AGREEMENT

On July 15, 2002, the Camden County Improvement Authority issued $12,500,000 of County-Guaranteed Lease Revenue Bonds (Camden County College Project), Series 2002. A substantial portion of the 2002 Bonds, in the aggregate principal amount of $12,233,000, are entitled to the benefits of the provisions of the County College Bond Act, P.L. 1971, c. 12 (N.J.S.A. 18A:64-22.1 et. seq). Proceeds from the bonds were used to finance the Camden Technology Center (CTC); an approximate 279,000 square foot eight-story multi-purpose structure containing approximately 640 parking spaces, a 13,800 square foot college bookstore as well as 39,400 square feet of classroom and office space; and the acquisition and installation of capital equipment. Construction of this facility was completed during fiscal year 2005.

The College entered into a lease purchase agreement dated July 1, 2002, by and among the Authority, as lessor, and the County College and the County as lessees pursuant to which the Authority will lease to the College the 2002 project described above in return for lease payments to be made by the County in amounts and at times sufficient to pay the principal and interest on the 2002 bonds. In addition to the lease purchase agreement, a mortgage was entered into between the College, as mortgagor, and the County, as mortgagee. The mortgage requires the College to pay from the proceeds of the garage parking fees amounts equal to the debt service on $6,383,500. In the event the College does not have sufficient parking fee income to pay the garage's operating expenses as well as the debt service, the obligation carries forward to subsequent periods. At the end of fifteen years, if an amount remains unpaid, the County of Camden retains the right to foreclose and assume ownership of the property.

For the fiscal years ending June 30, 2013 and 2012, the County of Camden made basic lease payments in the amount of $545,607 and $564,358, respectively, net of interest earned on the investments held by the bond trustee. Under the terms of the Lease Purchase Agreement, the College is obligated to repay the County for these payments. Any payment obligation due and payable by the College under the Lease Purchase Agreement that remains outstanding continues to remain an obligation until paid in full by the College. These payments are included in the College’s liabilities at June 30, 2013 and 2012. This amount as well as prior and subsequent lease payments made by the County will be repaid to the County once revenues from the Parking Garage are sufficient to cover the lease payments in accordance with terms contained in the Lease Purchase Agreement. For fiscal year ended June 30, 2013 the College reimbursed the County of Camden $106,532.95 for interest payments and nothing for the principal payment. No payments were reimbursed to the County during fiscal year ended June 30, 2012.

Note 6: LONG-TERM LIABILITIES

The following is a summary of long-term liabilities at June 30, 2013:

Analysis of Long -Term Liabilities	Beginning Balance	Increase	Decrease	Ending Balance	Due Within One Year
Compensated Absences	$ 3,527,361		$ (379,187)	$ 3,148,174	$ 693,115
Capital Leases	13,900,072	$ 6,171,516	(669,000)	19,402,588	835,284
Mortgage Payable	6,410,418		(4,487)	6,405,931	486,848
	$23,837,851	$ 6,171,516	$ (1,052,674)	$ 28,956,693	$ 2,015,247

Note 6: LONG-TERM LIABILITIES (CONT'D)

The following is a summary of long-term liabilities at June 30, 2012:

Analysis of Long -Term Liabilities	Beginning Balance	Increase	Decrease	Ending Balance	Due Within One Year
Compensated Absences	$ 2,938,994	$ 588,367		$ 3,527,361	$ 459,536
Capital Leases	14,536,819		$ (636,747)	13,900,072	541,500
Mortgage Payable	6,414,905		(4,487)	6,410,418	466,847
	$23,890,718	$ 588,367	$ (641,234)	$ 23,837,851	$ 1,467,883

Note 7: PENSION PLANS

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

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

Public Employees' Retirement System - The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased to 6.5% plus an additional 1.0% phased-in over seven years. The phase-in of the additional incremental member contribution amount began July 1, 2012 and increases each subsequent July 1. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Note 7: PENSION PLANS (CONT'D)

Public Employees' Retirement System (Cont'd)

The College is billed annually for its normal contribution plus any accrued liability.

Fiscal Year	Normal Contribution	Accrued Liability	Group Insurance	Total Liability	Funded by State	Paid by College
Public Employees Retirement System						
2013	$ 520,983	$ 1,245,684	$ 105,147	$ 1,871,814	$ -	$ 1,871,814
2012	591,608	1,183,215	113,078	1,887,901	-	1,887,901
2011	645,421	1,028,436	127,128	1,800,985	-	1,800,985

New Jersey Alternate Benefit Program - The New Jersey Alternate Benefit Program (ABP) is a defined contribution pension plan, which was established pursuant to P.L.1969, c. 242 (N.J.S.A. 18A:66-167 et seq.) The ABP provides retirement, death and disability, and medical benefits to qualified members.

