



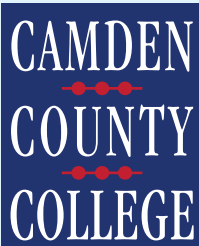
# Camden County College

(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, 2020 and 2019**

(With Independent Auditor's Reports Thereon)



# CAMDEN COUNTY COLLEGE

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# INTRODUCTORY SECTION

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**CAMDEN COUNTY COLLEGE**  
Members of the Board of Trustees and Executive Administration  
As of June 30, 2020

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**Board of Trustees**

| <b><u>Name</u></b>                | <b><u>Term Expires</u></b> |
|-----------------------------------|----------------------------|
| John T. Hanson, Chair             | 10/31/2023                 |
| Susan R. Croll, Vice Chair        | 10/31/2019                 |
| Anthony J. Maressa, Secretary     | 10/31/2021                 |
| Brett Wiltsey, Treasurer          | 10/31/2022                 |
| Annette Castiglione               | 10/31/2021                 |
| Karen S. Halpern                  | 11/01/2020                 |
| Dr. Lovell Pugh-Bassett           | Indefinite                 |
| S. Jay Mirmanesh                  | 11/01/2020                 |
| Jessica R. Stewart                | 10/31/2020                 |
| Helen Albright-Troxell            | 10/30/2023                 |
| Judith J. Ward                    | 10/31/2022                 |
| Mavis Amegah-Dorr, Alumna Trustee | 06/30/2020                 |

**Executive Administration**

Donald A. Borden, President  
Dr. David Edwards, Executive Vice President for Academic and Student Affairs  
Dr. Jacqueline Galbiati, Vice President for Institutional Effectiveness, Advancement and Strategic Initiatives  
Anne Daly-Eimer, Acting Executive Dean of Student Affairs/Title IX Coordinator  
Kathleen M. Kane, Executive Director of Human Resources  
Jack Post, Chief Information Officer  
Karl McConnell, Esq., General Counsel  
Maris Kukainis, Executive Director of Financial Administrative Services  
Helen Antonakasis, Executive Director of Finance and Planning  
Margo Venable, Executive Dean of School, Community, and Workforce Training Programs

# FINANCIAL SECTION

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## **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, 2020 and 2019, 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 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, 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, 2020 and 2019, 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, schedule of the College's pension contributions, and schedule of changes in the College's total OPEB liability and related ratios, 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*, respectively, 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 April 27, 2021, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of **Camden County College's** internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering 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  
April 27, 2021



**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, 2020, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated April 27, 2021. 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) as a basis for designing 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 the **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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



### ***Compliance and Other Matters***

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

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 entity'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  
April 27, 2021

# **REQUIRED SUPPLEMENTARY INFORMATION**

## **PART I**

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## Management's Discussion and Analysis For The Fiscal Years Ended June 30, 2020 and 2019 (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, 2020 and 2019 with fiscal year 2018 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*, 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*, these statements also include the most recent audited financial statements of Rowan College at Burlington County 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 20% of the College's revenue comes from tuition and fees. Total credit enrollments for the fiscal years ended June 30, 2020, 2019 and 2018 are as follows:

|              | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>Change<br/>2020-2019</u> | <u>Change<br/>2019-2018</u> |
|--------------|-------------|-------------|-------------|-----------------------------|-----------------------------|
| Credit Hours | 209,015     | 206,046     | 219,376     | 2,969                       | (13,330)                    |

- The College's total operating revenue decreased by 7% mainly due to a decrease in Student Tuition and Fee revenue. In addition, the College lost revenue due to the closing the campuses during the three months of the Pandemic.
- To keep education affordable and accessible, particularly in a difficult economy, the College did not increase tuition and fees in FY 2020.
- The County in FY 2020 waived the debt service and interest payment for the transformation bond.
- The College applied for and received \$10,419,070 in CARES Act funding.

# CAMDEN COUNTY COLLEGE – MANAGEMENT’S DISCUSSION AND ANALYSIS

## For the Fiscal Years Ended June 30, 2020 and 2019

### FINANCIAL HIGHLIGHTS (CONT'D)

#### IMPACT OF GASB 68 AND 71 IMPLEMENTATION

In FY 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 notes 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 2020, FY 2019 and FY 2018.

|                                                         | <b><u>2020</u></b>     | <b><u>2019</u></b>     | <b><u>2018</u></b>     | <b><u>Change<br/>2020-2019</u></b> | <b><u>Change<br/>2019-2018</u></b> |
|---------------------------------------------------------|------------------------|------------------------|------------------------|------------------------------------|------------------------------------|
| Deferred Outflows Related to Pensions                   | <b>\$ 5,996,501</b>    | \$ 8,789,095           | \$ 12,282,833          | \$ (2,792,594)                     | \$ (3,493,738)                     |
| Less: Accounts Payable - Related to Pensions            | <b>(1,967,950)</b>     | (1,811,313)            | (1,854,685)            | (156,637)                          | 43,372                             |
| Less: Net Pension Liability                             | <b>(33,552,777)</b>    | (36,713,251)           | (43,398,506)           | 3,160,474                          | 6,685,255                          |
| Less: Deferred Inflows Related to Pensions              | <b>(16,283,001)</b>    | (18,303,478)           | (16,859,270)           | 2,020,477                          | (1,444,208)                        |
| Net Position Effect from GASBS 68 and 71 Implementation | <b>\$ (45,807,227)</b> | <b>\$ (48,038,947)</b> | <b>\$ (49,829,628)</b> | <b>\$ 2,231,720</b>                | <b>\$ 1,790,681</b>                |

# CAMDEN COUNTY COLLEGE – MANAGEMENT’S DISCUSSION AND ANALYSIS

## For the Fiscal Years Ended June 30, 2020 and 2019

### 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, deferred outflows of resources, liabilities, deferred inflows of resources 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, 2020, 2019, and 2018

|                                                             | <u>2020</u>    | <u>2019</u>    | <u>2018</u>   | <u>Change<br/>2020-2019</u> | <u>Change<br/>2019-2018</u> |
|-------------------------------------------------------------|----------------|----------------|---------------|-----------------------------|-----------------------------|
| <b>Assets</b>                                               |                |                |               |                             |                             |
| Current Assets                                              | \$ 27,238,381  | \$ 21,783,219  | \$ 24,716,476 | \$ 5,455,162                | \$ (2,933,257)              |
| Non-Current Assets:                                         |                |                |               |                             |                             |
| Capital Assets, net of Depreciation                         | 159,254,901    | 158,815,351    | 156,268,807   | 439,550                     | 2,546,544                   |
| Total Assets                                                | 186,493,282    | 180,598,570    | 180,985,283   | 5,894,712                   | (386,713)                   |
| <b>Deferred Outflows of Resources - Related to Pensions</b> | 5,996,501      | 8,789,095      | 12,282,833    | (2,792,594)                 | (3,493,738)                 |
| <b>Liabilities</b>                                          |                |                |               |                             |                             |
| Current Liabilities                                         | 18,622,702     | 12,710,109     | 13,421,124    | 5,912,593                   | (711,015)                   |
| Non-Current Liabilities                                     | 54,101,161     | 57,993,727     | 65,644,520    | (3,892,566)                 | (7,650,793)                 |
| Total Liabilities                                           | 72,723,863     | 70,703,836     | 79,065,644    | 2,020,027                   | (8,361,808)                 |
| <b>Deferred Inflows of Resources - Related to Pensions</b>  | 16,283,001     | 18,303,478     | 16,859,270    | (2,020,477)                 | 1,444,208                   |
| <b>Net Position</b>                                         |                |                |               |                             |                             |
| Net Investment in Capital Assets                            | 139,906,296    | 138,454,998    | 134,922,857   | 1,451,298                   | 3,532,141                   |
| Restricted                                                  | 677,129        | 614,028        | 616,991       | 63,101                      | (2,963)                     |
| Unrestricted (Deficit)                                      | (37,100,506)   | (38,688,675)   | (38,196,646)  | 1,588,169                   | (492,029)                   |
| Total Net Position                                          | \$ 103,482,919 | \$ 100,380,351 | \$ 97,343,202 | \$ 3,102,568                | \$ 3,037,149                |

- Assets increased from FY 2019 to FY 2020 due to an increase in Cash of \$5.3 million and an increase of \$439 thousand in Capital Assets. The increase in Cash was caused when the College received CARES Act monies in the month of June.
- Current Liabilities increased from FY 2019 to FY 2020 due mainly to an increase in deferred revenues of \$5.1 million caused mainly by the receipt of CARES Act monies. Also included was an increase in Accounts Payable of \$431 thousand. In FY 2020, the Non-Current Liabilities decreased primarily due to the College’s allocation of net pension liability.
- Assets decreased from FY 2018 to FY 2019 due to a decrease in Cash of \$4.5 million which was offset by an increase in Other Accounts Receivable of \$1.6 million and an increase in Capital Assets of \$2.5 million which was caused mainly by the construction of the Joint Health Science Building.
- Non-Current Liabilities decreased from FY 2018 to FY 2019 due to a decrease in the Obligations under Capital Leases of \$1 million and the allocation of the College’s net pension liability.

## **CAMDEN COUNTY COLLEGE – MANAGEMENT’S DISCUSSION AND ANALYSIS**

### **For the Fiscal Years Ended June 30, 2020 and 2019**

#### **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 2020, the total operating revenue decreased \$2.9 million. The cause of the revenue decrease was due mainly a decline of \$2.1 million in Student Tuition and fees associated with lower enrollment. The remaining decrease was \$254 thousand in Grants and \$200 thousand in Auxiliary Services.

In FY 2020, the total operating expenses decreased over \$3.5 million which was caused by a decrease of over \$5.0 million in GASB 75 expenses and an increase in Student Aid of over \$2.0 million due mainly from the Student Aid received from the CARES Act.

In FY 2019, the total operating revenue decreased \$2.8 million. The cause of the revenue decrease was due by \$1.8 million in Student Tuition and Fee revenue and \$1.0 million decrease in grants, which was due to the loss of the Learning Resource Center grant.

In FY 2019, the total operating expenses decreased \$5.0 million, which was caused mainly by two factors. First, there was a decrease of over \$2.0 million in GASB 75 expenses. In addition, there was a decrease of \$3.0 million in Operation and Maintenance expenses, which was due to the expenses that were incurred in the construction projects in FY 2019.



# CAMDEN COUNTY COLLEGE – MANAGEMENT’S DISCUSSION AND ANALYSIS

## For the Fiscal Years Ended June 30, 2020 and 2019

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

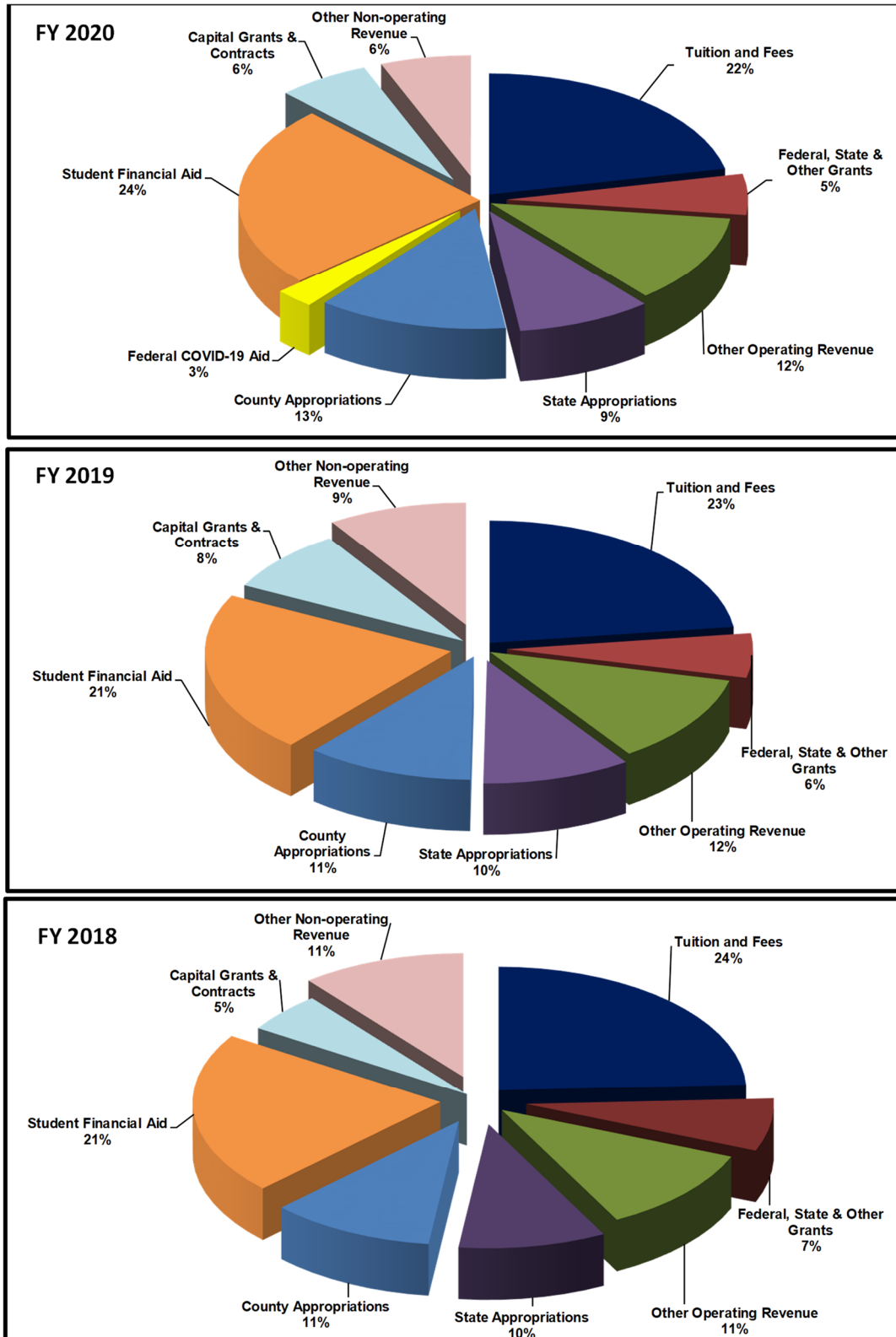
|                                          | <u>2020</u>    | <u>2019</u>    | <u>2018</u>   | <u>Change<br/>2020-2019</u> | <u>Change<br/>2019-2018</u> |
|------------------------------------------|----------------|----------------|---------------|-----------------------------|-----------------------------|
| <b>Operating Revenues</b>                |                |                |               |                             |                             |
| Student Tuition and Fees, net            | \$ 19,739,122  | \$ 21,814,217  | \$ 23,686,419 | \$ (2,075,095)              | \$ (1,872,202)              |
| State and Local Grants and Contracts     | 2,304,246      | 2,944,754      | 2,560,049     | (640,508)                   | 384,705                     |
| Federal Grants and Contracts             | 2,702,080      | 2,565,342      | 4,109,815     | 136,738                     | (1,544,473)                 |
| Nongovernmental Grants and Contracts     | 4,465          | 29,162         | 54,569        | (24,697)                    | (25,407)                    |
| Chargeback Revenue                       | 28,314         | 19,287         | 18,927        | 9,027                       | 360                         |
| Auxiliary Enterprises                    | 393,578        | 597,458        | 866,804       | (203,880)                   | (269,346)                   |
| Other Operating Revenues                 | 10,454,837     | 10,534,333     | 10,000,178    | (79,496)                    | 534,155                     |
| Total Operating Revenue                  | 35,626,642     | 38,504,553     | 41,296,761    | (2,877,911)                 | (2,792,208)                 |
| <b>Operating Expenses</b>                |                |                |               |                             |                             |
| Instruction                              | 27,322,545     | 29,097,441     | 29,791,395    | (1,774,896)                 | (693,954)                   |
| Public Services                          | 3,302,034      | 3,339,963      | 3,795,483     | (37,929)                    | (455,520)                   |
| Academic Support                         | 8,143,038      | 8,349,901      | 8,644,828     | (206,863)                   | (294,927)                   |
| Student Services                         | 7,191,792      | 7,304,641      | 7,220,843     | (112,849)                   | 83,798                      |
| Institutional Support                    | 7,634,279      | 10,966,635     | 12,880,496    | (3,332,356)                 | (1,913,861)                 |
| Operation and Maintenance of Plant       | 16,802,966     | 17,137,693     | 18,917,114    | (334,727)                   | (1,779,421)                 |
| Scholarships and Awards                  | 12,283,859     | 10,197,512     | 10,319,151    | 2,086,347                   | (121,639)                   |
| Depreciation                             | 4,982,496      | 4,932,998      | 4,846,118     | 49,498                      | 86,880                      |
| Total Operating Expenses                 | 87,663,009     | 91,326,784     | 96,415,428    | (3,663,775)                 | (5,088,644)                 |
| Operating Loss                           | (52,036,367)   | (52,822,231)   | (55,118,667)  | 785,864                     | 2,296,436                   |
| <b>Non-Operating Revenues (Expenses)</b> |                |                |               |                             |                             |
| State Appropriations:                    |                |                |               |                             |                             |
| State Aid                                | 8,288,857      | 9,304,075      | 9,396,957     | (1,015,218)                 | (92,882)                    |
| On-Behalf Fringe Benefits:               |                |                |               |                             |                             |
| Alternate Benefit Program                | 1,272,292      | 1,313,885      | 1,273,496     | (41,593)                    | 40,389                      |
| Other Post Employment Benefits           | 2,195,274      | 4,874,321      | 7,364,729     | (2,679,047)                 | (2,490,408)                 |
| County Appropriations                    | 11,650,000     | 10,488,856     | 10,488,856    | 1,161,144                   | -                           |
| Federal COVID-19 Aid                     | 2,427,005      |                |               |                             |                             |
| Student Financial Aid                    | 22,309,866     | 20,214,430     | 20,816,741    | 2,095,436                   | (602,311)                   |
| Other Non-Operating Revenue              | 1,841,949      | 2,286,409      | 1,745,793     | (444,460)                   | 540,616                     |
| Investment Income Earned                 | 236,177        | 255,197        | 118,360       | (19,020)                    | 136,837                     |
| Interest Expense                         | (759,479)      | (800,932)      | (842,559)     | 41,453                      | 41,627                      |
| Total Non-Operating Revenues             | 49,461,941     | 47,936,241     | 50,362,373    | 1,525,700                   | (2,426,132)                 |
| Income (Loss) before Other Revenues      | (2,574,426)    | (4,885,990)    | (4,756,294)   | 2,311,564                   | (129,696)                   |
| <b>Capital Grants and Contributions</b>  | 5,676,994      | 7,923,139      | 5,083,936     | (2,246,145)                 | 2,839,203                   |
| Increase (Decrease) in Net Position      | 3,102,568      | 3,037,149      | 327,642       | 65,419                      | 2,709,507                   |
| <b>Net Position</b>                      |                |                |               |                             |                             |
| Net Position - Beginning of Year         | 100,380,351    | 97,343,202     | 97,015,560    | 3,037,149                   | 327,642                     |
| Net Position - End of Year               | \$ 103,482,919 | \$ 100,380,351 | \$ 97,343,202 | \$ 3,102,568                | \$ 3,037,149                |

