CAMDEN COUNTY COLLEGE

Camden County College

(A Component Unit of the County of Camden, State of New Jersey)

Basic Financial Statements, Management's Discussion and Analysis,
Required Supplementary Information and Schedules of Expenditures
of Federal Awards and State Financial Assistance

June 30, 2017 and 2016

(With Independent Auditor's Reports Thereon)

CAMDEN COUNTY COLLEGE
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CAMDEN COUNTY COLLEGE
Members of the Board of Trustees and Executive Administration
As of June 30, 2017

FINANCIAL SECTION

INDEPENDENT AUDITOR'S 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 of ***Camden County College*** (the "College"), a component unit of the County of Camden, State of New Jersey, and its discretely presented component unit (Camden County College Foundation), as of and for the fiscal years ended June 30, 2017 and 2016, 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 an opinion 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 College's discretely presented component unit (Camden County College Foundation) were audited in accordance with auditing standards generally accepted in the United States of America, but were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of ***Camden County College*** and the College's discretely presented component unit, as of June 30, 2017 and 2016, and the respective changes in financial position and, where applicable, cash flows, for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

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 Schedules of Expenditures of Federal Awards and State Financial Assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-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 Expenditures 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 15, 2017, 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 15, 2017

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 AUDITOR'S 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"), a component unit of the County of Camden, State of New Jersey, and its discretely presented component unit (Camden County College Foundation), as of and for the fiscal year ended June 30, 2017, 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 15, 2017. The financial statements of the College's 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*.

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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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 15, 2017

Required Supplementary Information

Part I

CAMDEN COUNTY COLLEGE

Management's Discussion and Analysis For The Fiscal Years Ended June 30, 2017 and 2016 (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 years ended (FY) June 30, 2017 and 2016 with fiscal year 2015 data presented for comparative purposes.

The Management's Discussion and Analysis 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 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,* these statements also include the most recent audited financial statements of Camden County College Foundation, which per the above noted GASB Statements, is considered to be a discretely presented component unit of the College. The analysis below will focus on the College only.

FINANCIAL HIGHLIGHTS

- Over 29% of the College's revenue comes from tuition and fees. Total credit enrollments for the fiscal years ended June 30, 2017, 2016 and 2015 are as follows:

	2017	2016	2015	Change 2017-2016	Change 2016-2015
Credit Hours	**229,469**	239,141	256,516	(9,672)	(17,375)

- The College's total operating revenue increased by 3.5% due mainly to an increase in grant funding (NJCAP, Talent Development Center) and lower student accounts receivable write-offs. These items more than offset the decline in enrollment related revenue.
- To keep education affordable and accessible, particularly in a difficult economy, Camden County College implemented no increase in tuition and fees in FY 2017.
- High School Plus, College Now, Gateway to College, and Transition to College, and 21st Century STEM scholar programs expanded significantly to increase student learning opportunities. The Rutgers Camden Bridging the Gap program was rolled out to help CCC students earn a Rutgers degree at a very reduced cost.

FINANCIAL HIGHLIGHTS (CONT'D)

- The College developed a partnership with the Rutgers School of Health Professionals, the New Jersey Child Assault Prevention program and the Learning Resource Center to generate a significant stream of revenue.
- The College entered into a shared service agreement with the Camden County Improvement Authority (CCIA) for construction project and facilities operations management that is expected to lower both construction and operating costs.
- Completed significant renovations and facilities upgrades at Jefferson Hall, Truman Hall, Wolverton Hall (Library), and the Camden Technology Center.
- The County in FY 2017 waived the debt service and interest payment for the transformation bonds.

IMPACT OF GASB 68 AND 71 IMPLEMENTATION

In fiscal year 2015, the College adopted and implemented GASB 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27,* and GASB Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. The College's fiscal year 2014 net position has been restated due to this implementation.

Note 7 to the financial statements provides a thorough discussion of the College's pension plans and GASB 68 elements; however, the following table provides the effect GASB 68 had on net position for FY 2017, 2016 and FY 2015.

	2017	2016	2015	Change 2017-2016	Change 2016-2015
Deferred Outflows Related to Pensions	**$ 18,082,500**	$ 9,644,546	$ 4,038,446	$ 8,437,954	$ 5,606,100
Less: Accounts Payable - Related to Pensions	**(1,727,098)**	(1,800,953)	(2,097,051)	73,855	296,098
Less: Net Pension Liability	**(60,040,432)**	(54,754,974)	(45,388,460)	(5,285,458)	(9,366,514)
Less: Deferred Inflows Related to Pensions	**(6,713,768)**	(880,355)	(2,704,906)	(5,833,413)	1,824,551
Net Position Effect from GASBS 68 and 71 Implementation	**$ (50,398,798)**	$ (47,791,736)	$ (46,151,971)	$ (2,607,062)	$ (1,639,765)

STATEMENTS 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 Statements of Net Position at June 30, 2017, 2016, and 2015

	2017	2016	2015	Change 2017-2016	Change 2016-2015
Assets					
Current Assets	**$ 23,737,609**	$ 25,176,754	$ 24,509,068	$ (1,439,145)	$ 667,686
Non-Current Assets:					
Capital Assets, net of Depreciation	**159,543,489**	161,757,908	161,438,000	(2,214,419)	319,908
Total Assets	**183,281,098**	186,934,662	185,947,068	(3,653,564)	987,594
Deferred Outflows of Resources - Related to Pensions	**18,082,500**	9,644,546	4,038,446	8,437,954	5,606,100
Liabilities					
Current Liabilities	**13,246,903**	16,679,866	16,415,219	(3,432,963)	264,647
Non-Current Liabilities	**83,302,768**	78,589,595	70,333,045	4,713,173	8,256,550
Total Liabilities	**96,549,671**	95,269,461	86,748,264	1,280,210	8,521,197
Deferred Inflows of Resources - Related to Pensions	**6,713,768**	880,355	2,704,906	5,833,413	(1,824,551)
Net Position					
Net Investment in Capital Assets	**137,166,064**	138,385,159	137,106,285	(1,219,095)	1,278,874
Restricted	**610,536**	546,165	839,371	64,371	(293,206)
Unrestricted (Deficit)	**(39,676,441)**	(38,501,932)	(37,413,312)	(1,174,509)	(1,088,620)
Total Net Position	**$ 98,100,159**	$ 100,429,392	$ 100,532,344	$ (2,329,233)	$ (102,952)

- Total assets decreased from FY 2016 to FY 2017 primarily due to a decrease in the county aid receivable and a decrease in the financial aid receivable.

- Current liabilities decreased from FY 2016 to FY 2017 primarily due to the decrease in Current Accounts Payable. This was mainly due to the payment to the US Department of Education for the debt of $1.6 million dollars.

- Non-current liabilities increased from FY 2015 to FY2016 because the College's share of net pension liability per the state's audit plan increased $5,285,458.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The purpose of the Statements 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 Statements of Net Position and the Statements of Revenue, Expenses, and Changes in Net Position reviewed together show 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 source of operating revenue is student tuition and fees. The major sources of non-operating revenue are state and county aid, and student financial 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 capital assets, therefore, depreciation expense is also a major component of operating expenses.

In FY 2017, the total operating revenue increased $1.3 million dollars. This increase was due to the addition of two new state grants, NJCAP grant for $423,000 and also the Talent Development Grant for $355,790.

In FY 2017, the total operating expenses decreased $1.8 million dollars due to the fact that the prior year the US Department of Education liability payment of $1.6 million dollars was included in the FY 2016 operating expenses.

From FY 2015 to FY 2016 the total operating and capital grants revenue decreased. The decrease in operating revenue was largely due to lower student tuition and fees associated with declining enrollment. The non-operating revenue increased slightly due to a jump in County appropriations and other funding that more than offset a decrease in student financial aid revenue. The capital grants decreased due to the prior year completion of Taft renovations.

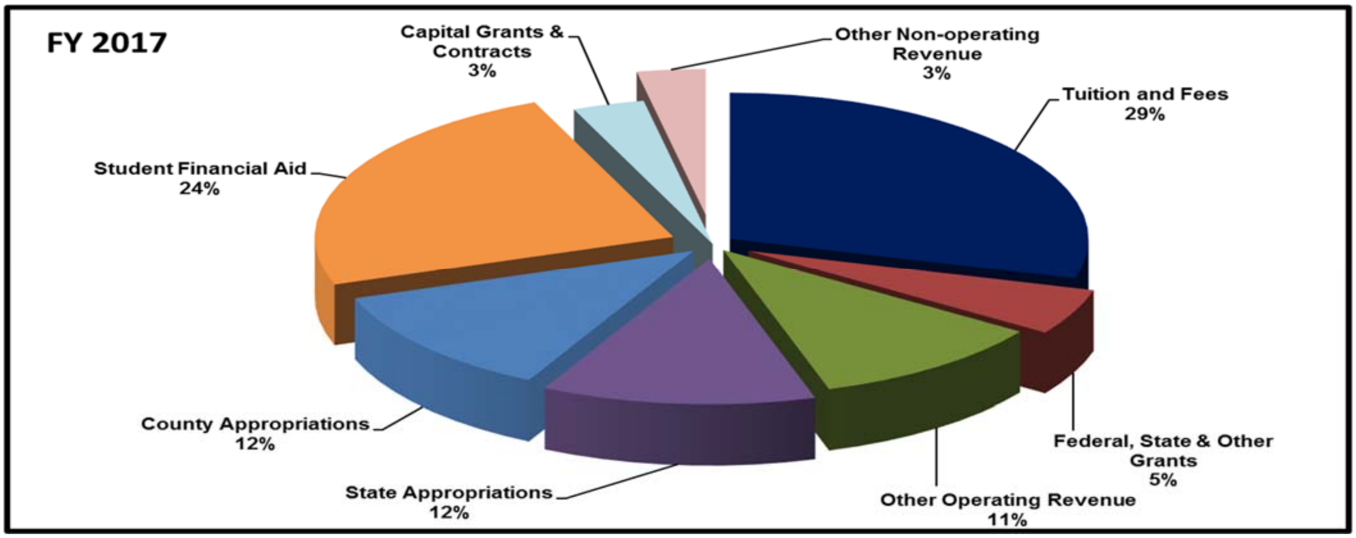
From FY 2015 to FY 2016 the total operating expenses decreased slightly largely driven by a decline in scholarship and award payments and lower salary and benefit expenses from College staffing reductions. Partially offsetting this was the Helene Fuld Department of Education liability payment and an increase in County shared service billings.