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

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

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

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

Teacher's Insurance and Annuity Association (TIAA/CREF)
ING Life Insurance and Annuity Company
Equitable Life
The Variable Annuity Life Insurance Company (VALIC)
The Hartford Group
Citistreet – Travelers Educators Retirement Services

The College is billed annually for its normal contribution plus any accrued liability.

Fiscal Year	Total Contribution	Funded by State	Funded by Employee	Paid by College
Alternate Benefit Program				
2013	$ 2,165,821	$ 1,234,436	$ 931,385	$ 502,490
2012	2,075,274	1,181,448	893,826	481,803
2011	1,802,240	927,821	874,419	439,279

Note 7: PENSION PLANS (CONT'D)

Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Division of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the College's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The College's contributions, equal to the required contribution for each fiscal year, were as follows:

Fiscal Year	Normal Contribution	Funded by State	Funded by Employee	Paid by College
Defined Contribution Retirement Program				
2013	$ 12,903	$ -	$ 23,656	$ 12,903
2012	5,861	-	10,745	5,861
2011	-	-		-

Note 8: POSTEMPLOYMENT BENEFITS

P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2012, there were 97,661 retirees receiving postemployment medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retire from a board of education or county college with 25 years of service. The State paid $146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in fiscal year 2012.

Note 9: RISK MANAGEMENT

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The College maintains commercial insurance coverage for property (including crime and physical damage, liability (general and automobile), boiler and machinery, and surety bonds.

Joint Insurance Pool - The Camden County College is a member of the New Jersey County College Insurance Pool for the purpose of obtaining workers' compensation insurance coverage. Contributions to the Fund are payable in an annual premium and are based on actuarial assumptions determined by the Fund's actuary. Contributions to the pool for the Fiscal Years Ending June 30, 2013 and 2012 were $321,072 and $268,325 respectively.

Note 10: COMPENSATED ABSENCES

Compensated Absences - Accrued vacation and sick leave represents Camden County College's liability for the cost of unused employee vacation and sick time payable in the event of employee termination. College employees are granted vacation and sick time in varying amounts under the college personnel policies and negotiated agreements. In the event of retirement or termination, an employee is reimbursed for unused vacation and vested sick time at various amounts.

At June 30, 2013 and 2012 the Compensated Absences Liability was $3,148,174 and $3,527,361 respectively.

Note 11: DEFERRED COMPENSATION SALARY ACCOUNT

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

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

Note 12: CAPITAL RENEWAL AND REPLACEMENT

In accordance with terms of a New Jersey Department of Higher Education Jobs, Education and Competitiveness Bond Act of 1988 project contract, the College has reserved fund balance in its Plant Fund. The contract requires a seven-year funding schedule for this Reserve Fund. As of June 30, 2013 and 2012, the amount reserved was $260,044 and 301,789, respectively. In addition, Rowan University has also reserved a portion of its fund balance in the amount of $210,000 in both fiscal years. Also at June 30, 2013 and 2012, the College reserved fund balance in its Plant Fund for the Camden Technology Center in the amount of $399,129 and $368,369, respectively and a Facilities Reserve in the amount of $1,305,917 and $1,305,917, respectively.

Note 13: AUXILIARY OPERATIONS - BOOKSTORE

The College has an agreement with Barnes and Noble, Inc., a private contractor for the operation of the official *Campus Store* (Bookstore) at the Blackwood Campus and Rohrer Center for a period of three years commencing August, 2010 with an option to renew the contract for an additional two years. In addition, the College has entered into a separate agreement with Barnes and Noble, Inc. for the operation of the *University District Bookstore* (Joint Bookstore) at the Camden County College’s Technology Center in Camden, New Jersey. This bookstore serves Camden County College, Rutgers University-Camden Campus, and Rowan University. These institutions have jointly subcontracted for the provision of bookstore services at this facility. The agreement is in effect for five years commencing March, 2011.

Net commissions paid to the College for the fiscal year ended June 30, 2013 and 2012 were $715,112 and $874,593 respectively.

