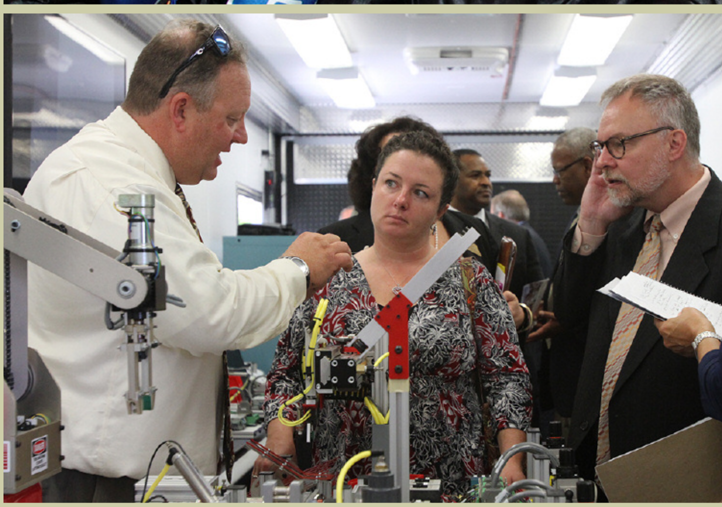

CAMDEN COUNTY COLLEGE

Report of Audit

For the Fiscal Years Ended June 30, 2014 and 2013

CAMDEN COUNTY COLLEGE
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INTRODUCTORY SECTION

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

CAMDEN COUNTY COLLEGE
Members of the Board of Trustees and Executive Administration
As of June 30, 2014

FINANCIAL SECTION

FOR THE FISCAL YEARS ENDED JUNE 30, 2014 and 2013

BOWMAN & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

75 YEARS OF SERVICE
1939-2014

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, 2014 and 2013, 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.

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, 2014 and 2013, 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.

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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 Schedules 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 Schedules 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 November 14, 2014, 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
November 14, 2014

BOWMAN & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

75 YEARS OF SERVICE
1939-2014

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, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated November 14, 2014. The financial statements of the discretely presented component unit (Camden County College Foundation) for the fiscal years ended June 30, 2014 and 2013 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.

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21400

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
November 14, 2014

REQUIRED SUPPLEMENTARY INFORMATION

CAMDEN COUNTY COLLEGE

Management's Discussion and Analysis
For The Fiscal Years Ended June 30, 2014 and 2013
(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, 2014 with fiscal year 2013 and 2012 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 29% of the College's revenue comes from tuition and fees. Total credit enrollments for FY14 in comparison to FY13 and FY12 are as follows:

	2014	2013	2012	Change 2014-2013	Change 2013-2012
Credit Hours	283,277	297,182	307,438	(13,905)	(10,256)

- To keep education affordable and accessible, particularly in a difficult economy, Camden County College implemented no tuition increases in summer 2013 and fall 2013 and only a 2.2% increase in tuition and fees for the spring 2014 semester.

- Camden County College continues to face significant reductions in both State and County Funding. State aid decreased 25% from $13,272,367 in FY07 to $9,928,514 in FY14 and County aid decreased 21% from $11,751,698 in FY07 to $9,225,814 in FY14.

- During FY14, the College through the funding of the Higher Education Technology Infrastructure Fund (HETI) upgraded the network and installed equipment in classrooms.

- The College started to purchase instructional and lab equipment through the Equipment Leasing Fund (ELF).

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, 2014, 2013, and 2012

	2014	2013	2012	14 to 13 Percent Change	13 to 12 Percent Change
Assets					
Current Assets	$ 26,809,879	$ 31,255,607	$ 37,241,204	-14.22%	-16.07%
Non-Current Assets:					
Capital Assets, net of Depreciation	153,715,722	152,087,869	144,787,606	1.07%	5.04%
Total Assets	180,525,601	183,343,476	182,028,810	-1.54%	0.72%
Liabilities					
Current Liabilities	15,592,488	16,603,232	19,331,360	-6.09%	-14.11%
Non-Current Liabilities	26,023,014	26,941,446	22,369,968	-3.41%	20.44%
Total Liabilities	41,615,502	43,544,678	41,701,328	-4.43%	4.42%
Net Position					
Net Investment in Capital Assets	128,458,442	126,279,350	124,477,116	1.73%	1.45%
Restricted	850,357	874,915	898,466	-2.81%	-2.62%
Unrestricted	9,601,300	12,644,533	14,951,900	-24.07%	-15.43%
Total Net Position	$ 138,910,099	$ 139,798,798	$ 140,327,482	-0.64%	-0.38%

The decrease in current assets from FY13 to FY14 was due to a decrease in A/R including student receivables and construction A/R. The decrease was also attributed to the restriction of the purchasing system except for emergency purchases for the period April 25, 2014 through June 30, 2014 which caused a decrease in prepaid expenses. The increase in non-current assets was mainly due to the construction of Taft.

The decrease in current liabilities from FY13 to FY14 was due to a decrease in deferred revenue for tuition and also a decrease in the accounts payable for retainage for construction projects. The decrease in non-current liabilities from FY13 to FY14 was due to a decrease of vacation and sick time accrual from the layoffs. Payment towards the principal of the debt service causing the capital lease payables to decrease also contributed to the decrease in non-current liabilities.

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 decrease in operating revenue due to many factors. Lower enrollments contributed to decreased student tuition and fees and county chargebacks as well as lower commissions from the bookstore. The College had an increase in other revenue which includes shared services and rentals.

The total non-operating revenue decreased in FY14 due to a reduction in State Aid and the fact that the College received an insurance claim in FY13.

The expenses for FY14 decreased due to two major factors: 1) Purchases were restricted as of April 25, 2014 except for emergencies; and 2) in FY13 the College purchased non-capital items for the Science Building.

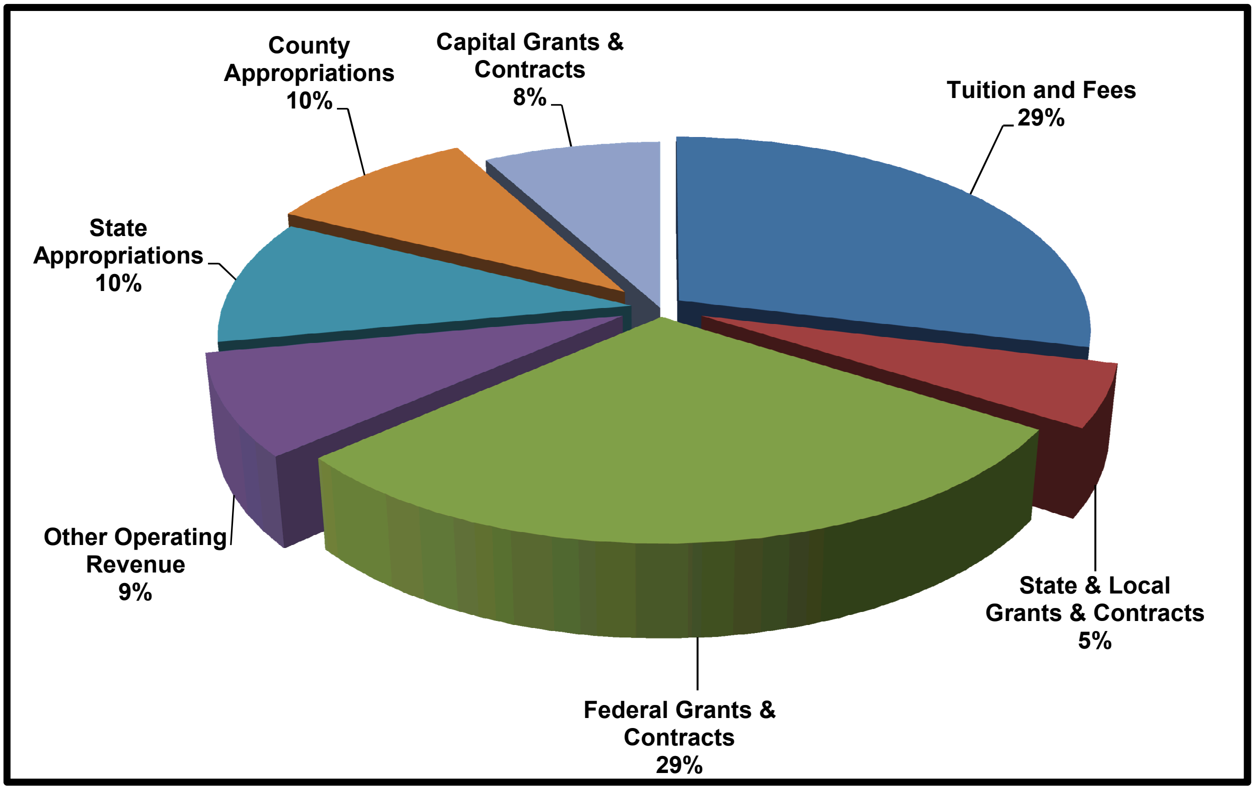
The miscellaneous expenses decreased in FY14 due to the fact that the College did not make an additional payment to the County for debt service as in FY13.