# CAMDEN COUNTY COLLEGE – MANAGEMENT’S DISCUSSION AND ANALYSIS

## For the Fiscal Years Ended June 30, 2020 and 2019

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

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

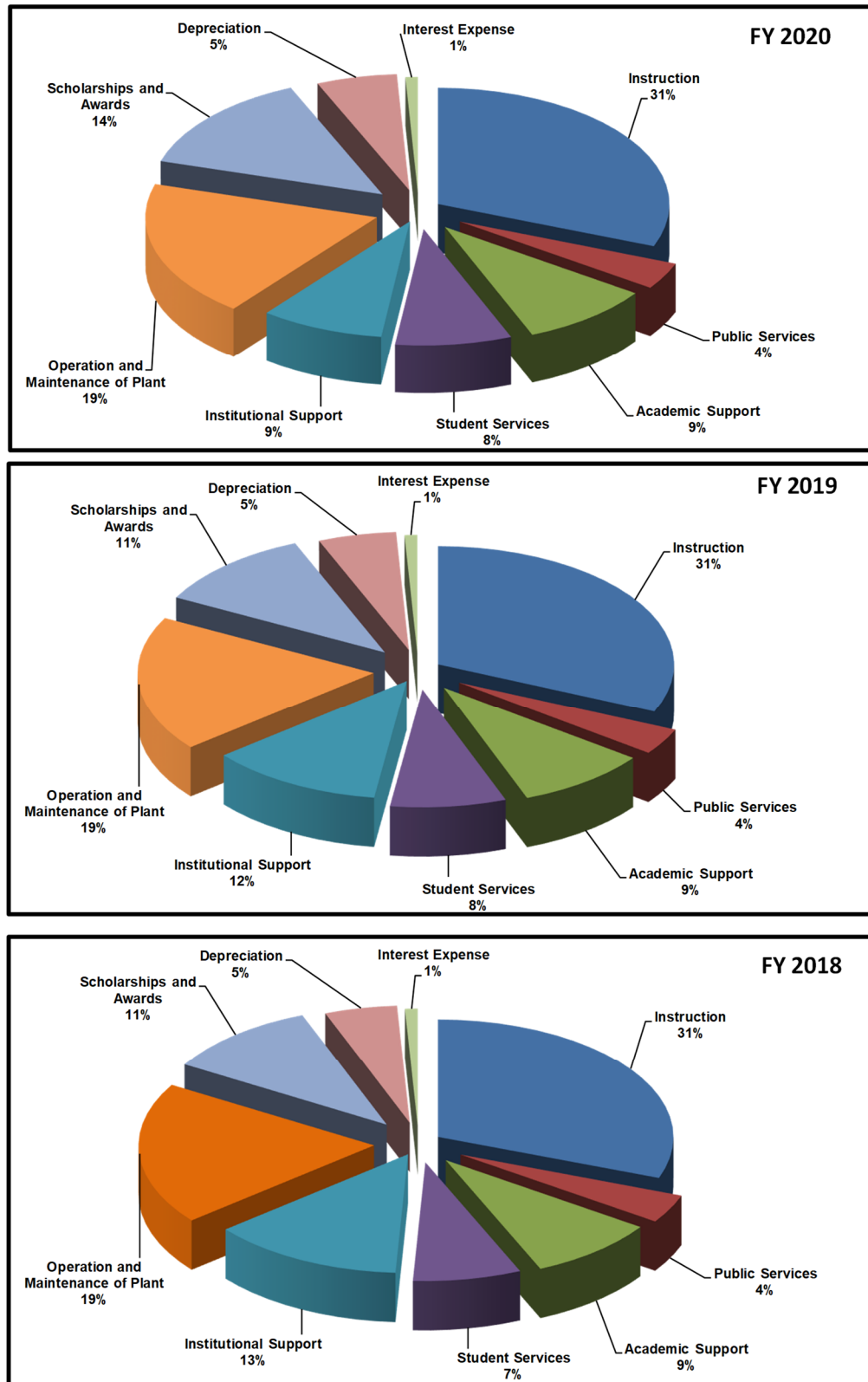


# CAMDEN COUNTY COLLEGE – MANAGEMENT’S DISCUSSION AND ANALYSIS

## For the Fiscal Years Ended June 30, 2020 and 2019

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

The following are graphic illustrations of expenses by function:



## CAMDEN COUNTY COLLEGE – MANAGEMENT’S DISCUSSION AND ANALYSIS

### For the Fiscal Years Ended June 30, 2020 and 2019

#### 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 fourth 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, 2020, 2019, and 2018:

|                                          | <u>2020</u>          | <u>2019</u>         | <u>2018</u>          | <u>Change<br/>2020-2019</u> | <u>Change<br/>2019-2018</u> |
|------------------------------------------|----------------------|---------------------|----------------------|-----------------------------|-----------------------------|
| Cash Provided by (Used in):              |                      |                     |                      |                             |                             |
| Operating Activities                     | \$ (42,904,642)      | \$ (48,767,484)     | \$ (37,960,417)      | \$ 5,862,842                | \$ (10,807,067)             |
| Non-Capital Financing Activities         | 48,317,015           | 39,965,405          | 40,702,554           | 8,351,610                   | (737,149)                   |
| Capital and Related Financing Activities | (257,111)            | 4,033,057           | (2,220,284)          | (4,290,168)                 | 6,253,341                   |
| Investing Activities                     | 236,177              | 255,197             | 118,360              | (19,020)                    | 136,837                     |
| Net Change in Cash                       | 5,391,439            | (4,513,825)         | 640,213              | 9,905,264                   | (5,154,038)                 |
| Cash, Beginning of Year                  | 8,855,897            | 13,369,722          | 12,729,509           | (4,513,825)                 | 640,213                     |
| Cash, End of Year                        | <u>\$ 14,247,336</u> | <u>\$ 8,855,897</u> | <u>\$ 13,369,722</u> | <u>\$ 5,391,439</u>         | <u>\$ (4,513,825)</u>       |

The increase in Cash at the end of June 30, 2020 is due to the fact that the College received the federal CARES Act funds at the end of June and most of the funds were not distributed until after June 30, 2020.

#### LONG-TERM DEBT

The College has the following debt outstanding at June 30, 2020:

Capital Leases Payable of \$12,965,105 for various Campus Capital Construction Improvements.

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

# CAMDEN COUNTY COLLEGE – MANAGEMENT’S DISCUSSION AND ANALYSIS

## For the Fiscal Years Ended June 30, 2020 and 2019

### CAPITAL ASSETS

At the end of FY 2020 and FY 2019, the College had capital assets as follows:

|                                           | <u>Balance</u><br><u>June 30, 2019</u> | <u>Additions</u> | <u>Reductions</u> | <u>Transfers</u> | <u>Balance</u><br><u>June 30, 2020</u> |
|-------------------------------------------|----------------------------------------|------------------|-------------------|------------------|----------------------------------------|
| <b>Non-Depreciable Capital Assets:</b>    |                                        |                  |                   |                  |                                        |
| Land                                      | \$ 9,385,327                           | \$ -             | \$ -              | \$ -             | \$ 9,385,327                           |
| Construction in Progress                  | 10,478,964                             | 4,811,349        |                   |                  | 15,290,313                             |
| Total Non-Depreciable Capital Assets      | 19,864,291                             | 4,811,349        | -                 | -                | 24,675,640                             |
| <b>Depreciable Capital Assets:</b>        |                                        |                  |                   |                  |                                        |
| Land Improvements                         | 4,841,156                              |                  |                   |                  | 4,841,156                              |
| Buildings                                 | 171,141,821                            |                  |                   |                  | 171,141,821                            |
| Infrastructure                            | 16,389,186                             |                  |                   |                  | 16,389,186                             |
| Equipment                                 | 8,050,212                              | 592,244          | (27,127)          |                  | 8,615,329                              |
| Vehicles                                  | 1,153,200                              | 24,458           | (71,120)          |                  | 1,106,538                              |
| Assets Under Capital Lease                | 1,773,461                              |                  |                   |                  | 1,773,461                              |
| Capitalized Software                      | 3,364,941                              |                  |                   |                  | 3,364,941                              |
| Library Books                             | 3,024,431                              | 3,863            |                   |                  | 3,028,294                              |
| Total Depreciable Capital Assets          | 209,738,408                            | 620,565          | (98,247)          | -                | 210,260,726                            |
| <b>Less Accumulated Depreciation For:</b> |                                        |                  |                   |                  |                                        |
| Land Improvements                         | (2,280,810)                            | (87,206)         |                   |                  | (2,368,016)                            |
| Buildings                                 | (49,218,794)                           | (3,704,739)      |                   |                  | (52,923,533)                           |
| Infrastructure                            | (4,534,233)                            | (515,132)        |                   |                  | (5,049,365)                            |
| Equipment                                 | (5,870,192)                            | (582,545)        | 23,427            |                  | (6,429,310)                            |
| Vehicles                                  | (881,256)                              | (72,408)         | 64,952            |                  | (888,712)                              |
| Assets Under Capital Lease                | (1,773,461)                            |                  |                   |                  | (1,773,461)                            |
| Capitalized Software                      | (3,218,637)                            | (15,632)         |                   |                  | (3,234,269)                            |
| Library Books                             | (3,009,965)                            | (4,834)          |                   |                  | (3,014,799)                            |
| Total Accumulated Depreciation            | (70,787,348)                           | (4,982,496)      | 88,379            | -                | (75,681,465)                           |
| Depreciable Capital Assets                | 138,951,060                            | (4,361,931)      | (9,868)           | -                | 134,579,261                            |
| Total Capital Assets, Net                 | \$ 158,815,351                         | \$ 449,418       | \$ (9,868)        | \$ -             | \$ 159,254,901                         |

Depreciation expense for the fiscal year ended June 30, 2020 was \$4,982,496. There were no projects completed during the fiscal year resulting in reclassification from Construction in Progress.

The College incurred the following expenditures for FY2020 that were charged to the Construction in Progress account.

- Lincoln Hall Renovations \$ 3,493,732
- Joint Health Center 797,151
- Camden Campus 218,493
- Papiano Gym 88,003

## **CAMDEN COUNTY COLLEGE – MANAGEMENT’S DISCUSSION AND ANALYSIS**

### **For the Fiscal Years Ended June 30, 2020 and 2019**

#### **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 remains committed to providing the lowest cost of college education in the State through strong operational and financial management and a supportive partnership with the County.

The strategic goals have been updated to better reflect the needs of our community are as follows:

1. Build academic pathways to increase equitable outcomes in recruitment, retention, and credential/degree completion for transfer and employment opportunities.
2. Promote a culture of innovation, cooperation, and receptiveness to adapt quickly to the changing landscape in higher education.
3. Become a regional leader in workforce development and community engagement through strategic partnerships with business, industry, and premier institutions to deliver a career-ready education to students.
4. Position the College for long-term sustainability with a focus on financial stability, human capital, resource allocation, and succession planning.
5. Create and support a culture that demonstrates an ongoing commitment to Social Justice that strengthens our institution and community.

The College has responded aggressively to the impact of COVID-19 by first ensuring the safety of its community through the implementation of proactive measures to minimize exposure to the virus. The College has dramatically shifted to remote learning platforms to continue to provide students with educational opportunities. Significant investments have been made to upgrade technology platforms that will provide enhanced teaching and learning capabilities to the benefit of students after the pandemic. In addition, the College has been able to take full advantage of significant state funding opportunities associated with addressing short term financial challenges presented by COVID-19. As such, the College can be expected to be in a strong position to meet its strategic goals going forward.

Key College initiatives supporting the afore-mentioned strategic goals include:

- Active implementation of programs to recruit and retain students and to assist them with graduations and transfers.
- Investment in Guided Pathways to Success planning to support students from enrollment to completion, including redesign of student advising and increased tutoring services.
- Initiation or expansion of degree and certificate programs including E-Sports, Cybersecurity, LPN, Audio Programing, Surgical Technology and EMT.
- Establishment of an e-Learning division to provide greater online enrollment options. Responding to the needs of the surrounding community and employer pool by offering educations programs and preparation for high demand occupations. Interface with industry wide employers to identify skills training and hiring needs in order to provide relevant training programs.
- Expanding programs to help students earn dual credit/industry certifications and associate degrees.
- Investing in IT systems, including CRM, student portal and network infrastructure.
- Upgrading of facilities infrastructure with improved energy management systems to drive down maintenance costs.

Continuing to aggressively manage its operating expenses through strong budget management, productivity initiatives, competitive bidding and the use of shared services and purchasing cooperatives.