Note 14: NET POSITION

The following is a summary of the Reserved and Unreserved Net Position balances of the College for the fiscal years ended June 30, 2013 and 2012:

	2013	2012
Net Investment in Capital Assets:		
Gross	$ 152,087,869	$ 144,787,606
Related Debt	(27,428,966)	(21,824,405)
	$ 124,658,903	$ 122,963,201
Restricted for Expendable Net Position:		
Construction and Improvements	$ 792,724	$ 811,477
Federal & State Grants	82,191	86,989
	$ 874,915	$ 898,466
Unrestricted Net Position	$ 14,264,980	$ 16,465,815
Designation of Unrestricted Net Position:		
Student Government and Intercollegiate Athletics	$ 57,495	$ 71,468
Federal Financial Aid Program Review	1,721,057	-
Appropriated for Operations	2,000,000	3,630,000
Construction and Improvements	4,620,886	4,705,253
Undesignated	5,865,542	8,059,094
	$ 14,264,980	$ 16,465,815

Note 15: EDUCATIONAL AND GENERAL EXPENSES BY NATURAL CLASSIFICATION

The College's operating expenses by natural classification for the fiscal years ending June 30, 2013 and 2012 are presented as follows:

	2013	2012
Salaries and Benefits	$ 61,892,038	$ 57,759,793
Supplies and Materials	13,982,463	5,977,207
Services	4,862,823	2,466,103
Scholarships and Fellowships	14,997,498	14,592,378
Utilities	3,534,502	3,085,165
Depreciation	3,597,140	3,954,882
	$ 102,866,464	$ 87,835,528

Note 16: ACCOUNTS RECEIVABLE

Accounts receivable consists of the following at the end of fiscal years ending June 30, 2013 and 2012:

	2013	2012
Student Tuition and fees	$ 4,042,480	$ 3,156,378
Auxiliary Enterprises and Other Operating Activities	2,208,841	2,081,083
Federal, State County and Private Grants and Contracts	11,347,620	23,634,160
	$ 17,598,941	$ 28,871,621
Less: Allowance for Doubtful Accounts	709,434	1,048,199
	$ 16,889,507	$ 27,823,422

Note 17: CONTINGENCIES

The College receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended during the fiscal year ended June 30, 2013 were subject to Federal OMB Circular A-133 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the College's annual audit. In addition to the aforementioned annual audit, all grants and cost reimbursements are subject to financial and compliance audits by the State and Federal grantor agencies.

In November of 2010, the United States Department of Education conducted a program review of the College's Federal Student Aid Programs. On July 1, 2013, the Department of Education released their report stating the College would owe back $1,721,027 related to findings with the Helene Fuld School of Nursing Program. As of December 6, 2013, the College is appealing this decision and the final penalty cannot be reasonably estimated. The College has reserved a portion of their Restricted Net Position in anticipation of the final penalty.

Note 18: LITIGATION

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

Note 19: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES

The significant disclosures of the discretely presented component unit, Camden County College Foundation, are as follows:

A. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

Camden County College Foundation (the “Foundation”) exists to enhance Camden County College’s (the “College”) tradition of academic excellence. Its purpose is to provide additional resources to support the comprehensive mission of the College. Specifically, additional resources provided by the Foundation support four areas critical to College excellence and to ensure student access to college-level study: student scholarships for those with financial need and special talents; academic equipment to ensure that students and faculty are applying skills using state-of-the-art technologies; faculty and staff development to ensure that the College’s investment in its human resources is equivalent to its investment in physical and technological resources; and innovation to support strategic initiatives that are related to the continuing development and excellence of the College.

Basis of Accounting

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

Financial Statement Presentation

The financial statements have been prepared in conformity with the standards promulgated by the Financial Accounting Standards Board applicable to not-for-profit organizations. Financial statement presentation also follows the recommendations of relevant accounting standards which require the Association to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Public Support and Revenue Recognition

Contributions of cash and other assets are reported as temporarily or permanently restricted net assets, depending on the nature of the restriction. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

Note 19: <u>DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)</u>

A. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Public Support and Revenue Recognition (Cont'd)

Endowment contributions are permanently restricted by the donor. Investment earnings available for distribution are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (which happens either when a stipulated time period ends or when a purpose restriction is accomplished) during the reporting period in which the income and gains are recognized.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Allowance for Doubtful Accounts

Pledges and accounts receivable are stated net of an allowance for doubtful accounts. The Foundation estimates the allowance based on an analysis of specific donors, taking into consideration the age of past due amounts and an assessment of the donor's ability to pay. The Foundation has determined that there was no allowance for doubtful accounts for receivables at June 30, 2013.

Donated Services and Facilities

The Foundation receives donated services from a variety of personnel who are employed by the College. The Foundation also occupies office space on the College campus. No rent is paid by the Foundation. The value of these services and facilities has been reflected in the statement of activities.

Donated Materials and Equipment

Donated materials and equipment are recorded at cost or at fair market value at the date of receipt. All donated equipment is turned over to the College for their use and is not capitalized.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could vary from the estimates that were used.

Income Taxes

The Foundation is a publicly supported not-for-profit organization that is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code.

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

The Foundation's federal information returns are generally subject to examination by the Internal Revenue Service for three years, the fiscal years ended June 30, 2010, 2011 and 2012.

