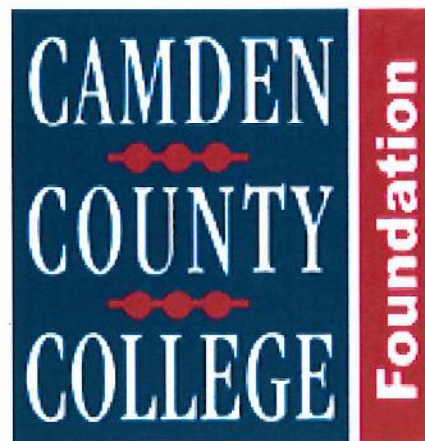


CAMDEN COUNTY COLLEGE FOUNDATION
FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 and 2016



CAMDEN COUNTY COLLEGE FOUNDATION
AUDITED FINANCIAL STATEMENTS

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For the Fiscal Years Ended June 30, 2017 and 2016

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Camden County College Foundation (a nonprofit organization) which comprise the statement of financial position as of June 30, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the fiscal years then ended, and the related notes to the financial statements.

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 audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 auditor's 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.

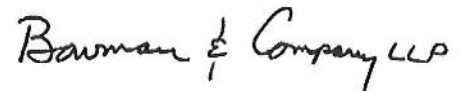
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Camden County College Foundation as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of William G. Rorher Charitable Foundation Activity, Schedule 1, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of William G. Rorher Charitable Foundation Activity, Schedule 1, is fairly stated in all material respects in relation to the financial statements as a whole.



Bowman & Company LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
November 14, 2017

CAMDEN COUNTY COLLEGE FOUNDATION

Statements of Financial Position

As of June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets:		
Cash and Cash Equivalents	\$ 120,923.31	\$ 186,904.25
Investments	1,738,782.91	1,603,974.90
Pledge Receivable		50,000.00
	<u> </u>	<u> </u>
Total Assets	<u>\$ 1,859,706.22</u>	<u>\$ 1,840,879.15</u>
Liabilities:		
Accounts Payable	<u>\$ 80,007.12</u>	<u>\$ 86,965.55</u>
Net Assets:		
Unrestricted	142,047.76	140,095.62
Temporarily Restricted	837,321.16	804,673.43
Permanently Restricted	<u>800,330.18</u>	<u>809,144.55</u>
	<u> </u>	<u> </u>
Total Net Assets	<u>1,779,699.10</u>	<u>1,753,913.60</u>
	<u> </u>	<u> </u>
Total Liabilities and Net Assets	<u>\$ 1,859,706.22</u>	<u>\$ 1,840,879.15</u>

The accompanying notes to financial statements are an integral part of this statement.

CAMDEN COUNTY COLLEGE FOUNDATION
Statements of Activities
For the Fiscal Years Ended June 30, 2017 and 2016

	June 30, 2017			June 30, 2016				
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues, Gains, and Other Support:								
Special Events, net of Costs of Direct								
Benefits to Donors of \$14,355.32 in 2017								
and \$14,780.55 in 2016	\$ 11,627.02			\$ 11,627.02	\$ 12,291.18			\$ 12,291.18
Investment Return	117,492.31	\$ 19,825.10	\$ 8,679.01	145,996.42	(37,801.41)	\$ 19,251.50	\$ 7,884.96	(10,664.95)
Donated Services	136,041.37			136,041.37	138,238.68			138,238.68
Donated Office Space	1,425.00			1,425.00	1,425.00			1,425.00
Donated Stock	5,927.60			5,927.60	2,660.50			2,660.50
Scholarship Support		79,458.37	77,792.06	157,250.43		60,873.73	156,324.12	217,197.85
Educational Program Support	20,000.00			20,000.00	20,000.00			20,000.00
Building and Improvement Campaign		109,973.46		109,973.46		127,054.84		127,054.84
Academic Enhancement	24,655.43			24,655.43				
Net Assets Released from Restrictions	271,894.64	(176,609.20)	(95,285.44)		403,300.76	(403,300.76)		
Total Revenues, Gains, and Other Support	589,063.37	32,647.73	(8,814.37)	612,896.73	540,114.71	(196,120.69)	164,209.08	508,203.10
Expenses:								
Program	250,155.49			250,155.49	345,171.61			345,171.61
Management and General	174,282.16			174,282.16	139,015.89			139,015.89
Fundraising	162,673.58			162,673.58	173,332.14			173,332.14
Total Expenses	587,111.23	-	-	587,111.23	657,519.64	-	-	657,519.64
Change in Net Assets	1,952.14	32,647.73	(8,814.37)	25,785.50	(117,404.93)	(196,120.69)	164,209.08	(149,316.54)
Net Assets at Beginning of Year	140,095.62	804,673.43	809,144.55	1,753,913.60	257,500.55	1,000,794.12	644,935.47	1,903,230.14
Net Assets at End of Year	\$ 142,047.76	\$ 837,321.16	\$ 800,330.18	\$ 1,779,699.10	\$ 140,095.62	\$ 804,673.43	\$ 809,144.55	\$ 1,753,913.60

The accompanying notes to financial statements are an integral part of this statement.