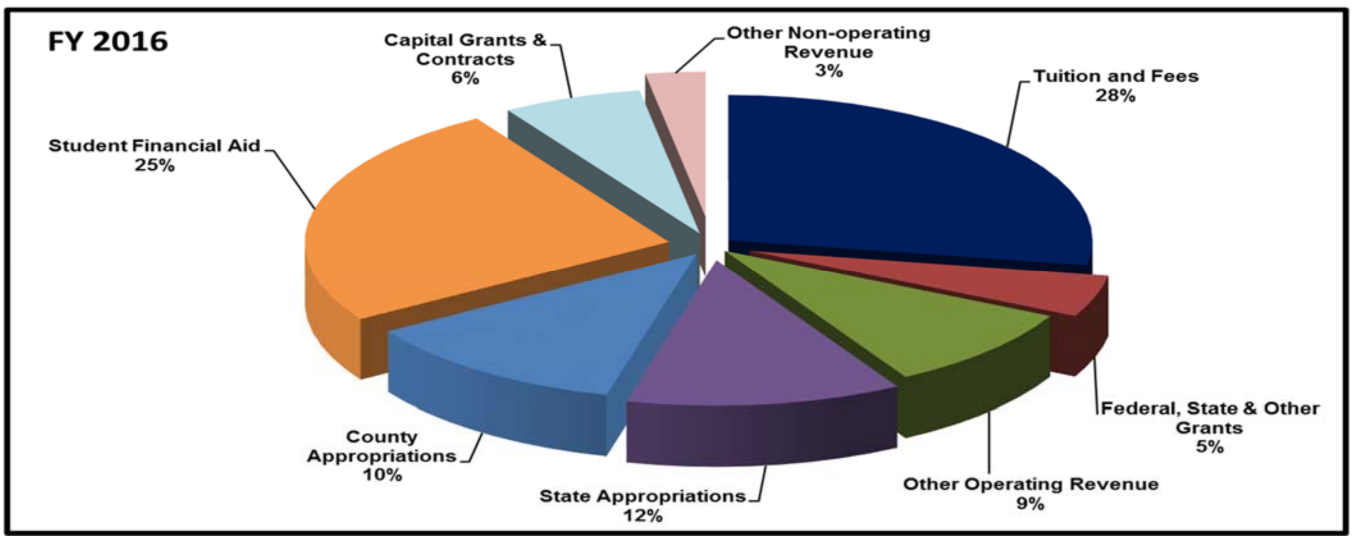
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (CONT'D)

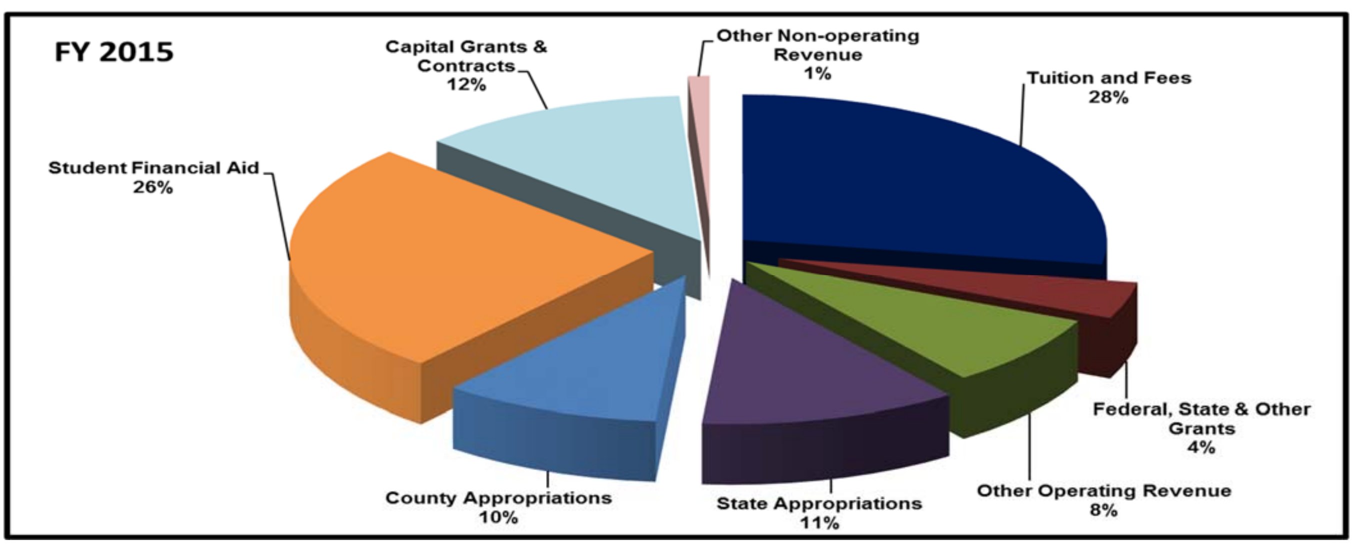
	2017	2016	2015	Change 2017-2016	Change 2016-2015
Operating Revenues					
Student Tuition and Fees, net	**$ 25,525,931**	$ 25,243,557	$ 27,092,236	$ 282,374	$ (1,848,679)
State and Local Grants and Contracts	**1,211,353**	557,265	432,192	654,088	125,073
Federal Grants and Contracts	**3,051,317**	3,525,209	3,427,830	(473,892)	97,379
Nongovernmental Grants and Contracts	**179,041**	155,348	137,003	23,693	18,345
Chargeback Revenue	**15,685**	17,854	24,092	(2,169)	(6,238)
Auxiliary Enterprises	**559,415**	745,371	720,534	(185,956)	24,837
Other Operating Revenues	**8,750,201**	7,700,904	7,135,942	1,049,297	564,962
Total Operating Revenue	**39,292,943**	37,945,508	38,969,829	1,347,435	(1,024,321)
Operating Expenses					
Instruction	**28,879,664**	27,700,958	27,994,234	1,178,706	(293,276)
Public Services	**1,667,168**	1,162,088	1,215,708	505,080	(53,620)
Academic Support	**7,054,690**	7,537,437	8,029,472	(482,747)	(492,035)
Student Services	**6,860,294**	6,906,197	7,576,523	(45,903)	(670,326)
Institutional Support	**12,120,500**	13,773,726	12,570,538	(1,653,226)	1,203,188
Operation and Maintenance of Plant	**16,615,507**	17,283,181	15,832,454	(667,674)	1,450,727
Scholarships and Awards	**10,345,841**	11,149,157	12,661,622	(803,316)	(1,512,465)
Depreciation	**4,750,740**	4,586,559	4,238,162	164,181	348,397
Total Operating Expenses	**88,294,404**	90,099,303	90,118,713	(1,804,899)	(19,410)
Operating Loss	**(49,001,461)**	(52,153,795)	(51,148,884)	3,152,334	(1,004,911)
Non-Operating Revenues (Expenses)					
State Appropriations:					
State Aid	**9,363,397**	9,516,309	9,831,160	(152,912)	(314,851)
On-Behalf Fringe Benefits - Alternate Benefit Program	**1,356,620**	1,604,175	1,405,672	(247,555)	198,503
County Appropriations	**10,488,856**	10,988,856	9,488,856	(500,000)	1,500,000
Student Financial Aid	**20,848,966**	22,810,768	25,478,010	(1,961,802)	(2,667,242)
Other Non-Operating Revenue	**2,655,908**	2,411,711	929,929	244,197	1,481,782
Investment Income Earned	**26,487**		3,021	26,487	(3,021)
Interest Expense	**(881,249)**	(918,211)	(963,335)	36,962	45,124
Total Non-Operating Revenues	**43,858,985**	46,413,608	46,173,313	(2,554,623)	240,295
Income (Loss) before Other Revenues	**(5,142,476)**	(5,740,187)	(4,975,571)	597,711	(764,616)
Capital Grants and Contributions	**2,813,243**	5,637,235	11,727,544	(2,823,992)	(6,090,309)
Increase (Decrease) in Net Position	**(2,329,233)**	(102,952)	6,751,973	(2,226,281)	(6,854,925)
Net Position					
Net Position - Beginning of Year	**100,429,392**	100,532,344	93,780,371	(102,952)	6,751,973
Net Position - End of Year	**$ 98,100,159**	$ 100,429,392	$ 100,532,344	$ (2,329,233)	$ (102,952)

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

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

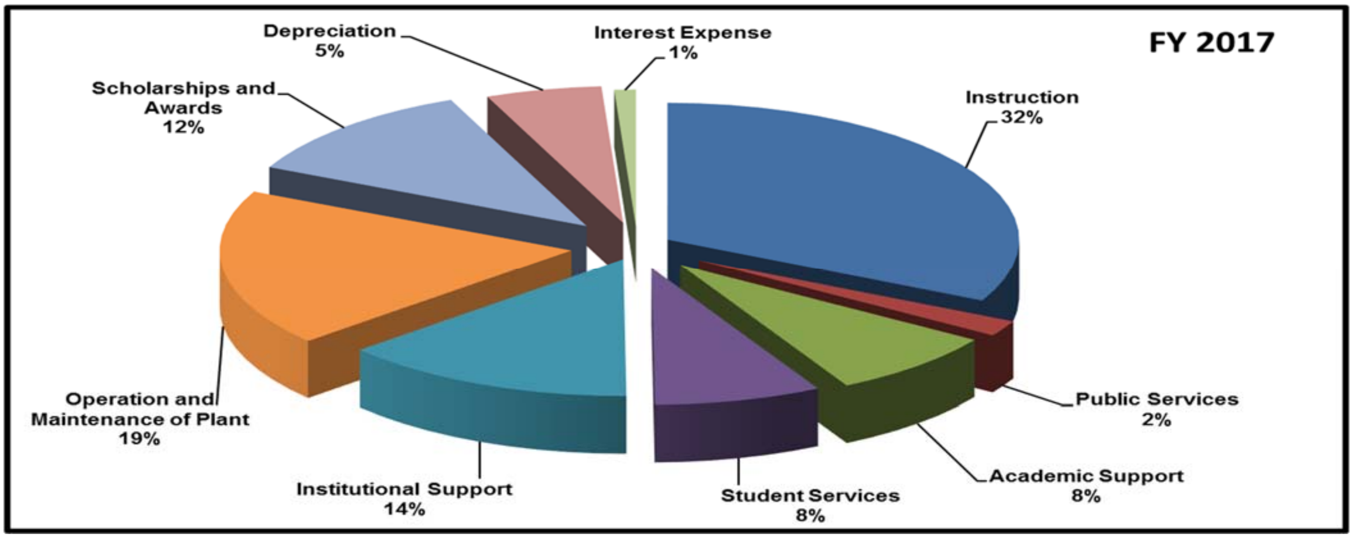


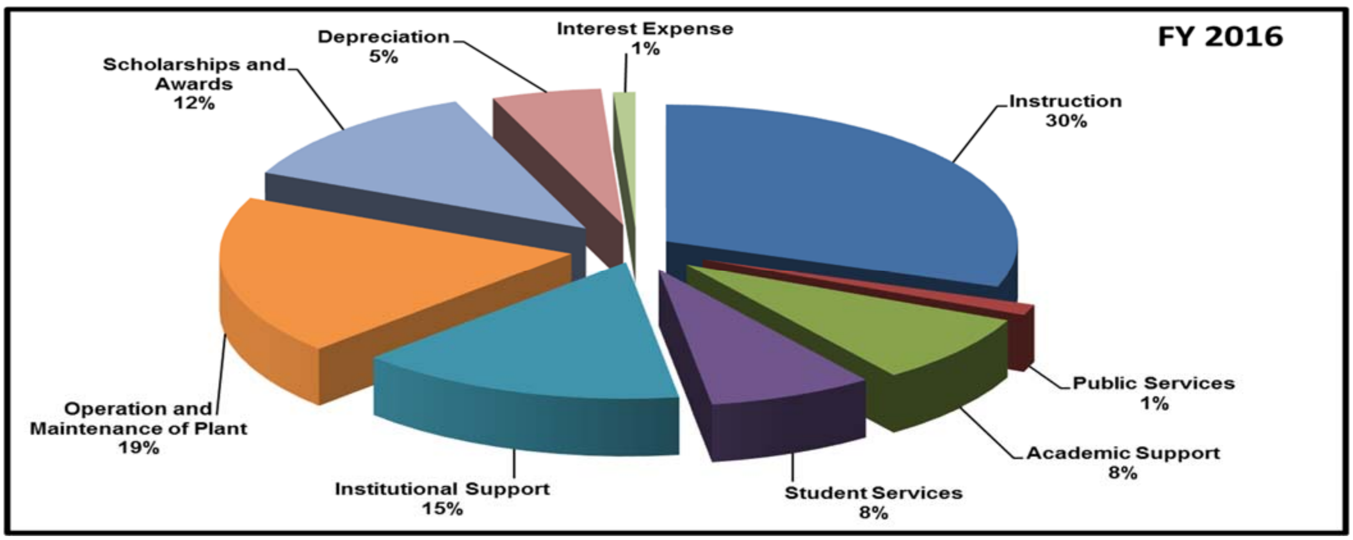


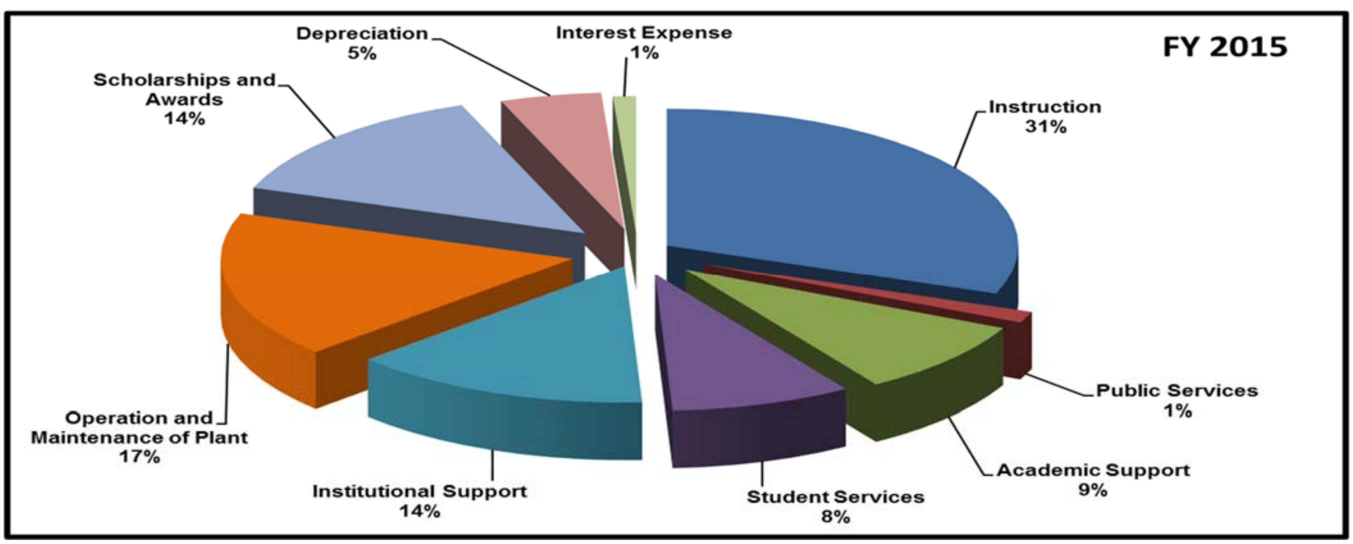


STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (CONT'D)

The following are graphic illustrations of expenses by function:







STATEMENTS OF CASH FLOWS

The primary purpose of Statements 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 Statements are 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 Statements of Revenues, Expenses, and Changes in Net Position.

The following is financial information represented in the Statements of Cash Flows for the fiscal years ending June 30, 2017, 2016, and 2015:

	2017	2016	2015	Change 2017-2016	Change 2016-2015
Cash Provided by (Used in):					
Operating Activities	**$ (38,021,322)**	$ (42,094,380)	$ (44,423,200)	$ 4,073,058	$ 2,328,820
Non-Capital Financing Activities	**40,493,175**	43,565,933	44,798,026	(3,072,758)	(1,232,093)
Capital and Related Financing Activities	**(1,959,111)**	(2,477,473)	(3,284,812)	518,362	807,339
Investing Activities	**26,487**	-	3,021	26,487	(3,021)
Net Change in Cash	**539,229**	(1,005,920)	(2,906,965)	1,545,149	1,901,045
Cash, Beginning of Year	**12,190,280**	13,196,200	16,103,165	(1,005,920)	(2,906,965)
Cash, End of Year	**$ 12,729,509**	$ 12,190,280	$ 13,196,200	$ 539,229	$ (1,005,920)

The increase in cash at the end of June 30, 2017 and 2016 is principally due to a decrease in County Accounts Receivable for county aid.

LONG-TERM DEBT

The College has the following debt outstanding at June 30, 2017:

Capital Leases Payable of $15,910,866 for various Campus Capital Construction Improvements.

Mortgage Payable of $6,387,987 for the Construction of a Parking Garage in the City of Camden.

Equipment Leasing Fund Payable of $78,552 due back to the State of New Jersey for the Equipment Leasing Fund grant received in FY 2014.

CAPITAL ASSETS

At the end of FY 2017 and FY 2016, the College had capital assets as follows:

	Balance June 30, 2016	Additions	Reductions	Transfers	Balance June 30, 2017
Non-Depreciable Capital Assets:					
Land	$ 9,385,327	$ -	$ -	$ -	$ 9,385,327
Construction in Progress	7,552,301	2,315,940		(5,008,857)	4,859,384
Other Non-Depreciable Assets	42,137		(21,070)		21,067
Total Non-Depreciable Capital Assets	16,979,765	2,315,940	(21,070)	(5,008,857)	14,265,778
Depreciable Capital Assets:					
Land Improvements	4,738,366				4,738,366
Buildings	164,099,068			4,593,707	168,692,775
Infrastructure	15,974,036			415,150	16,389,186
Equipment	7,030,531	213,539	(2,945)		7,241,125
Vehicles	1,282,181	25,305			1,307,486
Assets Under Capital Lease	1,773,461				1,773,461
Capitalized Software	3,364,941				3,364,941
Library Books	3,001,555	2,606			3,004,161
Total Depreciable Capital Assets	201,264,139	241,450	(2,945)	5,008,857	206,511,501
Less Accumulated Depreciation For:					
Land Improvements	(928,125)	(89,433)			(1,017,558)
Buildings	(39,535,792)	(3,565,978)			(43,101,770)
Infrastructure	(2,985,983)	(520,839)			(3,506,822)
Equipment	(4,429,783)	(447,525)	2,945		(4,874,363)
Vehicles	(699,568)	(95,716)			(795,284)
Assets Under Capital Lease	(1,773,461)				(1,773,461)
Capitalized Software	(3,171,741)	(15,632)			(3,187,373)
Library Books	(2,961,543)	(15,617)			(2,977,160)
Total Accumulated Depreciation	(56,485,996)	(4,750,740)	2,945	-	(61,233,791)
Depreciable Capital Assets	144,778,143	(4,509,290)	-	5,008,857	145,277,710
Total Capital Assets, Net	$ 161,757,908	$ (2,193,350)	$ (21,070)	$ -	$ 159,543,488

Depreciation expense for the fiscal year ended June 30, 2017 was $4,750,290.
Projects were completed during the fiscal year resulting in $5,008,857, being reclassified from Construction in Progress.

In FY 2017, the expenditures for Blackwood Campus Boiler replacement, Polk Hall Renovations, Jefferson Hall Renovations, and Library Renovations were moved from Construction in Progress to a depreciable asset.

The College also incurred the following expenditures for FY 2017 that were charged to the Construction in Progress account.

- HVAC Truman Building $ 706,952
- Joint Health Center $ 645,574
- Energy Upgrades $ 119,442

ECONOMIC AND OTHER FACTORS THAT WILL AFFECT THE FUTURE

The College continues to take proactive steps to increase student enrollment and retention by providing students with accessible and affordable education opportunities to be successful.

The College continues to expand opportunities for high schools to provide remediation programs to help students with college readiness. High school students are also being encouraged to take and to earn college credits through our High School Plus and College Now programs. The College also plans to increase programs that allow students how have dropped out of high school to earn diplomas (Gateway to College, Transition to College).

The College and Rutgers University have developed a mutually supportive relationship to expand degree completion for students. The Rutgers University New Brunswick and Newark partnership is strong and continues to grow the Bachelor of Science Nursing Degree program. The Rutgers School of Health Professionals recently transferred its Physical Therapy and Psychiatric Rehabilitation programs from Stratford to our Blackwood campus. It is anticipated that articulation programs will be established between Rutgers SHP and the College. All these initiatives are projected to increase lease and enrollment revenue for the College.

The Rutgers Camden Bridging the Gap program will assist income qualified Camden County College students to earn a Rutgers degree at significantly reduced college costs.

To support academic and career options for its students at an affordable price, the College has established many articulation agreements with other regional four year colleges.

The College is a lead partner in the Talent Development Center grant program for advanced manufacturing that will provide training to incumbent and dislocated workers. The goal is build a skilled workforce and to grow the state's key industries.

The College has acquired program modules geared to student success, specifically Naviance, Colleague Student Planning, EMSI Career Coach. Naviance encourages high school seniors and counselors to consider enrolling at Camden County College. Student Planning is designed to assist students with comprehensive course planning for degree program completion. Career Coach helps students identify the best careers suited for them and identifies appropriate degree programs.

The College will be rolling out a Camden/Blackwood shuttle service on a pilot basis to assess the value of a long term shuttle program to encourage higher enrollment by reducing transportation costs to students.

The College continues to leverage technology to improve student enrollments and accounts receivable by utilizing on-line payment plans, electronic 1098Ts, and e-billing processes. An e-refund process to replace student refund checks will be implemented over the next year. Organization efficiency is improving via One Solution upgrades to the current financial accounting system.

The College has entered into a shared service agreement with the Camden County Improvement Authority (CCIA) for construction project and facilities operations management. Capital funds will be expended for upcoming campus infrastructure improvements, including facilities renovations (Lincoln Hall, Papiano Gym), roof replacements and preventative maintenance upgrades (including the Camden parking garage). The Wilson Hall buildings are scheduled for demolition that will result in prime land for future redevelopment. The College will continue to invest in energy saving lighting and controllers.

The College has established new grant based relationships with NJCAP and the Learning Resource Center that will result in a new stream of lease revenue, expanded shared services and new programing.

The College will be part of a Joint Health Science Center being advanced by Rowan University/Rutgers Camden Board of Governors in Camden. This center will focus on educating and training the residents of Camden in health care. Proposed programs include surgical technology, certified nurse aide, multi-skilled technician, certified medical assistant, patient care technician and certified medical assistant.

ECONOMIC AND OTHER FACTORS THAT WILL AFFECT THE FUTURE (CONT'D)

Tight cost management practices will continue to ensure affordable tuition and fees for our students. Initiatives include the restructuring administrative departments and implementing stronger employee benefit management practices. Other cost saving measures are the use of shared services and purchasing cooperatives (in particular with Camden County), and strong procurement practices with respect to competitive bidding and compliance. The use of outsourced vendors for custodian, maintenance and HVAC services in addition newly negotiated contracts for banking and bookstore services to will continue to save the College significant dollars.

REQUESTS FOR INFORMATION

Questions concerning any information provided in this report or requests for additional financial information should be addressed to:

Camden County College
Finance and Planning
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, 2017 and 2016

	2017		2016	
	College	**Component Unit CCC Foundation**	**College**	**Component Unit CCC Foundation**
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 12,729,509	$ 120,923	$ 12,190,280	$ 186,904
Investments		938,453		794,830
Accounts Receivable, Net	10,236,168		12,111,049	50,000
Inventories	24,015		21,956	
Prepaid Expenses	747,917		853,469	
Total Current Assets	23,737,609	1,059,376	25,176,754	1,031,734
Noncurrent Assets:				
Endowment Investments		800,330		809,145
Capital Assets, Net	159,543,489		161,757,908	
Total Noncurrent Assets	159,543,489	800,330	161,757,908	809,145
Total Assets	183,281,098	1,859,706	186,934,662	1,840,879
DEFERRED OUTFLOWS OF RESOURCES				
Related to Pensions (Note 7)	18,082,500	-	9,644,546	-
LIABILITIES				
Current Liabilities:				
Account Payable:				
Related to Pensions	1,727,098		1,800,953	
Other	5,129,641	80,007	7,515,534	86,965
Accrued Salaries	228,660		229,100	
Current Portion:				
Accrued Compensated Absences	606,783		603,905	
Obligations Under Capital Lease	948,436		915,775	
Mortgage Payable	4,487		547,704	
Higher Education Equipment Leasing Fund Payable	78,552		75,032	
Unearned Revenue:				
Tuition and Fees Revenue	4,417,416		4,606,963	
County Appropriation	41,956		250,000	
Other	63,874		134,900	
Total Current Liabilities	13,246,903	80,007	16,679,866	86,965
Noncurrent Liabilities:				
Accrued Compensated Absences	1,916,386		2,000,383	
Obligations Under Capital Lease	14,962,450		15,910,886	
Mortgage Payable	6,383,500		5,844,769	
Higher Education Equipment Leasing Fund Payable			78,583	
Net Pension Liability (Note 7)	60,040,432		54,754,974	
Total Noncurrent Liabilities	83,302,768	-	78,589,595	-
Total Liabilities	96,549,671	80,007	95,269,461	86,965
DEFERRED INFLOWS OF RESOURCES				
Related to Pensions (Note 7)	6,713,768	-	880,355	-
NET POSITION				
Net Investment in Capital Assets	137,166,064		138,385,159	
Restricted for:				
Nonexpendable:				
Scholarships		800,330		809,145
Expendable:				
Scholarships		680,288		675,790
Other	610,536	157,033	546,165	128,883
Unrestricted (Deficit)	(39,676,441)	142,048	(38,501,932)	140,096
Total Net Position	$ 98,100,159	$ 1,779,699	$ 100,429,392	$ 1,753,914

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, 2017 and 2016

	2017		2016	
	College	**Component Unit CCC Foundation**	**College**	**Component Unit CCC Foundation**
REVENUES				
Operating Revenues:				
Student Tuition and Fees, Net	$ 25,525,931	$ -	$ 25,243,557	$ -
State and Local Grants and Contracts	1,211,353		557,265	
Federal Grants and Contracts	3,051,317		3,525,209	
Nongovernmental Grants and Contracts	179,041		155,348	
Chargeback Revenue	15,685		17,854	
Auxiliary Enterprises	559,415		745,371	
Gifts and Contributions		317,807		366,914
Other Operating Revenues	8,750,201	11,627	7,700,905	12,291
Total Operating Revenues	39,292,943	329,434	37,945,509	379,205
EXPENSES				
Operating Expenses:				
Instruction	28,879,664		28,717,566	
Public Services	1,667,168		1,191,141	
Academic Support	7,054,690		7,687,617	
Student Services	6,860,294		7,113,854	
Institutional Support	12,120,500		12,370,228	
Operation and Maintenance of Plant	16,615,507		17,283,181	
Scholarships and Awards	10,345,841	156,406	11,149,157	227,906
Depreciation	4,750,740		4,586,559	
Other Expenses		293,239		289,950
Total Operating Expenses	88,294,404	449,645	90,099,303	517,856
Operating Loss	(49,001,461)	(120,211)	(52,153,794)	(138,651)
NON-OPERATING REVENUES (EXPENSES)				
State Appropriations:				
State Aid	9,363,397		9,516,309	
On-Behalf Fringe Benefits - Alternate Benefit Program	1,356,620		1,604,175	
County Appropriations:				
County Aid	10,488,856		10,988,856	
Federal Student Financial Aid:				
Pell Grants	17,241,765		19,001,425	
SEOG	520,350		572,313	
State Student Financial Aid	3,086,851		3,237,030	
Other Non-Operating Revenues	2,655,908		2,411,711	
Investment Income (Loss)	26,487	145,996		(10,665)
Interest Expense	(881,249)		(918,211)	
Total Non-Operating Revenues (Expenses)	43,858,985	145,996	46,413,608	(10,665)
Income (Loss) before Other Revenues	(5,142,476)	25,785	(5,740,186)	(149,316)
CAPITAL GRANTS AND CONTRIBUTIONS	2,813,243		5,637,235	
Increase (Decrease) in Net Position	(2,329,233)	25,785	(102,951)	(149,316)
NET POSITION				
Net Position - Beginning of Year	100,429,392	1,753,914	100,532,344	1,903,230
Net Position - End of Year	$ 98,100,159	$ 1,779,699	$ 100,429,392	$ 1,753,914

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, 2017 and 2016

	2017 College	2016 College
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Tuition and Fees	$ 25,103,183	$ 26,132,348
Receipts from Grants and Contracts	4,370,685	4,247,124
Other Receipts	14,521,044	7,932,346
Payments to Employees and Fringe Benefits	(54,686,078)	(54,702,499)
Payments to Vendors and Suppliers	(18,080,769)	(15,414,560)
Payments for Scholarships and Student Aid	(9,249,387)	(10,289,139)
Net Cash Used in Operating Activities	(38,021,322)	(42,094,380)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
County Appropriations	10,488,856	10,988,856
State Appropriations	9,363,397	9,516,309
Noncapital Grants Received - Student Financial Aid	20,848,966	22,810,768
Noncapital Grants Received - Other	(208,044)	250,000
Net Cash Provided by Noncapital Financing Activities	40,493,175	43,565,933
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Grants and Contributions	2,055,049	5,811,123
Purchases of Capital Assets	(2,964,105)	(6,411,419)
Principal Paid on Capital Debt and Leases	(995,324)	(958,966)
Interest Paid on Capital Debt and Leases	(54,731)	(918,211)
Net Cash Used in Capital and Related Financing Activities	(1,959,111)	(2,477,473)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	26,487	
Net Increase (Decrease) in Cash and Cash Equivalents	539,229	(1,005,920)
Cash and Cash Equivalents - Beginning of the Year	12,190,280	13,196,200
Cash and Cash Equivalents - End of the Year	$ 12,729,509	$ 12,190,280
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH USED IN OPERATING ACTIVITIES		
Operating Loss	$ (49,001,461)	$ (52,153,794)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:		
Depreciation Expense	4,750,740	4,586,559
Pension Expense	4,408,015	3,736,816
State Appropriations - On-Behalf Fringe Benefits:		
Alternate Benefit Program	1,356,620	1,604,175
Miscellaneous Nonoperating Income	1,829,390	2,411,711
Change in Assets and Liabilities:		
Receivables, net	2,633,075	(1,575,401)
Inventories	(2,059)	(2,705)
Prepaid Expenses	105,552	(269,388)
Accounts Payable and Accrued Liabilities	(2,032,404)	1,312,396
Unearned Revenues	(260,573)	168,487
Accrued Compensated Absences	(81,119)	(112,283)
Deferred Outflows of Resources - Related to Pensions:		
Contributions Made After the Measurement Date	(1,727,098)	(1,800,953)
Net Cash Used in Operating Activities	$ (38,021,322)	$ (42,094,380)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Assets Acquired Through Assumption of a Liability	$ 2,153,110	$ 1,818,944
Increase in Receivables Related to Non-operating Income	758,194	-

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - Camden County College (the "College") is a comprehensive, co-educational, community college, founded in 1967 by the Board of Chosen Freeholders, the governing body of Camden County. The College is an instrumentality of the State of New Jersey, established to function as a two-year community college and 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 College 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,* and GASB Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14.* Blended component units, although legally separate entities, would in-substance be part of the College's operations, however, each discretely presented component unit would be reported in a separate column in the College's financial statements to emphasize that it is legally separate from the College.

The basic-but not the only-criterion for including a potential component unit within the College 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 governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the College and / or its students.

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

Component Units (Cont'd) - A third criterion used to evaluate potential component units for inclusion or exclusion from the College 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 College could warrant its inclusion within the College's financial statements.

Based upon the application of these criteria, the College has determined that Camden County College Foundation (the "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 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 ended June 30, 2017 and 2016, the Foundation distributed $250,155, and $345,172, respectively, to the College for both restricted and unrestricted purposes.

Separate reports of audit for the Foundation for the fiscal years ended June 30, 2017 and 2016, 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: <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)</u>

<u>Cash and Cash Equivalents</u> - 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.

<u>Accounts Receivable</u> - Accounts receivable consists of tuition and fees charged to students and various other receivables. Accounts receivable are recorded net of estimated uncollectible amounts.

<u>Inventory</u> - 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.

<u>Tuition</u> - 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.

<u>State Aid</u> - 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.

<u>County Aid</u> - 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.

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

<u>Prepaid Expenses</u> - 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 is depreciated using the straight-line method over the useful lives of the assets, generally 20 years for land improvements, 50 years for buildings, 5 to 20 years for vehicles and equipment, 25 to 50 years for infrastructure, 5 to 10 years for capitalized software, and 5 years for library books. 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 allowance for June 30, 2017 and 2016 was $813,271 and $895,395, 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.

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 allowance for the fiscal years ended June 30, 2017 and 2016 was $10,994,913 and $12,386,298, respectively.

Reclassifications - Certain 2016 amounts have been reclassified to conform to 2017 presentation.

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 Fringe Benefits - 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 fringe benefit 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.

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).

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System (“PERS”), and additions to/deductions from PERS’s fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

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

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

Defined Benefit Pension Plans - The difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the College's proportion of expenses and liabilities to the pension as a whole, differences between the College's pension contribution and its proportionate share of contributions, and the College's pension contributions subsequent to the pension valuation measurement date.

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

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

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

Restricted Net Position - Non-Expendable - Restricted non-expendable is comprised of donor-restricted endowment funds. Endowments are subject to restrictions of gift instruments requiring that the principal be invested in perpetuity.

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.

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

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

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

The College implemented the following GASB Statements for the fiscal year ended June 30, 2017:

Statement No. 80, *Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The adoption of this Statement had no impact on the basic financial statements of the College.

Statement No. 82, *Pension Issues and amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The adoption of this Statement did not have a significant impact on the basic financial statements of the College.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements that will become effective for the College for the fiscal year ending June 30, 2018:

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The Statement will become effective for the College in fiscal year 2018. Management has not yet determined the impact of this Statement on the basic financial statements of the College.

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. As of June 30, 2017 and 2016, all of the College's bank balances of $9,004,175 and $8,945,552 were insured by FDIC and GUDPA.

Note 2: CASH AND CASH EQUIVALENTS (CONT'D)

New Jersey Cash Management Fund - During the fiscal years ended June 30, 2017 and 2016, 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, 2017 and 2016, the College had $4,754,205 and $4,728,030, invested in the Fund, respectively.

Note 3: CAPITAL ASSETS

Summaries of changes in the various capital asset categories for the fiscal years ended June 30, 2017 and 2016, are presented as follows:

	Balance June 30, 2016	Additions	Reductions	Transfers	Balance June 30, 2017
Non-Depreciable Capital Assets:					
Land	$ 9,385,327	$ -	$ -	$ -	$ 9,385,327
Construction in Progress	7,552,301	2,315,940		(5,008,857)	4,859,384
Other Non-Depreciable Assets	42,137		(21,070)		21,067
Total Non-Depreciable Capital Assets	16,979,765	2,315,940	(21,070)	(5,008,857)	14,265,778
Depreciable Capital Assets:					
Land Improvements	4,738,366				4,738,366
Buildings	164,099,068			4,593,707	168,692,775
Infrastructure	15,974,036			415,150	16,389,186
Equipment	7,030,531	213,539	(2,945)		7,241,125
Vehicles	1,282,181	25,305			1,307,486
Assets Under Capital Lease	1,773,461				1,773,461
Capitalized Software	3,364,941				3,364,941
Library Books	3,001,555	2,607			3,004,162
Total Depreciable Capital Assets	201,264,139	241,451	(2,945)	5,008,857	206,511,502
Less Accumulated Depreciation For:					
Land Improvements	(928,125)	(89,433)			(1,017,558)
Buildings	(39,535,792)	(3,565,978)			(43,101,770)
Infrastructure	(2,985,983)	(520,839)			(3,506,822)
Equipment	(4,429,783)	(447,525)	2,945		(4,874,363)
Vehicles	(699,568)	(95,716)			(795,284)
Assets Under Capital Lease	(1,773,461)				(1,773,461)
Capitalized Software	(3,171,741)	(15,632)			(3,187,373)
Library Books	(2,961,543)	(15,617)			(2,977,160)
Total Accumulated Depreciation	(56,485,996)	(4,750,740)	2,945	-	(61,233,791)
Depreciable Capital Assets	144,778,143	(4,509,289)	-	5,008,857	145,277,711
Total Capital Assets, Net	$ 161,757,908	$ (2,193,349)	$ (21,070)	$ -	$ 159,543,489

Depreciation expense for the fiscal year ended June 30, 2017 was $4,750,290.
Projects were completed during the fiscal year resulting in $5,008,857, being reclassified from Construction in Progress.

Note 3: CAPITAL ASSETS (CONT'D)

	Balance June 30, 2015	Additions	Reductions	Transfers	Balance June 30, 2016
Non-Depreciable Capital Assets:					
Land	$ 9,385,327	$ -	$ -	$ -	$ 9,385,327
Construction in Progress	16,461,920	4,390,424		(13,300,043)	7,552,301
Other Non-Depreciable Assets	63,207		(21,070)		42,137
Total Non-Depreciable Capital Assets	25,910,454	4,390,424	(21,070)	(13,300,043)	16,979,765
Depreciable Capital Assets:					
Land Improvements	4,738,366				4,738,366
Buildings	150,799,025			13,300,043	164,099,068
Infrastructure	15,974,036				15,974,036
Equipment	6,788,478	487,909	(245,856)		7,030,531
Vehicles	1,331,891	43,018	(92,728)		1,282,181
Assets Under Capital Lease	1,773,461				1,773,461
Capitalized Software	3,293,427	71,514			3,364,941
Library Books	2,998,229	3,326			3,001,555
Total Depreciable Capital Assets	187,696,913	605,767	(338,584)	13,300,043	201,264,139
Less Accumulated Depreciation For:					
Land Improvements	(837,804)	(90,321)			(928,125)
Buildings	(36,181,846)	(3,353,946)			(39,535,792)
Infrastructure	(2,473,447)	(512,536)			(2,985,983)
Equipment	(4,128,694)	(501,652)	200,563		(4,429,783)
Vehicles	(663,678)	(105,257)	69,367		(699,568)
Assets Under Capital Lease	(1,773,461)				(1,773,461)
Capitalized Software	(3,156,109)	(15,632)			(3,171,741)
Library Books	(2,954,328)	(7,215)			(2,961,543)
Total Accumulated Depreciation	(52,169,367)	(4,586,559)	269,930	-	(56,485,996)
Depreciable Capital Assets	135,527,546	(3,980,792)	(68,654)	13,300,043	144,778,143
Total Capital Assets, Net	$ 161,438,000	$ 409,632	$ (89,724)	$ -	$ 161,757,908

Depreciation expense for the fiscal year ended June 30, 2016 was $4,586,559.
Projects were completed during the fiscal year resulting in $13,300,043, being reclassified from Construction in Progress.

Note 4: LEASES

Capital Leases Obligations - At June 30, 2017, the College had lease agreements in effect, with the County of Camden, for various Campus Capital Construction Improvements. The following is a schedule of future minimum lease payments under these capital leases at June 30, 2017.

Fiscal Year Ended June 30,	Principal	Interest	Total
2018	$ 948,436	$ 791,789	$ 1,740,225
2019	985,597	754,451	1,740,048
2020	1,011,747	713,346	1,725,093
2021	981,834	670,564	1,652,398
2022	1,023,410	628,239	1,651,649
2023-2027	5,277,274	2,404,760	7,682,034
2028-2032	2,653,928	1,412,372	4,066,300
2033-2037	1,792,660	719,878	2,512,538
2038-2041	1,236,000	175,067	1,411,067
	$ 15,910,886	$ 8,270,466	$ 24,181,352

The County of Camden waived the College's required payments of $915,775 and $826,518 for fiscal year 2017 and $883,029 and $855,871 for fiscal year 2016 for principal and interest, respectively. These amounts have been reported in the financial statements as revenues and expenses.

Higher Education Equipment Leasing Fund Payable

At June 30, 2017, the College also had a Higher Education Equipment Leasing Fund payable. The following is a schedule of future minimum lease payments under this lease at June 30, 2017.

Fiscal Year Ended June 30,	Principal	Interest	Total
2018	$ 78,552	$ 3,929	$ 82,481

The College paid $75,032 and $7,681 in fiscal year 2017, and $71,452 and $11,255 in fiscal year 2016 for principal and interest, respectively.

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.

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

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 ended June 30, 2017 and 2016, the County of Camden made basic lease payments in the amount of $12,750 and $573,750, 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, 2017 and 2016. 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. During the fiscal years ended June 30, 2017 and 2016, the College did not reimburse the County for principal or interest paid.

Note 6: LONG-TERM LIABILITIES

The following is a summary of long-term liabilities for the fiscal years ended June 30, 2017 and 2016:

	Balance June 30, 2016	Increase	Decrease	Balance June 30, 2017	Due Within One Year
Compensated Absences	$ 2,604,288	$ 1,389,189	$ (1,470,308)	$ 2,523,169	$ 606,783
Capital Leases	16,826,661		(915,775)	15,910,886	948,436
Mortgage Payable	6,392,473		(4,486)	6,387,987	4,487
Higher Education Equip. Leasing Fund Payable	153,615		(75,063)	78,552	78,552
Net Pension Liability	54,754,974	21,643,772	(16,358,314)	60,040,432	
	$ 80,732,011	$ 23,032,961	$ (18,823,946)	$ 84,941,026	$ 1,638,258

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

	Balance June 30, 2015	Increase	Decrease	Balance June 30, 2016	Due Within One Year
Compensated Absences	$ 2,716,571	$ 1,545,676	$ (1,657,959)	$ 2,604,288	$ 603,905
Capital Leases	17,709,690		(883,029)	16,826,661	915,775
Mortgage Payable	6,396,959		(4,486)	6,392,473	547,704
Higher Education Equip. Leasing Fund Payable	225,067		(71,452)	153,615	75,032
Net Pension Liability	45,388,460	14,285,315	(4,918,801)	54,754,974	
	$ 72,436,747	$ 15,830,991	$ (7,535,727)	$ 80,732,011	$ 2,142,416

Note 7: PENSION PLANS

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

The State issues a publicly available Comprehensive Annual Financial Report (CAFR) of the State of New Jersey Division of Pensions and Benefits, which includes financial statements, required supplementary information and detailed information about the PERS's fiduciary net position. This CAFR can be obtained by writing to the State of New Jersey or by visiting the website below.

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
http://www.nj.gov/treasury/pensions

General Information About the Pension Plans

Plan Descriptions

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

Note 7: PENSION PLANS (CONT'D)

General Information About the Pension Plans (Cont'd)

Plan Descriptions (Cont'd)

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

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

Vesting and Benefits Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the PERS membership tiers:

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

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

Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Note 7: PENSION PLANS (CONT'D)

General Information About the Pension Plans (Cont'd)

Vesting and Benefits Provisions (Cont'd)

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

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

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rates were 7.20% and 7.06% in fiscal years 2017 and 2016, respectively. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The College's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The College's contractually required contribution rates were 13.48% and 13.57% of the College's covered payroll for the fiscal years ended June 30, 2017 and 2016, respectively. These amount were actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2016, the College's contractually required contribution to the pension plan for the fiscal year ended June 30, 2017 was $1,800,953, and was paid by April 1, 2017. College employee contributions to the pension plan during the fiscal year ended June 30, 2017 were $639,668.

Based on the PERS measurement date of June 30, 2015, the College's contractually required contribution to the pension plan for the fiscal year ended June 30, 2016 was $1,160,170, and was paid by April 1, 2016. College employee contributions to the pension plan during the fiscal year ended June 30, 2016 were $931,705.

Note 7: PENSION PLANS (CONT'D)

General Information About the Pension Plans (Cont'd)

Contributions (Cont'd)

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

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

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

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

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

During the fiscal year end June 30, 2017, the College's share of the employer contributions for participants not eligible for State reimbursement was $396,675, employee contributions to the plan were $945,490, and the State of New Jersey made on-behalf payments for the College contributions of $1,356,620. During the fiscal year end June 30, 2016, the College's share of the employer contributions for participants not eligible for State reimbursement was $415,417, employee contributions to the plan were $976,478, and the State of New Jersey made on-behalf payments for the College contributions of $1,604,175.

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

For the fiscal year ended June 30, 2017, employee contributions totaled $77,664, and the College recognized pension expense of $42,369. There were no forfeitures during this fiscal year. For the fiscal year ended June 30, 2016, employee contributions totaled $75,959, and the College recognized pension expense of $41,431. There were no forfeitures during this fiscal year.

Note 7: PENSION PLANS (CONT'D)

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

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

The College reported a liability of $60,040,432 and $54,754,974 for its proportionate share of the net pension liability for the fiscal years ended June 30, 2017 and 2016, respectively.

The net pension liability reported at June 30, 2017 was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. The College's proportion of the net pension liability was based on a projection of the College's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2016 measurement date, the College's proportion was .2027219670%, which was a decrease of .0411972402% from its proportion measured as of June 30, 2015.

The net pension liability reported at June 30, 2016 was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The College's proportion of the net pension liability was based on a projection of the College's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2015 measurement date, the College's proportion was .2439192072%, which was an increase of .0014949029% from its proportion measured as of June 30, 2014.

The College recognized $4,408,015 and $3,736,816, in its financial statements for pension expense for PERS, for the fiscal years ended June 30, 2017 and 2016, respectively. These amounts were based on the plans June 30, 2016 and 2015 measurement dates, respectively.

Note 7: PENSION PLANS (CONT'D)

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

At June 30, 2017 and 2016, the College reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Measurement Date June 30, 2016		Measurement Date June 30, 2015	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 1,116,570	$ -	$ 1,306,261	$ -
Changes of Assumptions	12,437,171	-	5,880,247	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	2,289,396	-	-	880,355
Changes in Proportion and Differences between College Contributions and Proportionate Share of Contributions	512,265	6,713,768	657,085	-
College Contributions Subsequent to the Measurement Date	1,727,098	-	1,800,953	-
	$ 18,082,500	$ 6,713,768	$ 9,644,546	$ 880,355

$1,727,098 and $1,800,953 included in deferred outflows of resources, for the June 30, 2016 and 2015 measurement dates, respectively, will be included as a reduction of the net pension liability in fiscal year ending June 30, 2018 and 2017, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	
2018	$ 2,242,663
2019	2,242,663
2020	2,808,142
2021	2,080,544
2022	267,622
	$ 9,641,634

Note 7: PENSION PLANS (CONT'D)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
Changes in Proportion and Differences between College Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57

Note 7: PENSION PLANS (CONT'D)

Actuarial Assumptions

The net pension liability at June 30, 2017 was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016.

The net pension liability at June 30, 2016 was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015.

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

	Measurement Date June 30, 2016	Measurement Date June 30, 2015
Inflation	3.08%	3.04%
Salary Increases:		
2012-2021		2.15% - 4.40% Based on Age
Through 2026	1.65% - 4.15% Based on Age	
Thereafter	2.65% - 5.15% Based on Age	3.15% - 5.40% Based on Age
Investment Rate of Return	7.65%	7.90%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2011 - June 30, 2014	July 1, 2008 - June 30, 2011

For the June 30, 2016 measurement date, pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. Mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

For the June 30, 2015 measurement date, Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

Note 7: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at the June 30, 2016 measurement date and 7.90% at the 2015 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in target asset allocation are summarized in the following tables:

	Measurement Date June 30, 2016		Measurement Date June 30, 2015	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.87%	5.00%	1.04%
U.S. Treasuries	1.50%	1.74%	1.75%	1.64%
Investment Grade Credit	8.00%	1.79%	10.00%	1.79%
Mortgages	2.00%	1.67%	2.10%	1.62%
High Yield Bonds	2.00%	4.56%	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.44%	1.50%	3.25%
Broad U.S. Equities	26.00%	8.53%	27.25%	8.52%
Developed Foreign Equities	13.25%	6.83%	12.00%	6.88%
Emerging Market Equities	6.50%	9.95%	6.40%	10.00%
Private Equity	9.00%	12.40%	9.25%	12.41%
Hedge Funds / Absolute Return	12.50%	4.68%	12.00%	4.72%
Real Estate (Property)	2.00%	6.91%	2.00%	6.83%
Commodities	0.50%	5.45%	1.00%	5.32%
Global Debt ex U.S.	5.00%	-0.25%	3.50%	-0.40%
REIT	5.25%	5.63%	4.25%	5.12%
	100.00%		100.00%	

Discount Rate June 30, 2016 Measurement Date - The discount rate used to measure the total pension liability at the June 30, 2016 measurement date was 3.98%. The respective single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85%, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Note 7: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Discount Rate June 30, 2015 Measurement Date - The discount rate used to measure the total pension liability was 4.90% as of the June 30, 2015 measurement date. The single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80%, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the College's proportionate share of the net pension liability at the June 30, 2016 and 2015 measurement dates, respectively. These amounts were calculated using a discount rate of 3.98% for June 30, 2016 and 4.90% for June 30, 2015, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	June 30, 2016 Measurement Date		
	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
College's Proportionate Share of the Net Pension Liability	$ 73,572,542	$ 60,040,432	$ 48,868,502

	June 30, 2015 Measurement Date		
	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
College's Proportionate Share of the Net Pension Liability	$ 68,053,733	$ 54,754,974	$ 43,605,391

Pension Plan Fiduciary Net Position

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

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 - 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 ended June 30, 2017 and 2016 were $388,246 and $422,933, 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, 2017 and 2016, the Compensated Absences Liability was $2,523,169 and $2,604,288, 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)
AXA Financial (Equitable)
MassMutual Retirement Services (the Hartford)
Met Life (Travelers/CitiStreet)
Met Life – Roth
Prudential
Teacher's Insurance and Annuity Association / College Retirement Equities Fund (TIAA/CREF)
Variable Annuity Life Insurance Company (VALIC)
VOYA Financial Services

457(b)
Met Life (Travelers/CitiStreet)
Teacher's Insurance and Annuity Association / College Retirement Equities Fund (TIAA/CREF)

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, 2017 and 2016, the amount reserved was $76,972 and $154,442, respectively. Also at June 30, 2017 and 2016, the College reserved fund balance in its Plant Fund for the Camden Technology Center in the amount of $348,959 and $302,408, respectively, and a Facilities Reserve in the amount of $1,305,914, at both June 30, 2017 and 2016.

Note 12: AUXILIARY OPERATIONS - BOOKSTORE

The College has an agreement with Barnes & Noble, Inc., for the operation of the official *Campus Store* (Bookstore) at the Blackwood Campus and Rohrer Center, which expires July 31, 2017. The College entered into a new agreement commencing August 1, 2017 through June 30, 2017.

In addition, the College has a separate agreement with Barnes & 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 June 2015.

Net commissions paid to the College for the fiscal years ended June 30, 2017 and 2016 were $559,415 and $745,371, respectively.

Note 13: NET POSITION

The following is a summary of net position balances of the College for the fiscal years ended June 30, 2017 and 2016:

	2017	2016
Net Investment in Capital Assets:		
Total Capital Assets, Net	$ 159,543,489	$ 161,757,908
Related Debt	(22,377,425)	(23,372,749)
	$ 137,166,064	$ 138,385,159
Restricted for Expendable Net Position:		
Construction and Improvements	$ 518,101	$ 543,967
Restricted	5,435	2,198
Federal and State Grants	87,000	-
	$ 610,536	$ 546,165
Unrestricted Net Position (Deficit):		
Designated for Student Government and Intercollegiate Athletics	$ 66,807	$ 94,827
Designated for Grants	87,117	
Designated for Construction and Improvements	6,493,715	8,069,003
Designated for Future Year Budgets	2,600,000	
Undesignated (Deficit)	(48,924,080)	(46,665,762)
	$ (39,676,441)	$ (38,501,932)
Reconciliation of Unrestricted Net Position (Deficit):		
Effects of GASB 68 and 71 Pension Related Items		
Prior Years	$ (47,791,736)	$ (46,151,971)
Current Year	(2,607,062)	(1,639,765)
Designated for Student Government and Intercollegiate Athletics	66,807	94,827
Designated for Grants	87,117	
Designated for Construction and Improvements	6,493,715	8,069,003
Designated for Future Year Budgets	2,600,000	
Undesignated Before GASB 68 and 71 Pension Related Items	1,474,718	1,125,974
	$ (39,676,441)	$ (38,501,932)

Note 14: EDUCATIONAL AND GENERAL EXPENSES BY NATURAL CLASSIFICATION

The College's operating expenses by natural classification for the fiscal years ended June 30, 2017 and 2016 are presented as follows:

	2017	2016
Salaries and Benefits	$ 57,285,377	$ 57,363,480
Supplies and Materials	5,522,975	7,821,218
Services	6,954,073	5,605,424
Scholarships and Fellowships	10,105,930	10,927,624
Utilities	3,675,309	3,794,998
Depreciation	4,750,740	4,586,559
	$ 88,294,404	$ 90,099,303

Note 15: ACCOUNTS RECEIVABLE

Accounts receivable consists of the following at the end of fiscal years ended June 30, 2017 and 2016:

	2017	2016
Student Tuition and fees	$ 2,251,926	$ 2,100,849
Auxiliary Enterprises and Other Operating Activities	3,192,817	3,329,996
Federal, State, County and Private Grants and Contracts	5,604,696	7,575,600
	11,049,439	13,006,445
Less: Allowance for Doubtful Accounts	813,271	895,395
	$ 10,236,168	$ 12,111,049

Note 16: <u>ACCOUNTS PAYABLE</u>

Accounts payable as of June 30, 2017 and 2016, consists of the following amounts:

	2017	2016
Due to Vendors and Students	$ 4,367,549	$ 6,457,504
Health Benefits Payable	723,019	713,670
Payroll Deductions Payable	39,073	344,360
	$ 5,129,641	$ 7,515,534

Note 17: <u>SCHOOL EMPLOYEES HEALTH BENEFITS PROGRAM</u>

P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2016, there were 110,512 retirees receiving postemployment medical benefits, and the State contributed $1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retire from a board of education or county college with 25 years of service. The State paid $231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in fiscal year 2016.

The School Employees Health Benefits Program ("SEHBP") Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. Seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SEHBP. That report may be obtained from the Treasury website at:

http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf

Note 18: <u>COMMITTMENTS</u>

<u>Joint Health Sciences Center</u>

The College has entered into an agreement with the Rowan University/Rutgers-Camden Board of Governors (Board of Governors), to be part of a Joint Health Sciences Center (the building) to be located in Camden, New Jersey. The building will be shared by Camden County College, Rowan University and Rutgers-Camden University. Once the building is completed, each of the three College's will own a share of the building and contribute to its maintenance. In total, Camden County College has committed $10,000,000 towards the building ($7,500,000 grant from the State of New Jersey – Building Our Future Bond Act Grant and $2,500,000 from the County of Camden). To date the College has expended $645,574 against the project and is committed to pay $9,354,426 in future fiscal years.

Note 19: CONTINGENCIES

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

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 20: CONCENTRATIONS

The College depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the College is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 21: SUBSEQUENT EVENTS

The College evaluated subsequent events through November 15, 2017, the date the financial statements were available to be issued. The College is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

Note 22: 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.

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.

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.

Note 22: 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, 2017 and 2016.

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.

New Accounting Pronouncements - Presentation of Financial Statements of Not-for-Profit Entities – Issued in August 2016, *Accounting Standards Update (ASU) No. 2016-14 (Topic 958)* is intended to improve the presentation of financial statements of not-for-profit (NFP) entities and provide more useful information to donors, grantors, and other users. The ASU eliminates the distinction between resources with permanent restrictions and those with temporary restrictions from the face of NFP financial statements by reducing the current three net asset classes (unrestricted, temporarily restricted, and permanently restricted) to two classes (net assets with donor restrictions and net assets without donor restrictions). The ASU will also require additional information to be disclosed about investment return, expense classifications, liquidity and availability of resources, and presentation of operating cash flows. The standard will take effect for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Early application will be permitted. The Foundation is assessing the potential impact this guidance will have on its financial statements.

On May 28, 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606),* requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The update will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU No. 2015-14 which defers the effective date of ASU No. 2014-09 one year making it effective for the Foundation's year ending June 30, 2020. Early adoption, subsequent to the Foundation's year ending June 30, 2017, is permitted. The Foundation is currently evaluating the effect implementation of ASU No. 2014-09 will have on its financial statements.

Note 22: 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, 2017 and 2016, the Foundation's balance did not exceed the insured limit.

In addition, the Foundation invests funds in the UBS Financial Services Inc. and Morgan Stanley money market funds. These funds are not insured by the F.D.I.C. At June 30, 2017 and 2016 the balance in these funds totaled $54,599 and $76,257, respectively.

C. 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:

	2017	2016
Unrestricted:		
Undesignated	$ 142,048	$ 140,096
Temporarily Restricted:		
Scholarships	680,288	675,791
Other Program Expenses	157,033	128,883
Permanently Restricted:		
Endowment	800,330	809,145
Total Net Assets	$ 1,779,699	$ 1,753,914

D. INVESTMENTS

Investments, stated at fair value, are composed of the following as of June 30, 2017 and 2016, respectively:

	2017	2016
Marketable Securities:		
Corporate Stocks	$ 752,679	$ 707,955
Corporate Bonds and Notes	342,810	392,047
Preferred Securities	357,221	224,082
Government Securities		11,306
Nonmarketable Securities:		
Alternative Investments	286,073	268,585
Total	$ 1,738,783	$ 1,603,975

Note 22: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)

D. INVESTMENTS (CONT'D)

The following summarizes the investment returns as of June 30, 2017 and 2016, respectively:

		2017		2016
Interest and Dividends	$	53,841	$	56,012
Realized Gains (Losses)		(5,575)		(71,148)
Unrealized Gains (Losses)		97,731		4,471
Total Investment Return	$	145,996	$	(10,665)

E. FAIR VALUE MEASUREMENT

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

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

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

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

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

Note 22: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)

E. FAIR VALUE MEASUREMENT (CONT'D)

The following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis. There have been no changes to the methodologies used at June 30, 2017 and 2016.

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

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

- Corporate Fixed Income and Government Securities – Valued based upon quotes from independent pricing vendors based upon independent pricing models or other model-based valuation techniques such as present value of the stream of expected cash flows adjusted for the security's credit rating and other factors such as credit loss assumptions.

- Alternative Investments (Hedge Funds) - Valued as a practical expedient, at the net asset value of the units held by the Foundation at fiscal year end, as reported by the investment manager and within the valuation guidelines stipulated in respective investment agreements.

  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, 2017 and 2016. 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.

Note 22: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)

E. FAIR VALUE MEASUREMENT (CONT'D)

Fair Value on a Recurring Basis - The following tables below present the fair value of financial instruments as measured on a recurring basis as of June 30, 2017 and 2016.

2017

		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	$ 62,570	$ 62,570	$ -	$ -
Financial	130,523	130,523		
Industrial Goods	63,256	63,256		
Consumer Goods	57,506	57,506		
Basic Materials	63,348	63,348		
Services	139,168	139,168		
Healthcare	69,784	69,784		
Undesignated Sector	166,524	166,524		
Preferred Stocks	251,002	251,002		
Corporate Fixed Income:				
Corporate Bonds:				
(AAA to A)	203,045		203,045	
(BBB to BBB-)	139,765		139,765	
Fixed-Rate Capital Securities				
(AAA to A)	6,171		6,171	
(BBB to BBB-)	100,047		100,047	
Alternative Investments:				
Hedge Funds	286,073			286,073
Total	$ 1,738,783	$ 1,003,681	$ 449,028	$ 286,073

Note 22: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)

E. FAIR VALUE MEASUREMENT (CONT'D)

Fair Value on a Recurring Basis (Cont'd)

2016				
		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	$ 33,807	$ 33,807	$ -	$ -
Financial	94,925	94,925		
Industrial Goods	48,660	48,660		
Consumer Goods	52,618	52,618		
Basic Materials	34,117	34,117		
Services	173,127	173,127		
Utilities	13,582	13,582		
Healthcare	95,287	95,287		
Undesignated Sector	161,833	161,833		
Preferred Stocks	224,082	224,082		
Corporate Fixed Income:				
Corporate Bonds:				
(AAA to A)	163,302		163,302	
(BBB to BBB-)	120,350		120,350	
Fixed-Rate Capital Securities				
(AAA to A)	2,618		2,618	
(BBB to BBB-)	105,779		105,779	
Government Securities:				
(AAA to A)	11,306		11,306	
Alternative Investments:				
Hedge Funds	268,585			268,585
Total	$ 1,603,975	$ 932,037	$ 403,353	$ 268,585

Note 22: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)

E. FAIR VALUE MEASUREMENT (CONT'D)

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,	
	2017	2016
Fair Value, Beginning of Year	$ 268,585	$ 295,219
Unrealized Gains (Losses)	17,489	(26,634)
Fair Value, End of Year	$ 286,073	$ 268,585

Required Supplementary Information

Part II

CAMDEN COUNTY COLLEGE
Required Supplementary Information
Schedule of the College's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System (PERS)
Last Four Plan Years

	Measurement Date Ending June 30,			
	2016	**2015**	**2014**	**2013**
College's Proportion of the Net Pension Liability	0.2027219670%	0.2439192072%	0.2424243043%	0.2392396635%
College's Proportionate Share of the Net Pension Liability	$ 60,040,432	$ 54,754,974	$ 45,388,460	$ 45,723,453
College's Covered Payroll (Plan Measurement Date)	$ 14,394,928	$ 17,152,104	$ 17,300,240	$ 16,805,620
College's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	417.09%	319.23%	262.36%	272.07%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

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

CAMDEN COUNTY COLLEGE
Required Supplementary Information
Schedule of the College's Contributions
Public Employees' Retirement System (PERS)
Last Four Fiscal Years

	Fiscal Year Ended June 30,			
	2017	**2016**	**2015**	**2014**
Contractually Required Contribution	$ 1,727,098	$ 1,800,953	$ 2,097,051	$ 1,998,511
Contributions in Relation to the Contractually Required Contribution	$ (1,727,098)	$ (1,800,953)	$ (2,097,051)	$ (1,998,511)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
College's Covered Payroll (Fiscal Year)	$ 12,815,990	$ 13,273,818	$ 14,454,313	$ 16,948,692
Contributions as a Percentage of College's Covered Payroll	13.48%	13.57%	14.51%	11.79%

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

CAMDEN COUNTY COLLEGE
Notes to Required Supplementary Information - Part II
For the Fiscal Year Ended June 30, 2017

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None

Changes in Assumptions - For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65%, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at $118,500 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at $265,000 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the

SINGLE AUDIT SECTION

BOWMAN & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND STATE OF NEW JERSEY CIRCULAR 15-08-OMB

INDEPENDENT AUDITOR'S 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 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, 2017. 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards 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; Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance, and State of New Jersey Circular 15-08-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 the 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, 2017.

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Report on Internal Control Over Compliance

Management of ***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 the Uniform Guidance and State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and State of New Jersey Circular 15-08-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 15, 2017

CAMDEN COUNTY COLLEGE
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2017

Federal Grantor/Pass-through Grantor/Program Title/Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Education:				
Student Financial Aid Cluster (Direct Funding):				
Federal Supplemental Educational Opportunity Grants (includes administrative costs of $26,507)	84.007	N/A	$ 464,873	$ -
Federal Work-Study Program (includes administrative costs of $16,882)	84.033	N/A	324,260	
Federal Pell Grant Program	84.063	N/A	17,241,765	
Federal Direct Student Loans	84.268	N/A	8,756,186	
Postsecondary Education Scholarships for Veteran's Dependents	84.408	N/A	2,707	
Total Student Financial Aid Cluster			26,789,791	-
Higher Education Institutional Aid (Direct Funding):				
iPOWERS Grant	84.031	N/A	419,700	-
Career and Technical Education - Basic Grants to States:				
Passed Through State of NJ Department of Education:				
Carl D. Perkins Vocational and Applied Technology Act	84.048	V048A1500030	742,260	-
Adult Education - Basic Grants to States:				
Passed Through State of NJ Department of Labor and Workforce Development:				
Adult Education and Family Literacy:				
Adult Basic Skills ($268,457 Matching Share)	84.002	ABS-FY2017-019	594,168	334,873
English Literacy and Civics	84.002	ABS-FY2017-019	219,035	138,890
			813,203	473,763
Transition Programs for Students with Intellectual Disabilities into Higher Education:				
Passed Through Bergen Community College:				
Garden State Pathways	84.407	P407A100024	15,763	-
Twenty-First Century Community Learning Centers:				
Passed Through State of NJ Department of Education:				
21st Century Community Learning Centers Program	84.287	17E00079	348,992	
21st Century - Gloucester City	84.287	16E00053	57,033	
			406,025	-
			29,186,742	473,763

(Continued)

Schedule A

CAMDEN COUNTY COLLEGE
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2017

Federal Grantor/Pass-through Grantor/Program Title/Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Labor:				
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants (Direct Funding):				
Trade Adjustment Assistance Community College and Career Training	17.282	N/A	$ 246,803	$ 154,170
WIOA Dislocated Worker National Reserve Demonstration Grants:				
Passed Through Rutgers University:				
Camden Corps Plus Grant	17.280	805368	21,624	-
Apprenticeship USA Grants:				
Passed Through State of NJ Department of Labor and Workforce Development:				
State Apprenticeship Accelerator Program	17.285	17-TDC-001	7,125	-
			275,552	154,170
U.S. Department of Agriculture:				
1890 Institution Capacity Building Grants:				
Passed Through Delaware State University:				
Delaware Food and Nutrition	10.216	2014-38821-22449	4,563	-
National Science Foundation:				
Education and Human Resources:				
Pass Through University of Central Florida:				
OP-TEC - The National Center for Optics and Photonics Education	47.076	61036038	11,718	
Pass Through Rochester Institute of Technology:				
Deaf STEM Community Alliance	47.076	31204-01	22,430	-
			34,148	-
U.S. Department of Health and Human Services:				
Community-Based Child Abuse Prevention Grants:				
Passed Through State of NJ Department of Children and Families:				
Community Based Child Abuse Prevention (NJCAP)	93.590	17JTDP	51,904	
Total Federal Awards			$ 29,552,909	$ 627,933

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, 2017

State Grantor/Program Title	State GMIS Number	Program or Award Amount	Matching Contribution	Program Funds Received	Grant Period From	Grant Period To	Expenditures	Passed Through to Subrecipients	Cumulative Expenditures
Student Financial Aid Cluster:									
N.J. Commission on Higher Education:									
Educational Opportunities Fund - Article III	100-074-2401-001	$ 178,394	$ -	$ 178,919	06/01/16	07/31/17	$ 178,263	$ -	$ 178,263
Educational Opportunities Fund - Article III Summer	100-074-2401-001	71,502		71,502	06/01/16	07/31/17	57,034		57,034
N.J. Higher Education Student Assistance Authority:									
New Jersey Stars Program	100-074-2405-313	458,727		460,403	07/01/16	06/30/17	458,727		458,727
Tuition Aid Grants	100-074-2405-007	2,345,135		2,363,353	07/01/16	06/30/17	2,333,595		2,333,595
Governor's Urban Scholarship Program	100-074-2405-329	2,500		2,500	07/01/16	06/30/17	2,000		2,000
NJ Class Loans	Not Applicable	73,926		67,667	07/01/16	06/30/17	67,667		67,667
Total Student Financial Aid Cluster							3,097,286	-	3,097,286
N.J. Office of the Secretary of Higher Education:									
NJ Gear Up Scholarship	100-074-2400-026	46,599		46,599	07/01/16	06/30/17	46,599	-	46,599
N.J. Commission on Higher Education:									
Educational Opportunities Fund - Article IV	100-074-2401-002	241,251	241,251	217,343	07/01/16	06/30/17	217,343	-	217,343
N.J. State Council on the Arts									
Local Arts Programming	100-074-2530-032-6130	59,732	16,348	16,348	01/01/16	12/31/16	16,348		16,348
Local Arts Programming	100-074-2530-032-6130	59,732	26,850	5,668	01/01/17	12/31/17	26,850		26,850
							43,198	-	43,198
History Partnership Grant	Unknown	12,950		6,816	01/01/17	12/31/17	6,816		6,816
							50,014	-	50,014
N.J. Department of Treasury - Higher Education Administration:									
Operational Costs - County Colleges	100-082-2155-015	9,363,397		9,363,397	07/01/16	06/30/17	9,363,397		9,363,397
Higher Education Equipment Leasing Fund (ELF)	100-082-2155-036	1,281,890		131,110	01/01/14	Project Completion	138,571		880,673
Building Our Future Bond Act - Joint Health Sciences Center	Unknown	7,420,276	2,579,724	-	03/01/17	Project Completion	482,993		482,993
P.L.1971, Chapter 12 Debt Service:									
Washington Hall HVAC	100-082-2155-016	1,600,000		1,217,453	07/01/15	Project Completion	262,205		1,552,549
Lincoln Hall HVAC, Energy Upgrades, Camden Parking Garage	100-082-2155-016	1,500,000		130,753	07/01/16	Project Completion	127,597		130,753
							389,802	-	1,683,302
Employer Contributions - Alternate Benefit Program - FT Faculty	100-082-2155-017	889,794		700,475	07/01/16	06/30/17	889,794		889,794
Employer Contributions - Alternate Benefit Program - Adjunct	100-082-2155-017	210,573		-	07/01/16	06/30/17	210,573		210,573
Employer Contributions - Alternate Benefit Program - Eligible Employees Enrolled in PERS	100-082-2155-017	256,253		-	07/01/16	06/30/17	256,253		256,253
							1,356,620	-	1,356,620
							11,731,383	-	13,766,985

(Continued)

CAMDEN COUNTY COLLEGE
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2017

State Grantor/Program Title	State GMIS Number	Program or Award Amount	Matching Contribution	Program Funds Received	Grant Period From	Grant Period To	Expenditures	Passed Through to Subrecipients	Cumulative Expenditures
N.J. Council of Community Colleges:									
N.J. College Access Challenge Grant - College Readiness Now	Unknown	$ 11,885	$ -	$ 11,885	09/01/15	08/31/16	$ 11,885	$ -	$ 11,885
N.J. College Access Challenge Grant - College Readiness Now	Unknown	47,943		18,925	09/01/16	06/30/17	41,377		41,377
N.J. College Access Challenge Grant - College Credit Now	Unknown	38,140		20,000	09/01/16	06/30/17	38,140		38,140
N.J. College Access Challenge Grant - Student Success Innovations	Unknown	500		500	09/01/16	06/30/17	500		500
							91,902	-	91,902
N.J. Department of Children and Families:									
School Based Youth Program	100-016-1630-013	382,322		382,322	04/01/17	06/30/17	371,298	-	371,298
N.J. Department of Law and Public Safety:									
Law Enforcement Officers Training and Equipment Fund	100-066-1020-314	36,111		36,111	07/01/16	06/30/17	36,111	-	36,111
N.J. Council for the Humanities:									
The Gilded Age	Unknown	6,000		6,000	09/01/16	11/30/16	6,000	-	6,000
N.J. Department of Labor and Workforce Development									
Workforce Development Youth Program:									
County Apprenticeship Coordinator Grant	780-062-4545-006	20,000		16,230	07/01/16	06/30/17	20,000		20,000
Advanced Manufacturing Talent Development Center	Unknown	355,790		284,319	05/01/16	04/30/17	355,790		355,790
							375,790	-	375,790
Total State Financial Assistance							$ 16,023,726	$ -	$ 18,059,328

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.

Note 1: **BASIS OF PRESENTATION**

The accompanying schedules of expenditures of federal awards and state financial assistance ("the schedules") include federal and state award activity of Camden County College (hereafter referred to as the "College"). The College is defined in note 1 to the College's basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules. Because these schedules present only a selected portion of the operations of the College, it is not intended to and does not present the financial position and changes in operations of the College. Accordingly, some amounts presented in the respective schedules may differ from amounts presented in, or used in the preparation of, the College's June 30, 2017 financial statements.

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

The accompanying schedules are presented using the accrual basis of accounting as described in note 1 to the College's basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3: **INDIRECT COST RATE**

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

Note 4: **OTHER STUDENT LOAN PROGRAMS**

The College is responsible only for the performance of certain administrative duties with respect to Federal Direct Student Loans and New Jersey Class Loans; accordingly, these loans balances are not included in the College's basic financial statements. It is not practical to determine the balance of loans outstanding to students of the College under these programs as of June 30, 2017.

Note 5: **MAJOR PROGRAMS**

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

CAMDEN COUNTY COLLEGE
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2017

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	____ yes __X__ no
Significant deficiency(ies) identified?	____ yes __X__ none reported
Noncompliance material to financial statements noted?	____ yes __X__ no

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	____ yes __X__ no
Significant deficiency(ies) identified?	____ yes __X__ none reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)?	____ yes __X__ no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
	Student Financial Aid Cluster:
84.007	Federal Supplemental Educational Opportunity Grants
84.033	Federal Work Study Program
84.063	Federal Pell Program
84.268	Federal Direct Student Loans
84.408	Postsecondary Education Scholarships for Veteran's Dependents
	Adult Education - Basic Grants to States:
	Adult Education and Family Literacy
84.002	Adult Basic Skills / English Literacy and Civics

Dollar threshold used to determine Type A programs	$ 886,587.00
Auditee qualified as low-risk auditee?	__X__ yes ____ no

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

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified?	____ yes _X_ no
Significant deficiency(ies) identified?	____ yes _X_ none reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB?	____ yes _X_ no

Identification of major programs:

GMIS Number(s)	Name of State Program
100-074-2401-002	Educational Opportunities Fund - Article IV
100-082-2155-015	Operational Costs - County Colleges

Dollar threshold used to determine Type A programs	$ 750,000.00
Auditee qualified as low-risk auditee?	_X_ yes ____ no

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*.

No Current Year Findings

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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

No Current Year Findings

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 State of New Jersey Circular 15-08-OMB.

No Current Year Findings

CAMDEN COUNTY COLLEGE

Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

No Prior Year Findings

FEDERAL AWARDS

No Prior Year Findings

STATE FINANCIAL ASSISTANCE PROGRAMS

No Prior Year Findings

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