Note 19: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)

A. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Subsequent Events

The Foundation has evaluated events and transactions through December 5, 2013, the date the financial statements were available to be issued, and determined there were no items requiring recognition or disclosure in the financial statements.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

The Foundation reports all investments in marketable securities with readily determinable fair values and all investments in debt securities at fair value in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Alternate investments are stated at fair value based on valuations provided by the general partner. Individual investment holdings within the alternate investment may include investments in both nonmarketable and market-traded securities. The Foundation has adopted the provisions provided for in the Financial Accounting Standards Board ("FASB") Accounting Standards Update number 2009-12 – "Fair Value Measurements and Disclosures", in which the FASB developed a practical expedient, allowing the Foundation to record certain alternate investments at net asset value ("NAV"), without adjustment for restrictions, if any. Investment valuations may be based on estimates that require varying degrees of judgment where readily available fair values do not exist. Generally, fair value reflects net contributions to the investee and an ownership share of realized and unrealized investment income and expenses.

Fair Value Measurement

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

Liquidity of Assets and Liabilities

Liquidity is the nearness to cash of an asset or liability, and financial flexibility is the ability to take effective actions to alter cash flows to respond to unexpected needs and opportunities. The Foundation classifies their assets and liabilities as current and non-current.

Functional Allocation of Expenses

The cost of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among by programs, management and general, and fundraising.

Note 19: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)

A. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Contributions

The Foundation considers all contributions to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designed for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support. When a temporary restriction expires, temporary restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the contribution is recognized.

New Accounting Standards

In May 2011, the FASB issued Accounting Standards Update (ASU) 2011-04, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards (IFRS).* The new standard does not extend the use of fair value but, rather, provides guidance about how fair value should be applied where it already is required or permitted under IFRS or U.S. GAAP. For U.S. GAAP, most of the changes are clarifications of existing guidance or wording changes to align with IFRS. A nonpublic entity is required to apply the ASU prospectively for annual periods beginning after December 15, 2011. The Foundation's adoption of ASU 2011-04 during fiscal year 2013 did not have a material impact on its financial statements.

New Accounting Standards Not Yet Effective

FASB has also issued several other pronouncements which will be effective in the next few years. Management is currently evaluating the impact they will have on the disclosures in the financial statements; however, it is anticipated they will not be material.

B. CONCENTRATION OF CREDIT RISK

The Foundation maintains cash balances in their banking institutions, which are insured by the Federal Deposit Insurance Corporation (F.D.I.C) up to $250,000.00 per institution. At June 30, 2013 and 2012 the Foundation's balance did not exceed the insured limit.

In addition, the Foundation invests funds in the UBS Financial Services Inc. money market fund. These funds are not insured by the F.D.I.C. At June 30, 2013 and 2012 the balance in these funds totaled $96,231.09 and $92,542.00, respectively.

C. ACCOUNTS RECEIVABLE

Accounts receivable represent two separate unconditional promises to give from the William G. Rohrer Charitable Foundation. The terms of these unconditional promises to give are; 1) $30,000 per year over the remaining two years of the promise; and 2) $50,000 per year over four remaining years of the promise. In both cases the funds are to be used for student scholarships. These receivables have not been discounted to present value because the difference between the present value and full amount is not material to the financial statements.

The College does not consider any of these pledges uncollectible therefore no allowance has been recorded.

Note 19: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)

D. NET ASSETS

Temporarily restricted net assets are available for scholarships, tuition and college improvements. Donor restrictions are maintained on file by the foundation.

The following is a summary of Net Asset balances of the Foundation at June 30:

	2013	2012
Unrestricted		
Undesignated	$ 422,240.01	$ 468,065.89
Temporarily Restricted		
Scholarships	782,405.17	518,615.45
Other Program Expenses	281,779.36	252,011.59
Permanently Restricted		
Endowment	583,887.04	552,575.92
Total Net Assets	$2,070,311.58	$1,791,268.85

E. INVESTMENTS

Investments as of June 30, 2013, are summarized as follows:

	Cost	Fair Value	Unrealized Appreciation/ (Depreciation)
Marketable Securities:			
Corporate Stocks	$ 676,534.34	$ 776,239.83	$ 99,705.49
Corporate Bonds and Notes	125,739.31	133,812.08	8,072.77
Preferred Securities	411,594.64	418,271.30	6,676.66
Government Securities	121,180.56	118,292.71	(2,887.85)
	1,335,048.85	1,446,615.92	111,567.07
Nonmarketable Securities:			
Alternative Investments	250,000.00	248,823.42	(1,176.58)
Total	$1,585,048.85	$1,695,439.34	$ 110,390.49