CAMDEN COUNTY COLLEGE FOUNDATION
Statements of Functional Expenses
For the Fiscal Years Ended June 30, 2017 and 2016

	June 30, 2017				June 30, 2016					
	Program	Management and General	Fundraising	Costs of Goods Sold	Total	Program	Management and General	Fundraising	Costs of Goods Sold	Total
Disbursed to Camden County College for:										
Scholarships	\$ 156,406.26				\$ 156,406.26	\$ 227,905.97				\$ 227,905.97
Other Program Expenses Campaign	93,749.23				93,749.23	117,265.64				117,265.64
Donated Services		\$ 36,371.00	\$ 99,670.37		136,041.37		\$ 35,809.24	\$ 102,429.44		138,238.68
Donated Office Space		1,282.50	142.50		1,425.00		1,282.50	142.50		1,425.00
Investment Management Fees		15,137.76			15,137.76		13,733.72			13,733.72
Consulting Services		38,500.00			38,500.00		36,750.00	14,985.00		51,735.00
Legal & Accounting		32,315.50			32,315.50		24,152.50			24,152.50
Secretary		18,316.54	32,504.08		50,820.62		18,056.00	32,099.55		50,155.55
Other General Expenses		32,353.86	30,356.63		62,710.49		9,231.93	23,675.65		32,907.58
Cost of Direct Benefits to Donors				\$ 14,355.32	14,355.32				\$ 14,782.55	14,782.55
Total Expenses by Function	250,155.49	174,282.16	162,673.58	14,355.32	601,466.55	345,171.61	139,015.89	173,332.14	14,782.55	672,302.19
Less Expenses Included with Revenues:										
Cost of Direct Benefits to Donors				(14,355.32)	(14,355.32)				(14,782.55)	(14,782.55)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 250,155.49	\$ 174,282.16	\$ 162,673.58	\$ -	\$ 587,111.23	\$ 345,171.61	\$ 139,015.89	\$ 173,332.14	\$ -	\$ 657,519.64

The accompanying notes to financial statements are an integral part of this statement.

CAMDEN COUNTY COLLEGE FOUNDATION
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash Flows from Operating Activities:		
Increase (Decrease) in Net Assets	\$ 25,785.50	\$ (149,316.54)
Adjustments to Reconcile Change in Net Assets to Net Cash		
Used In Operating Activities:		
Unrealized Gain on Investments	(97,731.07)	(4,470.85)
Realized Gain (Losses) on Investments	5,575.41	71,148.16
Donated Stock	(5,927.60)	(2,660.50)
Changes in Operating Assets and Liabilities:		
Other Receivables	50,000.00	50,000.00
Accounts Payable	<u>(6,958.43)</u>	<u>(39,002.04)</u>
Net Cash Used In Operating Activities	<u>(29,256.19)</u>	<u>(74,301.77)</u>
Cash Flows from Investing Activities:		
Purchase of Investments	(499,441.62)	(596,329.97)
Proceeds from Sale of Investments	<u>462,716.87</u>	<u>718,658.16</u>
Net Cash Provided by (Used In) Investing Activities	<u>(36,724.75)</u>	<u>122,328.19</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(65,980.94)	48,026.42
Cash and Cash Equivalents at Beginning of Year	<u>186,904.25</u>	<u>138,877.83</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 120,923.31</u></u>	<u><u>\$ 186,904.25</u></u>

The accompanying notes to financial statements are an integral part of this statement.

CAMDEN COUNTY COLLEGE FOUNDATION
Notes to Financial Statements
For the Fiscal Years Ended June 30, 2017 and 2016

Note 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

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

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

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

Basis of Accounting

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

Financial Statement Presentation

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

Unrestricted net assets – net assets that are not subject to donor-imposed stipulations. This includes funds that are designated for discretionary use by the Foundation and board designated funds functioning as endowments.

Temporarily restricted net assets – net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time. This includes term endowments, the present value of contributions receivable, and earnings on investments.

Permanently restricted net assets – net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. This includes the historical dollar amounts of gifts, the present value of contributions receivable, and earnings required to be added to the corpus as stipulated by the donor.

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

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

Income and realized and unrealized net gains or losses on investments are reported as follows:

As increases or decreases in permanently restricted net assets if the terms of the gift require that they be added to the principal of a permanent endowment fund;

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

Financial Statement Presentation (Cont'd)

Income and realized and unrealized net gains or losses on investments are reported as follows (cont'd):

As increases or decreases in temporarily restricted net assets if the terms of the gift impose restrictions on the use of the income or by law;

As increases or decreases in unrestricted net assets in all other cases.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Foundation places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation covers \$250,000.00 for substantially all depository accounts.