**CAMDEN COUNTY COLLEGE – MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**For the Fiscal Years Ended June 30, 2020 and 2019**

**REQUESTS FOR INFORMATION**

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

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

# BASIC FINANCIAL STATEMENTS

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**CAMDEN COUNTY COLLEGE**  
 Statements of Net Position  
 As of June 30, 2020 and 2019

|                                       | <b>2020</b>           |                                                 | <b>2019</b>           |                                                 |
|---------------------------------------|-----------------------|-------------------------------------------------|-----------------------|-------------------------------------------------|
|                                       | <b><u>College</u></b> | <b><u>Component Unit<br/>CCC Foundation</u></b> | <b><u>College</u></b> | <b><u>Component Unit<br/>CCC Foundation</u></b> |
| <b>ASSETS</b>                         |                       |                                                 |                       |                                                 |
| Current Assets:                       |                       |                                                 |                       |                                                 |
| Cash and Cash Equivalents             | \$ 14,247,336         | \$ 312,066                                      | \$ 8,855,897          | \$ 133,789                                      |
| Investments                           |                       | 1,103,014                                       |                       | 1,151,699                                       |
| Accounts Receivable, Net              | 12,490,801            |                                                 | 12,249,287            | 120,000                                         |
| Inventories                           | 34,460                |                                                 | 37,720                |                                                 |
| Prepaid Expenses                      | 465,784               |                                                 | 640,315               |                                                 |
| Total Current Assets                  | 27,238,381            | 1,415,080                                       | 21,783,219            | 1,405,488                                       |
| Noncurrent Assets:                    |                       |                                                 |                       |                                                 |
| Endowment Investments                 |                       | 1,086,509                                       |                       | 1,060,614                                       |
| Capital Assets, Net                   | 159,254,901           |                                                 | 158,815,351           |                                                 |
| Total Noncurrent Assets               | 159,254,901           | 1,086,509                                       | 158,815,351           | 1,060,614                                       |
| Total Assets                          | 186,493,282           | 2,501,589                                       | 180,598,570           | 2,466,102                                       |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b> |                       |                                                 |                       |                                                 |
| Related to Pensions                   | 5,996,501             | -                                               | 8,789,095             | -                                               |
| <b>LIABILITIES</b>                    |                       |                                                 |                       |                                                 |
| Current Liabilities:                  |                       |                                                 |                       |                                                 |
| Account Payable:                      |                       |                                                 |                       |                                                 |
| Related to Pensions                   | 1,961,950             |                                                 | 1,811,313             |                                                 |
| Other                                 | 6,088,441             | 51,916                                          | 5,657,497             | 51,916                                          |
| Accrued Salaries                      | 523,515               |                                                 | 336,823               |                                                 |
| Current Portion:                      |                       |                                                 |                       |                                                 |
| Accrued Compensated Absences          | 592,703               |                                                 | 606,132               |                                                 |
| Obligations Under Capital Lease       | 981,834               |                                                 | 1,011,747             |                                                 |
| Unearned Revenue:                     |                       |                                                 |                       |                                                 |
| Tuition and Fees Revenue              | 3,851,236             |                                                 | 3,177,411             |                                                 |
| CARES Act                             | 4,472,769             |                                                 |                       |                                                 |
| Other                                 | 150,254               |                                                 | 109,186               |                                                 |
| Total Current Liabilities             | 18,622,702            | 51,916                                          | 12,710,109            | 51,916                                          |
| Noncurrent Liabilities:               |                       |                                                 |                       |                                                 |
| Accrued Compensated Absences          | 2,181,613             |                                                 | 1,931,870             |                                                 |
| Obligations Under Capital Lease       | 11,983,271            |                                                 | 12,965,106            |                                                 |
| Mortgage Payable                      | 6,383,500             |                                                 | 6,383,500             |                                                 |
| Net Pension Liability                 | 33,552,777            |                                                 | 36,713,251            |                                                 |
| Total Noncurrent Liabilities          | 54,101,161            | -                                               | 57,993,727            | -                                               |
| Total Liabilities                     | 72,723,863            | 51,916                                          | 70,703,836            | 51,916                                          |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                       |                                                 |                       |                                                 |
| Related to Pensions                   | 16,283,001            | -                                               | 18,303,478            | -                                               |
| <b>NET POSITION</b>                   |                       |                                                 |                       |                                                 |
| Net Investment in Capital Assets      | 139,906,296           |                                                 | 138,454,998           |                                                 |
| Restricted for:                       |                       |                                                 |                       |                                                 |
| Nonexpendable:                        |                       |                                                 |                       |                                                 |
| Scholarships                          |                       | 1,086,509                                       |                       | 1,060,614                                       |
| Expendable:                           |                       |                                                 |                       |                                                 |
| Scholarships                          |                       | 815,891                                         |                       | 779,240                                         |
| Other                                 | 677,129               | 174,832                                         | 614,028               | 176,981                                         |
| Unrestricted (Deficit)                | (37,100,506)          | 372,441                                         | (38,688,675)          | 397,351                                         |
| Total Net Position                    | \$ 103,482,919        | \$ 2,449,673                                    | \$ 100,380,351        | \$ 2,414,186                                    |

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, 2020 and 2019

|                                                              | <b>2020</b>           |                                          | <b>2019</b>           |                                          |
|--------------------------------------------------------------|-----------------------|------------------------------------------|-----------------------|------------------------------------------|
|                                                              | <u>College</u>        | <u>Component Unit<br/>CCC Foundation</u> | <u>College</u>        | <u>Component Unit<br/>CCC Foundation</u> |
| <b>REVENUES</b>                                              |                       |                                          |                       |                                          |
| Operating Revenues:                                          |                       |                                          |                       |                                          |
| Student Tuition and Fees, Net                                | \$ 19,739,122         | \$ -                                     | \$ 21,814,217         | \$ -                                     |
| State and Local Grants and Contracts                         | 2,304,246             |                                          | 2,944,754             |                                          |
| Federal Grants and Contracts                                 | 2,702,080             |                                          | 2,565,342             |                                          |
| Nongovernmental Grants and Contracts                         | 4,465                 |                                          | 29,162                |                                          |
| Chargeback Revenue                                           | 28,314                |                                          | 19,287                |                                          |
| Auxiliary Enterprises                                        | 393,578               |                                          | 597,458               |                                          |
| Gifts and Contributions                                      |                       | 298,268                                  |                       | 355,481                                  |
| Other Operating Revenues                                     | 10,454,837            | 38,482                                   | 10,534,333            | 58,038                                   |
| Total Operating Revenues                                     | <u>35,626,642</u>     | <u>336,750</u>                           | <u>38,504,553</u>     | <u>413,519</u>                           |
| <b>EXPENSES</b>                                              |                       |                                          |                       |                                          |
| Operating Expenses:                                          |                       |                                          |                       |                                          |
| Instruction                                                  | 27,322,545            |                                          | 29,097,440            |                                          |
| Public Services                                              | 3,302,034             |                                          | 3,339,963             |                                          |
| Academic Support                                             | 8,143,038             |                                          | 8,349,901             |                                          |
| Student Services                                             | 7,191,792             |                                          | 7,304,640             |                                          |
| Institutional Support                                        | 7,634,279             |                                          | 10,966,634            |                                          |
| Operation and Maintenance of Plant                           | 16,802,966            |                                          | 17,137,693            |                                          |
| Scholarships and Awards                                      | 12,283,859            | 212,080                                  | 10,197,512            | 166,032                                  |
| Depreciation                                                 | 4,982,496             |                                          | 4,932,998             |                                          |
| Other Expenses                                               |                       | 142,338                                  |                       | 187,576                                  |
| Total Operating Expenses                                     | <u>87,663,009</u>     | <u>354,418</u>                           | <u>91,326,781</u>     | <u>353,608</u>                           |
| Operating Income (Loss)                                      | <u>(52,036,367)</u>   | <u>(17,668)</u>                          | <u>(52,822,228)</u>   | <u>59,911</u>                            |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>                     |                       |                                          |                       |                                          |
| State Appropriations:                                        |                       |                                          |                       |                                          |
| State Aid                                                    | 8,288,857             |                                          | 9,304,075             |                                          |
| On-Behalf Fringe Benefits:                                   |                       |                                          |                       |                                          |
| Alternate Benefit Program                                    | 1,272,292             |                                          | 1,313,885             |                                          |
| Other Post Employment Benefits                               | 2,195,274             |                                          | 4,874,318             |                                          |
| County Appropriations:                                       |                       |                                          |                       |                                          |
| County Aid                                                   | 11,650,000            |                                          | 10,488,856            |                                          |
| Federal Student Financial Aid:                               |                       |                                          |                       |                                          |
| Pell Grants                                                  | 17,394,290            |                                          | 16,250,956            |                                          |
| SEOG                                                         | 540,599               |                                          | 624,179               |                                          |
| State Student Financial Aid                                  | 4,374,977             |                                          | 3,339,295             |                                          |
| Education Stabilization Fund Under the Coronavirus           |                       |                                          |                       |                                          |
| Aid, Relief, and Economic Security Act (CARES Act):          |                       |                                          |                       |                                          |
| Educational Stabilization Fund:                              |                       |                                          |                       |                                          |
| Governor's Emergency Education Relief (GEER) Fund (COVID-19) | 224,715               |                                          |                       |                                          |
| Higher Education Emergency Relief Fund (HEERF):              |                       |                                          |                       |                                          |
| Student Aid (COVID-19)                                       | 1,552,000             |                                          |                       |                                          |
| Institutional Aid (COVID-19)                                 | 43,523                |                                          |                       |                                          |
| Coronavirus Relief Fund (CRF):                               |                       |                                          |                       |                                          |
| CRF - Round I (COVID-19)                                     | 371,781               |                                          |                       |                                          |
| CRF - Round II (COVID-19)                                    | 234,986               |                                          |                       |                                          |
| Other Non-Operating Revenues                                 | 1,841,949             |                                          | 2,286,409             |                                          |
| Investment Income                                            | 236,177               | 53,155                                   | 255,197               | 176,712                                  |
| Interest Expense                                             | (759,479)             |                                          | (800,932)             |                                          |
| Total Non-Operating Revenues (Expenses)                      | <u>49,461,941</u>     | <u>53,155</u>                            | <u>47,936,238</u>     | <u>176,712</u>                           |
| Income (Loss) Before Other Revenues                          | <u>(2,574,426)</u>    | <u>35,487</u>                            | <u>(4,885,990)</u>    | <u>236,623</u>                           |
| <b>CAPITAL GRANTS AND CONTRIBUTIONS</b>                      |                       |                                          |                       |                                          |
|                                                              | <u>5,676,994</u>      |                                          | <u>7,923,139</u>      |                                          |
| Increase in Net Position                                     | 3,102,568             | 35,487                                   | 3,037,149             | 236,623                                  |
| <b>NET POSITION</b>                                          |                       |                                          |                       |                                          |
| Net Position - Beginning of Year                             | <u>100,380,351</u>    | <u>2,414,186</u>                         | <u>97,343,202</u>     | <u>2,177,563</u>                         |
| Net Position - End of Year                                   | <u>\$ 103,482,919</u> | <u>\$ 2,449,673</u>                      | <u>\$ 100,380,351</u> | <u>\$ 2,414,186</u>                      |

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, 2020 and 2019

|                                                                                                     | <b>2020</b>                   | <b>2019</b>                   |
|-----------------------------------------------------------------------------------------------------|-------------------------------|-------------------------------|
|                                                                                                     | <b><u>College</u></b>         | <b><u>College</u></b>         |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                         |                               |                               |
| Receipts from Tuition and Fees                                                                      | \$ 21,196,464                 | \$ 21,517,418                 |
| Receipts from Grants and Contracts                                                                  | 5,051,859                     | 5,523,243                     |
| Other Receipts                                                                                      | 12,220,304                    | 10,577,134                    |
| Payments to Employees and Fringe Benefits                                                           | (57,485,892)                  | (55,996,852)                  |
| Payments to Vendors and Suppliers                                                                   | (10,119,125)                  | (19,258,880)                  |
| Payments for Scholarships and Student Aid                                                           | (13,768,252)                  | (11,129,547)                  |
| Net Cash Used in Operating Activities                                                               | <u>(42,904,642)</u>           | <u>(48,767,484)</u>           |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                                              |                               |                               |
| County Appropriations                                                                               | 11,650,000                    | 10,488,856                    |
| State Appropriations                                                                                | 8,288,857                     | 9,304,075                     |
| Noncapital Grants Received - Student Financial Aid                                                  | 22,309,866                    | 20,214,430                    |
| Higher Education Emergency Relief Fund (HEERF):                                                     |                               |                               |
| Student Aid (COVID-19)                                                                              | 2,892,056                     |                               |
| Institutional Aid (COVID-19)                                                                        | 2,892,056                     |                               |
| Strengthening Institutional Programs (COVID-19)                                                     | 284,180                       |                               |
| Noncapital Grants Received - Other                                                                  |                               | (41,956)                      |
| Net Cash Provided by Noncapital Financing Activities                                                | <u>48,317,015</u>             | <u>39,965,405</u>             |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                                     |                               |                               |
| Capital Grants and Contributions                                                                    | 6,222,704                     | 10,911,618                    |
| Purchases of Capital Assets                                                                         | (5,421,934)                   | (5,846,483)                   |
| Principal Paid on Capital Debt and Leases                                                           | (1,011,748)                   | (985,597)                     |
| Interest Paid on Capital Debt and Leases                                                            | (46,133)                      | (46,481)                      |
| Net Cash Provided by (Used in) Capital and Related Financing Activities                             | <u>(257,111)</u>              | <u>4,033,057</u>              |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                         |                               |                               |
| Interest on Investments                                                                             | <u>236,177</u>                | <u>255,197</u>                |
| Net Increase (Decrease) in Cash and Cash Equivalents                                                | 5,391,439                     | (4,513,825)                   |
| Cash and Cash Equivalents - Beginning of the Year                                                   | <u>8,855,897</u>              | <u>13,369,722</u>             |
| Cash and Cash Equivalents - End of the Year                                                         | <u><u>\$ 14,247,336</u></u>   | <u><u>\$ 8,855,897</u></u>    |
| <b>RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH USED IN OPERATING ACTIVITIES</b> |                               |                               |
| Operating Loss                                                                                      | \$ (52,036,367)               | \$ (52,822,228)               |
| Adjustments to Reconcile Operating Loss to Net Cash                                                 |                               |                               |
| Used in Operating Activities:                                                                       |                               |                               |
| Depreciation Expense                                                                                | 4,982,496                     | 4,932,998                     |
| State Appropriations - On-Behalf Fringe Benefits:                                                   |                               |                               |
| Alternate Benefit Program                                                                           | 1,272,292                     | 1,313,885                     |
| Other Post Employment Benefits                                                                      | 2,195,274                     | 4,874,318                     |
| Miscellaneous Nonoperation Income                                                                   | 1,128,603                     | 1,535,004                     |
| Change in Assets and Liabilities:                                                                   |                               |                               |
| Receivables, net                                                                                    | 44,146                        | (4,657,983)                   |
| Inventories                                                                                         | 3,260                         | (11,700)                      |
| Prepaid Expenses                                                                                    | 174,531                       | 100,636                       |
| Deferred Outflows Related to Pensions                                                               | 2,792,594                     | 3,493,738                     |
| Accounts Payable and Accrued Liabilities                                                            | 768,273                       | (2,067,082)                   |
| Unearned Revenues                                                                                   | 714,893                       | (277,483)                     |
| Accrued Compensated Absences                                                                        | 236,314                       | 59,460                        |
| Net Pension Liability                                                                               | (3,160,474)                   | (6,685,255)                   |
| Deferred Inflows Related to Pensions                                                                | (2,020,477)                   | 1,444,208                     |
| Net Cash Used in Operating Activities                                                               | <u><u>\$ (42,904,642)</u></u> | <u><u>\$ (48,767,484)</u></u> |

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

**CAMDEN COUNTY COLLEGE**  
Notes to Financial Statements  
For the Fiscal Years Ended June 30, 2020 and 2019

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

**Component Units** - In evaluating how to define the College for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, *The Financial Reporting Entity*, as amended. 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.

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.



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

**Component Units (Cont'd)** - Based upon the application of these criteria, the College has determined that Camden County College Foundation (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, 2020 and 2019, the Foundation distributed \$250,216, and \$240,761, respectively, to the College for both restricted and unrestricted purposes.

Separate reports of audit for the Foundation for the fiscal years ended June 30, 2020 and 2019, 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, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, expenses, changes in net position, cash flows and replaces the fund-group perspective previously required.

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

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

**Cash and Cash Equivalents (Cont'd)** - 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.

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

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

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

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

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

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

**Prepaid Expenses** - Prepaid expenses represent payments made to vendors for services that will benefit periods beyond June 30<sup>th</sup>.

**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 30<sup>th</sup> 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, construction in progress, improvements, buildings, infrastructure assets, such as roads and sidewalks, equipment, vehicles, assets acquired under capital leases, capitalized software and library books. 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.

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

**Capital Assets (Cont'd)** - 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, 2020 and 2019 was \$399,322 and \$459,777, 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, 2020 and 2019 was \$12,091,532 and \$10,547,241, respectively.

**Reclassifications** - Certain 2019 amounts have been reclassified to conform to 2020 presentation.

**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.

**State of New Jersey On-Behalf Payments for Fringe Benefits** - The State of New Jersey, through separate appropriations, pays certain fringe benefits on-behalf of College employees. These benefits include Alternate Benefit Program pension contributions and certain retiree health benefits. These amounts are included in both the State of New Jersey appropriations revenues and operating expenses in the accompanying financial statements.

**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.

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

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

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

**Non-Operating Revenues** - Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as non-operating revenues by GASB No. 9 – Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting and GASB Statement No. 35, such as state appropriations, county appropriations, certain federal and state student financial aid, 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) and other postemployment benefits (OPEB).

**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, and postemployment benefit plans.

**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 Accounting Pronouncements**

The GASB has issued the following Statements that will become effective for the College for fiscal years ending after June 30, 2020:

Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Statement will become effective for the College in the fiscal year ending June 30, 2022. Management is currently evaluating whether or not this Statement will have an impact 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, 2020, and 2019 College's bank balances were exposed to custodial credit risk as follows:

|                                | <u>2020</u>          | <u>2019</u>         |
|--------------------------------|----------------------|---------------------|
| Insured by FDIC and GUDPA      | \$ 12,706,372        | \$ 1,920,753        |
| Uninsured and Uncollateralized | <u>10,900</u>        | <u>10,900</u>       |
|                                | <u>\$ 12,717,272</u> | <u>\$ 1,931,653</u> |

**New Jersey Cash Management Fund** - During the fiscal years ended June 30, 2020 and 2019, 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, 2020 and 2019, the College had \$4,163,887 and \$8,042,050, invested in the Fund, respectively.

**Note 3: CAPITAL ASSETS**

A summary of changes in the various capital asset categories for the fiscal years ended June 30, 2020 and 2019 are presented as follows:

|                                           | <u>Balance</u><br><u>June 30, 2019</u> | <u>Additions</u> | <u>Reductions</u> | <u>Transfers</u> | <u>Balance</u><br><u>June 30, 2020</u> |
|-------------------------------------------|----------------------------------------|------------------|-------------------|------------------|----------------------------------------|
| <b>Non-Depreciable Capital Assets:</b>    |                                        |                  |                   |                  |                                        |
| Land                                      | \$ 9,385,327                           | \$ -             | \$ -              | \$ -             | \$ 9,385,327                           |
| Construction in Progress                  | 10,478,964                             | 4,811,349        |                   |                  | 15,290,313                             |
| Total Non-Depreciable Capital Assets      | 19,864,291                             | 4,811,349        | -                 | -                | 24,675,640                             |
| <b>Depreciable Capital Assets:</b>        |                                        |                  |                   |                  |                                        |
| Land Improvements                         | 4,841,156                              |                  |                   |                  | 4,841,156                              |
| Buildings                                 | 171,141,821                            |                  |                   |                  | 171,141,821                            |
| Infrastructure                            | 16,389,186                             |                  |                   |                  | 16,389,186                             |
| Equipment                                 | 8,050,212                              | 592,244          | (27,127)          |                  | 8,615,329                              |
| Vehicles                                  | 1,153,200                              | 24,458           | (71,120)          |                  | 1,106,538                              |
| Assets Under Capital Lease                | 1,773,461                              |                  |                   |                  | 1,773,461                              |
| Capitalized Software                      | 3,364,941                              |                  |                   |                  | 3,364,941                              |
| Library Books                             | 3,024,431                              | 3,863            |                   |                  | 3,028,294                              |
| Total Depreciable Capital Assets          | 209,738,408                            | 620,565          | (98,247)          | -                | 210,260,726                            |
| <b>Less Accumulated Depreciation For:</b> |                                        |                  |                   |                  |                                        |
| Land Improvements                         | (2,280,810)                            | (87,206)         |                   |                  | (2,368,016)                            |
| Buildings                                 | (49,218,794)                           | (3,704,739)      |                   |                  | (52,923,533)                           |
| Infrastructure                            | (4,534,233)                            | (515,132)        |                   |                  | (5,049,365)                            |
| Equipment                                 | (5,870,192)                            | (582,545)        | 23,427            |                  | (6,429,310)                            |
| Vehicles                                  | (881,256)                              | (72,408)         | 64,952            |                  | (888,712)                              |
| Assets Under Capital Lease                | (1,773,461)                            |                  |                   |                  | (1,773,461)                            |
| Capitalized Software                      | (3,218,637)                            | (15,632)         |                   |                  | (3,234,269)                            |
| Library Books                             | (3,009,965)                            | (4,834)          |                   |                  | (3,014,799)                            |
| Total Accumulated Depreciation            | (70,787,348)                           | (4,982,496)      | 88,379            | -                | (75,681,465)                           |
| Depreciable Capital Assets                | 138,951,060                            | (4,361,931)      | (9,868)           | -                | 134,579,261                            |
| Total Capital Assets, Net                 | \$ 158,815,351                         | \$ 449,418       | \$ (9,868)        | \$ -             | \$ 159,254,901                         |

Depreciation expense for the fiscal year ended June 30, 2020 was \$4,982,496

There were no projects completed during the fiscal year resulting in reclassifications from Construction in Progress.



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

|                                           | <u>Balance<br/>June 30, 2018</u> | <u>Additions</u>    | <u>Reductions</u> | <u>Transfers</u> | <u>Balance<br/>June 30, 2019</u> |
|-------------------------------------------|----------------------------------|---------------------|-------------------|------------------|----------------------------------|
| <b>Non-Depreciable Capital Assets:</b>    |                                  |                     |                   |                  |                                  |
| Land                                      | \$ 9,385,327                     | \$ -                | \$ -              | \$ -             | \$ 9,385,327                     |
| Construction in Progress                  | 4,468,325                        | 6,960,893           |                   | (950,254)        | 10,478,964                       |
| Total Non-Depreciable Capital Assets      | <u>13,853,652</u>                | <u>6,960,893</u>    | <u>-</u>          | <u>(950,254)</u> | <u>19,864,291</u>                |
| <b>Depreciable Capital Assets:</b>        |                                  |                     |                   |                  |                                  |
| Land Improvements                         | 4,796,384                        | 44,772              |                   |                  | 4,841,156                        |
| Buildings                                 | 170,191,567                      |                     |                   | 950,254          | 171,141,821                      |
| Infrastructure                            | 16,389,186                       |                     |                   |                  | 16,389,186                       |
| Equipment                                 | 7,642,823                        | 407,389             |                   |                  | 8,050,212                        |
| Vehicles                                  | 1,096,530                        | 65,939              | (9,269)           |                  | 1,153,200                        |
| Assets Under Capital Lease                | 1,773,461                        |                     |                   |                  | 1,773,461                        |
| Capitalized Software                      | 3,364,941                        |                     |                   |                  | 3,364,941                        |
| Library Books                             | 3,018,878                        | 5,553               |                   |                  | 3,024,431                        |
| Total Depreciable Capital Assets          | <u>208,273,770</u>               | <u>523,653</u>      | <u>(9,269)</u>    | <u>950,254</u>   | <u>209,738,408</u>               |
| <b>Less Accumulated Depreciation For:</b> |                                  |                     |                   |                  |                                  |
| Land Improvements                         | (2,193,604)                      | (87,206)            |                   |                  | (2,280,810)                      |
| Buildings                                 | (45,528,495)                     | (3,690,299)         |                   |                  | (49,218,794)                     |
| Infrastructure                            | (4,019,101)                      | (515,132)           |                   |                  | (4,534,233)                      |
| Equipment                                 | (5,352,654)                      | (517,538)           |                   |                  | (5,870,192)                      |
| Vehicles                                  | (795,288)                        | (90,233)            | 4,265             |                  | (881,256)                        |
| Assets Under Capital Lease                | (1,773,461)                      |                     |                   |                  | (1,773,461)                      |
| Capitalized Software                      | (3,203,005)                      | (15,632)            |                   |                  | (3,218,637)                      |
| Library Books                             | (2,993,007)                      | (16,958)            |                   |                  | (3,009,965)                      |
| Total Accumulated Depreciation            | <u>(65,858,615)</u>              | <u>(4,932,998)</u>  | <u>4,265</u>      | <u>-</u>         | <u>(70,787,348)</u>              |
| Depreciable Capital Assets                | <u>142,415,155</u>               | <u>(4,409,345)</u>  | <u>(5,004)</u>    | <u>950,254</u>   | <u>138,951,060</u>               |
| Total Capital Assets, Net                 | <u>\$ 156,268,807</u>            | <u>\$ 2,551,548</u> | <u>\$ (5,004)</u> | <u>\$ -</u>      | <u>\$ 158,815,351</u>            |

Depreciation expense for the fiscal year ended June 30, 2019 was \$4,932,998.

Projects were completed during the fiscal year resulting in \$950,254, being reclassified from Construction in Progress.

**Note 4: ACCOUNTS RECEIVABLE**

Accounts receivable consists of the following at the end of fiscal years ended June 30, 2020 and 2019:

|                                                         | <u>2020</u>          | <u>2019</u>          |
|---------------------------------------------------------|----------------------|----------------------|
| Student Tuition and Fees                                | \$ 552,075           | \$ 936,271           |
| Auxiliary Enterprises and Other Operating Activities    | 9,350,954            | 5,063,793            |
| Federal, State, County and Private Grants and Contracts | <u>2,987,094</u>     | <u>6,709,000</u>     |
|                                                         | 12,890,123           | 12,709,064           |
| Less: Allowance for Doubtful Accounts                   | <u>399,322</u>       | <u>459,777</u>       |
|                                                         | <u>\$ 12,490,801</u> | <u>\$ 12,249,287</u> |

**Note 5: ACCOUNTS PAYABLE**

Accounts payable as of June 30, 2020 and 2019, consists of the following amounts:

|                             | <u>2020</u>         | <u>2019</u>         |
|-----------------------------|---------------------|---------------------|
| Due to Vendors and Students | \$ 5,180,235        | \$ 4,845,029        |
| Health Benefits Payable     | 715,589             | 799,259             |
| Payroll Deductions Payable  | 192,617             | 13,209              |
|                             | <u>\$ 6,088,441</u> | <u>\$ 5,657,497</u> |

**Note 6: LONG-TERM LIABILITIES**

The following is a summary of long-term liabilities for the fiscal years ended June 30, 2020 and 2019:

|                       | <u>Balance<br/>June 30, 2019</u> | <u>Increase</u>      | <u>Decrease</u>        | <u>Balance<br/>June 30, 2020</u> | <u>Due Within<br/>One Year</u> |
|-----------------------|----------------------------------|----------------------|------------------------|----------------------------------|--------------------------------|
| Compensated Absences  | \$ 2,538,002                     | \$ 2,181,613         | \$ (1,945,299)         | \$ 2,774,316                     | \$ 592,703                     |
| Capital Leases        | 13,976,853                       |                      | (1,011,748)            | 12,965,105                       | 981,834                        |
| Mortgage Payable      | 6,383,500                        |                      |                        | 6,383,500                        |                                |
| Net Pension Liability | 36,713,251                       | 21,911,617           | (25,072,091)           | 33,552,777                       |                                |
|                       | <u>\$ 59,611,606</u>             | <u>\$ 24,093,230</u> | <u>\$ (28,029,138)</u> | <u>\$ 55,675,698</u>             | <u>\$ 1,574,537</u>            |

|                       | <u>Balance<br/>June 30, 2018</u> | <u>Increase</u>      | <u>Decrease</u>        | <u>Balance<br/>June 30, 2019</u> | <u>Due Within<br/>One Year</u> |
|-----------------------|----------------------------------|----------------------|------------------------|----------------------------------|--------------------------------|
| Compensated Absences  | \$ 2,478,542                     | \$ 1,500,502         | \$ (1,441,042)         | \$ 2,538,002                     | \$ 606,132                     |
| Capital Leases        | 14,962,450                       |                      | (985,597)              | 13,976,853                       | 1,011,747                      |
| Mortgage Payable      | 6,383,500                        |                      |                        | 6,383,500                        |                                |
| Net Pension Liability | 43,398,506                       | 23,901,056           | (30,586,311)           | 36,713,251                       |                                |
|                       | <u>\$ 67,222,998</u>             | <u>\$ 25,401,558</u> | <u>\$ (33,012,950)</u> | <u>\$ 59,611,606</u>             | <u>\$ 1,617,879</u>            |

**Note 7: 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, 2020 and 2019, the Compensated Absences Liability was \$2,774,316 and \$2,538,002, respectively.

**Note 8: LEASES**

**Capital Leases Obligations** - At June 30, 2020, 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, 2020.

| <b>Fiscal Year<br/>Ended<br/>June 30,</b> | <b><u>Principal</u></b> | <b><u>Interest</u></b> | <b><u>Total</u></b>  |
|-------------------------------------------|-------------------------|------------------------|----------------------|
| 2021                                      | \$ 981,834              | \$ 670,564             | \$ 1,652,398         |
| 2022                                      | 1,023,409               | 628,239                | 1,651,648            |
| 2023                                      | 1,066,485               | 585,743                | 1,652,228            |
| 2024                                      | 1,114,061               | 535,234                | 1,649,295            |
| 2025                                      | 1,179,638               | 483,706                | 1,663,344            |
| 2026-2030                                 | 3,483,168               | 1,733,093              | 5,216,261            |
| 2031-2035                                 | 2,262,510               | 980,400                | 3,242,910            |
| 2036-2040                                 | 1,545,000               | 382,959                | 1,927,959            |
| 2041                                      | 309,000                 | 10,942                 | 319,942              |
|                                           | <u>\$ 12,965,105</u>    | <u>\$ 6,010,880</u>    | <u>\$ 18,975,985</u> |

The County of Camden waived the College's required payments of \$1,011,747 and \$713,346 for fiscal year 2020 and \$985,597 and \$754,451 for fiscal year 2019 for principal and interest, respectively. These amounts have been reported in the financial statements as revenues and expenses.

**Note 9: REIMBURSEMENT AGREEMENT/LEASE PURCHASE AGREEMENT (MORTGAGE PAYABLE)**

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

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

**Note 9: REIMBURSEMENT AGREEMENT/LEASE PURCHASE AGREEMENT (MORTGAGE PAYABLE) (CONT'D)**

For the fiscal years ended June 30, 2020 and 2019, the County of Camden made basic lease principal payments in the amount of \$12,750 for both fiscal years, 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, 2020 and 2019. 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, 2020 and 2019, the College did not reimburse the County for principal or interest paid.

**Note 10: 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 Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS plan's fiduciary net position which can be obtained by writing to or at the following website:

State of New Jersey, Department of the Treasury  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295  
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

**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' 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' Board of Trustees is primarily responsible for the administration of the PERS.

**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 DCRP 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.

**Note 10: PENSION PLANS (CONT'D)****General Information About the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

**Defined Contribution Retirement Program (Cont'd)** - 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 New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (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. The PERS provides retirement, death and disability benefits. All benefits vest after ten 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 membership tiers for PERS:

**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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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 with 25 years or more service credit before age 62 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.

**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.

**Note 10: PENSION PLANS (CONT'D)****General Information About the Pension Plans (Cont'd)****Vesting and Benefits Provisions (Cont'd)**

**Defined Contribution Retirement Program (Cont'd)** - 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. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2019. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) was 10% in State fiscal year 2019. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The College's contractually required contribution rates were 15.31% and 14.10% of the College's covered payroll for the fiscal years ended June 30, 2020 and 2019, respectively. These amounts 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, 2019, the College's contractually required contribution to the pension plan for the fiscal year ended June 30, 2020 was \$1,811,305 and was paid by April 1, 2020. College employee contributions to the pension plan during the fiscal year ended June 30, 2020 were \$970,876.

Based on the PERS measurement date of June 30, 2018, the College's contractually required contribution to the pension plan for the fiscal year ended June 30, 2019 was \$1,854,685 and was paid by April 1, 2019. College employee contributions to the pension plan during the fiscal year ended June 30, 2019 were \$972,234.

**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

**Note 10: PENSION PLANS (CONT'D)****General Information About the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Alternate Benefit Program (Cont'd)** - During the fiscal year end June 30, 2020, the College's share of the employer contributions for participants not eligible for State reimbursement was \$409,030, employee contributions to the plan were \$944,005, and the State of New Jersey made on-behalf payments for the College contributions of \$1,272,292.

During the fiscal year end June 30, 2019, the College's share of the employer contributions for participants not eligible for State reimbursement was \$404,903, employee contributions to the plan were \$942,655, and the State of New Jersey made on-behalf payments for the College contributions of \$1,313,885.

**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 College 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, 2020, employee contributions totaled \$101,722, the College recognized pension (benefit) expense of \$55,465. There were no forfeitures during the fiscal year.

For the fiscal year ended June 30, 2019, employee contributions totaled \$93,652, the College recognized pension (benefit) expense of \$51,085. There were no forfeitures during the fiscal year.

**Pension Liabilities, Pension (Benefit) 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 \$33,552,777 and \$36,713,251 for its proportionate share of the net pension liability for the fiscal years ended June 30, 2020 and 2019, respectively.

The net pension liability reported at June 30, 2020 was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. 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, 2019. 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, 2019 measurement date, the College's proportion was .1862131055%, which was a decrease of .0002479418% from its proportion measured as of June 30, 2018.

The net pension liability reported at June 30, 2019 was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. 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, 2018. 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.

**Note 10: PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

For the June 30, 2018 measurement date, the College's proportion was .1864610473%, which was an increase of .0000285478% from its proportion measured as of June 30, 2017.

The College recognized (\$426,519) and \$67,050, in its financial statements for pension (benefit) expense for PERS, for the fiscal years ended June 30, 2020 and 2019, respectively. These amounts were based on the Plans June 30, 2019 and 2018 measurement dates, respectively.

At June 30, 2020 and 2019, the College reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

|                                                                                                              | <b><u>Measurement Date</u></b><br><b><u>June 30, 2019</u></b>                  |                                                                               | <b><u>Measurement Date</u></b><br><b><u>June 30, 2018</u></b>                  |                                                                               |
|--------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
|                                                                                                              | <b><u>Deferred</u></b><br><b><u>Outflows</u></b><br><b><u>of Resources</u></b> | <b><u>Deferred</u></b><br><b><u>Inflows</u></b><br><b><u>of Resources</u></b> | <b><u>Deferred</u></b><br><b><u>Outflows</u></b><br><b><u>of Resources</u></b> | <b><u>Deferred</u></b><br><b><u>Inflows</u></b><br><b><u>of Resources</u></b> |
| Differences between Expected and Actual Experience                                                           | \$ 602,228                                                                     | \$ 148,221                                                                    | \$ 700,127                                                                     | \$ 189,305                                                                    |
| Changes of Assumptions                                                                                       | 3,350,368                                                                      | 11,646,063                                                                    | 6,049,736                                                                      | 11,738,945                                                                    |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments                             | -                                                                              | 529,644                                                                       | -                                                                              | 344,372                                                                       |
| Changes in Proportion and Differences between College Contributions and Proportionate Share of Contributions | 81,955                                                                         | 3,959,073                                                                     | 227,919                                                                        | 6,030,856                                                                     |
| College Contributions Subsequent to the Measurement Date                                                     | 1,961,950                                                                      | -                                                                             | 1,811,305                                                                      | -                                                                             |
|                                                                                                              | <u>\$ 5,996,501</u>                                                            | <u>\$ 16,283,001</u>                                                          | <u>\$ 8,789,087</u>                                                            | <u>\$ 18,303,478</u>                                                          |

\$1,961,950 and \$1,811,305 included in deferred outflows of resources, for the June 30, 2019 and 2018 measurement dates, respectively, will be included as a reduction of the net pension liability in fiscal years ending June 30, 2021 and 2020, respectively.



**Note 10: PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension (benefit) expense as follows:

| <b><u>Fiscal<br/>Year Ending<br/>June 30,</u></b> |                        |
|---------------------------------------------------|------------------------|
| 2021                                              | \$ (3,017,848)         |
| 2022                                              | (4,638,025)            |
| 2023                                              | (3,127,168)            |
| 2024                                              | (1,327,835)            |
| 2025                                              | <u>(137,574)</u>       |
|                                                   | <u>\$ (12,248,450)</u> |

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:

|                                                       | <b><u>Deferred<br/>Outflows of<br/>Resources</u></b> | <b><u>Deferred<br/>Inflows of<br/>Resources</u></b> |                                                                                                                    | <b><u>Deferred<br/>Outflows of<br/>Resources</u></b> | <b><u>Deferred<br/>Inflows of<br/>Resources</u></b> |
|-------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------|
| Differences between Expected<br>and Actual Experience |                                                      |                                                     | Net Difference between Projected<br>and Actual Earnings on Pension<br>Plan Investments                             |                                                      |                                                     |
| Year of Pension Plan Deferral:                        |                                                      |                                                     | Year of Pension Plan Deferral:                                                                                     |                                                      |                                                     |
| June 30, 2014                                         | -                                                    | -                                                   | June 30, 2014                                                                                                      | -                                                    | 5.00                                                |
| June 30, 2015                                         | 5.72                                                 | -                                                   | June 30, 2015                                                                                                      | 5.00                                                 | -                                                   |
| June 30, 2016                                         | 5.57                                                 | -                                                   | June 30, 2016                                                                                                      | 5.00                                                 | -                                                   |
| June 30, 2017                                         | 5.48                                                 | -                                                   | June 30, 2017                                                                                                      | -                                                    | 5.00                                                |
| June 30, 2018                                         | -                                                    | 5.63                                                | June 30, 2018                                                                                                      | -                                                    | 5.00                                                |
| June 30, 2019                                         | 5.21                                                 | -                                                   | June 30, 2019                                                                                                      | 5.00                                                 | -                                                   |
| Changes of Assumptions                                |                                                      |                                                     | Changes in Proportion and Differences<br>between College Contributions and<br>Proportionate Share of Contributions |                                                      |                                                     |
| Year of Pension Plan Deferral:                        |                                                      |                                                     | Year of Pension Plan Deferral:                                                                                     |                                                      |                                                     |
| June 30, 2014                                         | 6.44                                                 | -                                                   | June 30, 2014                                                                                                      | 6.44                                                 | 6.44                                                |
| June 30, 2015                                         | 5.72                                                 | -                                                   | June 30, 2015                                                                                                      | 5.72                                                 | 5.72                                                |
| June 30, 2016                                         | 5.57                                                 | -                                                   | June 30, 2016                                                                                                      | 5.57                                                 | 5.57                                                |
| June 30, 2017                                         | -                                                    | 5.48                                                | June 30, 2017                                                                                                      | 5.48                                                 | 5.48                                                |
| June 30, 2018                                         | -                                                    | 5.63                                                | June 30, 2018                                                                                                      | 5.63                                                 | 5.63                                                |
| June 30, 2019                                         | -                                                    | 5.21                                                | June 30, 2019                                                                                                      | 5.21                                                 | 5.21                                                |

**Note 10: PENSION PLANS (CONT'D)****Actuarial Assumptions**

The net pension liability at June 30, 2020 was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. 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, 2019.

The net pension liability at June 30, 2019 was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. 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, 2018.

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

|                                                   | <b><u>Measurement Date</u></b><br><b><u>June 30, 2019</u></b> | <b><u>Measurement Date</u></b><br><b><u>June 30, 2018</u></b> |
|---------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------|
| Inflation:                                        |                                                               |                                                               |
| Price                                             | 2.75%                                                         | 2.25%                                                         |
| Wage                                              | 3.25%                                                         | 2.25%                                                         |
| Salary Increases:                                 |                                                               |                                                               |
| Through 2026                                      | 2.00% - 6.00%                                                 | 1.65% - 4.15%                                                 |
|                                                   | Based on Yrs. Of Service                                      | Based on Age                                                  |
| Thereafter                                        | 3.00% - 7.00%                                                 | 2.65% - 5.15%                                                 |
|                                                   | Based on Yrs. of Service                                      | Based on Age                                                  |
| Investment Rate of Return                         | 7.00%                                                         | 7.00%                                                         |
| Period of Actuarial Experience                    |                                                               |                                                               |
| Study upon which Actuarial Assumptions were Based | July 1, 2014 - June 30, 2018                                  | July 1, 2011 - June 30, 2014                                  |

For the June 30, 2019 measurement date, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

**Note 10: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

For the June 30, 2018 measurement date, preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, 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 Conduent modified 2014 projection scale. Postretirement 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. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent modified 2014 projection scale thereafter. 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).

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% for the June 30, 2019 and June 30, 2018 measurement dates) 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 for the June 30, 2019 and June 30, 2018 measurement dates are summarized in the following table:

| June 30, 2019 Measurement Date    |                          |                                               | June 30, 2018 Measurement Date    |                          |                                               |
|-----------------------------------|--------------------------|-----------------------------------------------|-----------------------------------|--------------------------|-----------------------------------------------|
| <u>Asset Class</u>                | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> | <u>Asset Class</u>                | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
| Risk Mitigation Strategies        | 3.00%                    | 4.67%                                         | Risk Mitigation Strategies        | 5.00%                    | 5.51%                                         |
| Cash Equivalents                  | 5.00%                    | 2.00%                                         | Cash Equivalents                  | 5.50%                    | 1.00%                                         |
| U.S. Treasuries                   | 5.00%                    | 2.68%                                         | U.S. Treasuries                   | 3.00%                    | 1.87%                                         |
| Investment Grade Credit           | 10.00%                   | 4.25%                                         | Investment Grade Credit           | 10.00%                   | 3.78%                                         |
| High Yield                        | 2.00%                    | 5.37%                                         | High Yield                        | 2.50%                    | 6.82%                                         |
| Private Credit                    | 6.00%                    | 7.92%                                         | Global Diversified Credit         | 5.00%                    | 7.10%                                         |
| Real Assets                       | 2.50%                    | 9.31%                                         | Credit Oriented Hedge Funds       | 1.00%                    | 6.60%                                         |
| Real Estate                       | 7.50%                    | 8.33%                                         | Debt Related Private Equity       | 2.00%                    | 10.63%                                        |
| U.S. Equity                       | 28.00%                   | 8.26%                                         | Debt Related Real Estate          | 1.00%                    | 6.61%                                         |
| Non-U.S. Developed Markets Equity | 12.50%                   | 9.00%                                         | Private Real Asset                | 2.50%                    | 11.83%                                        |
| Emerging Markets Equity           | 6.50%                    | 11.37%                                        | Equity Related Real Estate        | 6.25%                    | 9.23%                                         |
| Private Equity                    | 12.00%                   | 10.85%                                        | U.S. Equity                       | 30.00%                   | 8.19%                                         |
|                                   |                          |                                               | Non-U.S. Developed Markets Equity | 11.50%                   | 9.00%                                         |
|                                   |                          |                                               | Emerging Markets Equity           | 6.50%                    | 11.64%                                        |
|                                   |                          |                                               | Buyouts/Venture Capital           | 8.25%                    | 13.08%                                        |
|                                   | <u>100.00%</u>           |                                               |                                   | <u>100.00%</u>           |                                               |

**Note 10: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

**Discount Rate June 30, 2019 Measurement Date** - The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of the June 30, 2019 measurement date 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 would be based on 70% of the actuarially determined contributions for the State. 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Discount Rate June 30, 2018 Measurement Date** - The discount rate used to measure the total pension liability at June 30, 2018 was 5.66%. The respective single blended discount rates were based on the long-term expected rate of return on pension Plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, 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 rates assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their 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 2046; therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments through 2046, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

**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, 2019 and 2018 measurement dates, respectively. These amounts were calculated using a discount rate of 6.28% for June 30, 2019 and 5.66% for June 30, 2018, 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:

|                                                               | <b>June 30, 2019 Measurement Date</b> |                                              |                                    |
|---------------------------------------------------------------|---------------------------------------|----------------------------------------------|------------------------------------|
|                                                               | <b>1%<br/>Decrease<br/>(5.28%)</b>    | <b>Current<br/>Discount Rate<br/>(6.28%)</b> | <b>1%<br/>Increase<br/>(7.28%)</b> |
| College's Proportionate Share of the<br>Net Pension Liability | <u>\$ 42,677,452</u>                  | <u>\$ 33,552,777</u>                         | <u>\$ 26,294,048</u>               |

**Note 10: PENSION PLANS (CONT'D)****Sensitivity of College's Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

|                                                               | <b>June 30, 2018 Measurement Date</b> |                                              |                                    |
|---------------------------------------------------------------|---------------------------------------|----------------------------------------------|------------------------------------|
|                                                               | <b>1%<br/>Decrease<br/>(4.66%)</b>    | <b>Current<br/>Discount Rate<br/>(5.66%)</b> | <b>1%<br/>Increase<br/>(6.66%)</b> |
| College's Proportionate Share<br>of the Net Pension Liability | <u>\$ 46,162,683</u>                  | <u>\$ 36,713,251</u>                         | <u>\$ 28,785,782</u>               |

**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 (benefit) expense, information about the respective fiduciary net position of the PERS and additions to/deductions from PERS' 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 <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN****General Information about the OPEB Plan**

**Plan Description and Benefits Provided** - The State Health Benefit Local Education Retired Employees Plan (the "OPEB Plan") is a multiple-employer defined benefit OPEB plan, with a special funding situation, that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75 - *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the "Division") and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publically available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

State of New Jersey, Department of the Treasury  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295  
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

The OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)(CONT'D)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****General Information about the OPEB Plan (Cont'd)**

**Contributions** - The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey (the "State") in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**Employees Covered by Benefit Terms** - At June 30, 2019, the OPEB Plan's measurement date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

|                                                                          |                |
|--------------------------------------------------------------------------|----------------|
| Active Plan Members                                                      | 216,892        |
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits      | 148,051        |
| Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments | -              |
|                                                                          | <u>364,943</u> |

**Total Non-Employer OPEB Liability**

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to the OPEB Plan for qualified retired TPAF, PERS, PFRS and ABP participants. The College's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the College did not recognize any portion of the collective net OPEB liability on the statement of net position.

The State's proportionate share of the net OPEB liability associated with the College \$78,927,122 and \$80,767,764 as of June 30, 2020 and June 30, 2019, respectively. Since the OPEB liability associated with the College is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

The total Non-Employer OPEB Liability reported at June 30, 2020 was measured as of June 30, 2019, and was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. For the June 30, 2019 measurement date, the State's proportionate share of the Non-Employer OPEB Plan Liability associated with the College was .1891417688%, which was an increase of .1751600628% from its proportion measured as of June 30, 2018.

The total Non-Employer OPEB Liability reported at June 30, 2019 was measured as of June 30, 2018, and was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. For the June 30, 2018 measurement date, the State's proportionate share of the Non-Employer OPEB Plan Liability associated with the College was .1751600628%, which was a decrease of .0024277632% from its proportion measured as of June 30, 2017.

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)(CONT'D)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

**Actuarial Assumptions and Other Inputs** - The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuations at June 30, 2018 and June 30, 2017 used the following actuarial assumptions, applied to the June 30, 2019 measurement date and the June 30, 2018 measurement date, respectively:

**Salary Increases (June 30, 2019 Measurement Date) -**

|              | <u>TPAF/ABP</u> | <u>PERS</u>  | <u>PFRS</u>   |
|--------------|-----------------|--------------|---------------|
| Through 2026 | 1.55 - 3.05%    | 2.00 - 6.00% | 3.25 - 15.25% |
| Thereafter   | 1.55 - 3.05%    | 3.00 - 7.00% | 3.25 - 15.25% |

Based on years of service

**Salary Increases (June 30, 2018 Measurement Date) -**

|              | <u>TPAF/ABP (1)</u> | <u>PERS (2)</u> | <u>PFRS (2)</u> |
|--------------|---------------------|-----------------|-----------------|
| Through 2026 | 1.55% - 4.55%       | 2.15% - 4.15%   | 2.10% - 8.98%   |
| Thereafter   | 2.00% - 5.45%       | 3.15% - 5.15%   | 3.10% - 9.98%   |

(1) - Based on years of service

(2) - Based on age

**Inflation Rate (June 30, 2019 and June 30, 2018 Measurement Dates) - 2.50%.**

**Mortality Rates (June 30, 2019 Measurement Date)** - Current and future retiree healthy mortality rates were based on the PUB-2010 Healthy classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

Disabled mortality was based on the PUB-2010 headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

**Mortality Rates (June 30, 2018 Measurement Date)** - Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)(CONT'D)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)****Actuarial Assumptions and Other Inputs (Cont'd)**

**Experience Studies (June 30, 2019 Measurement Date)** - The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, July 1, 2014 - June 30, 2018, and July 1, 2013 - June 30, 2018 for TPAF, PERS, and PFRS, respectively.

**Experience Studies (June 30, 2018 Measurement Date)** - The actuarial assumptions were based on the results of actuarial experience studies for the periods July 1, 2012 - June 30, 2015, July 1, 2011 - June 30, 2014, and July 1, 2010 - June 30, 2013 for TPAF, PERS and PFRS, respectively. 100% of all retirees who currently have healthcare coverage were assumed to continue with that coverage. 100% of active members were considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

**Health Care Trend Assumptions (June 30, 2019 Measurement Date)** - For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**Health Care Trend Assumptions (June 30, 2018 Measurement Date)** - For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

**Discount Rate** - The discount rate for the June 30, 2019 and the June 30, 2018 measurement dates were 3.50% and 3.87%, respectively. These represents the municipal bond return rates as chosen by the Division. The source is 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.



**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)(CONT'D)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Changes in the Total Non-Employer OPEB Liability**

The below table summarizes the State's proportionate share of the change in the total Non-Employer OPEB Liability, associated with the College, for the June 30, 2019 and the June 30, 2018 measurement dates:

|                                                   |    |              |              |
|---------------------------------------------------|----|--------------|--------------|
| Balance at June 30, 2019                          |    | \$           | 80,767,764   |
| Changes for the Year:                             |    |              |              |
| Service Cost                                      | \$ | 2,648,569    |              |
| Interest Cost                                     |    | 3,183,152    |              |
| Difference Between Expected and Actual Experience |    | (6,498,166)  |              |
| Changes in Assumptions                            |    | 1,176,810    |              |
| Gross Benefit Payments                            |    | (2,422,827)  |              |
| Member Contributions                              |    | 71,820       |              |
|                                                   |    |              |              |
| Net Changes                                       |    |              | (1,840,642)  |
|                                                   |    |              |              |
| Balance at June 30, 2020                          |    | \$           | 78,927,122   |
|                                                   |    |              |              |
| Balance at June 30, 2018                          |    | \$           | 95,257,829   |
| Changes for the Year:                             |    |              |              |
| Service Cost                                      | \$ | 4,631,068    |              |
| Interest Cost                                     |    | 3,539,028    |              |
| Difference Between Expected and Actual Experience |    | (11,306,598) |              |
| Changes in Assumptions                            |    | (9,268,505)  |              |
| Gross Benefit Payments                            |    | (2,159,701)  |              |
| Member Contributions                              |    | 74,643       |              |
|                                                   |    |              |              |
| Net Changes                                       |    |              | (14,490,065) |
|                                                   |    |              |              |
| Balance at June 30, 2019                          |    | \$           | 80,767,764   |

There were no changes in benefit terms between the June 30, 2018 measurement date and the June 30, 2019 measurement date.

Differences between expected and actual experience reflect a decrease in liability from June 30, 2018 to June 30, 2019 is due to changes in the census, claims, and premiums experience.

Changes of assumptions reflect a decrease in the liability from June 30, 2018 to June 30, 2019 is due to the combined effect of the decrease in the assumed discount rate from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019; and changes in the trend, excise tax, updated decrements, future spouse election, PPO/HMO future retiree elections, salary scale, and mortality assumptions.

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)(CONT'D)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Changes in the Total Non-Employer OPEB Liability (Cont'd)**

**Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate** - The State's proportionate share of the total Non-Employer OPEB Liability, associated with the College, as of the June 30, 2019 and the June 30, 2018 measurement dates, using a discount rate of 3.50% and 3.87%, respectively, as well as using a discount rate that is 1% lower or 1% higher than the current rates used are as follows:

| <b>June 30, 2019 Measurement Date</b>                                                                                |                                    |                                              |                                    |
|----------------------------------------------------------------------------------------------------------------------|------------------------------------|----------------------------------------------|------------------------------------|
|                                                                                                                      | <b>1%<br/>Decrease<br/>(2.50%)</b> | <b>Current<br/>Discount Rate<br/>(3.50%)</b> | <b>1%<br/>Increase<br/>(4.50%)</b> |
| State of New Jersey's Proportionate Share<br>of the Total Non-Employer OPEB Liability<br>Associated with the College | <u>\$ 93,244,121</u>               | <u>\$ 78,927,122</u>                         | <u>\$ 67,554,483</u>               |
| <b>June 30, 2018 Measurement Date</b>                                                                                |                                    |                                              |                                    |
|                                                                                                                      | <b>1%<br/>Decrease<br/>(2.87%)</b> | <b>Current<br/>Discount Rate<br/>(3.87%)</b> | <b>1%<br/>Increase<br/>(4.87%)</b> |
| State of New Jersey's Proportionate Share<br>of the Total Non-Employer OPEB Liability<br>Associated with the College | <u>\$ 95,483,939</u>               | <u>\$ 80,767,764</u>                         | <u>\$ 69,069,925</u>               |

**Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates** - The State's proportionate share of the total Non-Employer OPEB Liability, associated with the College, as of the June 30, 2019 and the June 30, 2018 measurement dates, using the healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used are as follows:

| <b>June 30, 2019 Measurement Date</b>                                                                                |                        |                                        |                        |
|----------------------------------------------------------------------------------------------------------------------|------------------------|----------------------------------------|------------------------|
|                                                                                                                      | <b>1%<br/>Decrease</b> | <b>Healthcare Cost<br/>Trend Rates</b> | <b>1%<br/>Increase</b> |
| State of New Jersey's Proportionate Share<br>of the Total Non-Employer OPEB Liability<br>Associated with the College | <u>\$ 65,032,431</u>   | <u>\$ 78,927,122</u>                   | <u>\$ 97,320,840</u>   |
| <b>June 30, 2018 Measurement Date</b>                                                                                |                        |                                        |                        |
|                                                                                                                      | <b>1%<br/>Decrease</b> | <b>Healthcare Cost<br/>Trend Rates</b> | <b>1%<br/>Increase</b> |
| State of New Jersey's Proportionate Share<br>of the Total Non-Employer OPEB Liability<br>Associated with the College | <u>\$ 66,759,261</u>   | <u>\$ 80,767,764</u>                   | <u>\$ 99,294,545</u>   |

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability**

**OPEB Expense** - For the fiscal years ended June 30, 2020 and June 30, 2019, the College recognized \$2,195,274 and \$4,874,318, respectively, in OPEB expense and revenue, for the State's proportionate share of the OPEB Plan's OPEB Expense, associated with the College. This expense and revenue was based on the OPEB Plan's June 30, 2019 and June 30, 2018 measurement dates.

**Deferred Outflows and Inflows of Resources** - In accordance with GASBS No. 75, the College's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the College. However, at June 30, 2020 and June 30, 2019, the State's proportionate share of the total Non-Employer OPEB Liability's deferred outflows of resources and deferred inflows of resources, associated with College, from the following sources are as follows:

|                                                      | <u>June 30, 2019 Measurement Date</u>         |                                              | <u>June 30, 2018 Measurement Date</u>         |                                              |
|------------------------------------------------------|-----------------------------------------------|----------------------------------------------|-----------------------------------------------|----------------------------------------------|
|                                                      | <u>Deferred<br/>Outflows<br/>of Resources</u> | <u>Deferred<br/>Inflows<br/>of Resources</u> | <u>Deferred<br/>Outflows<br/>of Resources</u> | <u>Deferred<br/>Inflows<br/>of Resources</u> |
| Changes in Proportion                                | \$ 8,999,415                                  | \$ 1,617,190                                 | \$ 1,087,512                                  | \$ 1,317,173                                 |
| Difference Between Expected<br>and Actual Experience | -                                             | 19,831,449                                   | -                                             | 7,840,315                                    |
| Changes of Assumptions                               | -                                             | 16,042,115                                   | -                                             | 18,104,508                                   |
|                                                      | <u>\$ 8,999,415</u>                           | <u>\$ 37,490,754</u>                         | <u>\$ 1,087,512</u>                           | <u>\$ 27,261,996</u>                         |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total Non-Employer OPEB Liability, associated with the College, will be recognized in OPEB expense as follows:

| <u>Fiscal<br/>Year Ending<br/>June 30,</u> |                        |
|--------------------------------------------|------------------------|
| 2021                                       | \$ (3,910,403)         |
| 2022                                       | (3,910,403)            |
| 2023                                       | (3,910,403)            |
| 2024                                       | (3,910,403)            |
| 2025                                       | (3,910,403)            |
| Thereafter                                 | <u>(8,939,324)</u>     |
|                                            | <u>\$ (28,491,339)</u> |

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability (Cont'd)**

The amortization of the above deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total Non-Employer OPEB Liability, associated with the College, will be over the following number of years:

|                                                      | <b><u>Deferred<br/>Outflows<br/>of Resources</u></b> | <b><u>Deferred<br/>Inflows<br/>of Resources</u></b> |
|------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------|
| Changes in Proportion                                |                                                      |                                                     |
| Year of OPEB Plan Deferral:                          |                                                      |                                                     |
| June 30, 2017                                        | 9.54                                                 | 9.54                                                |
| June 30, 2018                                        | 9.51                                                 | 9.51                                                |
| June 30, 2019                                        | 9.29                                                 | 9.29                                                |
| Difference Between Expected<br>and Actual Experience |                                                      |                                                     |
| Year of OPEB Plan Deferral:                          |                                                      |                                                     |
| June 30, 2017                                        | -                                                    | -                                                   |
| June 30, 2018                                        | -                                                    | 9.51                                                |
| June 30, 2019                                        | -                                                    | 9.29                                                |
| Changes of Assumptions                               |                                                      |                                                     |
| Year of OPEB Plan Deferral:                          |                                                      |                                                     |
| June 30, 2017                                        | -                                                    | 9.54                                                |
| June 30, 2018                                        | -                                                    | 9.51                                                |
| June 30, 2019                                        | -                                                    | 9.29                                                |

**Note 12: 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 13: NET POSITION**

The following is a summary of net position balances of the College for the fiscal years ended June 30, 2020 and 2019:

|                                                                 | <u>2020</u>            | <u>2019</u>            |
|-----------------------------------------------------------------|------------------------|------------------------|
| <b>Net Investment in Capital Assets:</b>                        |                        |                        |
| Total Capital Assets, Net                                       | \$ 159,254,901         | \$ 158,815,351         |
| Related Debt                                                    | <u>(19,348,605)</u>    | <u>(20,360,353)</u>    |
|                                                                 | <u>\$ 139,906,296</u>  | <u>\$ 138,454,998</u>  |
| <b>Restricted for Expendable Net Position:</b>                  |                        |                        |
| Construction and Improvements                                   | \$ 576,063             | \$ 558,513             |
| Restricted                                                      | 5,435                  | 5,435                  |
| Federal and State Grants                                        | <u>95,631</u>          | <u>50,080</u>          |
|                                                                 | <u>\$ 677,129</u>      | <u>\$ 614,028</u>      |
| <b>Unrestricted Net Position (Deficit):</b>                     |                        |                        |
| Designated for Student Government and Intercollegiate Athletics | \$ 139,434             | \$ 60,736              |
| Designated for Grants                                           | 101,066                | 55,515                 |
| Designated for Construction and Improvements                    | 4,365,660              | 5,031,518              |
| Designated for Future Year Budgets                              | 1,500,000              | 2,400,000              |
| Undesignated (Deficit)                                          | <u>(43,206,666)</u>    | <u>(46,236,444)</u>    |
|                                                                 | <u>\$ (37,100,506)</u> | <u>\$ (38,688,675)</u> |
| <b>Reconciliation of Unrestricted Net Position (Deficit):</b>   |                        |                        |
| Effects of GASB 68 and 71 Pension Related Items                 | \$ (45,801,227)        | \$ (48,038,947)        |
| Designated for Student Government and Intercollegiate Athletics | 139,434                | 60,736                 |
| Designated for Grants                                           | 101,066                | 55,515                 |
| Designated for Construction and Improvements                    | 4,365,660              | 5,031,518              |
| Designated for Future Year Budgets                              | 1,500,000              | 2,400,000              |
| Undesignated Before GASB 68 and 71 Pension Related Items        | <u>2,594,561</u>       | <u>1,802,503</u>       |
|                                                                 | <u>\$ (37,100,506)</u> | <u>\$ (38,688,675)</u> |

**Note 14: 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, 2020 and 2019, the amount reserved was \$6,311 and \$36,311, respectively. Also at June 30, 2020 and 2019, the College reserved fund balance in its Plant Fund for the Camden Technology Center in the amount of \$491,609 and \$444,059, respectively, and a Facilities Reserve in the amount of \$586,901 and \$1,203,307 at June 30, 2020 and 2019, respectively.

**Note 15: EDUCATIONAL AND GENERAL EXPENSES BY NATURAL CLASSIFICATION**

The College's operating expenses by natural classification for the fiscal years ended June 30, 2020 and 2019 are presented as follows:

|                              | <u>2020</u>          | <u>2019</u>          |
|------------------------------|----------------------|----------------------|
| Salaries and Benefits        | \$ 55,520,429        | \$ 58,915,982        |
| Supplies and Materials       | 5,559,915            | 5,503,159            |
| Services                     | 6,305,592            | 8,810,849            |
| Scholarships and Fellowships | 12,100,675           | 9,926,682            |
| Utilities                    | 3,193,902            | 3,237,111            |
| Depreciation                 | 4,982,496            | 4,932,998            |
|                              | <u>\$ 87,663,009</u> | <u>\$ 91,326,781</u> |

**Note 16: 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, 2020 and 2019 were \$246,078 and \$269,127, respectively.

The audit report for the fund can be obtained from:

New Jersey County College Worker's Compensation Pool  
1200 Old Trenton Road  
Trenton, New Jersey 08690

**Note 17: 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. The agreement commenced on August 1, 2017 and continues through July 31, 2022.

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, 2020 and 2019 were \$393,578 and \$597,458, respectively.

**Note 18: COMMITMENTS****Joint Health Sciences Center**

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 \$7,201,591 against the project and is committed to pay \$2,796,409 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 April 27, 2021, the date the financial statements were available to be issued.

**COVID-19**

As a result of the COVID-19 pandemic, in March 2020, the College converted its method of delivery of instruction to virtual learning.

During the fiscal year ended June 30, 2020, the College was awarded the following by the Federal Government in response to the COVID-19 pandemic:

|                                                                                                                   | <u>Amount<br/>Awarded</u> | <u>Amount<br/>Expended<br/>Through<br/>June 30, 2020</u> | <u>Balance<br/>Remaining</u> |
|-------------------------------------------------------------------------------------------------------------------|---------------------------|----------------------------------------------------------|------------------------------|
| <b>Education Stabilization Fund Under the Coronavirus<br/>Aid, Relief, and Economic Security Act (CARES Act):</b> |                           |                                                          |                              |
| <b>Education Stabilization Fund (ESF):</b>                                                                        |                           |                                                          |                              |
| <b>Passed Through N.J. Office of the Secretary of Higher Education (OSHE):</b>                                    |                           |                                                          |                              |
| Governor's Emergency Education Relief (GEER) Fund(COVID-19)                                                       | \$ 1,006,150              | \$ 224,715                                               | \$ 781,435                   |
| <b>Higher Education Emergency Relief Fund (HEERF):</b>                                                            |                           |                                                          |                              |
| <b>Direct Federal Funding:</b>                                                                                    |                           |                                                          |                              |
| Student Aid Portion (COVID-19)                                                                                    | 2,892,056                 | 1,552,000                                                | 1,340,056                    |
| Institutional Award (COVID-19)                                                                                    | 2,892,056                 | 43,523                                                   | 2,848,533                    |
| Strengthening Institutional Programs (COVID-19)                                                                   | 287,512                   | -                                                        | 287,512                      |
| <b>Coronavirus Relief Fund (CRF):</b>                                                                             |                           |                                                          |                              |
| <b>Passed Through N.J. Office of the Secretary of Higher Education (OSHE):</b>                                    |                           |                                                          |                              |
| CRF Grant - Round I (COVID-19)                                                                                    | 1,722,964                 | 371,781                                                  | 1,351,183                    |
| CRF Grant - Round II (COVID-19)                                                                                   | 1,618,341                 | 234,986                                                  | 1,383,355                    |

The College expects to expend the remainder of these funds during the fiscal year ended June 30, 2021.

Keeping the health and safety of its community a top priority, the College decided to conduct the majority of its fall 2020 semester courses and spring 2021 semester courses via virtual learning, with very little course conducted via live instruction.

While the United States awaits to see the full effects that the COVID-19 vaccines provide, there is uncertainty around the duration of time it will take to resume live instruction and the total financial impact to the College as a result of this pandemic.



**Note 22: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES**

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

**A. 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 are prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

**Financial Statement Presentation** - The Foundation's financial statements are prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – net assets that are not subject to donor-imposed stipulations. This includes funds that are designated for discretionary use by the Foundation.

Net assets with donor restrictions – net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increased in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

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

**Investments** - The Foundation reports all investments in marketable securities with readily determinable fair values and all investments in debt securities at fair value in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in restricted net assets with donor restrictions until the restrictions are met.

**Note 22: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)****A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Investments (Cont'd)** - 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.

**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.

**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.

**Contributions** - Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**Note 22: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)****B. INVESTMENTS**

Investments, stated at fair value, are composed of the following as of June 30, 2020 and 2019, respectively:

|                                   | <u>2020</u>         | <u>2019</u>         |
|-----------------------------------|---------------------|---------------------|
| Marketable Securities:            |                     |                     |
| Corporate Stocks                  | \$ 813,093          | \$ 799,158          |
| Corporate Bonds and Notes         | 633,528             | 631,106             |
| Preferred Securities              | 262,825             | 273,902             |
| Exchange Traded & Close End Funds | 386,007             | 375,704             |
| Nonmarketable Securities:         |                     |                     |
| Alternative Investments           | 94,070              | 132,443             |
|                                   | <u>\$ 2,189,523</u> | <u>\$ 2,212,313</u> |

Investment returns as of June 30, 2020 were \$53,155 and as of June 30, 2019 were \$176,712.

**C. FAIR VALUE MEASUREMENTS**

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)****C. FAIR VALUE MEASUREMENTS (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, 2020 and 2019.

- **Corporate Stocks** - Valued at quoted market prices in active markets on which individual securities are traded.
- **Corporate Bonds and Notes** - 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.
- **Preferred Securities** - Valued at quoted market prices in active markets on which individual securities are traded.
- **Exchange Traded & Close End Funds** - Valued at quoted market prices in active markets on which individual securities are traded.
- **Alternative investments** - include hedge funds estimated by using the NAV provided by the fund's managers. The Foundation generally records alternative investment at NAV provided by the fund's managers, as the managers have the greatest insight into their investments of their funds and related industry. The Foundation's determination of fair value is based upon the best available information provided by the investment manager and may incorporate management assumptions and best estimates after considered a variety of internal and external factors.

**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, 2020 and 2019.

| 2020                                             |              |              |                                                                         |                                                          |
|--------------------------------------------------|--------------|--------------|-------------------------------------------------------------------------|----------------------------------------------------------|
|                                                  |              |              | Fair Value                                                              |                                                          |
|                                                  |              |              | Quoted Prices in<br>Active Markets for<br>Identical Assets<br>(Level 1) | Significant Other<br>Observable<br>Inputs<br>(Level 2)   |
|                                                  | Total        |              |                                                                         | Significant Other<br>Unobservable<br>Inputs<br>(Level 3) |
| Corporate Stocks                                 | \$ 813,093   | \$ 813,093   |                                                                         |                                                          |
| Corporate Bonds and Notes                        | 633,528      |              |                                                                         | \$ 633,528.00                                            |
| Preferred Securities                             | 262,825      | 262,825      |                                                                         |                                                          |
| Exchange Traded & Close End Funds                | 386,007      | 386,007.00   |                                                                         |                                                          |
| Total Investments in the<br>Fair Value Hierarchy | 2,095,453    | \$ 1,461,925 | \$ 633,528                                                              | \$ -                                                     |
| Hedge Funds at Net Asset Value                   | 94,070       |              |                                                                         |                                                          |
| Total Investment at Fair Value                   | \$ 2,189,523 |              |                                                                         |                                                          |

**Note 22: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)****C. FAIR VALUE MEASUREMENTS (CONT'D)****Fair Value on a Recurring Basis (Cont'd)**

| 2019                                             |              |                                                                         |                                                        |                                                          |
|--------------------------------------------------|--------------|-------------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------|
|                                                  |              | Fair Value                                                              |                                                        |                                                          |
|                                                  |              | Quoted Prices in<br>Active Markets for<br>Identical Assets<br>(Level 1) | Significant Other<br>Observable<br>Inputs<br>(Level 2) | Significant Other<br>Unobservable<br>Inputs<br>(Level 3) |
|                                                  | <u>Total</u> |                                                                         |                                                        |                                                          |
| Corporate Stocks                                 | \$ 799,158   | \$ 799,158                                                              |                                                        |                                                          |
| Corporate Bonds and Notes                        | 631,106      |                                                                         | 631,106                                                |                                                          |
| Preferred Securities                             | 273,902      | 273,902                                                                 |                                                        |                                                          |
| Exchange Traded & Close End Funds                | 375,704      | 375,704                                                                 |                                                        |                                                          |
| Total Investments in the<br>Fair Value Hierarchy | 2,079,870    | \$ 1,448,764                                                            | \$ 631,106                                             | \$ -                                                     |
| Hedge Funds at Net Asset Value                   | 132,443      |                                                                         |                                                        |                                                          |
| Total Investment at Fair Value                   | \$ 2,212,313 |                                                                         |                                                        |                                                          |

**Note 22: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)****D. NET ASSETS WITH DONOR RESTRICTIONS**

The Foundation follows the policy of maintaining funds when grants and gifts are received for specific projects. Such grants and gifts are reported as net assets with donor restrictions – purpose restrictions until the donor-imposed restrictions are satisfied. Net assets with donor restrictions – purpose restrictions include monies raised specifically for scholarships and other programs.

Investment income derived from net assets with donor restrictions – perpetual in nature, which is restricted by the donor for a specific purpose, is included as net assets with donor restrictions – purpose restrictions.

As of June 30, 2020 and 2019, net assets with purpose restrictions, consisted of the following:

|                                                           | <u>2020</u>       | <u>2019</u>       |
|-----------------------------------------------------------|-------------------|-------------------|
| <b>Reported in the Foundation's Financial Statements:</b> |                   |                   |
| <b>Net Assets - With Donor Restrictions:</b>              |                   |                   |
| With Purpose Restrictions:                                |                   |                   |
| Scholarships                                              | \$ 815,891        | \$ 779,240        |
| Athletics                                                 | 19,916            | 13,944            |
| Liberal Arts                                              | 40,125            | 53,359            |
| Continuing Ed/ Basic Skills                               | 8,493             | 7,493             |
| Math, Science & Health Career                             | 67,116            | 68,209            |
| Student Services                                          | 39,182            | 33,976            |
|                                                           | <u>\$ 990,723</u> | <u>\$ 956,221</u> |
| <b>Reported in the College's Financial Statements:</b>    |                   |                   |
| Net Position - Restricted for:                            |                   |                   |
| Expendable:                                               |                   |                   |
| Scholarships                                              | \$ 815,891        | \$ 779,240        |
| Other                                                     | 174,832           | 176,981           |
|                                                           | <u>\$ 990,723</u> | <u>\$ 956,221</u> |

As of June 30, 2020 and 2019, net assets restricted in perpetuity, consisted of the following:

|                                                           | <u>2020</u>         | <u>2019</u>         |
|-----------------------------------------------------------|---------------------|---------------------|
| <b>Reported in the Foundation's Financial Statements:</b> |                     |                     |
| <b>Net Assets - With Donor Restrictions:</b>              |                     |                     |
| Restricted in Perpetuity:                                 |                     |                     |
| Scholarships                                              | <u>\$ 1,086,509</u> | <u>\$ 1,060,614</u> |
| <b>Reported in the College's Financial Statements:</b>    |                     |                     |
| Net Position - Restricted for:                            |                     |                     |
| Non-Expendable:                                           |                     |                     |
| Scholarships                                              | <u>\$ 1,086,509</u> | <u>\$ 1,060,614</u> |

# **REQUIRED SUPPLEMENTARY INFORMATION**

## **PART II**

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

|                                                                                               | <b>Plan Measurement Date Ending June 30,</b> |                    |                    |                    |
|-----------------------------------------------------------------------------------------------|----------------------------------------------|--------------------|--------------------|--------------------|
|                                                                                               | <b><u>2019</u></b>                           | <b><u>2018</u></b> | <b><u>2017</u></b> | <b><u>2016</u></b> |
| College's Proportion of the Net Pension Liability                                             | 0.1862131055%                                | 0.1864610473%      | 0.1864324995%      | 0.2027219670%      |
| College's Proportionate Share of the Net Pension Liability                                    | \$ 33,552,777                                | \$ 36,713,251      | \$ 43,398,506      | \$ 60,040,432      |
| College's Covered Payroll (Plan Measurement Date)                                             | \$ 13,453,280                                | \$ 12,916,300      | \$ 13,298,568      | \$ 14,394,928      |
| College's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | 249.40%                                      | 284.24%            | 326.34%            | 417.09%            |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                    | 52.67%                                       | 53.60%             | 48.10%             | 40.14%             |

|                                                                                               | <b>Plan Measurement Date Ending June 30,</b> |                    |                    |
|-----------------------------------------------------------------------------------------------|----------------------------------------------|--------------------|--------------------|
|                                                                                               | <b><u>2015</u></b>                           | <b><u>2014</u></b> | <b><u>2013</u></b> |
| College's Proportion of the Net Pension Liability                                             | 0.2439192072%                                | 0.2424243043%      | 0.2392396635%      |
| College's Proportionate Share of the Net Pension Liability                                    | \$ 54,754,974                                | \$ 45,388,460      | \$ 45,723,453      |
| College's Covered Payroll (Plan Measurement Date)                                             | \$ 17,152,104                                | \$ 17,300,240      | \$ 16,805,620      |
| College's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | 319.23%                                      | 262.36%            | 272.07%            |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                    | 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 - Part II  
 Schedule of the College's Contributions  
 Public Employees' Retirement System (PERS)  
 Last Seven Fiscal Years

|                                                                         | <b>Fiscal Year Ended June 30,</b> |                    |                    |                    |
|-------------------------------------------------------------------------|-----------------------------------|--------------------|--------------------|--------------------|
|                                                                         | <b><u>2020</u></b>                | <b><u>2019</u></b> | <b><u>2018</u></b> | <b><u>2017</u></b> |
| Contractually Required Contribution                                     | \$ 1,961,950                      | \$ 1,811,313       | \$ 1,854,685       | \$ 1,727,098       |
| Contributions in Relation to the<br>Contractually Required Contribution | <u>(1,961,950)</u>                | <u>(1,811,313)</u> | <u>(1,854,685)</u> | <u>(1,727,098)</u> |
| Contribution Deficiency (Excess)                                        | <u>\$ -</u>                       | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        |
| College's Covered Payroll (Fiscal Year)                                 | \$ 12,813,501                     | \$ 12,850,164      | \$ 13,238,108      | \$ 12,815,990      |
| Contributions as a Percentage of<br>College's Covered Payroll           | 15.31%                            | 14.10%             | 14.01%             | 13.48%             |

|                                                                         | <b>Fiscal Year Ended June 30,</b> |                    |                    |
|-------------------------------------------------------------------------|-----------------------------------|--------------------|--------------------|
|                                                                         | <b><u>2016</u></b>                | <b><u>2015</u></b> | <b><u>2014</u></b> |
| Contractually Required Contribution                                     | \$ 1,800,953                      | \$ 2,097,051       | \$ 1,998,511       |
| Contributions in Relation to the<br>Contractually Required Contribution | <u>(1,800,953)</u>                | <u>(2,097,051)</u> | <u>(1,998,511)</u> |
| Contribution Deficiency (Excess)                                        | <u>\$ -</u>                       | <u>\$ -</u>        | <u>\$ -</u>        |
| College's Covered Payroll (Fiscal Year)                                 | \$ 13,273,818                     | \$ 14,454,313      | \$ 16,948,692      |
| Contributions as a Percentage of<br>College's Covered Payroll           | 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**  
 Required Supplementary Information - Part II  
 Notes to Required Supplementary Information  
 For the Fiscal Year Ended June 30, 2020

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**Public Employees' Retirement System (PERS)**

*Changes in Benefit Terms*

None

*Changes in Assumptions*

The Discount Rate changed at June 30th over the following years, 5.39% 2014, 4.90% 2015, 3.98% 2016, 5.00% 2017, 5.66% 2018, and 6.28% 2019.

The Long-term Expected Rate of Return changed at June 30th over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017, 2018 and 2019.

For 2019, the assumed rates of retirement, mortality, salary increases, and inflation were updated based on the July 1, 2014 - June 30, 2018 experience study. For pre-retirement mortality, the Pub-2010 General Below-Median Income Employee mortality table with a 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For healthy retirees and beneficiaries, the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For disabled retiree mortality, the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males, and a 117.2% adjustment for females, and with improvement from the base year of 2010 on a generational basis was used. For mortality improvement, Scale MP-2019 was used.

For 2016, 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 social security wage base was set at \$118,500.00 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000.00 for 2015, increasing 3.00% per annum, compounded annually.

# **REQUIRED SUPPLEMENTARY INFORMATION**

## **PART III**

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**CAMDEN COUNTY COLLEGE**  
Required Supplementary Information - Part III  
Schedule of Changes in the College's Total OPEB Liability and Related Ratios  
Last Three Plan Years

|                                                                                                                                     | Measurement Date Ending June 30, |                      |                      |
|-------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------|----------------------|
|                                                                                                                                     | <u>2019</u>                      | <u>2018</u>          | <u>2017</u>          |
| <b>Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the College</b>      |                                  |                      |                      |
| Changes for the Year:                                                                                                               |                                  |                      |                      |
| Service Cost                                                                                                                        | \$ 2,648,569                     | \$ 4,631,068         | \$ 5,523,537         |
| Interest Cost                                                                                                                       | 3,183,152                        | 3,539,028            | 3,010,512            |
| Difference Between Expected and Actual Experience                                                                                   | (6,498,166)                      | (11,306,598)         | -                    |
| Changes in Assumptions                                                                                                              | 1,176,810                        | (9,268,505)          | (12,314,651)         |
| Gross Benefit Payments                                                                                                              | (2,422,827)                      | (2,159,701)          | (2,206,373)          |
| Member Contributions                                                                                                                | <u>71,820</u>                    | <u>74,643</u>        | <u>81,244</u>        |
| Net Change in Total Non-Employer OPEB Liability                                                                                     | (1,840,642)                      | (14,490,065)         | (5,905,731)          |
| Total Non-Employer OPEB Liability - Beginning of Fiscal Year                                                                        | <u>80,767,764</u>                | <u>95,257,829</u>    | <u>101,163,560</u>   |
| Total Non-Employer OPEB Liability - End of Fiscal Year                                                                              | <u>\$ 78,927,122</u>             | <u>\$ 80,767,764</u> | <u>\$ 95,257,829</u> |
| College's Covered Payroll (Plan Measurement Period)                                                                                 | <u>\$ 23,428,764</u>             | <u>\$ 23,279,808</u> | <u>\$ 23,938,415</u> |
| State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the College as a Percentage of Covered Payroll | 336.88%                          | 346.94%              | 397.93%              |

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 - Part III  
Notes to Required Supplementary Information  
For the Fiscal Year Ended June 30, 2020

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Changes of Benefit Terms

None

Differences Between Expected and Actual Experience

The decrease in liability from June 30, 2017 to June 30, 2018 is due to changes in the census, claims and premiums experience. The decrease in liability from June 30, 2018 to June 30, 2019 is due to changes in the census, claims and premiums experience.

Changes of Assumptions

The decrease in the liability from June 30, 2017 to June 30, 2018 is due to the increase in the assumed discount rate from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018; and a decrease in the assumed health care cost trend and excise tax assumptions. The decrease in the liability from June 30, 2018 to June 30, 2019 is due to the combined effect of the decrease in the assumed discount rate from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019; and changes in the trend, excise tax, updated decrements, future spouse election, PPO/HMO future retiree elections, salary scale and mortality assumptions.

# **SINGLE AUDIT SECTION**

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**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, 2020. 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, 2020.

## ***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  
April 27, 2021



**CAMDEN COUNTY COLLEGE**  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2020

| <u>Federal Grantor/Pass-through Grantor/Program Title/Cluster Title</u>                                       | <u>Federal CFDA Number</u> | <u>Pass Through Entity Identifying Number</u> | <u>Expenditures</u>  | <u>Passed Through to Subrecipients</u> |
|---------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------------------------|----------------------|----------------------------------------|
| <b><u>U.S. Department of Labor:</u></b>                                                                       |                            |                                               |                      |                                        |
| <b>H-1B Job Training Grants:</b>                                                                              |                            |                                               |                      |                                        |
| <b>Passed Through Bergen County Community College:</b>                                                        |                            |                                               |                      |                                        |
| NJ Healthworks Grant                                                                                          | 17.268                     | HG-33026-19-60-A-34                           | \$ 59,005            | \$ -                                   |
| <b>Passed Through Community College of Morris:</b>                                                            |                            |                                               |                      |                                        |
| Career Advanced USA - Scaling Apprenticeship (\$37,625 Matching Share)                                        | 17.268                     | HG-33031-19-60-A-34                           | 58,020               |                                        |
| <b>Total U.S. Department of Labor</b>                                                                         |                            |                                               | <u>117,025</u>       | <u>-</u>                               |
| <b><u>U.S. Department of Treasury:</u></b>                                                                    |                            |                                               |                      |                                        |
| <b>Coronavirus Relief Fund:</b>                                                                               |                            |                                               |                      |                                        |
| <b>Passed Through State of N.J. Office of the Secretary of Higher Education:</b>                              |                            |                                               |                      |                                        |
| Coronavirus Relief Fund (CRF) - Round I (COVID-19)                                                            | 21.019                     | CCC - CRF I                                   | 371,781              |                                        |
| Coronavirus Relief Fund (CRF) - Round II (COVID-19)                                                           | 21.019                     | CCC - CRF II                                  | 234,986              |                                        |
| <b>Total Coronavirus Relief Fund</b>                                                                          |                            |                                               | <u>606,767</u>       | <u>-</u>                               |
| <b><u>U.S. Department of Education:</u></b>                                                                   |                            |                                               |                      |                                        |
| <b>Adult Education - Basic Grants to States:</b>                                                              |                            |                                               |                      |                                        |
| <b>Passed Through NJ Department of Labor and Workforce Development:</b>                                       |                            |                                               |                      |                                        |
| <b>Adult Education and Family Literacy:</b>                                                                   |                            |                                               |                      |                                        |
| Adult Basic Skills (\$260,722 Matching Share)                                                                 | 84.002                     | ABS-FY2019-020                                | 635,364              | 335,944                                |
| English Literacy and Civics                                                                                   | 84.002                     | ABS-FY2019-020                                | 227,250              | 145,000                                |
| <b>Total Adult Education - Basic Grants to States</b>                                                         |                            |                                               | <u>862,614</u>       | <u>480,944</u>                         |
| <b>Student Financial Aid Cluster (Direct Funding):</b>                                                        |                            |                                               |                      |                                        |
| Federal Supplemental Educational Opportunity Grants (includes administrative costs of \$17,236)               | 84.007                     | N/A                                           | 537,481              |                                        |
| Federal Work-Study Program (includes administrative costs of \$33,992)                                        | 84.033                     | N/A                                           | 373,287              |                                        |
| Federal Pell Grant Program                                                                                    | 84.063                     | N/A                                           | 17,394,290           |                                        |
| Federal Direct Student Loans                                                                                  | 84.268                     | N/A                                           | 6,414,480            |                                        |
| <b>Total Student Financial Aid Cluster</b>                                                                    |                            |                                               | <u>24,719,538</u>    | <u>-</u>                               |
| <b>Career and Technical Education - Basic Grants to States:</b>                                               |                            |                                               |                      |                                        |
| <b>Passed Through NJ Department of Education:</b>                                                             |                            |                                               |                      |                                        |
| Carl D. Perkins Vocational and Applied Technology Act                                                         | 84.048                     | V048A190030                                   | 893,073              | -                                      |
| <b>Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act):</b> |                            |                                               |                      |                                        |
| <b>Education Stabilization Fund (ESF):</b>                                                                    |                            |                                               |                      |                                        |
| <b>Passed Through N.J. Office of the Secretary of Higher Education (OSHE):</b>                                |                            |                                               |                      |                                        |
| Governor's Emergency Education Relief (GEER) Fund (COVID-19)                                                  | 84.425C                    | CCC GEER                                      | 224,715              |                                        |
| <b>Higher Education Emergency Relief Fund (Direct Funding):</b>                                               |                            |                                               |                      |                                        |
| Student Aid Portion (COVID-19)                                                                                | 84.425E                    | N/A                                           | 1,552,000            |                                        |
| Institutional Award (COVID-19)                                                                                | 84.425F                    | N/A                                           | 43,523               |                                        |
| <b>Total CARES Act</b>                                                                                        |                            |                                               | <u>1,820,238</u>     | <u>-</u>                               |
| <b>Twenty-First Century Community Learning Centers:</b>                                                       |                            |                                               |                      |                                        |
| <b>Passed Through NJ Department of Education:</b>                                                             |                            |                                               |                      |                                        |
| 21st Century Community Learning Centers Program                                                               | 84.287                     | 19E00051                                      | 384,648              | -                                      |
| <b>Total U.S. Department of Education</b>                                                                     |                            |                                               | <u>28,680,111</u>    | <u>480,944.00</u>                      |
| <b><u>U.S. Department of Health and Human Services:</u></b>                                                   |                            |                                               |                      |                                        |
| <b>Community-Based Child Abuse Prevention Grants:</b>                                                         |                            |                                               |                      |                                        |
| <b>Passed Through NJ Department of Children and Families:</b>                                                 |                            |                                               |                      |                                        |
| Community Based Child Abuse Prevention (NJCAP)                                                                | 93.590                     | 19JTD P                                       | 29,000               | -                                      |
| <b>Total Federal Awards</b>                                                                                   |                            |                                               | <u>\$ 29,432,903</u> | <u>\$ 480,944</u>                      |

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, 2020

| <u>State Grantor/Program Title</u>                                                       | <u>State GMIS Number</u> | <u>Program<br/>or Award<br/>Amount</u> | <u>Matching<br/>Contribution</u> | <u>Program<br/>Funds<br/>Received</u> | <u>Grant Period</u> |                    | <u>Expenditures</u> | <u>Passed<br/>Through to<br/>Subrecipients</u> | <u>Cumulative<br/>Expenditures</u> |
|------------------------------------------------------------------------------------------|--------------------------|----------------------------------------|----------------------------------|---------------------------------------|---------------------|--------------------|---------------------|------------------------------------------------|------------------------------------|
|                                                                                          |                          |                                        |                                  |                                       | <u>From</u>         | <u>To</u>          |                     |                                                |                                    |
| <b>Student Financial Aid Cluster:</b>                                                    |                          |                                        |                                  |                                       |                     |                    |                     |                                                |                                    |
| <b>N.J. Commission on Higher Education:</b>                                              |                          |                                        |                                  |                                       |                     |                    |                     |                                                |                                    |
| Educational Opportunities Fund - Article III                                             | 100-074-2401-001         | \$ 386,572                             | \$ -                             | \$ 384,603                            | 07/01/19            | 06/30/20           | \$ 386,572          | \$ -                                           | \$ 386,572                         |
| Educational Opportunities Fund - Summer                                                  | 100-074-2401-001         | 73,494                                 |                                  | 64,019                                | 07/01/19            | 06/30/20           | 64,019              |                                                | 64,019                             |
| <b>N.J. Higher Education Student Assistance Authority:</b>                               |                          |                                        |                                  |                                       |                     |                    |                     |                                                |                                    |
| New Jersey Stars Program                                                                 | 100-074-2405-313         | 331,681                                |                                  | 330,290                               | 07/01/19            | 06/30/20           | 330,504             |                                                | 330,504                            |
| Tuition Aid Grants                                                                       | 100-074-2405-007         | 2,674,318                              |                                  | 2,674,318                             | 07/01/19            | 06/30/20           | 2,674,318           |                                                | 2,674,318                          |
| Community College Opportunity Grant                                                      | 100-074-2405-332         | 965,192                                |                                  | 960,641                               | 07/01/19            | 06/30/20           | 964,223             |                                                | 964,223                            |
| New Jersey Best Scholarship                                                              | 100-075-2405-316         | 5,750                                  |                                  | 5,750                                 | 07/01/19            | 06/30/20           | 5,750               |                                                | 5,750                              |
| NJGIVS                                                                                   | 100-074-2405-100         | 13,610                                 |                                  | 13,610                                | 07/01/19            | 06/30/20           | 13,610              |                                                | 13,610                             |
| NJ Class Loans                                                                           | Not Applicable           | 39,529                                 |                                  | 39,529                                | 07/01/19            | 06/30/20           | 39,529              |                                                | 39,529                             |
| <b>Total Student Financial Aid Cluster</b>                                               |                          |                                        |                                  |                                       |                     |                    | <b>4,478,525</b>    | <b>-</b>                                       | <b>4,478,525</b>                   |
| <b>N.J. Office of the Secretary of Higher Education:</b>                                 |                          |                                        |                                  |                                       |                     |                    |                     |                                                |                                    |
| Educational Opportunities Fund - Article IV                                              | 100-074-2401-002         | 265,100                                | 262,175                          | 261,033                               | 07/01/19            | 06/30/20           | 261,033             |                                                | 261,033                            |
| Community College Opportunity Grant                                                      | 100-074-2400-061         | 265,000                                |                                  | 265,000                               | 07/01/19            | 06/30/20           | 265,000             |                                                | 265,000                            |
| <b>Total N.J. Office of the Secretary of Higher Education</b>                            |                          |                                        |                                  |                                       |                     |                    | <b>526,033</b>      | <b>-</b>                                       | <b>526,033</b>                     |
| <b>N.J. State Council on the Arts:</b>                                                   |                          |                                        |                                  |                                       |                     |                    |                     |                                                |                                    |
| Local Arts Programming                                                                   | 100-074-2530-032-6130    | 48,120                                 |                                  | 21,292                                | 01/01/20            | 12/31/20           | 48,120              |                                                | 48,120                             |
| Local Arts Programming                                                                   | 100-074-2530-032-6130    | 2,175                                  |                                  | -                                     | 01/01/19            | 12/31/19           | 2,175               |                                                | 2,175                              |
|                                                                                          |                          |                                        |                                  |                                       |                     |                    | <b>50,295</b>       | <b>-</b>                                       | <b>50,295</b>                      |
| History Partnership Grant                                                                | Unknown                  | 12,950                                 |                                  | 12,826                                | 01/01/20            | 12/31/20           | 12,826              |                                                | 12,826                             |
| History Partnership Grant                                                                | Unknown                  | 12,950                                 |                                  | 2,500                                 | 01/01/19            | 12/31/19           | 2,500               |                                                | 2,500                              |
|                                                                                          |                          |                                        |                                  |                                       |                     |                    | <b>15,326</b>       | <b>-</b>                                       | <b>15,326</b>                      |
| <b>Total N.J. State Council on the Arts</b>                                              |                          |                                        |                                  |                                       |                     |                    | <b>65,621</b>       | <b>-</b>                                       | <b>65,621</b>                      |
| <b>N.J. Department of Treasury - Higher Education Administration:</b>                    |                          |                                        |                                  |                                       |                     |                    |                     |                                                |                                    |
| Operational Costs - County Colleges                                                      | 100-082-2155-015         | 8,288,857                              |                                  | 8,288,857                             | 07/01/19            | 06/30/20           | 8,288,857           |                                                | 8,288,857                          |
| Building Our Future Bond Act - Joint Health Sciences Center                              | 586-074-2400-076         | 7,500,000                              | 2,500,000                        | -                                     | 03/01/17            | Project Completion | 596,251             | 596,251                                        | 7,201,591                          |
| P.L. 1971, Chapter 12 Debt Service                                                       | 100-082-2155-016         | 2,057,140                              |                                  | 2,057,140                             | 07/01/19            | Project Completion | 2,057,140           |                                                | 2,057,140                          |
|                                                                                          |                          |                                        |                                  |                                       |                     |                    | <b>10,942,248</b>   | <b>596,251</b>                                 | <b>17,547,588</b>                  |
| Employer Contributions - Alternate Benefit Program - FT Faculty                          | 100-082-2155-017         | 844,322                                |                                  | 684,849                               | 07/01/19            | 06/30/20           | 844,322             |                                                | 844,322                            |
| Employer Contributions - Alternate Benefit Program - Adjunct                             | 100-082-2155-017         | 206,876                                |                                  | -                                     | 07/01/19            | 06/30/20           | 206,876             |                                                | 206,876                            |
| Employer Contributions - Alternate Benefit Program - Eligible Employees Enrolled in PERS | 100-082-2155-017         | 221,094                                |                                  | -                                     | 07/01/19            | 06/30/20           | 221,094             |                                                | 221,094                            |
| <b>Total Employer Contributions - Alternate Benefit Program</b>                          |                          |                                        |                                  |                                       |                     |                    | <b>1,272,292</b>    | <b>-</b>                                       | <b>1,272,292</b>                   |
| <b>Total N.J. Department of the Treasury - Higher Education Administration</b>           |                          |                                        |                                  |                                       |                     |                    | <b>12,214,540</b>   | <b>596,251</b>                                 | <b>18,819,880</b>                  |

(Continued)

**CAMDEN COUNTY COLLEGE**  
Schedule of Expenditures of State Financial Assistance  
For the Fiscal Year Ended June 30, 2020

| <u>State Grantor/Program Title</u>                          | <u>State GMIS Number</u> | <u>Program<br/>or Award<br/>Amount</u> | <u>Matching<br/>Contribution</u> | <u>Program<br/>Funds<br/>Received</u> | <u>Grant Period</u> |           | <u>Expenditures</u>  | <u>Passed<br/>Through to<br/>Subrecipients</u> | <u>Cumulative<br/>Expenditures</u> |
|-------------------------------------------------------------|--------------------------|----------------------------------------|----------------------------------|---------------------------------------|---------------------|-----------|----------------------|------------------------------------------------|------------------------------------|
|                                                             |                          |                                        |                                  |                                       | <u>From</u>         | <u>To</u> |                      |                                                |                                    |
| <b>N.J. Council of Community Colleges:</b>                  |                          |                                        |                                  |                                       |                     |           |                      |                                                |                                    |
| N.J. College Access Challenge Grant - College Readiness Now | Unknown                  | \$ 68,510.00                           | \$ -                             | \$ 22,276                             | 09/01/19            | 06/30/20  | \$ 68,510            | \$ -                                           | \$ 68,510                          |
| <b>N.J. Department of Children and Families:</b>            |                          |                                        |                                  |                                       |                     |           |                      |                                                |                                    |
| Child Assault Prevention                                    | 20JTDP                   | 1,707,893                              |                                  | 1,519,713                             | 07/01/19            | 06/30/20  | 1,519,713            | -                                              | 1,519,713                          |
| <b>N.J. Department of Law and Public Safety:</b>            |                          |                                        |                                  |                                       |                     |           |                      |                                                |                                    |
| Law Enforcement Officers Training and Equipment Fund        | 100-074-2405-316         | 56,160                                 |                                  | 39,128                                | 07/01/19            | 06/30/20  | 39,128               | -                                              | 39,128                             |
| <b>N.J. Department of Labor and Workforce Development</b>   |                          |                                        |                                  |                                       |                     |           |                      |                                                |                                    |
| Workforce Development Youth Program:                        |                          |                                        |                                  |                                       |                     |           |                      |                                                |                                    |
| County Apprenticeship Coordinator Grant                     | CAC1304S                 | 21,222                                 |                                  | 16,816                                | 07/01/19            | 06/30/20  | 21,222               | -                                              | 21,222                             |
| <b>Total State Financial Assistance</b>                     |                          |                                        |                                  |                                       |                     |           | <u>\$ 18,933,292</u> | <u>\$ 596,251</u>                              | <u>\$ 25,538,632</u>               |

The accompanying notes to the financial statements and notes to the schedules of expenditures of federal awards and state financial assistance are an integral part of this schedule.

## **CAMDEN COUNTY COLLEGE**

### **Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance For the Fiscal Year Ended June 30, 2020**

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#### **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, 2020 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, 2020.

#### **Note 5: DONATED PERSONAL PROTECTIVE EQUIPMENT (PPE)**

The College has not received any donations of Personal Protective Equipment (PPE) related to COVID-19.

#### **Note 6: MAJOR PROGRAMS**

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

**CAMDEN COUNTY COLLEGE**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2020

**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 <u>  X  </u> no            |
| Significant deficiency(ies) identified?               | _____ yes <u>  X  </u> none reported |
| Noncompliance material to financial statements noted? | _____ yes <u>  X  </u> no            |

**Federal Awards**

|                                                                                                                                                                                                                                                                               |                                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| Internal control over major programs:                                                                                                                                                                                                                                         |                                      |
| Material weakness(es) identified?                                                                                                                                                                                                                                             | _____ yes <u>  X  </u> no            |
| Significant deficiency(ies) identified?                                                                                                                                                                                                                                       | _____ yes <u>  X  </u> 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, <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> (Uniform Guidance)? |                                      |
|                                                                                                                                                                                                                                                                               | _____ yes <u>  X  </u> no            |

Identification of major programs:

| <b><u>CFDA Number(s)</u></b> | <b><u>Name of Federal Program or Cluster</u></b>                                                              |
|------------------------------|---------------------------------------------------------------------------------------------------------------|
| 84.007                       | <b>Student Financial Aid Cluster:</b>                                                                         |
| 84.033                       | Federal Supplemental Educational Opportunity Grant                                                            |
| 84.063                       | Federal Work Study Program                                                                                    |
| 84.268                       | Federal Pell Program                                                                                          |
|                              | Federal Direct Student Loans                                                                                  |
| 21.019                       | <b>Coronavirus Relief Fund:</b>                                                                               |
|                              | Coronavirus Relief Fund (CRF)(COVID-19) (Round I & II)                                                        |
|                              | <b>Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act):</b> |
|                              | <b>Educational Stabilization Fund (ESF):</b>                                                                  |
| 84.425C                      | Governor's Emergency Education Relief (GEER) Fund (COVID-19)                                                  |
|                              | <b>Higher Education Emergency Relief Fund:</b>                                                                |
| 84.425E                      | Student Aid Portion (COVID-19)                                                                                |
| 84.425F                      | Institutional Portion (COVID-19)                                                                              |

|                                                    |                |
|----------------------------------------------------|----------------|
| Dollar threshold used to determine Type A programs | \$ 882,987     |
| Auditee qualified as low-risk auditee?             | X yes _____ no |

(Continued)

**CAMDEN COUNTY COLLEGE**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2020

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

**State Financial Assistance**

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ yes ☒ no

Significant deficiency(ies) identified? \_\_\_\_\_ yes ☒ 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 ☒ no

Identification of major programs:

**GMIS Number(s)**

**Name of State Program**

**Student Financial Aid Cluster:**

100-074-2401-001  
100-074-2405-313  
100-074-2405-007  
100-074-2405-332  
100-074-2405-316  
100-074-2405-100  
Unknown  
100-074-2401-002

Educational Opportunities Fund - Article III & Summer  
New Jersey Stars Program  
Tuition Aid Grants  
Community College Opportunity Grant  
New Jersey Best Scholarship  
NJGIVS  
NJ Class Loans  
Educational Opportunities Fund - Article IV

Dollar threshold used to determine Type A programs \$ 750,000

Auditee qualified as low-risk auditee? ☒ yes \_\_\_\_\_ no

**CAMDEN COUNTY COLLEGE**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2020

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***Section 2- Schedule of Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards requires*.

There are no current year findings.

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***Section 3- Schedule of Federal Award Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse 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).

There are no current year findings.

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

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

There are no current year findings.

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

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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**

There were no prior year findings.

**FEDERAL AWARDS**

There were no prior year findings.

**STATE FINANCIAL ASSISTANCE PROGRAMS**

There were no prior year findings.



## APPRECIATION

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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