Alternate investments represent limited partnership interests held by the Foundation in funds that invest in various equity, fixed income, mutual funds, real estate, private equity and other investments and follow a variety of investment strategies with the goal to provide capital appreciation consistent with return characteristic of alternate investment portfolios of larger endowments and to provide capital appreciation with less volatility than that of equity markets. The Foundation believes that the carrying amount of its alternate investments is a reasonable estimate of the fair value of such investments at June 30, 2013. As is typical of investment portfolios of similar types of institutions, alternate investments are not readily marketable, the estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investments existed. The Fund does conduct repurchase offers generally quarterly with a valuation date on or about March 31, June 30, September 30, and December 31 of each year provided that it is in the best interest of the fund and the partners to do so. At the time of a repurchase offer, each fund intends to repurchase 5% of its units at their net asset value determined as of approximately March 31, June 30, September 30, or December 31, as applicable, so long as no more that 20% of the units are repurchased per quarter.

Note 19: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)

E. INVESTMENTS (CONT'D)

Additionally, a repurchase fee payable to the fund may be applicable in the amount of 5% of the amount requested if such partner has been a partner for less than a year.

The following schedule summaries the investment returns for the year ended June 30, 2013:

Interest and Dividends	$ 59,401.92
Gains:	
Realized Gains	64,557.91
Unrealized Gains (Losses)	12,730.45
Total Gains (Losses)	77,288.36
Total Investment Return	$ 136,690.28

Investments as of June 30, 2012, are summarized as follows:

	Cost	Fair Value	Unrealized Appreciation/ (Depreciation)
Marketable Securities:			
Corporate Stocks	$ 608,880.46	$ 684,156.96	$ 75,276.50
Corporate Bonds and Notes	142,671.29	153,006.37	10,335.08
Preferred Securities	408,700.36	431,300.77	22,600.41
Government Securities	121,180.56	123,154.75	1,974.19
	1,281,432.67	1,391,618.85	110,186.18
Nonmarketable Securities:			
Alternative Investments	250,000.00	237,725.97	(12,274.03)
Total	$1,531,432.67	$1,629,344.82	$ 97,912.15

The following schedule summaries the investment returns for the year ended June 30, 2012:

Interest and Dividends	$ 49,631.09
Gains:	
Realized Gains	46,811.38
Unrealized Gains	(62,000.36)
Total Gains	(15,188.98)
Total Investment Return	$ 34,442.11

Note 19: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)

F. FAIR VALUE MEASUREMENT

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

Level 1
Valuation based on quoted market prices in active markets for identical assets or liabilities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2
Valuation based on quoted market prices of investments that are not actively traded or for which certain significant inputs are not observable, either directly or indirectly.

Level 3
Valuation based on inputs that are unobservable and reflect management's best estimate of what market participants would use as fair value.

Fair Value on a Recurring Basis

The following tables below present the financial instruments as of June 30, 2013 and 2012 within the ASC 820 valuation hierarchy.

2013

		Fair Value		
	Total	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Other Unobservable Inputs (Level 3)**
Corporate Stocks:				
Technology	$ 133,849.10	$ 133,849.10		
Financial	116,605.78	116,605.78		
Industrial Goods	83,940.23	83,940.23		
Consumer Goods	73,683.92	73,683.92		
Basic Materials	150,136.18	150,136.18		
Services	138,302.00	138,302.00		
Utilities	29,260.01	29,260.01		
Healthcare	52,864.87	52,864.87		
Corporate Bonds and Notes:				
(AAA to A)	89,627.96	89,627.96		
(BBB to BBB-)	45,629.29	45,629.29		
Preferred Securities:				
Fixed Income	413,691.55	413,691.55		
Alternative Investments:				
Hedge Funds	248,823.42			$ 248,823.42
Government Securities:				
(AAA to A)	119,025.03	119,025.03		
Total	$ 1,695,439.34	$ 1,446,615.92	$ -	$ 248,823.42

Note 19: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)

F. FAIR VALUE MEASUREMENT (CONT'D)

2012				
		Fair Value		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Corporate Stocks:				
Technology	$ 115,935.41	$ 115,935.41		
Financial	54,027.06	54,027.06		
Industrial Goods	99,222.78	99,222.78		
Consumer Goods	46,464.57	46,464.57		
Basic Materials	137,781.10	137,781.10		
Services	134,516.47	134,516.47		
Utilities	41,117.53	41,117.53		
Healthcare	52,654.68	52,654.68		
Corporate Bonds and Notes:				
(AAA to A)	108,104.96	108,104.96		
(BBB to BBB-)	46,592.58	46,592.58		
Preferred Securities:				
Fixed Income	431,300.77	431,300.77		
Alternative Investments:				
Hedge Funds	237,726.36			$ 237,726.36
Government Securities:				
(AAA to A)	123,900.55	123,900.55		
Total	$ 1,629,344.82	$ 1,391,618.46	$ -	$ 237,726.36