Investments

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

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.

Donated Equipment

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

Donated Services, Materials and Facilities

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

Note 1: **NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Allowance For Doubtful Accounts**

Pledges and accounts receivable are stated net of an allowance for doubtful accounts. The Foundation estimates the allowance based on an analysis of specific donors, taking into consideration the age of past due amounts and an assessment of the donor's ability to pay. The Foundation has determined that there was no allowance for doubtful accounts required for receivables at June 30, 2017 and 2016.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Functional Allocation of Expenses

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

Subsequent Events

The Foundation has evaluated events and transactions through November 14, 2017, the date the financial statements were available to be issued, and determined there were no items requiring recognition or disclosure in the financial statements.

New Accounting Pronouncements

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

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

Note 2: **CONCENTRATION OF CREDIT RISK**

The Foundation maintains cash balances in their banking institutions, which are insured by the Federal Deposit Insurance Corporation (F.D.I.C) up to \$250,000.00 per institution. At June 30, 2017 and 2016, the Foundation's balance did not exceed the insured limit.

In addition, the Foundation invests in the Morgan Stanley money market funds. These funds are not insured by the F.D.I.C. At June 30, 2017 and 2016, the balance in these funds totaled \$54,598.87 and \$76,257.42, respectively.

Note 3: **NET ASSETS**

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

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

	<u>2017</u>	<u>2016</u>
Unrestricted:		
Undesignated	\$ 142,047.76	\$ 140,095.62
Temporarily Restricted:		
Scholarships	680,288.20	675,790.58
Other Program Expenses	157,032.96	128,882.85
Permanently Restricted:		
Endowment	<u>800,330.18</u>	<u>809,144.55</u>
Total Net Assets	<u>\$ 1,779,699.10</u>	<u>\$ 1,753,913.60</u>

Note 4: INVESTMENTS

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

	<u>2017</u>	<u>2016</u>
Marketable Securities:		
Corporate Stocks	\$ 752,678.51	\$ 707,955.11
Corporate Bonds and Notes	342,810.31	392,047.48
Preferred Securities	357,220.70	224,081.84
Government Securities		11,305.58
Nonmarketable Securities:		
Alternative Investments	<u>286,073.39</u>	<u>268,584.89</u>
Total	<u>\$ 1,738,782.91</u>	<u>\$ 1,603,974.90</u>

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

	<u>2017</u>	<u>2016</u>
Interest and Dividends	\$ 53,840.77	\$ 56,012.36
Realized Gains (Losses)	(5,575.41)	(71,148.16)
Unrealized Gains (Losses)	<u>97,731.07</u>	<u>4,470.85</u>
Total Investment Return	<u>\$ 145,996.43</u>	<u>\$ (10,664.95)</u>

Note 5: FAIR VALUE MEASUREMENT

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

Level 1

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

Level 2

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

Level 3

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

Note 5: **FAIR VALUE MEASUREMENT (CONT'D)**

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.

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

- Corporate Stocks – Valued at quoted market prices in active markets on which individual securities are traded.
- Preferred Stocks – Valued at quoted market prices in active markets on which individual securities are traded.
- Corporate Fixed Income and Government Securities – Valued based upon quotes from independent pricing vendors based upon independent pricing models or other model-based valuation techniques such as present value of the stream of expected cash flows adjusted for the security's credit rating and other factors such as credit loss assumptions.
- Alternative Investments (Hedge Funds) - Valued as a practical expedient, at the net asset value of the units held by the Foundation at fiscal year end, as reported by the investment manager and within the valuation guidelines stipulated in respective investment agreements.

Alternative investments represent limited partnership interests held by the Foundation in funds that invest in various equity, fixed income, mutual funds, real estate, private equity and other investments and follow a variety of investment strategies with the goal to provide capital appreciation consistent with return characteristic of alternative investment portfolios of larger endowments and to provide capital appreciation with less volatility than that of equity markets. The Foundation believes that the carrying amount of its alternative investments is a reasonable estimate of the fair value of such investments at June 30, 2017 and 2016. As is typical of investment portfolios of similar types of institutions, alternative investments are not readily marketable, the estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investments existed. The Fund does conduct repurchase offers generally quarterly with a valuation date on or about March 31, June 30, September 30, and December 31 of each year provided that it is in the best interest of the fund and the partners to do so. At the time of a repurchase offer, each fund intends to repurchase 5% of its units at their net asset value determined as of approximately March 31, June 30, September 30, or December 31, as applicable, so long as no more than 20% of the units are repurchased per quarter. Additionally, a repurchase fee payable to the fund may be applicable in the amount of 5% of the amount requested if such partner has been a partner for less than a year.