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

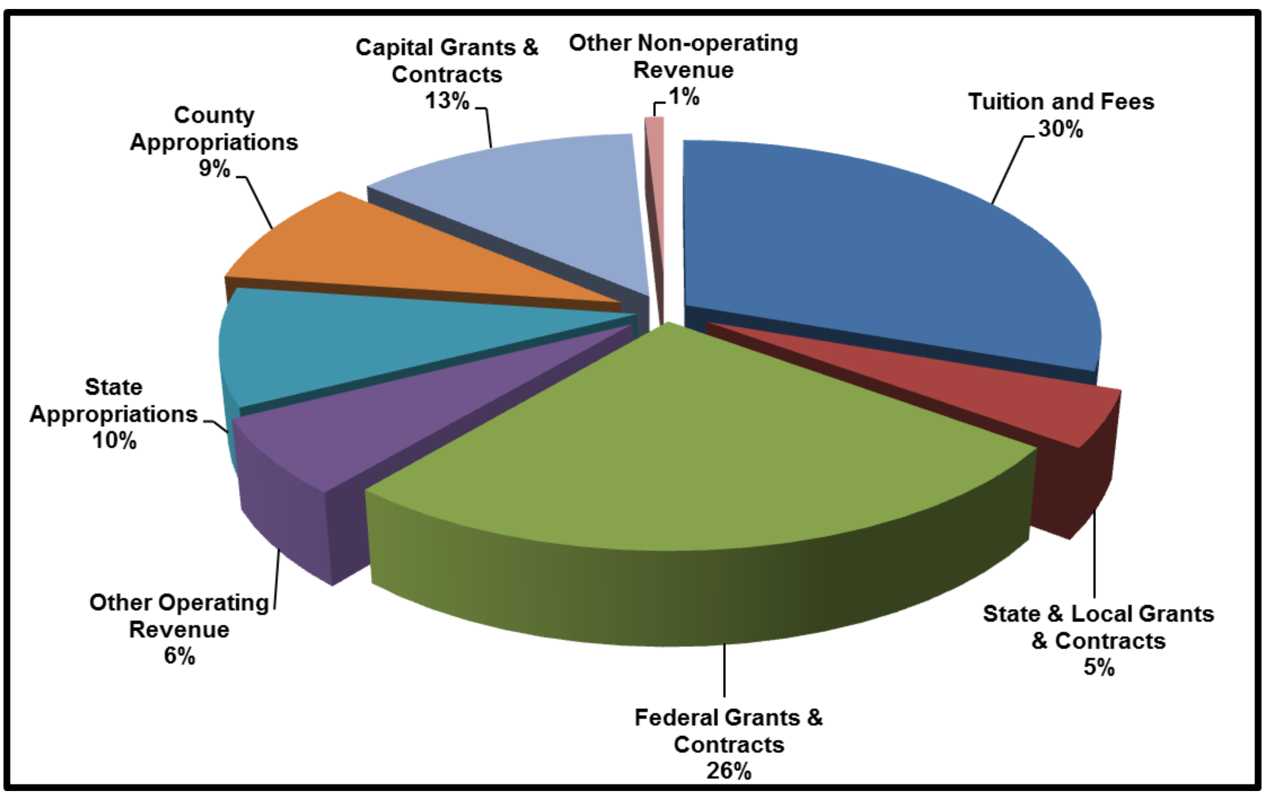
	2014	2013	2012	14 to 13 Percent Change	13 to 12 Percent Change
Operating Revenues					
Student Tuition and Fees, net	$ 27,627,230	$ 31,362,303	$ 31,817,426	-11.91%	-1.43%
State and Local Grants and Contracts	4,960,713	4,820,142	4,787,490	2.92%	0.68%
Federal Grants and Contracts	28,206,864	26,965,540	27,124,689	4.60%	-0.59%
Nongovernmental Grants and Contracts	104,351	178,006	156,577	-41.38%	13.69%
Chargeback Revenue	26,840	31,400	55,303	-14.52%	-43.22%
Auxiliary Enterprises	656,594	715,112	874,593	-8.18%	-18.23%
Other Operating Revenues	7,338,444	5,623,674	5,720,699	30.49%	-1.70%
Total Operating Revenue	68,921,036	69,696,177	70,536,777	-1.11%	-1.19%
Operating Expenses					
Instruction	30,412,129	28,988,481	28,478,564	4.91%	1.79%
Public Services	1,121,785	1,671,035	1,353,462	-32.87%	23.46%
Academic Support	8,367,487	8,488,005	8,474,324	-1.42%	0.16%
Student Services	8,143,037	8,085,795	8,078,377	0.71%	0.09%
Institutional Support	9,788,320	12,129,419	11,781,733	-19.30%	2.95%
Student Aid	13,737,127	15,260,530	14,618,964	-9.98%	4.39%
Operation and Maintenance of Plant	20,002,142	23,253,556	11,095,222	-13.98%	109.58%
Depreciation	4,068,278	3,597,140	3,954,882	13.10%	-9.05%
Other Expenses		1,392,503		100.00%	
Total Operating Expenses	95,640,305	102,866,464	87,835,528	-7%	17%
Operating Loss	(26,719,269)	(33,170,287)	(17,298,751)	-19%	92%
Non-Operating Revenues (Expenses)					
State Appropriations	9,928,514	10,041,902	10,151,513	-1.13%	-1.08%
County Appropriations	9,225,814	9,225,814	9,725,814	0.00%	-5.14%
State and Local Grants and Contracts		5,226	148,800	-100.00%	-96.49%
Investment Income Earned	2,671	2,941	1,620	-9.18%	81.54%
Insurance Claims-Revenue	14,727	892,500		-98.35%	100.00%
Interest Expense	(974,245)	(893,710)	(869,359)	9.01%	100.00%
On-Behalf Payments:					
State of N.J. Alternative Benefits Program:					
Revenues	1,196,009	1,234,436	1,181,448	-3.11%	4.49%
Expenses	(1,196,009)	(1,234,436)	(1,181,448)	-3.11%	4.49%
Total Non-Operating Revenues	18,197,481	19,274,673	19,158,388	-5.59%	0.61%
Income (Loss) before Other Revenues	(8,521,788)	(13,895,614)	1,859,637	-38.67%	-847.22%
Capital Grants and Contributions	7,633,090	13,366,931	52,006,843	-42.90%	-74.30%
Increase (Decrease) in Net Position	(888,698)	(528,683)	53,866,480	68.10%	-100.98%
Net Position					
Net Position - Beginning of Year	139,798,798	140,327,482	86,461,002	-0.38%	62.30%
Net Position - End of Year	$ 138,910,099	$ 139,798,798	$ 140,327,482	-0.64%	-0.38%

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

The following are graphic illustrations of the FY 14 operating and non-operating revenues by source:

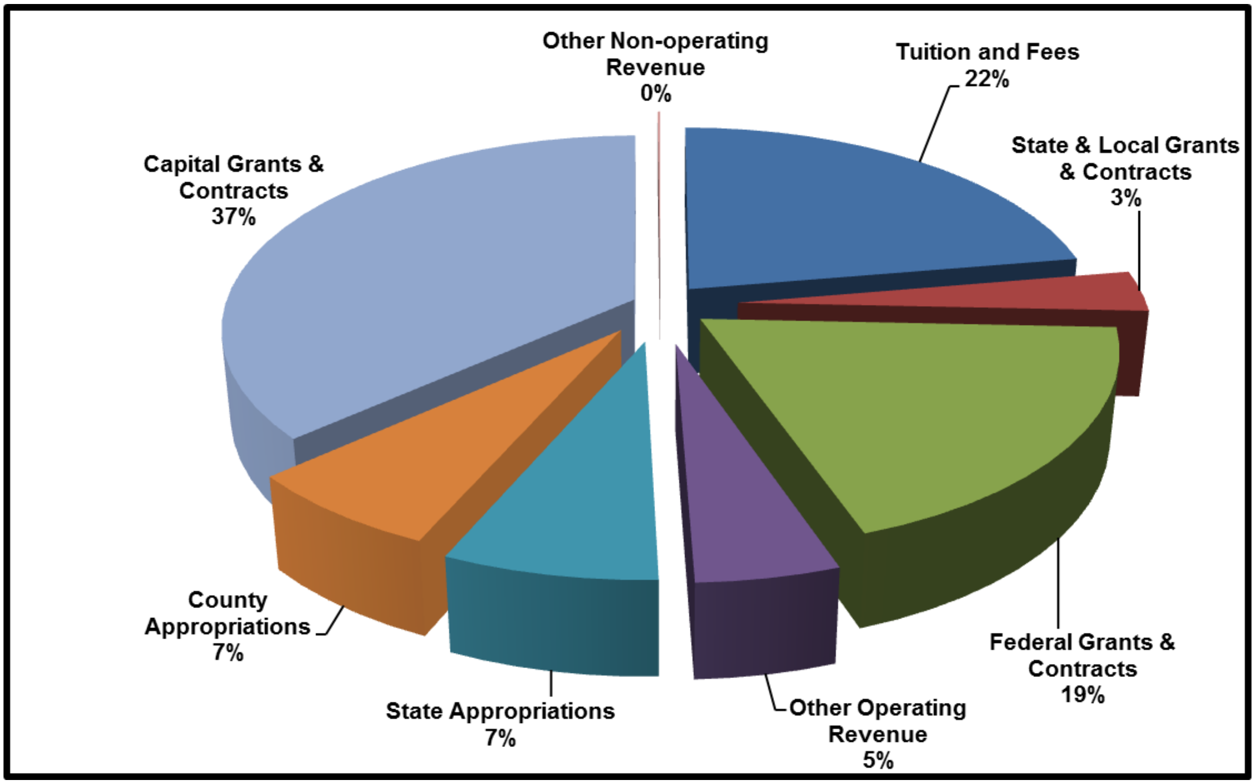


The following are graphic illustrations of the FY 13 operating and non-operating revenues by source:



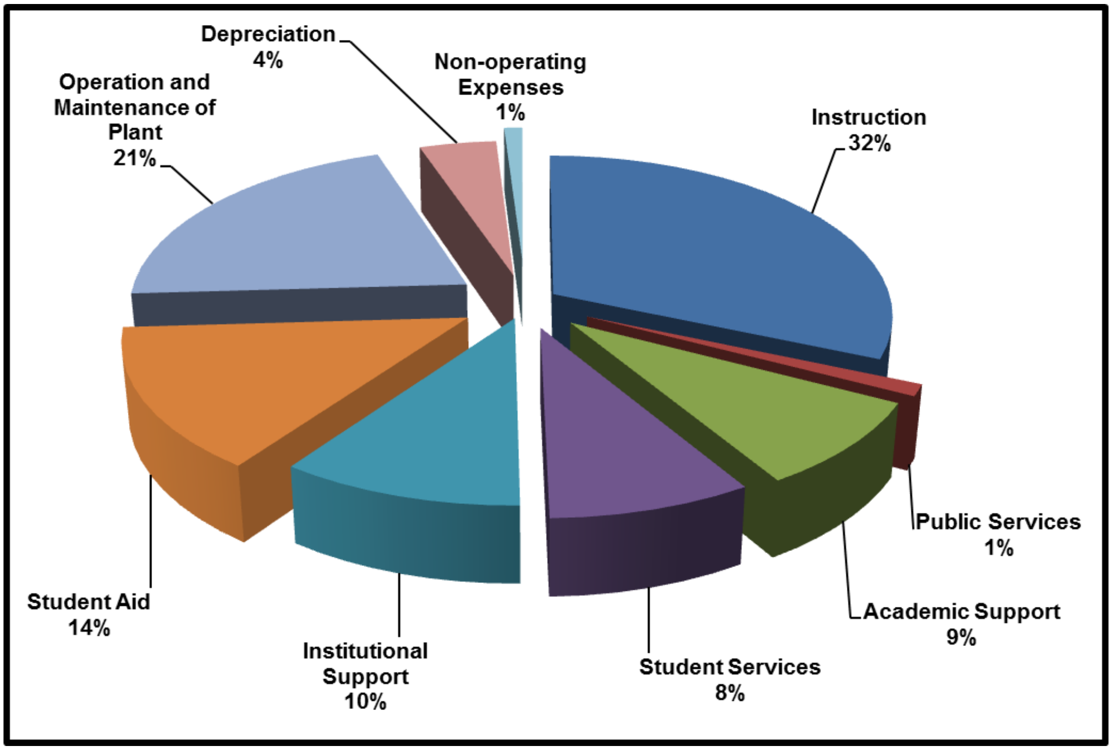
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (CONT'D)

The following are graphic illustrations of the FY 12 operating and non-operating revenues by source:

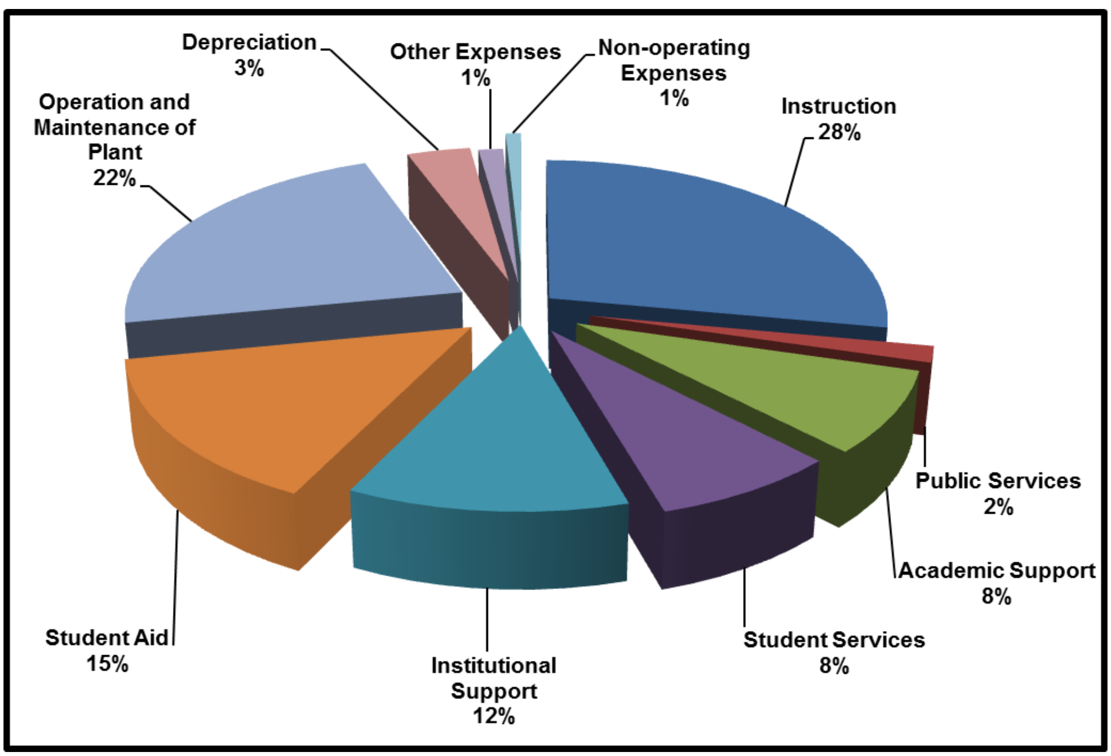


STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (CONT'D)

The following are graphic illustrations of FY 14 expenses by function:

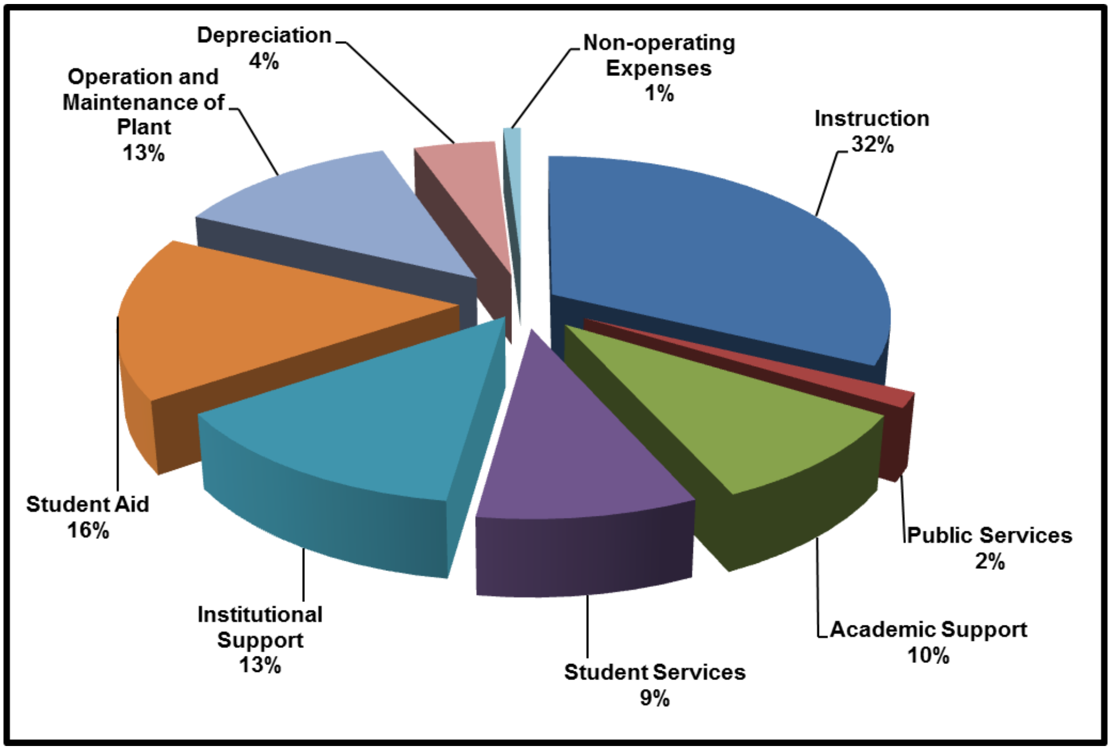


The following are graphic illustrations of FY 13 expenses by function:



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

The following are graphic illustrations of FY 12 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, 2014, 2013, and 2012:

	2014	2013	2012	14 to 13 Percent Change	13 to 12 Percent Change
Cash Provided by (Used in):					
Operating Activities	$ (21,519,221)	$ (32,954,919)	$ (10,719,774)	-34.70%	207.42%
Non-Capital Financing Activities	19,154,328	19,276,106	20,030,843	-0.63%	-3.77%
Capital and Related Financing Activities	4,894,641	18,606,150	(18,238,823)	-73.69%	-202.01%
Investing Activities	2,671	2,941	1,620	-9.18%	81.54%
Net Change in Cash	2,532,419	4,930,278	(8,926,134)	-49%	-155%
Cash, Beginning of Year	13,570,744	8,640,464	17,566,598	57%	-51%
Cash, End of Year	$ 16,103,165	$ 13,570,744	$ 8,640,466	18.66%	57.06%

The increase in cash at the end of June 30, 2014 is mainly due to the fact that financial aid and capital project were billed and received earlier than in past years and also the decrease in operating expenses.

LONG-TERM DEBT

The College has the following debt outstanding at FY 14:

Capital Leases Payable of $18,567,304 for various Campus Capital Construction Improvements.

Mortgage Payable of $6,401,445 for the Construction of a Parking Garage in the City of Camden.

Equipment Leasing Fund Payable of $288,530 due back to the State of New Jersey for the Equipment Leasing Fund grant received in FY14.

CAPITAL ASSETS

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014
Non-Depreciable Capital Assets:				
Land	$ 9,385,327			$ 9,385,327
Construction in Progress	15,238,356	$ 5,817,274	$ (11,948,407)	9,107,223
Bond Issuance Costs	105,347		(21,070)	84,277
Total Non-Depreciable Capital Assets	24,729,030	5,817,274	(11,969,477)	18,576,827
Depreciable Capital Assets:				
Land Improvements	4,738,366			4,738,366
Buildings	149,021,995	703,287	(2,498,522)	147,226,760
Infrastructure	3,228,573	11,248,120		14,476,693
Equipment	6,073,735	745,650	(44,133)	6,775,252
Vehicles	1,239,065	247,977		1,487,042
Assets Under Capital Lease	1,773,461			1,773,461
Capitalized Software	3,293,427			3,293,427
Library Books	2,982,047	8,717		2,990,764
Total Depreciable Capital Assets	172,350,669	12,953,751	(2,542,655)	182,761,765
Less Accumulated Depreciation For:				
Land Improvements	659,909	90,503		750,412
Buildings	30,475,778	2,995,670	(1,417,679)	32,053,769
Infrastructure	1,540,401	420,510		1,960,911
Equipment	4,003,273	412,432	(19,559)	4,396,146
Vehicles	462,464	132,047		594,511
Assets Under Capital Lease	1,773,461			1,773,461
Capitalized Software	3,139,147	8,481		3,147,628
Library Books	2,937,397	8,635		2,946,032
Total Accumulated Deprecation	44,991,830	4,068,278	(1,437,238)	47,622,870
Depreciable Capital Assets	127,358,839	8,885,473	(1,105,417)	135,138,895
Total Capital Assets, Net	$ 152,087,869	$ 14,702,747	$ (13,074,894)	$ 153,715,722

The College incurred the following expenditures for the FY 14 which was charged to Construction in Progress.

- Taft $3,261,526
- Administrative Building $1,152,623
- Elevator Repairs $324,853
- HVAC $167,800
- Culvert $142,687
- CIM Entrance Way $30,104

ECONOMIC AND OTHER FACTORS THAT WILL AFFECT THE FUTURE

- The renovation of the Taft Building on the Blackwood Campus which will incorporate student services into a central location as well as provide additional classrooms has an anticipated completion date of summer 2015.

- Through Chapter 12 funding the College is planning improvements of the HVAC and lighting in older buildings which will result in utilities savings.

- The 21st Century STEM Scholars grant was awarded to the College in the amount of $425,000. The grant will target Pennsauken and Winslow Township High Schools to improve access to STEM Careers to populations that are currently underrepresented in these areas. The project will offer academic enrichment opportunities in the STEM areas as well as extra-curricular and cultural activities for the students.

- In May 2015 the College will graduate the first class of nurses receiving a Bachelor of Science Degree in Nursing through the agreement with Rutgers University New Brunswick.

- College participates in the Joint Purchasing Consortium (JPC) that was established to combine the purchasing power of New Jersey community colleges to realize better prices for products and services. In addition, the JPC provides the venue for the sharing of best operating and purchasing practices among the colleges to identify and to implement cost effective initiatives. The College currently participates in a number of JPC purchasing agreements that are saving the College money, specifically Workers Compensation, Turnitin, Quality Matters and Accuplacer.

- The College continues to implement various cost-containment measures and improvements. Such initiatives include the following:

    - Shared services
    - Benefit sharing
    - Restructuring certain operational areas of the College
    - Outsource facility operations
    - Implementation of an e-billing solution
    - Implementation of an on-line time and attendance system

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, 2014 and 2013

	2014		2013	
	College	Component Unit CCC Foundation	College	Component Unit CCC Foundation
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 16,103,165	$ 176,699	$ 13,570,744	$ 159,496
Accounts Receivable, Net	10,411,502	80,000	16,889,507	80,000
Inventories	21,027		18,520	
Prepaid Expenses	274,185		776,836	
Total Current Assets	26,809,879	256,699	31,255,607	239,496
Noncurrent Assets:				
Investments		1,748,259		1,695,439
Accounts Receivable, Net		100,000		180,000
Capital Assets, Net	153,715,722		152,087,869	
Total Noncurrent Assets	153,715,722	1,848,259	152,087,869	1,875,439
Total Assets	180,525,601	2,104,958	183,343,476	2,114,935
LIABILITIES				
Current Liabilities:				
Account Payable	7,567,155	48,566	8,164,041	44,623
Accrued Salaries	970,789		909,168	
Current Portion:				
Accrued Compensated Absences	624,492		693,115	
Obligations Under Capital Lease	857,614		835,284	
Mortgage Payable	505,148		486,848	
Higher Education Equipment Leasing Fund Payable	63,464			
Other Unearned Revenue	150,024		203,367	
Unearned Tuition and Fees Revenue	4,853,802		5,311,409	
Total Current Liabilities	15,592,488	48,566	16,603,232	44,623
Noncurrent Liabilities:				
Accrued Compensated Absences	2,191,960		2,455,059	
Obligations Under Capital Lease	17,709,690		18,567,304	
Mortgage Payable	5,896,298		5,919,083	
Higher Education Equipment Leasing Fund Payable	225,066			
Total Noncurrent Liabilities	26,023,014	-	26,941,446	-
Total Liabilities	41,615,502	48,566	43,544,678	44,623
NET POSITION				
Net Investment in Capital Assets	128,458,442		126,279,350	
Restricted for:				
Nonexpendable:				
Scholarships		624,700		583,887
Expendable:				
Scholarships		801,361		782,405
Other	850,357	217,560	874,915	281,780
Unrestricted	9,601,300	412,771	12,644,533	422,240
Total Net Position	$ 138,910,099	$ 2,056,392	$ 139,798,798	$ 2,070,312