The following is a reconciliation of investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	Year Ended June 30, 2013	2012
Fair value, beginning of year	$ 237,726.36	$ 249,438.46
Investment return:		
Investment income (loss)	-	
Realized and unrealized gains (losses)	11,097.06	(11,712.10)
Distributions	-	
Purchases	-	
Fair value, end of year	$ 248,823.42	$ 237,726.36

Note 19: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)

G. ENDOWMENT FUNDS

The Foundation's endowment consists of approximately 100 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Foundation Board to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Foundation Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

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

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

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

Endowment Net Asset Composition by Type of Fund as of June 30, 2013 and 2012:

	June 30,	
	2013 Permanently Restricted	2012 Permanently Restricted
Donor Restricted Endowment Funds	$ 583,887.04	$ 552,575.92

Note 19: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)

G. ENDOWMENT FUNDS (CONT'D)

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

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

The following table provides information regarding the change in endowment net assets for the year ended 2013 and 2012:

	June 30,	
	2012 Permanently Restricted	2013 Permanently Restricted
Endowment Net Assets, beginning of year	$ 552,575.91	$ 464,800.18
Investment Income	3,396.99	
Contributions	27,914.14	87,775.74
Endowment Net Assets, end of year	$ 583,887.04	$ 552,575.92

H. TEMPORARILY RESTRICTED NET ASSETS

The Foundation follows the policy of maintaining special funds when grants and gifts are received for specific projects. Such grants and gifts are reported as temporarily restricted net assets until the donor imposed restrictions are satisfied.

Investment income derived from permanently restricted net assets which is restricted by the donor for a specific purpose is included as temporarily restricted net assets.

Temporarily restricted net assets are available for scholarships and college improvements. Donor restrictions are maintained on file by the Foundation.

I. PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets represent gifts and endowments which have been restricted by the donor in perpetuity, the income of which is expendable to support the mission of the Foundation, primarily to provide scholarships to students.

SINGLE AUDIT SECTION

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND STATE OF NEW JERSEY CIRCULAR 04-04-OMB

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Camden County College
Blackwood, New Jersey, 08012

Report on Compliance for Each Major Federal and State Program

We have audited ***Camden County College's*** *(the "College")* compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on each of the College's major federal and state programs for the fiscal year ended June 30, 2013. The College's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133, and State of New Jersey Circular 04-04-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about ***Camden County College's*** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the College's compliance.

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Opinion on Each Major Federal and State Program

In our opinion, ***Camden County College*** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the ***Camden County College*** is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey Circular 04-04-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

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

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

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 OMB Circular A-133 and State of New Jersey Circular 04-04-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
December 6, 2013

CAMDEN COUNTY COLLEGE
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2013

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Number	Program or Award Amount	FY 2013 Expenditures
U.S. Department of Education:				
Student Financial Aid Cluster (Direct Funding):				
Federal Supplemental Educational Opportunity Grants	84.007	P007A112540	$ 479,582	$ 476,339
Federal Direct Student Loans	84.268	P268K122865	11,634,132	11,602,188
Federal Pell Grant Program	84.063	P063P112865	23,514,187	23,514,187
Federal Work-Study Program	84.033	P033A112540	386,318	354,893
Total Student Financial Aid Cluster				35,947,607
TRIO Cluster (Direct Funding):				
Upward Bound	84.047	P047A070532-09	436,817	162,481
Upward Bound Food	84.047	5120-100-034	4,303	4,303
Total TRIO Cluster				166,784
U.S. Department of Labor:				
Employment Training Administration (Direct Funding):				
Trade Adjustment Assistance Community College and Career Training	17.282	TC-23847-12-60-A-34	2,500,000	47,809
Passed Through State of New Jersey Department of Education:				
CTE Partnership Grant	84.xxx	10-AG81-H06	175,000	140,190
CTE Partnership Grant	84.xxx	10-AG81-H06	175,000	38,176
Total CTE Partnership Grant				178,366
Carl D. Perkins Vocational and Applied Technology Act	84.048	PSFS712011	907,333	907,333
Passed Through State Department of Labor and Workforce Development:				
Adult Education and Family Literacy:				
Adult Basic Skills (Includes $276,601 Matching Share)	84.002	ABS-FY11004	609,869	875,707
English Literacy and Civics	84.002	ABS-FY11004	172,380	169,953
				1,045,660
Passed Through Camden County Vocational Technical School:				
21st Century-CCVT	84.287	subcontract	109,500	41,824
Passed Through Gloucester City School District				
21st Century - Gloucester City	84.287	subcontract	59,000	51,366
21st Century - Gloucester City	84.287	subcontract	52,000	8,487
				101,677
Passed Through Bergen Community College				
Garden State Pathways	84.407	P407A100024	222,652	59,343
Garden State Pathways	84.407	P407A100024	187,709	125,458
				184,801
U.S. Department of Environmental Protection Agency:				
Passed Through New Jersey Department of Environmental Protection				
EPA's Brownfield Initiative	66.815	EG12-005	266,511	153,825
U.S. Department of Health and Human Services:				
Passed Through Tidewater Community College				
Tidewater Consortia Year 2	93.721	90CC0080/02	306,609	22,080
National Science Foundation (Direct Funding):				
NSF-OP-TEC	47.076	DUE-0603275	90,000	56,164
NSF-OP-TEC	47.076	DUE-0603275	90,000	8,288
NSF-ALICE	47.076	DUE-0903271	31,666	19,172
NSF-Deaf STEM ALICE	47.076	31204-01	8,938	2,254
NSF-Deaf STEM ALICE	47.076	31204-01	17,427	7,199
Total National Science Foundation				93,077
Total Federal Awards				$ 38,849,019