Note 5: **FAIR VALUE MEASUREMENT (CONT'D)**Fair Value on a Recurring Basis

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

		2017		
		Fair Value		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Corporate Stocks:				
Technology	\$ 62,570.01	\$ 62,570.01		
Financial	130,523.04	130,523.04		
Industrial Goods	63,256.43	63,256.43		
Consumer Goods	57,505.54	57,505.54		
Basic Materials	63,348.33	63,348.33		
Services	139,168.08	139,168.08		
Healthcare	69,783.65	69,783.65		
Undesignated Sector	166,524.01	166,524.01		
Preferred Stocks	251,002.27	251,002.27		
Corporate Fixed Income:				
Corporate Bonds:				
(AAA to A)	203,045.10		\$ 203,045.10	
(BBB to BBB-)	139,765.21		139,765.21	
Fixed-Rate Capital Securities				
(AAA to A)	6,170.73		6,170.73	
(BBB to BBB-)	100,047.12		100,047.12	
Alternative Investments:				
Hedge Funds	286,073.39			\$ 286,073.39
Total	<u>\$ 1,738,782.91</u>	<u>\$ 1,003,681.36</u>	<u>\$ 449,028.16</u>	<u>\$ 286,073.30</u>

		Fair Value		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Corporate Stocks:				
Technology	\$ 33,806.91	\$ 33,806.91		
Financial	94,924.57	94,924.57		
Industrial Goods	48,659.60	48,659.60		
Consumer Goods	52,617.56	52,617.56		
Basic Materials	34,116.93	34,116.93		
Services	173,126.58	173,126.58		
Utilities	13,582.40	13,582.40		
Healthcare	95,287.18	95,287.18		
Undesignated Sector	161,833.38	161,833.38		
Preferred Stocks	224,081.84	224,081.84		
Corporate Fixed Income:				
Corporate Bonds:				
(AAA to A)	163,301.65		\$ 163,301.65	
(BBB to BBB-)	120,349.70		120,349.70	
Fixed-Rate Capital Securities				
(AAA to A)	2,617.56		2,617.56	
(BBB to BBB-)	105,778.57		105,778.57	
Government Securities:				
(AAA to A)	11,305.58		11,305.58	
Alternative Investments:				
Hedge Funds	268,584.89			268,584.89
Total	<u>\$ 1,603,974.90</u>	<u>\$ 932,036.95</u>	<u>\$ 403,353.06</u>	<u>\$ 268,584.89</u>

Note 5: **FAIR VALUE MEASUREMENT (CONT'D)**

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

	<u>Year Ended June 30,</u>	
	<u>2017</u>	<u>2016</u>
Fair Value, Beginning of Year	\$ 268,584.89	\$ 295,218.76
Unrealized Gains (Losses)	17,488.50	(26,633.87)
Fair Value, End of Year	<u>\$ 286,073.39</u>	<u>\$ 268,584.89</u>

Note 6: **ENDOWMENT FUNDS**

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

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

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

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

Endowment Net Asset Composition by Type of Fund as of June 30, 2017 and 2016:

	<u>June 30,</u>	
	<u>2017</u>	<u>2016</u>
	<u>Permanently</u>	<u>Permanently</u>
	<u>Restricted</u>	<u>Restricted</u>
Donor Restricted:		
Endowment Funds	<u>\$ 800,330.18</u>	<u>\$ 809,144.55</u>

Note 6: ENDOWMENT FUNDS (CONT'D)

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

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

The following table provides information regarding the change in endowment net assets for the year ended 2017 and 2016:

	June 30,	
	2017	2016
	Permanently Restricted	Permanently Restricted
Endowment Net Assets - Beginning of Year	\$ 809,144.55	\$ 644,935.47
Investment Income	8,679.01	7,884.96
Contributions	77,792.06	156,324.12
Transfers	(95,285.44)	
Endowment Net Assets - End of Year	<u>\$ 800,330.18</u>	<u>\$ 809,144.55</u>

Note 7: TEMPORARILY RESTRICTED NET ASSETS

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

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

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

Note 8: PERMANENTLY RESTRICTED NET ASSETS

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

CAMDEN COUNTY COLLEGE FOUNDATION
Schedule of William G. Rohrer Charitable Foundation Activity
For the Fiscal Year Ended June 30, 2017

Pledge Receivable Balance	
Balance June 30, 2016	\$ 50,000.00
New Pledges	-
Cash Received	<u>(50,000.00)</u>
Balance June 30, 2017	<u><u>\$ -</u></u>
Temporarily Restricted Net Asset Balance (To be Used for Scholarships)	
Balance June 30, 2016	\$ 162,083.72
New Pledges	-
Scholarships Disbursed	<u>(45,183.90)</u>
Balance June 30, 2017	<u><u>\$ 116,899.82</u></u>