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, 2014 and 2013

	2014		2013	
	College	**Component Unit CCC Foundation**	**College**	**Component Unit CCC Foundation**
REVENUES				
Operating Revenues:				
Student Tuition and Fees (Net of Scholarship Allowance of $14,953,483 in 2014 and $13,597,736 in 2013)	$ 27,627,230		$ 31,362,303	
State and Local Grants and Contracts	4,960,713		4,820,142	
Federal Grants and Contracts	28,206,864		26,965,540	
Nongovernmental Grants and Contracts	104,351		178,006	
Chargeback Revenue	26,840		31,400	
Auxiliary Enterprises	656,594		715,112	
Gifts and Contributions		$ 500,191		$ 733,441
Other Operating Revenues	7,338,444		5,623,674	
Total Operating Revenues	68,921,036	500,191	69,696,177	733,441
EXPENSES				
Operating Expenses:				
Instruction	30,412,129		28,988,481	
Public Services	1,121,785		1,671,035	
Academic Support	8,367,487		8,488,005	
Student Services	8,143,037		8,085,795	
Institutional Support	9,788,320		12,129,419	
Student Aid	13,737,127	137,861	15,260,530	76,221
Operation and Maintenance of Plant	20,002,142		23,253,556	
Depreciation	4,068,278		3,597,140	
Other Expenses		610,024	1,392,503	514,867
Total Operating Expenses	95,640,305	747,885	102,866,464	591,088
Operating Income (Loss)	(26,719,269)	(247,694)	(33,170,287)	142,353
NON-OPERATING REVENUES (EXPENSES)				
State Appropriations:				
State Aid	9,928,514		10,041,902	
County Appropriations:				
County Aid	9,225,814		9,225,814	
State and Local Grants and Contracts			5,226	
Investment Income Earned	2,671	233,774	2,941	136,690
Insurance Claims-Revenue	14,727		892,500	
Interest Expense	(974,245)		(893,710)	
On-Behalf Payments:				
State of New Jersey Alternate Benefits Program:				
Revenues	1,196,009		1,234,436	
Expenses	(1,196,009)		(1,234,436)	
Total Non-Operating Revenues	18,197,481	233,774	19,274,673	136,690
Income (Loss) before Other Revenues	(8,521,788)	(13,920)	(13,895,614)	279,043
CAPITAL GRANTS AND CONTRIBUTIONS	7,633,090		13,366,931	
Increase (Decrease) in Net Position	(888,698)	(13,920)	(528,683)	279,043
NET POSITION				
Net Position - Beginning of Year	139,798,798	2,070,312	140,327,482	1,791,269
Net Position - End of Year	$ 138,910,099	$ 2,056,392	$ 139,798,798	$ 2,070,312

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, 2014 and 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Tuition and Fees	$ 28,595,970	$ 28,678,073
Receipts from Grants and Contracts	33,218,585	32,042,321
Other Receipts	7,209,149	6,899,039
Payments to Employees and Fringe Benefits	(62,541,180)	(62,061,390)
Payments to Vendors and Suppliers	(14,613,929)	(24,673,766)
Payments for Scholarships and Student Aid	(13,387,816)	(13,839,196)
Net Cash Used in Operating Activities	(21,519,221)	(32,954,919)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
County Appropriations	9,225,814	9,225,814
State Appropriations	9,928,514	10,041,902
Noncapital Grants Received		8,390
Net Cash Provided by Noncapital Financing Activities	19,154,328	19,276,106
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Grants and Contributions	13,100,687	24,365,411
Purchases of Capital Assets	(6,406,759)	(5,155,615)
Principal Paid on Capital Debt and Leases	(839,769)	(673,486)
Interest Paid on Capital Debt and Leases	(974,245)	(893,710)
Proceeds from Sale of Capital Assets		71,050
Proceeds from Insurance Claims	14,727	892,500
Net Cash Provided by Capital and Related Financing Activities	4,894,641	18,606,150
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	2,671	2,941
Net Cash Provided by Investing Activities	2,671	2,941
Net Increase in Cash and Cash Equivalents	2,532,419	4,930,278
Cash and Cash Equivalents - Beginning of the Year	13,570,744	8,640,464
Cash and Cash Equivalents - End of the Year	$ 16,103,165	$ 13,570,744
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Used in Operating Activities:		
Operating Loss	$ (26,719,269)	$ (33,170,287)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Changes in Assets and Liabilities:		
Depreciation	4,068,278	3,597,140
Miscellaneous Nonoperating Income		358,674
Change in Assets and Liabilities:		
Receivables, net	753,901	(67,729)
Inventories	(2,507)	1,140
Prepaid Expenses	502,651	(19,178)
Accounts Payable and Accrued Liabilities	720,397	(2,066,106)
Accrued Compensated Absences	(331,722)	(379,187)
Unearned Revenues	(510,950)	(1,209,386)
Net Cash Used in Operating Activities	$ (21,519,221)	$ (32,954,919)

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, 2014 and 2013

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 – In evaluating how to define the College for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity,* as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the College's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of board members, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of service. Application of this criterion involves considering whether the activity benefits the College and / or its students. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the College is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

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

Component Units (Cont'd) - Based upon the application of these criteria, the College has determined that Camden County College Foundation meets the requirement for discrete presentation 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.

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.

During the fiscal years ending June 30, 2014 and June 30, 2013, the Foundation distributed $362,029 and $244,221 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, 2014 and 2013 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.

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

Cash and Cash Equivalents - 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.

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 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.

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.

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 30^{th} 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 30th.

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

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.

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.

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, 2014 and 2013 were $802,825 and $709,434 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.

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.

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, 2014 and 2013 were $14,953,483 and $13,597,736 respectively.

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

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.

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.

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 2013 amounts have been reclassified to conform to 2014 presentation.

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.

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

Net Position (Cont'd)

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.

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

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. The adoption of GASB 66, however, does not have a material impact on the College's financial statements.

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. The adoption of GASB 70, however, does not have any impact on the College's financial statements.

Note 1: **<u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)</u>**

<u>Impact of Recently Issued Accounting Principles (Cont'd)</u>

Recently Issued Accounting Pronouncements

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 does 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.

In November 2013, the GASB issued Statement 71, *Pension Transition for Contributions made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. GASB 71 is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. This Statement is effective for fiscal years 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 when considered in conjunction with the adoption of Statement No. 68.

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 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, 2014 and 2013 the College's bank balances were exposed to custodial credit risk as follows:

	2014	2013
Insured	$ 250,000	$ 250,000
Collateralized under GUDPA	10,573,793	10,770,165
	$ 10,823,793	$ 11,020,165

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, 2014 and 2013, the College had $4,713,520 and $4,710,848 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, 2014 is presented as follows:

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014
Non-Depreciable Capital Assets:				
Land	$ 9,385,327			$ 9,385,327
Construction in Progress	15,238,356	$ 5,817,274	$ (11,948,407)	9,107,223
Other Non-Depreciable Assets	105,347		(21,070)	84,277
Total Non-Depreciable Capital Assets	24,729,030	5,817,274	(11,969,477)	18,576,827
Depreciable Capital Assets:				
Land Improvements	4,738,366			4,738,366
Buildings	149,021,995	703,287	(2,498,522)	147,226,760
Infrastructure	3,228,573	11,248,120		14,476,693
Equipment	6,073,735	745,650	(44,133)	6,775,252
Vehicles	1,239,065	247,977		1,487,042
Assets Under Capital Lease	1,773,461			1,773,461
Capitalized Software	3,293,427			3,293,427
Library Books	2,982,047	8,717		2,990,764
Total Depreciable Capital Assets	172,350,669	12,953,751	(2,542,655)	182,761,765
Less Accumulated Depreciation For:				
Land Improvements	659,909	90,503		750,412
Buildings	30,475,778	2,995,670	(1,417,679)	32,053,769
Infrastructure	1,540,401	420,510		1,960,911
Equipment	4,003,273	412,432	(19,559)	4,396,146
Vehicles	462,464	132,047		594,511
Assets Under Capital Lease	1,773,461			1,773,461
Capitalized Software	3,139,147	8,481		3,147,628
Library Books	2,937,397	8,635		2,946,032
Total Accumulated Depreciation	44,991,830	4,068,278	(1,437,238)	47,622,870
Depreciable Capital Assets	127,358,839	8,885,473	(1,105,417)	135,138,895
Total Capital Assets, Net	$ 152,087,869	$ 14,702,747	$ (13,074,894)	$ 153,715,722

Depreciation expense for the year ended June 30, 2014 was $4,068,278.
Projects were completed during the year resulting in $11,948,407 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, 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
Other Non-Depreciable Assets	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 4: LEASES

Lease Obligations - At June 30, 2014 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,		
2015	$	114,806
2016		14,501
2017		6,632

Rental payments under operating leases for the fiscal years ended June 30, 2014 and 2013 were $145,040 and $138,408 respectively.

Capital Leases Obligations – At June 30, 2014, 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, 2014.

Various Campus Capital Construction Improvements

Year Ending June 30,	Principal	Interest	Total
2015	$ 857,614	$ 883,536	$ 1,741,150
2016	883,029	855,871	1,738,901
2017	915,775	826,518	1,742,293
2018	948,436	791,789	1,740,225
2019	985,597	754,451	1,740,048
2020-2024	5,197,537	3,133,126	8,330,663
2025-2029	4,130,203	1,933,591	6,063,795
2030-2034	2,486,112	1,121,366	3,607,478
2035-2039	1,545,000	492,376	2,037,376
2040-2041	618,000	43,767	661,767
	$ 18,567,304	$ 10,836,392	$ 29,403,696

During the fiscal year ended June 30, 2014, the College paid $835,284 and $886,386 for principal and interest respectively. During the fiscal year ended June 30, 2013, the College paid $669,000 and $792,505 for principal and interest respectively.

Note 4: LEASES (CONT'D)

Higher Education Equipment Leasing Fund Payable

Year Ending June 30,	Principal	Interest	Total
2015	$ 63,464	$ 19,275	$ 82,739
2016	71,452	11,255	82,707
2017	75,032	7,681	82,713
2018	78,582	3,929	82,511
	$ 288,530	$ 42,140	$ 330,670

There were no payments of principal and interest made during the fiscal years ended June 30, 2014 and 2013.

Note 5: REIMBURSEMENT AGREEMENT/LEASE PURCHASE AGREEMENT (MORTGAGE PAYABLE)

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, 2014 and 2013, the County of Camden made basic lease payments in the amount of $563,949 and $545,607, 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, 2014 and 2013. 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 years ending June 30, 2014 and 2013 the College reimbursed the County of Camden $87,859 and $106,533, respectively, for interest payments and nothing for the principal payment.

Note 6: LONG-TERM LIABILITIES

The following is a summary of long-term liabilities at June 30, 2014:

Analysis of Long -Term Liabilities	Beginning Balance	Increase	Decrease	Ending Balance	Due Within One Year
Compensated Absences	$ 3,148,174		$ (331,723)	$ 2,816,451	$ 624,492
Capital Leases	19,402,588		(835,284)	18,567,304	857,614
Mortgage Payable	6,405,931		(4,486)	6,401,445	505,148
Higher Education Equip. Leasing Fund Payable		$ 288,530		288,530	63,464
	$ 28,956,693	$ 288,530	$ (1,171,493)	$ 28,073,730	$ 2,050,718

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 7: PENSION PLANS

A substantial number of the College's employees participate in one of the two following defined benefit 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

Note 7: <u>PENSION PLANS (CONT'D)</u>

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.

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
2014	$ 533,055	$ 1,239,423	$ 30,144	$ 1,802,622	$ -	$ 1,802,622
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

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

Note 7: PENSION PLANS (CONT'D)

New Jersey Alternate Benefit Program (Cont'd) - The College remits ABP payments to the State on a monthly basis. Total payments remitted for the last three fiscal years were the following:

Fiscal Year	Total Contribution	Funded by State	Funded by Employee	Paid by College
2014	$ 1,944,446	$ 1,196,009	$ 748,437	$ 234,398
2013	2,165,821	1,234,436	931,385	256,085
2012	2,075,274	1,181,448	893,826	481,803

Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) is a single-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	Funded by State	Funded by Employee	Paid by College
2014	$ -	$ 67,873	$ 37,020
2013	-	23,656	12,903
2012	-	10,745	5,861

Note 8: 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, 2014 and 2013 were $321,072 and $321,072, respectively.

The audit report for the fund can be obtained from:

New Jersey County College Insurance Pool
1200 Old Trenton Road
Trenton, New Jersey 08690

Note 9: 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, 2014 and 2013 the Compensated Absences Liability was $2,816,451 and $3,148,174 respectively.

Note 10: DEFERRED COMPENSATION SALARY ACCOUNT

The College offers its employees a choice of deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457(b). The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency.

The plan administrators are as follows:

403(b)
AIG-Valic;
AXA Financial (Equitable)
The Hartford
ING Life Insurance and Annuity Co.
TIAA-CREF
MetLife

457(b)
Metlife

Note 11: 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, 2014 and 2013, the amount reserved was $223,931 and $260,044, 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, 2014 and 2013, the College reserved fund balance in its Plant Fund for the Camden Technology Center in the amount of $446,679 and $399,129, respectively and a Facilities Reserve in the amount of $1,275,367 and $1,305,917, respectively.

Note 12: 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, 2014 and 2013 were $656,594 and $715,112 respectively.

Note 13: 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:

	2014	2013
Net Investment in Capital Assets:		
Gross	$ 153,715,722	$ 152,087,869
Related Debt	(25,257,280)	(25,808,519)
	$ 128,458,442	$ 126,279,350
Restricted for Expendable Net Position:		
Construction and Improvements	$ 767,596	$ 792,724
Federal & State Grants	82,761	82,191
	$ 850,357	$ 874,915
Unrestricted Net Position	$ 9,601,300	$ 12,644,533
Designation of Unrestricted Net Position:		
Student Government and Intercollegiate Athletics	$ 33,938	$ 57,495
Federal Financial Aid Program Review	1,721,057	1,721,057
Appropriated for Operations	2,000,000	2,000,000
Construction and Improvements	3,828,839	4,620,886
Undesignated	2,017,466	4,245,095
	$ 9,601,300	$ 12,644,533

Note 14: EDUCATIONAL AND GENERAL EXPENSES BY NATURAL CLASSIFICATION

The College's operating expenses by natural classification for the fiscal years ending June 30, 2014 and 2013 are presented as follows:

	2014	2013
Salaries and Benefits	$ 62,271,079	$ 61,892,038
Supplies and Materials	8,367,755	13,982,463
Services	3,556,691	4,862,823
Scholarships and Fellowships	13,528,099	14,997,498
Utilities	3,848,403	3,534,502
Depreciation	4,068,278	3,597,140
	$ 95,640,305	$ 102,866,464

Note 15: ACCOUNTS RECEIVABLE

Accounts receivable consists of the following at the end of fiscal years ending June 30, 2014 and 2013:

	2014	2013
Student Tuition and fees	$ 2,799,888	$ 4,042,480
Auxiliary Enterprises and Other Operating Activities	1,883,747	2,208,841
Federal, State County and Private Grants and Contracts	6,530,692	11,347,620
	11,214,328	17,598,941
Less: Allowance for Doubtful Accounts	802,825	709,434
	$ 10,411,502	$ 16,889,507

Note 16: ACCOUNTS PAYABLE

Accounts payable as of June 30, 2014 and 2013 consists of the following amounts:

	2014	2013
Due to Vendors	$ 6,771,330	$ 7,423,295
Health Benefits Payable	725,820	698,213
Payroll Deductions Payable	70,005	42,534
	$7,567,155	$8,164,041

Note 17: CONTINGENCIES

Grantor Agencies - 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, 2014 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. The College has appealed this decision and at the date of this report the final penalty cannot be reasonably estimated. The College has reserved a portion of their Unrestricted Net Position in anticipation of the final penalty.

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 18: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES

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.

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

The Foundation is governed by an independent, twenty-five member volunteer board of trustees, with additional honorary trustees, as approved.

Basis of Accounting

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

Financial Statement Presentation

The Foundation’s net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

> *Unrestricted* net assets – net assets that are not subject to donor-imposed stipulations. This includes funds that are designated for discretionary use by the Foundation and board designated funds functioning as endowments.
>
> *Temporarily* restricted net assets – net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time. This includes term endowments, the present value of contributions receivable, and earnings on investments.
>
> *Permanently* restricted net assets – net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. This includes the historical dollar amounts of gifts, the present value of contributions receivable, and earnings required to be added to the corpus as stipulated by the donor.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Note 18: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)

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

Financial Statement Presentation (Cont'd)
Income and realized and unrealized net gains or losses on investments are reported as follows:

> As increases or decreases in permanently restricted net assets if the terms of the gift require that they be added to the principal of a permanent endowment fund;
>
> As increases or decreases in temporarily restricted net assets if the terms of the gift impose restrictions on the use of the income or by law;
>
> As increases or decreases in unrestricted net assets in all other cases.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Foundation places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation covers $250,000 for substantially all depository accounts.

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

Mutual Funds are valued at the net asset value ("NAV") of shares held by the Foundation at year end.

Alternative investments are stated at fair value based on valuations provided by the general partner. Individual investment holdings within the alternative 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 alternative 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.

Income Taxes

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

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

The Foundation's federal information returns are generally subject to examination by the Internal Revenue Service for the years ended June 30, 2013, 2012, 2011.

Note 18: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)

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

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.

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, 2014.

Donated Services, Materials and Facilities

The Foundation receives donated services from a variety of personnel who are employed by the College. In addition, 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 Equipment

Donated equipment is recorded at the estimated fair market value at the date of the 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 generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The cost of providing the various programs and supporting services have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Subsequent Events

The Foundation has evaluated events and transactions through November 11, 2014, the date the financial statements of the Foundation were available to be issued, and determined there were no items requiring recognition or disclosure in the 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.

Note 18: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)

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 per institution. At June 30, 2014 and 2013 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, 2014 and 2013 the balance in these funds totaled $176,699 and $96,231, 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 one year of the promise; and 2) $50,000 per year over three 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.

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:

	2014	2013
Unrestricted		
Undesignated	$ 412,771	$ 422,240
Temporarily Restricted		
Scholarships	801,361	782,405
Other Program Expenses	217,561	281,779
Permanently Restricted		
Endowment	624,700	583,887
Total Net Assets	$ 2,056,392	$ 2,070,312

Note 18: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)

E. INVESTMENTS

Investments as of June 30, 2014, are summarized as follows:

	Cost	Fair Value	Unrealized Appreciation/ (Depreciation)
Marketable Securities:			
Corporate Stocks	$ 588,343	$ 798,304	$ 209,962
Corporate Bonds and Notes	211,188	218,351	7,163
Preferred Securities	364,132	375,837	11,706
Government Securities	85,963	82,876	(3,088)
	1,249,626	1,475,368	225,743
Nonmarketable Securities:			
Alternative Investments	250,000	272,890	22,890
Total	$ 1,499,626	$ 1,748,259	$ 248,633

Alternative 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 alternative 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 alternative investments is a reasonable estimate of the fair value of such investments at June 30, 2014. As is typical of investment portfolios of similar types of institutions, alternative 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. 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, 2014:

Interest and Dividends	$ 60,700
Gains:	
Realized Gains	34,832
Unrealized Gains	138,243
Total Gains	173,074
Total Investment Return	$ 233,774

Note 18: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)

E. INVESTMENTS (CONT'D)

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

	Cost	Fair Value	Unrealized Appreciation/ (Depreciation)
Marketable Securities:			
Corporate Stocks	$ 676,534	$ 776,240	$ 99,705
Corporate Bonds and Notes	125,739	133,812	8,073
Preferred Securities	411,595	418,271	6,677
Government Securities	121,181	118,293	(2,888)
	1,335,049	1,446,616	111,567
Nonmarketable Securities:			
Alternative Investments	250,000	248,823	(1,177)
Total	$ 1,585,049	$ 1,695,439	$ 110,390

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

Interest and Dividends	$ 59,402
Gains:	
Realized Gains	64,558
Unrealized Gains	12,730
Total Gains	77,288
Total Investment Return	$ 136,690

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:

Note 18: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)

F. FAIR VALUE MEASUREMENT (CONT'D)

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, 2014 and 2013 within the ASC 820 valuation hierarchy.

2014

		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	$ 86,354	$ 86,354		
Financial	152,165	152,165		
Industrial Goods	85,334	85,334		
Consumer Goods	85,112	85,112		
Basic Materials	138,698	138,698		
Services	161,512	161,512		
Utilities	19,296	19,296		
Healthcare	66,195	66,195		
Corporate Bonds and Notes:				
(AAA to A)	174,538	174,538		
(BBB to BBB-)	46,883	46,883		
Preferred Securities:				
Fixed Income	375,837	375,837		
Alternative Investments:				
Hedge Funds	272,890			$ 272,890
Government Securities:				
(AAA to A)	83,445	83,445		
Total	$ 1,748,259	$ 1,475,368	$ -	$ 272,890

Note 18: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)

F. FAIR VALUE MEASUREMENT (CONT'D)

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	$ 133,849		
Financial	116,606	116,606		
Industrial Goods	83,940	83,940		
Consumer Goods	73,684	73,684		
Basic Materials	150,136	150,136		
Services	138,302	138,302		
Utilities	29,260	29,260		
Healthcare	52,865	52,865		
Corporate Bonds and Notes:				
(AAA to A)	89,628	89,628		
(BBB to BBB-)	45,629	45,629		
Preferred Securities:				
Fixed Income	413,692	413,692		
Alternative Investments:				
Hedge Funds	248,823			$ 248,823
Government Securities:				
(AAA to A)	119,025	119,025		
Total	$ 1,695,439	$ 1,446,616	$ -	$ 248,823

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,	
	2014	2013
Fair value, beginning of year	$ 248,823	$ 237,726
Unrealized gains (losses)	24,217	11,097
Distributions	(150)	-
Fair value, end of year	$ 272,890	$ 248,823

Note 18: 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, 2014 and 2013:

	June 30,	
	2014 Permanently Restricted	2013 Permanently Restricted
Donor Restricted Endowment Funds	$ 624,700	$ 583,887

Note 18: 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 2014 and 2013:

	June 30,	
	2014 Permanently Restricted	2013 Permanently Restricted
Endowment Net Assets, beginning of year	$ 583,887	$ 552,576
Investment Income	5,355	3,397
Contributions	35,458	27,914
Endowment Net Assets, end of year	$ 624,700	$ 583,887

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, 2014

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, 2014. 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.

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, 2014.

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Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and New Jersey Circular 04-04-OMB and which is described in the accompanying Schedule of Findings and Questioned Costs as finding no.: *2014-1*. Our opinion on each major federal and state program is not modified with respect to this matter.

Camden County College's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as finding no.: *2014-1,* which we consider to be a significant deficiency.

Camden County College's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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
November 14, 2014

CAMDEN COUNTY COLLEGE
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2014

Federal Grantor/Pass-through Grantor/Program Title/Cluster Title	Federal CFDA Number	Grant Number	FY 2014 Expenditures
U.S. Department of Education:			
Student Financial Aid Cluster (Direct Funding):			
Federal Supplemental Educational Opportunity Grants	84.007	P007A132540	$ 517,325
Federal Direct Student Loans	84.268	P268K142865	11,425,960
Federal Pell Grant Program	84.063	P063P132865	23,341,896
Postsecondary Education Scholarships for Veteran's Dependents	84.408	P408A132865	5,239
Federal Work-Study Program	84.033	P033A132540	256,220
Total Student Financial Aid Cluster			35,546,640
Higher Education Institutional Aid - Title III, Part A (Direct Funding):			
iPOWERS Grant	84.031A	P031A130207	190,218
Career and Technical Education - Basic Grants:			
Passed Through State of NJ Department of Education:			
Carl D. Perkins Vocational and Applied Technology Act	84.048	PSFS712013	1,030,733
CTE Partnership Grant	84.048	10-AG81-H06	136,632
CTE Partnership Grant	84.048	10-AG81-H06	66,747
			1,234,112
Adult Education - Basic Grants:			
Passed Through State of NJ Department of Labor and Workforce Development:			
Adult Education and Family Literacy:			
Adult Basic Skills (Includes $309,325 Matching Share)	84.002	ABS-FY2014019	1,127,954
English Literacy and Civics	84.002	ABS-FY2014019	297,998
			1,425,952
Transition Programs for Students with Intellectual Disabilities into Higher Education:			
Passed Through Bergen Community College:			
Garden State Pathways	84.407	P407A100024	138,509
Garden State Pathways	84.407	P407A100024	42,746
			181,255
Twenty-First Century Community Learning Centers:			
Passed Through Gloucester City School District:			
21st Century - Gloucester City	84.287	Unknown	8,681
21st Century - Gloucester City	84.287	Unknown	50,374
			59,055
Passed Through Other Institutions:			
ACS Student Chapter Grant	84.xxx	Unknown	222
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 (2013)	239,115
Trade Adjustment Assistance Community College and Career Training	17.282	TC-23847-12-60-A-34 (2014)	910,996
			1,150,111
U.S. Department of Environmental Protection Agency:			
Environmental Workforce Development and Job Training Cooperative Agreements:			
Passed Through New Jersey Department of Environmental Protection:			
EPA's Brownfield Initiative	66.815	EG12-005	12,259
National Endowments for the Humanities:			
Promotion of the Humanities - Public Programs (Direct Funding):			
America's Music Grant	45.164	LB-50118-13	1,446
Passed Through the Gilder Lehrman Institute of American History:			
Created Equal Grant	45.xxx	Unknown	1,200
Passed Through Other Institutions:			
Lincoln the Constitution	45.xxx		2,409
National Science Foundation:			
Education and Human Resources (Direct Funding):			
NSF-OP-TEC	47.076	DUE-1303732	33,836
NSF-OP-TEC	47.076	DUE-1303732	55,176
NSF-ALICE	47.076	DUE-0903271	32,076
NSF-Deaf STEM ALICE	47.076	31204-01	14,757
NSF-Deaf STEM ALICE	47.076	31204-01	855
			136,700
Total Federal Awards			$ 39,941,579

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, 2014

State Grantor/Program Title	State GMIS Number	Program or Award Amount	Matching Contribution	Program Funds Received	Grant Period From	Grant Period To	FY 2014 Expenditures	Cumulative Expenditures
Student Financial Aid Cluster:								
N.J. Commission on Higher Education:								
Educational Opportunities Fund - Article III	14-100-074-2401-001	$ 190,720		$ 190,457	07/01/13	06/30/14	$ 190,457	$ 190,457
Educational Opportunities Fund - Article III Summer	14-100-074-2401-001	51,180		51,180	07/01/13	06/30/14	51,180	51,180
N.J. Higher Education Student Assistance Authority:								
New Jersey Stars Program	14-100-074-2405-313	469,854		469,854	07/01/13	06/30/14	469,854	469,854
Tuition Aid Grants	14-100-074-2405-007	3,518,089		3,517,483	07/01/13	06/30/14	3,517,483	3,517,483
Governor's Urban Scholarship Program	14-100-074-2405-329	6,500		6,500	07/01/13	06/30/14	6,500	6,500
NJ Gear Up Scholarship	14-100-074-2400-026	53,812		53,812	07/01/13	06/30/14	53,812	53,812
NJ Class Loans	none	30,068		30,068	07/01/13	06/30/14	30,068	30,068
Total Student Financial Aid Cluster							4,319,354	4,319,354
N.J. Commission on Higher Education:								
Educational Opportunities Fund - Article IV	14-100-074-2401-002	217,343	$ 227,853	217,343	07/01/13	06/30/14	445,196	445,196
N.J. Department of Education:								
CTE Partnership	10-AG81-H06	146,500		43,305	09/01/12	08/31/13	43,305	146,294
CTE Partnership	10-AG81-H06	146,500		44,197	09/01/13	08/31/14	79,592	79,592
							122,897	225,886
N.J. State Council on the Arts								
Local Arts Programming	13-100-074-2530-032-6130	57,992	25,189	25,189	01/01/13	12/31/13	50,377	50,377
Local Arts Programming	14-100-074-2530-032-6130	57,992	31,616	28,996	01/01/14	12/31/14	63,231	63,231
Musical Interludes	14-100-074-2530-032-6130	4,000	12,000	2,856	07/01/13	06/30/14	14,856	14,856
							128,464	128,464
N.J. Department of Treasury - Higher Education Administration:								
Operational Costs - County Colleges	14-100-082-2155-015	9,928,514		9,928,514	07/01/13	06/30/14	9,928,514	9,928,514
P.L.1971, Chapter 12 Debt Service	14-100-082-2155-016	2,414,542		2,414,542	07/01/13	06/30/14	2,414,542	2,414,542
Higher Education Equipment Leasing Fund	14-100-082-2155-036	1,281,890		318,644	01/01/14	Project Completion	318,644	318,644
Building Our Future Bond Act - Taft Hall	Unknown	4,577,724	5,919,276	1,507,476	03/01/14	Project Completion	1,507,476	1,507,476
Building Our Future Bond Act - Settlement Music School	Unknown	1,624,686	541,562	4,410	03/01/14	Project Completion	5,880	5,880
Employer Contributions - Alternate Benefit Program - FT Faculty	14-100-082-2155-017	949,604		949,604	07/01/13	06/30/14	949,604	949,604
Employer Contributions - Alternate Benefit Program - Adjunct	14-100-082-2155-017	246,405		-	07/01/13	06/30/14	246,405	246,405
Employer Contributions - Alternate Benefit Program - FT Faculty	13-100-082-2155-017	988,031		184,311	07/01/12	06/30/13	-	988,031
Employer Contributions - Alternate Benefit Program - Adjunct	13-100-082-2155-017	246,405		246,405	07/01/12	06/30/13	-	246,405
							15,371,065	16,605,501
N.J. Council of Community Colleges:								
College Readiness NOW Project	Unknown	43,310		33,621	02/20/14	08/31/14	33,621	33,621
N.J. Department of Law and Public Safety:								
LEOTEFF	100-066-1020-314-YCJF-6120	167,644		47,871	07/01/13	06/30/14	47,871	47,871
N.J. Council for the Humanities:								
Korea - Remembering the Forgotten War	2013-08	7,200	16,790	7,200	09/25/13	11/06/13	23,990	23,990
Museum Diaries	2014-02	2,300	13,590	2,300	02/19/14	06/30/14	15,890	15,890
Off White Elephants and Eighty Pound Gorillas	2013-20-HFG	500		500	09/17/13	11/23/13	500	500
							40,380	40,380
N.J. Department of Labor and Workforce Development								
County Apprenticeship Coordinator Grant	CAC1304S	20,743		18,115	07/01/13	06/30/14	20,743	20,743
Opportunity 4 Jersey	04J-FY13004017	100,000		82,205	06/24/13	06/23/14	82,205	82,205
Literacy 4 Jersey	Unknown	43,400			07/01/13	06/30/14	43,400	43,400
State Energy Sector Partnership	SESP-06-06	114,270		33,687	05/01/12	06/30/14	33,687	33,687
							180,035	180,035
Total State Financial Assistance							$ 20,688,883	$ 21,992,687

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, 2014

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, 2014.

Note 5: **SUBRECIPIENTS**

Of the expenditures presented in the schedule of expenditures of federal awards, the College provided the following amounts to subrecipients during the year ended June 30, 2014:

Program	CFDA Number	Amount
Adult Basic Skills/English Literacy and Civics	84.002	$628,905
Trade Adjustment Assistance Community College and Career Training	17.282	150,255

Note 6: **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, 2014

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)
84.408	Postsecondary Education Scholarships for Veteran's Dependents
84.033	Federal Work Study Program (FWS)
	Career and Technical Education:
84.048	Carl D. Perkins Vocational and Applied Technology
84.048	CTE Partnership Grant
	Adult Education:
84.002	Adult Basic Skills
84.002	English Literacy and Civics

Dollar threshold used to determine Type A programs — $1,198,247

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, 2014

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? __X__ yes _____ 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? __X__ yes _____ no

Identification of major programs:

GMIS Numbers	Name of State Program
	Student Financial Aid Cluster:
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)
100-074-2405-329	Governors' Urban Scholarship Program
100-074-2400-026	New Jersey Gear Up
None	New Jersey Class Loans
100-082-2155-015	Operational Costs - County Colleges
100-082-2155-016	P.L. 1970, Chapter 12 Debt Service
Unknown	Building Our Future Bond Act
100-082-2155-017	Employer Contributions - Alternate Benefit Program

Dollar threshold used to determine Type A programs: $620,666

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, 2014

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, 2014

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, 2014

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.

Finding No. 2014-1

Information on the State Program
New Jersey Higher Education Student Assistance Authority (HESAA)
Tuition Aid Grant (TAG) - GMIS Number 100-074-2405-007

Criteria or Specific Requirement
New Jersey Administrative Code
Title 9A - Higher Education
Chapter 9 - Grant and Scholarship Programs
Subchapter 2 - General Provisions for Tuition Aid Grant and Garden State Scholarship Programs
Section 2.10 - Verification of Enrollment and Academic Performance

> Before payment may be made to an eligible student, the institution shall have satisfactory evidence that the student is eligible for State grant and/or scholarship assistance, has registered as a full-time student for an academic term, and that the student is meeting minimum standards for academic performance and academic progress.

Higher Education Student Assistance Authority
Grants and Scholarships Policy and Procedures Manual
Chapter 7 - Institutional Responsibilities

> A student‘s enrollment status must not be certified until after classes begin. The institution must certify student eligibility at the time the funds are credited to a student‘s account. Institutions may retain funds for students who withdraw or reduce credits below the minimum number of credits required to receive an award only if the funds were credited/disbursed prior to the date of withdrawal or reduction in the number of credits. If, at the time of disbursement, a student is enrolled for less than the required number of credits for an award, State funds cannot be credited or disbursed.

Condition
There were errors noted where TAG funds were credited to a student’s account and not adjusted after the student withdrew or stopped attending courses.

Questioned Costs
Actual errors amount to $2,870 and the projected error is $100,511.

Context
The auditor noted five (5) errors, out of a sample of 70 TAG awards, in which the TAG award was credited to the student’s account after they withdrew or stopped attending classes. In three (3) instances, the student withdrew or stopped attending all courses, and in two (2) instances, the student’s original enrollment status changed due to withdrawals or non-attendance.

A total of 1,961 fall TAG Awards and 1,759 spring TAG Awards were provided to students during fiscal year 2014 totaling $3,517,483.

Effect
Changes in the student’s enrollment status resulted in TAG funds not being adjusted and returned to HESAA.

CAMDEN COUNTY COLLEGE
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2014

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs (Cont'd)

Finding No. 2014-1 (Cont'd)

Cause
In two instances, the student's attendance was confirmed by teachers as of a census date and the College based their determination of enrollment eligibility based upon this census information. Upon the teachers posting final grades for the semester, the teachers went back and issued a last date of attendance for these student's, which was prior to the original census date and the date the TAG funds were credited to the student's account.

In three instances, the student withdrew or stopped attending classes prior to TAG being credited to their account, which was not identified by the College.

Recommendation
That the College establish better procedures to identify student enrollments at the time TAG funds are credited to student accounts.

View of Responsible Officials and Planned Corrective Action
The responsible officials agree and accept the recommendation and will address the matter as part of their corrective action.

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