The accompanying notes to the financial statements and notes to the schedules of expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

CAMDEN COUNTY COLLEGE
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2013

State Grantor/Program Title	State GMIS Number	Program or Award Amount	Matching Contribution	Program Funds Received	Grant Period From	Grant Period To	FY 2013 Expenditures	Cumulative Expenditures
Student Financial Aid Cluster:								
N.J. Commission on Higher Education:								
Educational Opportunities Fund - Article III	13-100-074-2401-001	$ 193,207		$ 192,682	07/01/12	06/30/13	$ 192,682	$ 192,682
Educational Opportunities Fund - Article III Summer	13-100-074-2401-001	53,036		52,183	07/01/12	06/30/13	52,183	52,183
N.J. Higher Education Student Assistance Authority:								
New Jersey Stars Program	13-100-074-2405-313	493,008		493,008	07/01/12	06/30/13	493,008	493,008
Tuition Aid Grants	13-100-074-2405-007	3,422,802		3,421,592	07/01/12	06/30/13	3,421,592	3,421,592
Garden State Scholars Program	13-100-074-2405-278	5,000		5,000	07/01/12	06/30/13	5,000	5,000
College Access Challenge Grant	Unavailable	3,750		1,279	07/01/12	06/30/13	1,279	1,279
NJ Gear Up Scholarship	13-100-074-2400-026	41,296		41,293	07/01/12	06/30/13	41,296	41,296
NJ Class Loans	none	50,390		50,390	07/01/12	06/30/13	50,390	50,390
Total Student Financial Aid Cluster							4,257,430	4,257,430
N.J. Commission on Higher Education:								
Educational Opportunities Fund - Article IV	13-100-074-2401-002	217,343	$ 231,711	449,054	07/01/12	06/30/13	449,054	449,054
N.J. Department of Education:								
CTE Partnership	10-AG81-H06	140,000		69,640	09/01/11	08/31/12	69,640	69,640
CTE Partnership	10-AG81-H06	140,000		59,684	09/01/12	08/31/13	59,684	59,684
							129,324	129,324
N.J. State Council on the Arts								
Local Arts Programming	12-100-074-2530-032-6130	57,992	33,973	67,946	01/01/12	12/31/12	67,946	67,946
Local Arts Programming	13-100-074-2530-032-6130	57,992	32,804	65,607	01/01/13	12/31/13	65,607	65,607
Musical Interludes	13-100-074-2530-032-6130	4,000	12,000	15,979	07/01/12	06/30/13	15,979	15,979
							149,532	149,532
N.J. Department of Treasury - Higher Education Administration:								
Operational Costs - County Colleges	13-100-082-2155-015	10,041,902		10,041,902	07/01/12	06/30/13	10,041,902	10,041,902
P.L.1971, Chapter 12 Debt Service	13-100-082-2155-016	6,416,277		6,416,277	07/01/12	06/30/13	6,416,277	6,416,277
Employer Contributions - Alternate Benefit Program - FT Faculty	13-100-082-2155-017	988,031		803,719	07/01/12	06/30/13	988,031	988,031
Employer Contributions - Alternate Benefit Program - Adjunct	13-100-082-2155-017	246,405		-	07/01/12	06/30/13	246,405	246,405
Employer Contributions - Alternate Benefit Program - FT Faculty	12-100-082-2155-017	948,344		179,241	07/01/11	06/30/12	-	948,344
Employer Contributions - Alternate Benefit Program - Adjunct	12-100-082-2155-017	233,104		233,104	07/01/12	06/30/12	-	233,104
							17,692,615	18,874,063
N.J. Department of Law and Public Safety:								
LEOTEFF	100-066-1020-314-YCJF-6120			21,412	07/01/12	06/30/13	21,412	21,412
N.J. Council for the Humanities:								
Hidden Histories of Ancient Egypt	2012-40	2,500	11,400	13,892	01/05/13	04/25/13	13,892	13,892
American Civil War	2012-18	5,000	20,548	25,548	09/19/12	11/07/12	25,548	25,548
							39,440	39,440
N.J. Department of Labor and Workforce Development								
County Apprenticeship Coordinator Grant	CAC1304S	20,000			07/01/12	06/30/13	18,008	18,008
Industry Talent Development	ITDP-FY13-01-004	100,000			07/01/12	06/30/13	86,500	86,500
State Energy Sector Partnership	SESP-06-06	114,270			05/01/12	01/01/13	62,266	62,266
							166,774	166,774
Total State Financial Assistance							$ 22,905,581	$ 24,087,029

The accompanying notes to the financial statements and notes to the schedules of expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

CAMDEN COUNTY COLLEGE
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2013

Note 1: **GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of Camden County College. The College is defined in Note 1 to the College's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

Note 2: **BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the accrual basis of accounting. The accrual basis of accounting is described in Note 1 to the financial statements.

Note 3: **RELATIONSHIP TO FINANCIAL STATEMENTS**

Amounts reported in the accompanying schedules agree with amounts reported in the financial statements.

Note 4: **STUDENT LOAN PROGRAMS**

The College is responsible only for the performance of certain administrative duties with respect to Federal Direct Student Loans and New Jersey Class Loans; accordingly, these loans balances are not included in the College's basic financial statements. It is not practical to determine the balance of loans outstanding to students of the College under these programs as of June 30, 2013.

Note 5: **MAJOR PROGRAMS**

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

CAMDEN COUNTY COLLEGE
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued — Unmodified

Internal control over financial reporting:

Material weaknesses identified? ____ yes __X__ no

Were significant deficiencies identified that were not considered to be a material weakness? ____ yes __X__ none reported

Noncompliance material to financial statements noted? ____ yes __X__ no

Federal Awards

Internal control over compliance:

Material weaknesses identified? ____ yes __X__ no

Were significant deficiencies identified that were not considered to be material weaknesses? ____ yes __X__ none reported

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

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a))? ____ yes __X__ no

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
	Student Financial Aid Cluster:
84.007	Federal Suppl. Educational Opportunity Grant (FSEOG)
84.268	Federal Direct Student Loans (Direct Loan)
84.063	Federal Pell Grant Program (PELL)
84.033	Federal Work Study Program (FWS)

Dollar threshold used to determine Type A programs — $1,165,471

Auditee qualified as low-risk auditee? __X__ yes ____ no

(Continued)

CAMDEN COUNTY COLLEGE

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2013

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

Internal control over compliance:

Material weaknesses identified?	____ yes __X__ no
Were significant deficiencies identified that were considered to be material weaknesses?	____ yes __X__ none reported
Type of auditor's report on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a)) or New Jersey Circular 04-04-OMB?	____ yes __X__ no

Identification of major programs:

GMIS Numbers	Name of State Program
	Student Financial Aid:
100-074-2401-001	Educational Opportunity Fund (EOF) - Article III
100-074-2401-001	Educational Opportunity Fund (EOF) - Article III Summer
100-074-2405-313	New Jersey Stars Program
100-074-2405-007	Tuition Aid Grant (TAG)
100-074-2405-278	Garden State Scholars Program
Unknown	College Access Challenge Grant
100-074-2400-026	New Jersey Gear Up
Unknown	New Jersey Class Loans
100-082-2155-015	Operational Costs - County Colleges
100-082-2155-016	P.L. 1970, Chapter 12 Debt Service
100-082-2155-017	Employer Contributions - Alternate Benefit Program

Dollar threshold used to determine Type A programs	$687,167
Auditee qualified as low-risk auditee?	__X__ yes ____ no

CAMDEN COUNTY COLLEGE
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Department of Treasury, State of New Jersey.

No Current Year Findings

CAMDEN COUNTY COLLEGE
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by OMB Circular A-133.

No Current Year Findings

CAMDEN COUNTY COLLEGE
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

No Current Year Findings

CAMDEN COUNTY COLLEGE
Summary Schedule of Prior Year Audit Findings
And Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with Government Auditing Standards, OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

FINANCIAL STATEMENT FINDINGS

No Prior Year Findings

FEDERAL AWARDS

No Prior Year Findings

STATE FINANCIAL ASSISTANCE PROGRAMS

No Prior Year Findings

21400

APPRECIATION

We received the complete cooperation of all of the officials of Camden County College and we greatly appreciate the courtesies extended to us.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants