

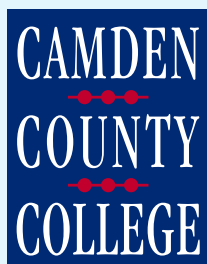


# Camden County College

(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, 2019 and 2018**  
(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, 2019

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<b><u>NAME</u></b>	<b><u>TERM EXPIRES</u></b>
John T. Hanson, Chair	10/31/2019
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	10/30/2019
Judith J. Ward	10/31/2022
Khyia L. Ward, Alumna Trustee	06/30/2019

**Executive Administration**

Donald A. Borden, President  
Dr. David Edwards, Executive Vice President for Academic and Student Affairs  
Dr. Jacqueline Galbiati, Vice President, Institutional Effectiveness, Advancement & Strategic Initiatives  
Dr. James Canonica, Executive Dean of Enrollment & Student Services  
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 Antonakakis, Executive Director of Finance & 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, 2019 and 2018, 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, 2019 and 2018, 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 January 15, 2020, 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  
January 15, 2020

**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, 2019, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated January 15, 2020. The financial statements of the College's discretely presented component unit (Camden County College Foundation) were audited in accordance with auditing standards generally accepted in the United States of America, but were not audited in accordance with *Government Auditing Standards*.

***Internal Control Over Financial Reporting***

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

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

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

Voorhees, New Jersey  
January 15, 2020

# **REQUIRED SUPPLEMENTARY INFORMATION**

## **PART I**

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## Management's Discussion and Analysis For The Fiscal Years Ended June 30, 2019 and 2018 (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, 2019 and 2018 with fiscal year 2017 data presented for comparative purposes.

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

The following three financial statements are prescribed by the Governmental Accounting Standards Board (GASB) Statement No. 35 - *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*: The Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows.

In accordance with GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, these statements also include the most recent audited financial statements of Camden County College Foundation, which per the above noted GASB Statements, is considered to be a discretely presented component unit of the College. The analysis below will focus on the College only.

### FINANCIAL HIGHLIGHTS

- Over 23% of the College's revenue comes from tuition and fees. Total credit enrollments for the fiscal years ended June 30, 2019, 2018 and 2017 are as follows:

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>Change 2019-2018</u>	<u>Change 2018-2017</u>
Credit Hours	<u>206,046</u>	<u>219,376</u>	<u>229,469</u>	<u>(13,330)</u>	<u>(10,093)</u>

- The College's total operating revenue decreased by 7% mainly due to a decrease in Student Tuition and Fee revenue due to the decline in enrollment. In addition, the grant funding decreased due to the loss of the Learning Resource Center grant.
- To keep education affordable and accessible, particularly in a difficult economy, Camden County College did not increase tuition and fees in FY 2019.
- The College implemented a pre-collection vendor to improve the collection of student's Accounts Receivable before the debt is placed with a collection agency.
- The County in Fiscal Year 2019 waived the debt service and interest payment for the transformation bonds.

# CAMDEN COUNTY COLLEGE – MANAGEMENT’S DISCUSSION AND ANALYSIS

## For the Fiscal Years Ended June 30, 2019 and 2018

### FINANCIAL HIGHLIGHTS (CONT'D)

#### IMPACT OF GASB 68 AND 71 IMPLEMENTATION

In fiscal year 2015, the College adopted and implemented GASB 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*.

Note 7 to the financial statements provides a thorough discussion of the College’s pension plans and GASB 68 elements; however, the following table provides the effect GASB 68 had on net position for FY 2019, 2018 and FY 2017.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>Change</u> <u>2019-2018</u>	<u>Change</u> <u>2018-2017</u>
Deferred Outflows Related to Pensions	\$ 8,789,095	\$ 12,282,833	\$ 18,082,500	\$ (3,493,738)	\$ (5,799,667)
Less: Accounts Payable - Related to Pensions	(1,811,313)	(1,854,685)	(1,727,098)	43,372	(127,587)
Less: Net Pension Liability	(36,713,251)	(43,398,506)	(60,040,432)	6,685,255	16,641,926
Less: Deferred Inflows Related to Pensions	(18,303,478)	(16,859,270)	(6,713,768)	(1,444,208)	(10,145,502)
Net Position Effect from GASBS 68 and 71 Implementation	\$ (48,038,947)	\$ (49,829,628)	\$ (50,398,798)	\$ 1,790,681	\$ 569,170

# CAMDEN COUNTY COLLEGE – MANAGEMENT’S DISCUSSION AND ANALYSIS

## For the Fiscal Years Ended June 30, 2019 and 2018

### 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, 2019, 2018, and 2017

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>Change 2019-2018</u>	<u>Change 2018-2017</u>
<b>Assets</b>					
Current Assets	\$ 21,783,219	\$ 24,716,476	\$ 23,077,543	\$ (2,933,257)	\$ 1,638,933
Non-Current Assets:					
Capital Assets, net of Depreciation	158,815,351	156,268,807	158,458,890	2,546,544	(2,190,083)
Total Assets	180,598,570	180,985,283	181,536,433	(386,713)	(551,150)
<b>Deferred Outflows of Resources - Related to Pensions</b>	<b>8,789,095</b>	<b>12,282,833</b>	<b>18,082,500</b>	<b>(3,493,738)</b>	<b>(5,799,667)</b>
<b>Liabilities</b>					
Current Liabilities	12,710,109	13,421,124	12,586,837	(711,015)	834,287
Non-Current Liabilities	57,993,727	65,644,520	83,302,768	(7,650,793)	(17,658,248)
Total Liabilities	70,703,836	79,065,644	95,889,605	(8,361,808)	(16,823,961)
<b>Deferred Inflows of Resources - Related to Pensions</b>	<b>18,303,478</b>	<b>16,859,270</b>	<b>6,713,768</b>	<b>1,444,208</b>	<b>10,145,502</b>
<b>Net Position</b>					
Net Investment in Capital Assets	138,454,998	134,922,857	136,081,465	3,532,141	(1,158,608)
Restricted	614,028	616,991	610,536	(2,963)	6,455
Unrestricted (Deficit)	(38,688,675)	(38,196,646)	(39,676,441)	(492,029)	1,479,795
Total Net Position	\$ 100,380,351	\$ 97,343,202	\$ 97,015,560	\$ 3,037,149	\$ 327,642

- 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 FY2018 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.
- Non-Current Liabilities decreased from FY 2017 to FY 2018 primarily due to the College’s allocation of net pension liability.
- Capital assets decreased from FY 2017 to FY 2018 due to the demolition of the Wilson Buildings.

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

### **For the Fiscal Years Ended June 30, 2019 and 2018**

#### **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 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. A decrease of over \$2.0 million in GASB 75 expenses. In addition, there was also decrease of \$3.0 million in Operation and Maintenance expenses, which was due to the expenses that were incurred in the construction projects in FY2019.

In FY2018, the total operating revenue increased nearly \$2.0 million. Although the Student Tuition and Fees revenue decreased by \$1.8 million in FY2018, the College had an increase in Federal and State grants of \$2.4 million due to the addition of the Learning Resource Center and NJCAP grants. The College also had a \$200 thousand increase in Auxiliary Services due to a new Barnes & Noble contract. In addition, the College’s other revenue increased \$1.2 million due to the K-12 School and Gateway Programs.

In FY2018, the total operating expenses decreased \$684 thousand, which was a result of several factors. The increase in Operation and Maintenance due to the building of the Health Service Center in Camden was \$1.7 million. The increase in Public Service due to the expenses related to the Learning Resource Center and NJCAP grants was \$2.0 million. These large increases were offset by a \$1.9 million decrease in Instructional expenses due to the decrease in enrollment. Also due to the implementation of GASB 75, there was a decrease in the GASB 75 expenses of \$1.4 million that was allocated between the major sources of operating expenses.



# CAMDEN COUNTY COLLEGE – MANAGEMENT’S DISCUSSION AND ANALYSIS

## For the Fiscal Years Ended June 30, 2019 and 2018

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

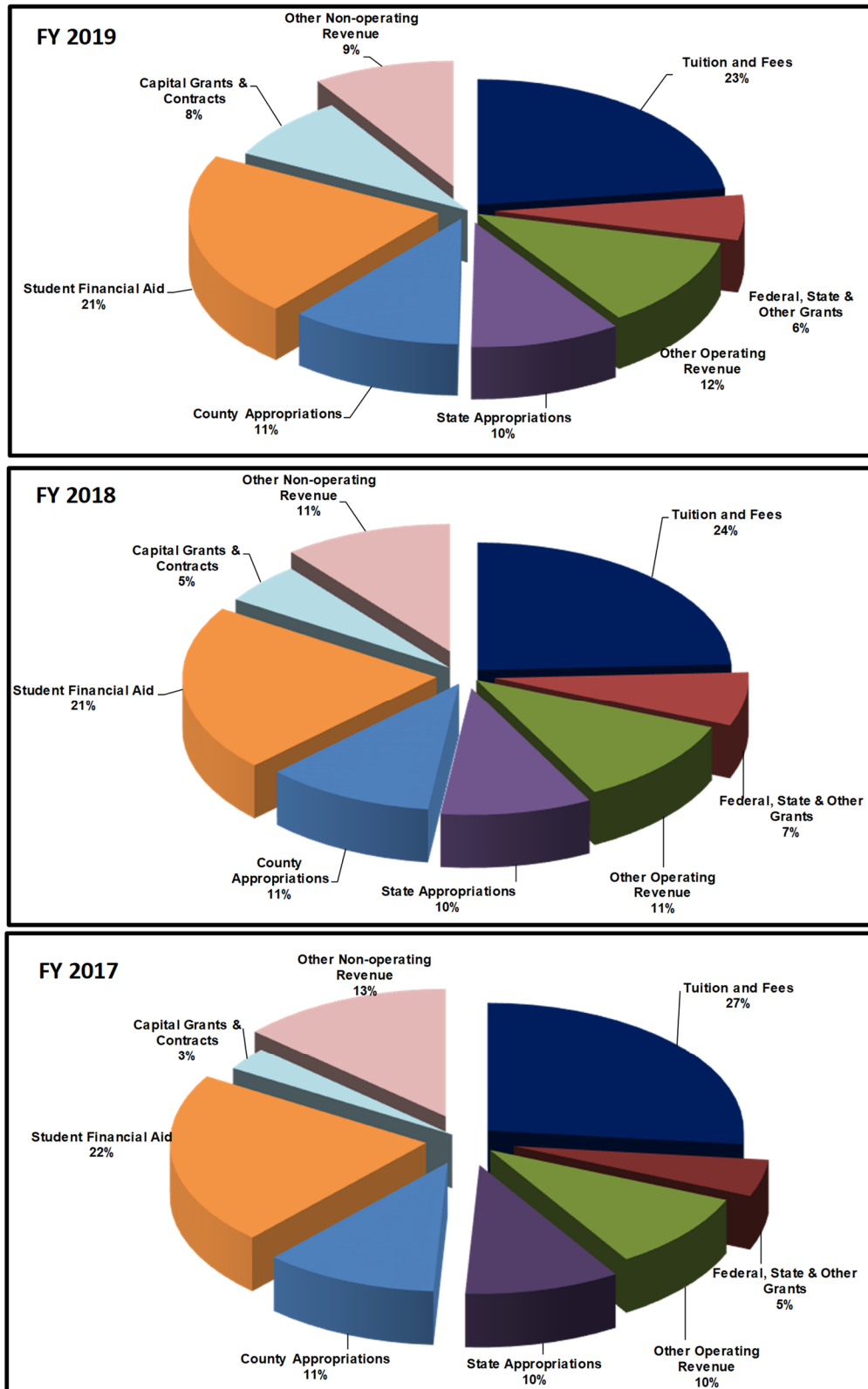
	<u>2018</u>	<u>2018</u>	<u>2017</u>	<u>Change 2019-2018</u>	<u>Change 2018-2017</u>
<b>Operating Revenues</b>					
Student Tuition and Fees, net	\$ 21,814,217	\$ 23,686,419	\$ 25,525,931	\$ (1,872,202)	\$ (1,839,512)
State and Local Grants and Contracts	2,944,754	2,560,049	1,211,353	384,705	1,348,696
Federal Grants and Contracts	2,565,342	4,109,815	3,051,317	(1,544,473)	1,058,498
Nongovernmental Grants and Contracts	29,162	54,569	179,041	(25,407)	(124,472)
Chargeback Revenue	19,287	18,927	15,685	360	3,242
Auxiliary Enterprises	597,458	866,804	559,415	(269,346)	307,389
Other Operating Revenues	10,534,333	10,000,178	8,750,201	534,155	1,249,977
Total Operating Revenue	38,504,553	41,296,761	39,292,943	(2,792,208)	2,003,818
<b>Operating Expenses</b>					
Instruction	29,097,441	29,791,395	32,607,486	(693,954)	(2,816,091)
Public Services	3,339,963	3,795,483	1,805,664	(455,520)	1,989,819
Academic Support	8,349,901	8,644,828	8,120,543	(294,927)	524,285
Student Services	7,304,641	7,220,843	7,867,683	83,798	(646,840)
Institutional Support	10,966,635	12,880,496	14,252,410	(1,913,861)	(1,371,914)
Operation and Maintenance of Plant	17,137,693	18,917,114	17,348,660	(1,779,421)	1,568,454
Scholarships and Awards	10,197,512	10,319,151	10,345,841	(121,639)	(26,690)
Depreciation	4,932,998	4,846,118	4,750,740	86,880	95,378
Total Operating Expenses	91,326,784	96,415,428	97,099,027	(5,088,644)	(683,599)
Operating Loss	(52,822,231)	(55,118,667)	(57,806,084)	2,296,436	2,687,417
<b>Non-Operating Revenues (Expenses)</b>					
State Appropriations:					
State Aid	9,304,075	9,396,957	9,363,397	(92,882)	33,560
On-Behalf Fringe Benefits:					
Alternate Benefit Program	1,313,885	1,273,496	1,356,620	40,389	(83,124)
Other Post Employment Benefits	4,874,321	7,364,729	8,804,623	(2,490,408)	(1,439,894)
County Appropriations	10,488,856	10,488,856	10,488,856	-	-
Student Financial Aid	20,214,430	20,816,741	20,848,966	(602,311)	(32,225)
Other Non-Operating Revenue	2,286,409	1,745,793	2,655,908	540,616	(910,115)
Investment Income Earned	255,197	118,360	26,487	136,837	91,873
Interest Expense	(800,932)	(842,559)	(881,249)	41,627	38,690
Total Non-Operating Revenues	47,936,241	50,362,373	52,663,608	(2,426,132)	(2,301,235)
Income (Loss) before Other Revenues	(4,885,990)	(4,756,294)	(5,142,476)	(129,696)	386,182
<b>Capital Grants and Contributions</b>	7,923,139	5,083,936	2,813,243	2,839,203	2,270,693
Increase (Decrease) in Net Position	3,037,149	327,642	(2,329,233)	2,709,507	2,656,875
<b>Net Position</b>					
Net Position - Beginning of Year	97,343,202	97,015,560	99,344,793	327,642	(2,329,233)
Net Position - End of Year	\$ 100,380,351	\$ 97,343,202	\$ 97,015,560	\$ 3,037,149	\$ 327,642

# CAMDEN COUNTY COLLEGE – MANAGEMENT’S DISCUSSION AND ANALYSIS

## For the Fiscal Years Ended June 30, 2019 and 2018

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

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

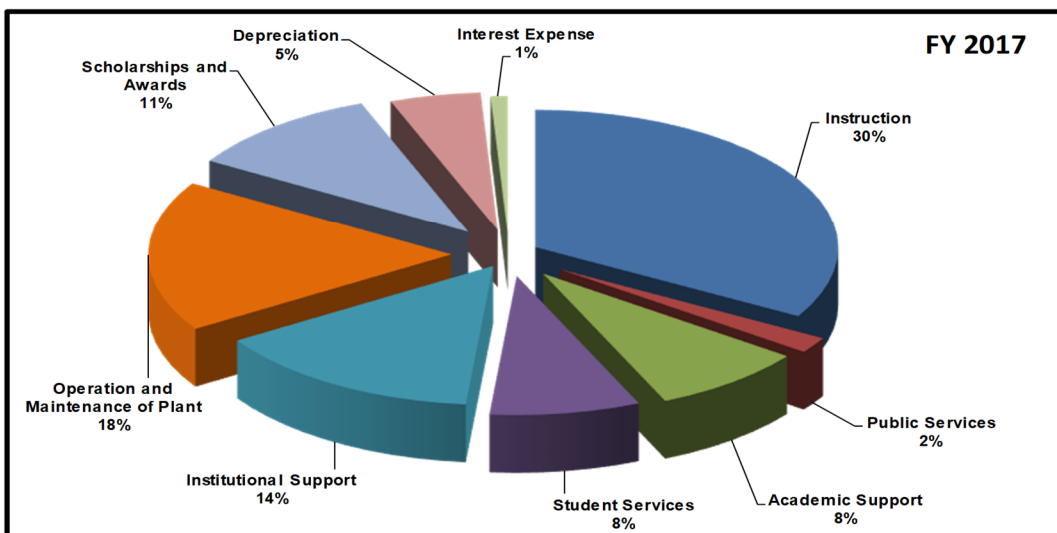
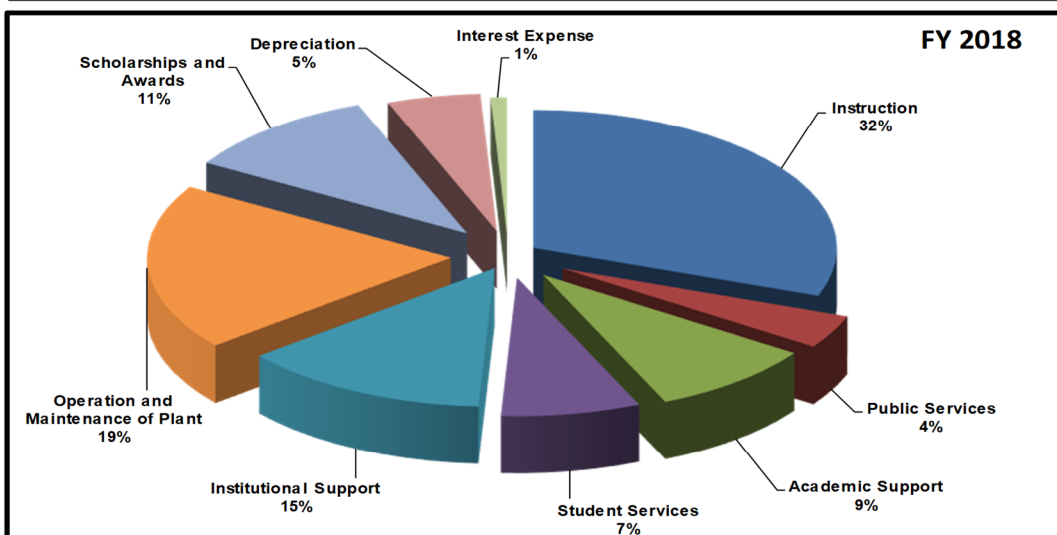
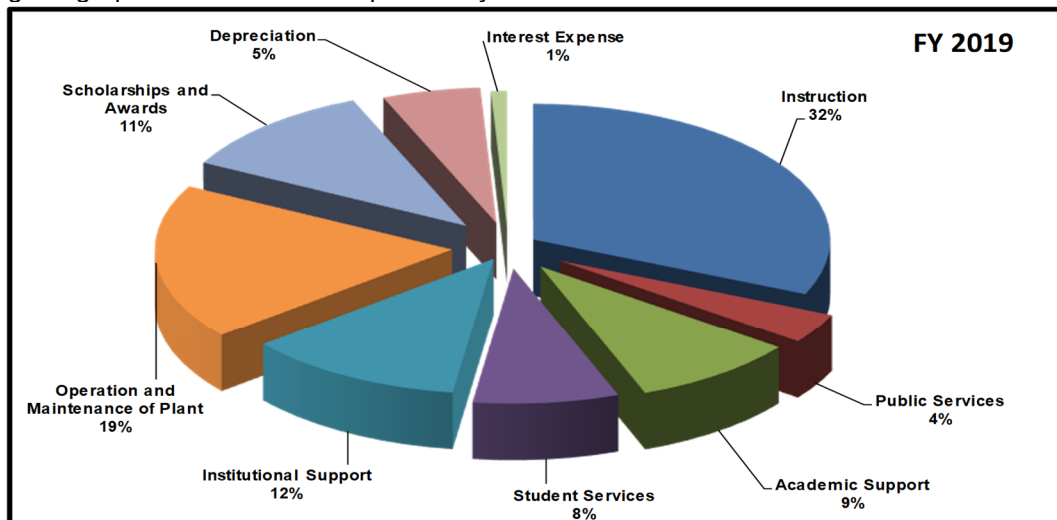


# CAMDEN COUNTY COLLEGE – MANAGEMENT’S DISCUSSION AND ANALYSIS

## For the Fiscal Years Ended June 30, 2019 and 2018

### 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, 2019 and 2018

#### 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, 2019, 2018, and 2017:

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>Change 2019-2018</u>	<u>Change 2018-2017</u>
Cash Provided by (Used in):					
Operating Activities	\$ (48,767,484)	\$ (37,960,417)	\$ (38,021,322)	\$ (10,807,067)	\$ 60,905
Non-Capital Financing Activities	39,965,405	40,702,554	40,493,175	(737,149)	209,379
Capital and Related Financing Activities	4,033,057	(2,220,284)	(1,959,111)	6,253,341	(261,173)
Investing Activities	255,197	118,360	26,487	136,837	91,873
Net Change in Cash	(4,513,825)	640,213	539,229	(5,154,038)	100,984
Cash, Beginning of Year	13,369,722	12,729,509	12,190,280	640,213	539,229
Cash, End of Year	\$ 8,855,897	\$ 13,369,722	\$ 12,729,509	\$ (4,513,825)	\$ 640,213

The decrease in cash at the end of June 30, 2019 is principally due to the decrease in Tuition and Fees and an increase in payments to vendors for the building of the Joint Health Science Building.

#### LONG-TERM DEBT

The College has the following debt outstanding at June 30, 2019:

Capital Leases Payable of \$13,976,853 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, 2019 and 2018

### CAPITAL ASSETS

At the end of FY 2019 and FY 2018, the College had capital assets as follows:

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Transfers</u>	<u>Balance</u> <u>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
Other Non-Depreciable Assets					
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	7,642,823.14	407,389			8,050,212
Vehicles	1,096,529	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)			(49,218,793)
Infrastructure	(4,019,101)	(515,132)			(4,534,233)
Equipment	(5,352,654)	(517,538)			(5,870,192)
Vehicles	(795,288)	(90,233)	4,635		(880,887)
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>4,635</u>	<u>-</u>	<u>(70,786,978)</u>
Depreciable Capital Assets	<u>142,415,155</u>	<u>(4,409,345)</u>	<u>(4,635)</u>	<u>950,254</u>	<u>138,951,430</u>
Total Capital Assets, Net	<u>\$ 156,268,807</u>	<u>\$ 2,551,548</u>	<u>\$ (4,635)</u>	<u>\$ -</u>	<u>\$ 158,815,721</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.

In FY 2019, the expenditures for various HVAC projects, Roosevelt Roof and Jefferson renovations were transferred from Construction in Progress to a depreciable asset.

The College also incurred the following expenditures for FY 2019 that were charged to the Construction in Progress account.

- Lincoln Hall Renovations                      \$ 278,305
- Joint Health Center                              \$5,856,951
- Energy Upgrades                                 \$ 129,999

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

### **For the Fiscal Years Ended June 30, 2019 and 2018**

#### **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.

These strategic goals are being actively pursued:

1. Provide accessible and affordable, high quality educational opportunities.
2. Foster student success through high quality learning experiences and support services.
3. Respond to the needs of the regional labor force, collaborative partners and community members.
4. Develop and manage institutional resources focused on supporting student success and organizational effectiveness.

The College is actively implementing programs to recruit and retain students and to assist them with graduations and transfers. Key initiatives include:

- Investment in Guided Pathways to Success planning to support students from enrollment to completion, including redesign of student advising and increased tutoring services.
- Implementation of a formal Strategic Enrollment Plan in line with the Academic Master Plan.
- Initiation or expansion of degree and certificate programs including Cybersecurity, LPN, Audio Programing, Surgical Technology and EMT.
- Establishment of an e-Learning division to provide greater enrollment option. Full use of a new Learning Management System platform to support growth in on line classes.
- Initiation of advisement redesign through the implementation of a formal advisement and retention plan.

The use of state funded Community College Opportunity Grants (CCOG) are being maximized to attract new students and to develop programs for success.

The College creates opportunities for high schools students, including remediation programs to help students with college readiness. A model is being developed for high school students to earn dual credit/industry certifications in Career Technical Education programs. In addition, high school students will be able to earn an associate degree prior to graduating high school.

Investments will continue in improved IT systems, including CRM, student portal, and network infrastructure. As a result of a change in network architecture, the College will be able to increase its bandwidth and improve security at a lower cost in the future.

The College remains committed in improving its facilities infrastructure. Major renovation plans are scheduled for Lincoln Hall (Arts & Theater), Papiano Gym, and the Camden Campus buildings. In addition to providing a renovated platform for education, these upgrades are expected to drive down the utility costs due to upgraded HVAC systems and the installation of efficient lighting.

The Cherry Hill Rohrer Center will be revitalized with facilities upgrades to accommodate new academic programming, cultural events, and partnership programs.

Rutgers will be designated as a Premier Partnership for the College to offer enrolled students a path to success in an affordable way. Partnerships with NJCAP, Cooper and other institutions will continue to generate revenue to offset enrollment declines. The College will seek additional partnerships in the future.

Along with Rutgers and Rowan, the College is part of the new Joint Health Science Center based in Camden with focus on educating and training the residents of Camden in healthcare.

The College will continue to actively manage its operating expenses through strong budget management, productivity initiatives, competitive bidding and the use of shared services and purchasing cooperatives.



## 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, 2019 and 2018

	<b>2019</b>		<b>2018</b>	
	<b><u>College</u></b>	<b><u>Component Unit CCC Foundation</u></b>	<b><u>College</u></b>	<b><u>Component Unit CCC Foundation</u></b>
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 8,855,897	\$ 133,789	\$ 13,369,722	\$ 267,406
Investments		1,151,699		788,194
Accounts Receivable, Net	12,249,287	120,000	10,579,783	240,000
Inventories	37,720		26,020	
Prepaid Expenses	640,315		740,951	
Total Current Assets	21,783,219	1,405,488	24,716,476	1,295,600
Noncurrent Assets:				
Endowment Investments		1,060,614		993,422
Capital Assets, Net	158,815,351		156,268,807	
Total Noncurrent Assets	158,815,351	1,060,614	156,268,807	993,422
Total Assets	180,598,570	2,466,102	180,985,283	2,289,022
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Related to Pensions	8,789,095	-	12,282,833	-
<b>LIABILITIES</b>				
Current Liabilities:				
Account Payable:				
Related to Pensions	1,811,313		1,854,685	
Other	5,657,497	51,916	5,774,717	111,459
Accrued Salaries	336,823		607,208	
Current Portion:				
Accrued Compensated Absences	606,132		592,881	
Obligations Under Capital Lease	1,011,747		985,597	
Unearned Revenue:				
Tuition and Fees Revenue	3,177,411		3,438,879	
County Appropriation			41,956	
Other	109,186		125,201	
Total Current Liabilities	12,710,109	51,916	13,421,124	111,459
Noncurrent Liabilities:				
Accrued Compensated Absences	1,931,870		1,885,661	
Obligations Under Capital Lease	12,965,106		13,976,853	
Mortgage Payable	6,383,500		6,383,500	
Net Pension Liability	36,713,251		43,398,506	
Total Noncurrent Liabilities	57,993,727	-	65,644,520	-
Total Liabilities	70,703,836	51,916	79,065,644	111,459
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Related to Pensions	18,303,478	-	16,859,270	-
<b>NET POSITION</b>				
Net Investment in Capital Assets	138,454,998		134,922,857	
Restricted for:				
Nonexpendable:				
Scholarships		1,060,614		993,422
Expendable:				
Scholarships		779,240		825,884
Other	614,028	176,981	616,991	193,955
Unrestricted (Deficit)	(38,688,675)	397,351	(38,196,646)	164,302
Total Net Position	\$ 100,380,351	\$ 2,414,186	\$ 97,343,202	\$ 2,177,563

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, 2019 and 2018

	2019		2018	
	<u>College</u>	<u>Component Unit CCC Foundation</u>	<u>College</u>	<u>Component Unit CCC Foundation</u>
<b>REVENUES</b>				
Operating Revenues:				
Student Tuition and Fees, Net	\$ 21,814,217	\$ -	\$ 23,686,419	\$ -
State and Local Grants and Contracts	2,944,754		2,560,049	
Federal Grants and Contracts	2,565,342		4,109,815	
Nongovernmental Grants and Contracts	29,162		54,569	
Chargeback Revenue	19,287		18,927	
Auxiliary Enterprises	597,458		866,804	
Gifts and Contributions		355,481		680,655
Other Operating Revenues	10,534,333	58,038	10,000,178	85,441
Total Operating Revenues	38,504,553	413,519	41,296,761	766,096
<b>EXPENSES</b>				
Operating Expenses:				
Instruction	29,097,440		29,791,395	
Public Services	3,339,963		3,795,483	
Academic Support	8,349,901		8,644,828	
Student Services	7,304,640		7,220,843	
Institutional Support	10,966,634		12,880,496	
Operation and Maintenance of Plant	17,137,693		18,917,114	
Scholarships and Awards	10,197,512	166,032	10,319,151	229,084
Depreciation	4,932,998		4,846,118	
Other Expenses		187,576		238,037
Total Operating Expenses	91,326,781	353,608	96,415,428	467,121
Operating Income (Loss)	(52,822,228)	59,911	(55,118,667)	298,975
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
State Appropriations:				
State Aid	9,304,075		9,396,957	
On-Behalf Fringe Benefits:				
Alternate Benefit Program	1,313,885		1,273,496	
Other Post Employment Benefits	4,874,318		7,364,729	
County Appropriations:				
County Aid	10,488,856		10,488,856	
Federal Student Financial Aid:				
Pell Grants	16,250,956		17,360,151	
SEOG	624,179		491,295	
State Student Financial Aid	3,339,295		2,965,295	
Other Non-Operating Revenues	2,286,409		1,745,793	
Investment Income	255,197	176,712	118,360	98,889
Interest Expense	(800,932)		(842,559)	
Total Non-Operating Revenues (Expenses)	47,936,238	176,712	50,362,373	98,889
Income (Loss) Before Other Revenues	(4,885,990)	236,623	(4,756,294)	397,864
<b>CAPITAL GRANTS AND CONTRIBUTIONS</b>				
Increase in Net Position	3,037,149	236,623	327,642	397,864
<b>NET POSITION</b>				
Net Position - Beginning of Year	97,343,202	2,177,563	97,015,560	1,779,699
Net Position - End of Year	<u>\$ 100,380,351</u>	<u>\$ 2,414,186</u>	<u>\$ 97,343,202</u>	<u>\$ 2,177,563</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, 2019 and 2018

	<b>2019</b> <b>College</b>	<b>2018</b> <b>College</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Tuition and Fees	\$ 21,517,418	\$ 23,245,597
Receipts from Grants and Contracts	5,523,243	6,785,760
Other Receipts	10,577,134	13,307,536
Payments to Employees and Fringe Benefits	(55,996,852)	(55,649,119)
Payments to Vendors and Suppliers	(19,258,880)	(16,654,661)
Payments for Scholarships and Student Aid	(11,129,547)	(8,995,530)
Net Cash Used in Operating Activities	<u>(48,767,484)</u>	<u>(37,960,417)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
County Appropriations	10,488,856	10,488,856
State Appropriations	9,304,075	9,396,957
Noncapital Grants Received - Student Financial Aid	20,214,430	20,816,741
Noncapital Grants Received - Other	(41,956)	
Net Cash Provided by Noncapital Financing Activities	<u>39,965,405</u>	<u>40,702,554</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital Grants and Contributions	10,911,618	2,932,681
Purchases of Capital Assets	(5,846,483)	(4,070,720)
Principal Paid on Capital Debt and Leases	(985,597)	(1,031,475)
Interest Paid on Capital Debt and Leases	(46,481)	(50,770)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>4,033,057</u>	<u>(2,220,284)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on Investments	255,197	118,360
Net Increase (Decrease) in Cash and Cash Equivalents	(4,513,825)	640,213
Cash and Cash Equivalents - Beginning of the Year	13,369,722	12,729,509
Cash and Cash Equivalents - End of the Year	<u>\$ 8,855,897</u>	<u>\$ 13,369,722</u>
<b>RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH USED IN OPERATING ACTIVITIES</b>		
Operating Loss	\$ (52,822,228)	\$ (55,118,667)
Adjustments to Reconcile Operating Loss to Net Cash		
Used in Operating Activities:		
Depreciation Expense	4,932,998	4,846,118
Pension Expense	67,050	1,160,276
State Appropriations - On-Behalf Fringe Benefits:		
Alternate Benefit Program	1,313,885	1,273,496
Other Post Employment Benefits	4,874,318	7,364,729
Miscellaneous Nonoperation Income	1,531,958	954,004
Change in Assets and Liabilities:		
Receivables, net	(4,657,983)	1,147,574
Inventories	(11,700)	(2,005)
Prepaid Expenses	100,636	6,966
Accounts Payable and Accrued Liabilities	(2,067,082)	2,563,548
Unearned Revenues	(277,483)	(257,144)
Accrued Compensated Absences	59,460	(44,627)
Deferred Outflows of Resources - Related to Pensions:		
Contributions Made After the Measurement Date	(1,811,313)	(1,854,685)
Net Cash Used in Operating Activities	<u>\$ (48,767,484)</u>	<u>\$ (37,960,417)</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>		
Assets Acquired Through Assumption of a Liability	\$ 2,376,878	\$ 740,773
Increase in Receivables Related to Non-operating Income		2,151,255

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, 2019 and 2018

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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 College was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*. Blended component units, although legally separate entities, would in-substance be part of the College's operations, however, each discretely presented component unit would be reported in a separate column in the College's financial statements to emphasize that it is legally separate from the College.

The basic-but not the only-criterion for including a potential component unit within the College is the College's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the College and / or its students.

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, 2019 and 2018, the Foundation distributed \$240,761, and \$326,979, respectively, to the College for both restricted and unrestricted purposes.

Separate reports of audit for the Foundation for the fiscal years ended June 30, 2019 and 2018, 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, 2019 and 2018 was \$459,777 and \$874,201, 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, 2019 and 2018 was \$10,547,241 and \$11,021,884, respectively.

**Reclassifications** - Certain 2018 amounts have been reclassified to conform to 2019 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, 2019:

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, 2021. 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, 2019, and 2018 College's bank balances were exposed to custodial credit risk as follows:

	<u>2019</u>	<u>2018</u>
Insured by FDIC and GUDPA	\$ 1,920,753	\$ 5,770,987
Uninsured and Uncollateralized	<u>10,900</u>	<u>8,044</u>
	<u>\$ 1,931,653</u>	<u>\$ 5,779,031</u>

**New Jersey Cash Management Fund** - During the fiscal years ended June 30, 2019 and 2018, 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, 2019 and 2018, the College had \$8,042,050 and \$8,844,386, 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, 2019 and 2018 are presented as follows:

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Transfers</u>	<u>Balance 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
Other Non-Depreciable Assets					
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>		8,434,800			
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 3: CAPITAL ASSETS (CONT'D)**

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Transfers</u>	<u>Balance June 30, 2018</u>
<b>Non-Depreciable Capital Assets:</b>					
Land	\$ 9,385,327	\$ -	\$ -	\$ -	\$ 9,385,327
Construction in Progress	4,859,384	3,372,836		(3,763,895)	4,468,325
Other Non-Depreciable Assets	21,067		(21,067)		-
Total Non-Depreciable Capital Assets	<u>14,265,778</u>	<u>3,372,836</u>	<u>(21,067)</u>	<u>(3,763,895)</u>	<u>13,853,652</u>
<b>Depreciable Capital Assets:</b>					
Land Improvements	4,738,366			58,018	4,796,384
Buildings	168,692,775		(2,207,085)	3,705,877	170,191,567
Infrastructure	16,389,186				16,389,186
Equipment	7,241,125	407,743	(6,045)		7,642,823
Vehicles	1,307,486		(210,956)		1,096,530
Assets Under Capital Lease	1,773,461				1,773,461
Capitalized Software	3,364,941				3,364,941
Library Books	3,004,162	14,716			3,018,878
Total Depreciable Capital Assets	<u>206,511,502</u>	<u>422,459</u>	<u>(2,424,086)</u>	<u>3,763,895</u>	<u>208,273,770</u>
<b>Less Accumulated Depreciation For:</b>					
Land Improvements	(2,102,157)	(91,447)			(2,193,604)
Buildings	(43,101,770)	(3,641,244)	1,214,519		(45,528,495)
Infrastructure	(3,506,822)	(512,279)			(4,019,101)
Equipment	(4,874,363)	(483,096)	4,805		(5,352,654)
Vehicles	(795,284)	(86,573)	86,569		(795,288)
Assets Under Capital Lease	(1,773,461)				(1,773,461)
Capitalized Software	(3,187,373)	(15,632)			(3,203,005)
Library Books	(2,977,160)	(15,847)			(2,993,007)
Total Accumulated Depreciation	<u>(62,318,390)</u>	<u>(4,846,118)</u>	<u>1,305,893</u>	<u>-</u>	<u>(65,858,615)</u>
Depreciable Capital Assets	<u>144,193,112</u>	<u>(4,423,659)</u>	<u>(1,118,193)</u>	<u>3,763,895</u>	<u>142,415,155</u>
Total Capital Assets, Net	<u>\$ 158,458,890</u>	<u>\$ (1,050,823)</u>	<u>\$ (1,139,260)</u>	<u>\$ -</u>	<u>\$ 156,268,807</u>

Depreciation expense for the fiscal year ended June 30, 2018 was \$4,846,118.

Projects were completed during the fiscal year resulting in \$3,763,895, being reclassified from Construction in Progress.

**Note 4: LEASES**

**Capital Leases Obligations** - At June 30, 2019, 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, 2019

<b>Fiscal Year Ended June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 1,011,747	\$ 713,346	\$ 1,725,093
2021	981,833	670,564	1,652,397
2022	1,023,410	628,239	1,651,649
2023	1,066,486	585,743	1,652,229
2024	1,114,062	535,234	1,649,296
2025-2029	4,130,203	1,933,591	6,063,794
2030-2034	2,486,112	1,121,366	3,607,478
2035-2039	1,545,000	492,376	2,037,376
2040-2041	618,000	43,767	661,767
	<u>\$ 13,976,853</u>	<u>\$ 6,724,226</u>	<u>\$ 20,701,079</u>

The County of Camden waived the College's required payments of \$985,597 and \$754,451 for fiscal year 2019 and \$948,436 and \$791,789 for fiscal year 2018 for principal and interest, respectively. These amounts have been reported in the financial statements as revenues and expenses.

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

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

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

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

For the fiscal years ended June 30, 2019 and 2018, 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, 2019 and 2018. 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, 2019 and 2018, the College did not reimburse the County for principal or interest paid.

**Note 6: LONG-TERM LIABILITIES**

The following is a summary of long-term liabilities for the fiscal years ended June 30, 2019 and 2018:

	<b>Balance June 30, 2018</b>	<b>Increase</b>	<b>Decrease</b>	<b>Balance June 30, 2019</b>	<b>Due Within One Year</b>
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>
	<b>Balance June 30, 2017</b>	<b>Increase</b>	<b>Decrease</b>	<b>Balance June 30, 2018</b>	<b>Due Within One Year</b>
Compensated Absences	\$ 2,523,169	\$ 1,536,874	\$ (1,581,501)	\$ 2,478,542	\$ 592,881
Capital Leases	15,910,886		(948,436)	14,962,450	985,597
Mortgage Payable	6,387,987		(4,487)	6,383,500	
Higher Education Equip. Leasing Fund Payable	78,552		(78,552)	-	
Net Pension Liability	60,040,432	18,299,844	(34,941,770)	43,398,506	
	<u>\$ 84,941,026</u>	<u>\$ 19,836,718</u>	<u>\$ (37,554,746)</u>	<u>\$ 67,222,998</u>	<u>\$ 1,578,478</u>

**Note 7: PENSION PLANS**

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

The 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  
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. 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.

**Note 7: PENSION PLANS (CONT'D)****General Information About the Pension Plans (Cont'd)****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. 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.

**Note 7: PENSION PLANS (CONT'D)****General Information About the Pension Plans (Cont'd)****Contributions**

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over seven years beginning in July 2012. The member contribution rates were 7.50% and 7.34% in State fiscal years 2019 and 2018, respectively. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) was 10%. Employer contribution amounts are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The College's contractually required contribution rates were 14.10% and 14.01% of the College's covered payroll for the fiscal years ended June 30, 2019 and 2018, 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, 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.

Based on the PERS measurement date of June 30, 2017, the College's contractually required contribution to the pension plan for the fiscal year ended June 30, 2018 was \$1,727,098 and was paid by April 1, 2018. College employee contributions to the pension plan during the fiscal year ended June 30, 2018 were \$989,348.

**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 7: 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, 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.

During the fiscal year end June 30, 2018 the College's share of the employer contributions for participants not eligible for State reimbursement was \$414,033, employee contributions to the plan were \$920,386, and the State of New Jersey made on-behalf payments for the College contributions of \$1,273,495.

**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, 2019, employee contributions totaled \$93,652, and the College recognized pension expense of \$51,085. There were no forfeitures during this fiscal year.

For the fiscal year ended June 30, 2018 employee contributions totaled \$81,037, and the College recognized pension expense of \$44,183. There were no forfeitures during this fiscal year.

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

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

The College reported a liability of \$36,713,251 and \$43,398,506 for its proportionate share of the net pension liability for the fiscal years ended June 30, 2019 and 2018, respectively.

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

The net pension liability reported at June 30, 2018 was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. 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, 2017. 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, 2017 measurement date, the College's proportion was .1864324995%, which was a decrease of .0162894675% from its proportion measured as of June 30, 2016.

**Note 7: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

The College recognized \$67,050 and \$1,160,276, in its financial statements for pension expense for PERS, for the fiscal years ended June 30, 2019 and 2018, respectively. These amounts were based on the Plan's June 30, 2018 and 2017 measurement dates, respectively.

At June 30, 2019 and 2018, the College reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Measurement Date June 30, 2018</b>		<b>Measurement Date June 30, 2017</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ 700,127	\$ 189,305	\$ 1,021,885	\$ -
Changes of Assumptions	6,049,736	11,738,945	8,743,303	8,711,249
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	344,372	295,515	-
Changes in Proportion and Differences between College Contributions and Proportionate Share of Contributions	227,919	6,030,856	367,445	8,148,021
College Contributions Subsequent to the Measurement Date	1,811,313	-	1,854,685	-
	<u>\$ 8,789,095</u>	<u>\$ 18,303,478</u>	<u>\$ 12,282,833</u>	<u>\$ 16,859,270</u>

\$1,811,313 and \$1,854,685 included in deferred outflows of resources, for the June 30, 2018 and 2017 measurement dates, respectively, will be included as a reduction of the net pension liability in fiscal year ending June 30, 2020 and 2019, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Fiscal Year Ending June 30,</b>	
2020	\$ (1,716,393)
2021	(2,391,003)
2022	(4,014,075)
2023	(2,502,770)
2024	(701,455)
	<u>\$ (11,325,696)</u>



**Note 7: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

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

**Note 7: PENSION PLANS (CONT'D)****Actuarial Assumptions**

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.

The net pension liability at June 30, 2018 was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. 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, 2017.

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

	<b>Measurement Date <u>June 30, 2018</u></b>	<b>Measurement Date <u>June 30, 2017</u></b>
Inflation	2.25%	2.25%
Salary Increases:		
Through 2026	1.65% - 4.15% Based on Age	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2011 - June 30, 2014	July 1, 2011 - June 30, 2014

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).

**Note 7: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

For the June 30, 2017 measurement date, pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. Mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% for the June 30, 2018 and June 30, 2017 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, 2018 and June 30, 2017 measurement dates are summarized in the following table:

<b><u>Asset Class</u></b>	<b><u>Target Allocation</u></b>	<b><u>Long-Term Expected Real Rate of Return</u></b>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
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>	

**Note 7: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

**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.

**Discount Rate June 30, 2017 Measurement Date** - The discount rate used to measure the total pension liability at June 30, 2017 was 5.00%. The respective 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 3.58% as of June 30, 2017, 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 will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined amount and the local employers contributed 100% of the actuarially determined amount. 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the College's proportionate share of the net pension liability at the June 30, 2018 and 2017 measurement dates, respectively. These amounts were calculated using a discount rate of 5.66% for June 30, 2018 and 5.00% for June 30, 2017, 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, 2018 Measurement Date</b>		
	<b>1% Decrease (4.66%)</b>	<b>Current Discount Rate (5.66%)</b>	<b>1% Increase (6.66%)</b>
College's Proportionate Share of the Net Pension Liability	<u>\$ 46,162,683</u>	<u>\$ 36,713,251</u>	<u>\$ 28,785,782</u>

**Note 7: PENSION PLANS (CONT'D)****Sensitivity of College's Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

	June 30, 2017 Measurement Date		
	1% Decrease <u>(4.00%)</u>	Current Discount Rate <u>(5.00%)</u>	1% Increase <u>(6.00%)</u>
College's Proportionate Share of the Net Pension Liability	\$ 53,838,792	\$ 43,398,506	\$ 34,700,454

**Pension Plan Fiduciary Net Position**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the PERS and additions to/deductions from PERS' 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 8: RISK MANAGEMENT**

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

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

**Joint Insurance Pool** - Camden County College is a member of the New Jersey County College Insurance Pool for the purpose of obtaining workers' compensation insurance coverage. Contributions to the Fund are payable in an annual premium and are based on actuarial assumptions determined by the Fund's actuary. Contributions to the pool for the fiscal years ended June 30, 2019 and 2018 were \$269,127 and \$295,872, 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 9: 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, 2019 and 2018, the Compensated Absences Liability was \$2,538,002 and \$2,478,542, respectively.

**Note 10: DEFERRED COMPENSATION SALARY ACCOUNT**

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

**403(b)**

*AXA Financial (Equitable)*

*MassMutual Retirement Services (the Hartford)*

*Met Life (Travelers/CitiStreet)*

*Met Life – Roth*

*Prudential*

*Teacher's Insurance and Annuity Association / College Retirement Equities Fund (TIAA/CREF)*

*Variable Annuity Life Insurance Company (VALIC)*

*VOYA Financial Services*

**457(b)**

*Met Life (Travelers/CitiStreet)*

*Teacher's Insurance and Annuity Association / College Retirement Equities Fund (TIAA/CREF)*

**Note 11: CAPITAL RENEWAL AND REPLACEMENT**

In accordance with terms of a New Jersey Department of Higher Education Jobs, Education and Competitiveness Bond Act of 1988 project contract, the College has reserved fund balance in its Plant Fund. The contract requires a seven-year funding schedule for this Reserve Fund. As of June 30, 2019 and 2018, the amount reserved was \$36,311 and \$52,436, respectively. Also at June 30, 2019 and 2018, the College reserved fund balance in its Plant Fund for the Camden Technology Center in the amount of \$444,059 and \$396,509, respectively, and a Facilities Reserve in the amount of \$1,203,307 and \$1,305,914 at June 30, 2019 and 2018, respectively.

**Note 12: AUXILIARY OPERATIONS - BOOKSTORE**

The College has an agreement with Barnes & Noble, Inc., for the operation of the official *Campus Store* (Bookstore) at the Blackwood Campus and Rohrer Center. 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, 2019 and 2018 were \$597,458 and \$866,804, respectively.

**Note 13: NET POSITION**

The following is a summary of net position balances of the College for the fiscal years ended June 30, 2019 and 2018:

	<u><b>2019</b></u>	<u><b>2018</b></u>
<b>Net Investment in Capital Assets:</b>		
Total Capital Assets, Net	\$ 158,815,351	\$ 156,268,807
Related Debt	<u>(20,360,353)</u>	<u>(21,345,950)</u>
	<u><u>\$ 138,454,998</u></u>	<u><u>\$ 134,922,857</u></u>
<b>Restricted for Expendable Net Position:</b>		
Construction and Improvements	\$ 558,513	\$ 527,088
Restricted	5,435	5,435
Federal and State Grants	<u>50,080</u>	<u>84,468</u>
	<u><u>\$ 614,028</u></u>	<u><u>\$ 616,991</u></u>
<b>Unrestricted Net Position (Deficit):</b>		
Designated for Student Government and Intercollegiate Athletics	\$ 60,736	\$ 59,822
Designated for Grants	55,515	89,904
Designated for Construction and Improvements	5,031,518	6,502,703
Designated for Future Year Budgets	2,400,000	3,564,419
Undesignated (Deficit)	<u>(46,236,444)</u>	<u>(48,413,494)</u>
	<u><u>\$ (38,688,675)</u></u>	<u><u>\$ (38,196,646)</u></u>
<b>Reconciliation of Unrestricted Net Position (Deficit):</b>		
Effects of GASB 68 and 71 Pension Related Items	\$ (48,038,947)	\$ (49,829,628)
Designated for Student Government and Intercollegiate Athletics	60,736	59,822
Designated for Grants	55,515	89,904
Designated for Construction and Improvements	5,031,518	6,502,703
Designated for Future Year Budgets	2,400,000	3,564,419
Undesignated Before GASB 68 and 71 Pension Related Items	<u>1,802,503</u>	<u>1,416,134</u>
	<u><u>\$ (38,688,675)</u></u>	<u><u>\$ (38,196,646)</u></u>

**Note 14: EDUCATIONAL AND GENERAL EXPENSES BY NATURAL CLASSIFICATION**

The College's operating expenses by natural classification for the fiscal years ended June 30, 2019 and 2018 are presented as follows:

	<u>2019</u>	<u>2018</u>
Salaries and Benefits	\$ 58,915,982	\$ 62,653,420
Supplies and Materials	5,503,159	5,737,631
Services	8,810,849	8,587,088
Scholarships and Fellowships	9,926,682	10,071,328
Utilities	3,237,111	4,519,843
Depreciation	4,932,998	4,846,118
	<u>\$ 91,326,781</u>	<u>\$ 96,415,428</u>

**Note 15: ACCOUNTS RECEIVABLE**

Accounts receivable consists of the following at the end of fiscal years ended June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Student Tuition and Fees	\$ 936,271	\$ 1,775,141
Auxiliary Enterprises and Other Operating Activities	5,063,793	2,933,611
Federal, State, County and Private Grants and Contracts	6,709,000	6,745,232
	12,709,064	11,453,984
Less: Allowance for Doubtful Accounts	459,777	874,201
	<u>\$ 12,249,287</u>	<u>\$ 10,579,783</u>

**Note 16: ACCOUNTS PAYABLE**

Accounts payable as of June 30, 2019 and 2018, consists of the following amounts:

	<u>2019</u>	<u>2018</u>
Due to Vendors and Students	\$ 4,845,029	\$ 4,886,747
Health Benefits Payable	799,259	881,669
Payroll Deductions Payable	13,209	6,301
	<u>\$ 5,657,497</u>	<u>\$ 5,774,717</u>



**Note 17: 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 \$6,605,340 against the project and is committed to pay \$3,394,660 in future fiscal years.

**Note 18: 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 19: 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 20: SUBSEQUENT EVENTS**

The College evaluated subsequent events through January 15, 2020, the date the financial statements were available to be issued. The College is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

**Note 21: 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  
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.

**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, 2018, the most recent OPEB Plan's measurement date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

Active Plan Members	217,131
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	145,050
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	-
	<hr/>
	362,181
	<hr/>

**Note 21: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)(CONT'D)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****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 was \$80,767,764 and \$95,257,829 as of June 30, 2019 and June 30, 2018 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, 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.

The total Non-Employer OPEB Liability reported at June 30, 2018 was measured as of June 30, 2017, and was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. For the June 30, 2017 measurement date, the State's proportionate share of the Non-Employer OPEB Plan Liability associated with the College was .1749272678%, which was an increase of .0026605581% from its proportion measured as of June 30, 2016.

**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, 2017 and June 30, 2016 used the following actuarial assumptions, applied to the June 30, 2018 measurement date and the June 30, 2017 measurement date, respectively:

**Salary Increases (June 30, 2018 and June 30, 2017 Measurement Dates) -**

	<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, 2018 and June 30, 2017 Measurement Dates) - 2.50%.**

**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 21: 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)**

**Mortality Rates (June 30, 2017 Measurement Date)** - Preretirement mortality rates were based on the RP-2014 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-2014 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-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

**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.

**Experience Studies (June 30, 2017 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, 2010 - June 30, 2013, and July 1, 2011 - June 30, 2014 for TPAF, PFRS and PERS, respectively.

**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.

**Health Care Trend Assumptions (June 30, 2017 Measurement Date)** - For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eight 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, 2018 and the June 30, 2017 measurement dates were 3.87% and 3.58%, 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 21: 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, 2018 and the June 30, 2017 measurement dates:

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		<u>74,643</u>	
Net Changes			<u>(14,490,065)</u>
Balance at June 30, 2019		\$	<u>80,767,764</u>
Balance at June 30, 2017		\$	101,163,560
Changes for the Year:			
Service Cost	\$	5,523,537	
Interest Cost		3,010,512	
Difference Between Expected and Actual Experience		-	
Changes in Assumptions		(12,314,651)	
Gross Benefit Payments		(2,206,373)	
Member Contributions		<u>81,244</u>	
Net Changes			<u>(5,905,731)</u>
Balance at June 30, 2018		\$	<u>95,257,829</u>

There were no changes in benefit terms between the June 30, 2017 measurement date and the June 30, 2018 measurement date.

Differences between expected and actual experience reflect a decrease in liability from June 30, 2017 to June 30, 2018 is due to changes in the census, claims and premiums experience.

Changes of Assumptions reflect a decrease in the liability from June 30, 2017 to June 30, 2018 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.

**Note 21: 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, 2018 and the June 30, 2017 measurement dates, using a discount rate of 3.87% and 3.58%, 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, 2018 Measurement Date</b>			
	<b>1% Decrease (2.87%)</b>	<b>Current Discount Rate (3.87%)</b>	<b>1% Increase (4.87%)</b>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the College	\$ 95,483,939	\$ 80,767,764	\$ 69,069,925
<b>June 30, 2017 Measurement Date</b>			
	<b>1% Decrease (2.58%)</b>	<b>Current Discount Rate (3.58%)</b>	<b>1% Increase (4.58%)</b>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the College	\$ 113,077,916	\$ 95,257,829	\$ 81,122,767

**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, 2018 and the June 30, 2017 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, 2018 Measurement Date</b>			
	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the College	\$ 66,759,261	\$ 80,767,764	\$ 99,294,545
<b>June 30, 2017 Measurement Date</b>			
	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the College	\$ 78,340,356	\$ 95,257,829	\$ 117,724,034

**Note 21: 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**

For the fiscal years ended June 30, 2019 and June 30, 2018, the College recognized \$4,874,318 and \$8,804,623, 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, 2018 and June 30, 2017 measurement dates.

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, 2019 and June 30, 2018, 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:

	<b>Measurement Date June 30, 2018</b>		<b>Measurement Date June 30, 2017</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes in Proportion	\$ 1,087,512	\$ 1,317,173	\$ 1,215,804	\$ -
Difference Between Expected and Actual Experience	-	7,840,315	-	-
Changes of Assumptions	-	18,104,508	-	11,265,761
	<u>\$ 1,087,512</u>	<u>\$ 27,261,996</u>	<u>\$ 1,215,804</u>	<u>\$ 11,265,761</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:

**Year Ending  
June 30,**

2020	\$ (3,207,813)
2021	(3,207,813)
2022	(3,207,813)
2023	(3,207,813)
2024	(3,207,813)
Thereafter	<u>(10,135,419)</u>
	<u>\$ (26,174,484)</u>

**Note 21: 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 Outflows of Resources</u></b>	<b><u>Deferred Inflows 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
Difference Between Expected and Actual Experience		
Year of OPEB Plan Deferral:		
June 30, 2017	-	-
June 30, 2018	-	9.51
Changes of Assumptions		
Year of OPEB Plan Deferral:		
June 30, 2017	-	9.54
June 30, 2018	-	9.51

**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.



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

**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.

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).

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

**Income Taxes (Cont'd)** - 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.

**B. INVESTMENTS**

Investments, stated at fair value, are composed of the following as of June 30, 2019 and 2018, respectively:

	<b><u>2019</u></b>	<b><u>2018</u></b>
Marketable Securities:		
Corporate Stocks	\$ 799,158	\$ 788,944
Corporate Bonds and Notes	631,106	538,310
Preferred Securities	273,902	267,809
Exchange Traded & Close End Funds	375,704	
Nonmarketable Securities:		
Alternative Investments	132,443	186,553
	<u>\$ 2,212,313</u>	<u>\$ 1,781,616</u>

Investment returns as of June 30, 2019 were \$176,712 and as of June 30, 2018 were \$98,888.

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

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, 2019 and 2018.

- 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.
- Exchange Traded & Close End Funds – 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.

**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 (cont'd).

- 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, 2019 and 2018.

<b>2019</b>				
		<b>Fair Value</b>		
	<b>Total</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Other Unobservable Inputs (Level 3)</b>
Corporate Stocks:				
Technology	\$ 138,827	\$ 138,827		
Financial	167,185	167,185		
Industrial Goods	100,489	100,489		
Consumer Goods	127,035	127,035		
Basic Materials	122,475	122,475		
Services	41,734	41,734		
Utilities	18,328	18,328		
Healthcare	83,086	83,086		
Preferred Stocks	273,902	273,902		
Exchange Traded & Close End Funds	375,704	375,704		
Corporate Fixed Income:				
Corporate Bonds:				
(AAA to A)	350,124		\$ 350,124	
(BBB to BBB-)	176,626		176,626	
Fixed-Rate Capital Securities (BBB to BBB-)	104,355		104,355	
Total Investments in the Fair Value Hierarchy	2,079,870	\$ 1,448,765	\$ 631,105	\$ -
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)****C. FAIR VALUE MEASUREMENTS (CONT'D)**Fair Value on a Recurring Basis (Cont'd)

2018				
		Fair Value		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
	<u>Total</u>			
Corporate Stocks:				
Technology	\$ 134,928	\$ 134,928		
Financial	144,829	144,829		
Industrial Goods	106,345	106,345		
Consumer Goods	157,474	157,474		
Basic Materials	127,039	127,039		
Services	31,717	31,717		
Utilities	20,304	20,304		
Healthcare	100,903	100,903		
Preferred Stocks	267,809	267,809		
Corporate Fixed Income:				
Corporate Bonds:				
(AAA to A)	260,171		\$ 260,171	
(BBB to BBB-)	151,969		151,969	
Fixed-Rate Capital Securities				
(BBB to BBB-)	91,575		91,575	
Total Investments in the Fair Value Hierarchy	1,595,063	\$ 1,091,348	\$ 503,715	\$ -
Hedge Funds at Net Asset Value	186,553			
Total Investment at Fair Value	\$ 1,781,616			

**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.

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

As of June 30, 2019 and 2018, net assets with purpose restrictions, consisted of the following:

	<u><b>2019</b></u>	<u><b>2018</b></u>
<b>Reported in the Foundation's Financial Statements:</b>		
<b>Net Assets - With Donor Restrictions:</b>		
With Purpose Restrictions:		
Scholarships	\$ 779,240	\$ 825,884
Athletics	13,944	13,234
Liberal Arts	53,359	65,898
Continuing Ed/ Basic Skills	7,493	14,328
Math, Science & Health Career	68,209	63,509
Student Services	33,976	36,986
	<u>\$ 956,221</u>	<u>\$ 1,019,839</u>
<b>Reported in the College's Financial Statements:</b>		
Net Position - Restricted for:		
Expendable:		
Scholarships	\$ 779,240	\$ 825,884
Other	176,981	193,955
	<u>\$ 956,221</u>	<u>\$ 1,019,839</u>

As of June 30, 2019 and 2018, net assets restricted in perpetuity, consisted of the following:

	<u><b>2019</b></u>	<u><b>2018</b></u>
<b>Reported in the Foundation's Financial Statements:</b>		
<b>Net Assets - With Donor Restrictions:</b>		
Restricted in Perpetuity:		
Scholarships	<u>\$ 1,060,614</u>	<u>\$ 993,422</u>
<b>Reported in the College's Financial Statements:</b>		
Net Position - Restricted for:		
Non-Expendable:		
Scholarships	<u>\$ 1,060,614</u>	<u>\$ 993,422</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 Six Plan Years

	<b>Plan Measurement Date Ending June 30,</b>		
	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
College's Proportion of the Net Pension Liability	0.1864610473%	0.1864324995%	0.2027219670%
College's Proportionate Share of the Net Pension Liability	\$ 36,713,251	\$ 43,398,506	\$ 60,040,432
College's Covered Payroll (Plan Measurement Date)	\$ 12,916,300	\$ 13,298,568	\$ 14,394,928
College's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	284.24%	326.34%	417.09%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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 Six Fiscal Years

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

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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 and 5.66% 2018.

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 and 2018.

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 Two Plan Years

	<u>Measurement Date Ending June 30,</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	\$ 4,631,068	\$ 5,523,537
Interest Cost	3,539,028	3,010,512
Difference Between Expected and Actual Experience	(11,306,598)	-
Changes in Assumptions	(9,268,505)	(12,314,651)
Gross Benefit Payments	(2,159,701)	(2,206,373)
Member Contributions	74,643	81,244
Net Change in Total Non-Employer OPEB Liability	(14,490,065)	(5,905,731)
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	95,257,829	101,163,560
Total Non-Employer OPEB Liability - End of Fiscal Year	<u>\$ 80,767,764</u>	<u>\$ 95,257,829</u>
College's Covered Payroll (Plan Measurement Period)	<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	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, 2019

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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.

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

# **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, 2019. 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, 2019.

## ***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  
January 15, 2020



**CAMDEN COUNTY COLLEGE**  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2019

<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 Education:</u></b>				
<b><u>Student Financial Aid Cluster (Direct Funding):</u></b>				
Federal Supplemental Educational Opportunity Grants (includes administrative costs of \$3,960)	84.007	N/A	\$ 621,228	\$ -
Federal Work-Study Program (includes administrative costs of \$54,935)	84.033	N/A	409,811	
Federal Pell Grant Program	84.063	N/A	16,250,956	
Federal Direct Student Loans	84.268	N/A	6,819,333	
Total Student Financial Aid Cluster			<u>24,101,328</u>	<u>-</u>
<b><u>Higher Education Institutional Aid (Direct Funding):</u></b>				
iPOWERS Grant - Title II	84.031	N/A	<u>59,199</u>	<u>-</u>
<b><u>Career and Technical Education - Basic Grants to States:</u></b>				
<b><u>Passed Through NJ Department of Education:</u></b>				
Carl D. Perkins Vocational and Applied Technology Act	84.048	V048A180030	<u>774,695</u>	<u>-</u>
<b><u>Adult Education - Basic Grants to States:</u></b>				
<b><u>Passed Through NJ Department of Labor and Workforce Development:</u></b>				
<b><u>Adult Education and Family Literacy:</u></b>				
Adult Basic Skills (\$245,073 Matching Share)	84.002	ABS-FY2019-020	580,825	352,275
English Literacy and Civics	84.002	ABS-FY2019-020	<u>200,452</u>	<u>136,881</u>
			<u>781,277</u>	<u>489,156</u>
<b><u>Twenty-First Century Community Learning Centers:</u></b>				
<b><u>Passed Through NJ Department of Education:</u></b>				
21st Century Community Learning Centers Program	84.287	19E00051	<u>421,209</u>	<u>-</u>
<b><u>U.S. Department of Health and Human Services:</u></b>				
<b><u>Community-Based Child Abuse Prevention Grants:</u></b>				
<b><u>Passed Through NJ Department of Children and Families:</u></b>				
Community Based Child Abuse Prevention (NJCAP)	93.590	18JTDP	<u>29,000</u>	
Total Federal Awards			<u>\$ 26,166,708</u>	<u>\$ 489,156</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, 2019

<u>State Grantor/Program Title</u>	<u>State GMIS Number</u>	<u>Program or Award Amount</u>	<u>Matching Contribution</u>	<u>Program Funds Received</u>	<u>Grant Period</u>		<u>Expenditures</u>	<u>Passed Through to Subrecipients</u>	<u>Cumulative 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	\$ 255,736	\$ -	\$ 255,736	07/01/18	06/30/19	\$ 255,736	\$ -	\$ 255,736
Educational Opportunities Fund - Summer	100-074-2401-001	56,230		56,230	07/01/18	06/30/19	56,230		56,230
<b>N.J. Higher Education Student Assistance Authority:</b>									
New Jersey Stars Program	100-074-2405-313	308,274		308,274	07/01/18	06/30/19	308,274		308,274
Tuition Aid Grants	100-074-2405-007	2,256,228		2,256,228	07/01/18	06/30/19	2,256,228		2,256,228
Community College Opportunity Grant	100-074-2405-332	452,287		452,287	07/01/18	06/30/19	452,287		452,287
New Jersey Best Scholarship	100-075-2405-316	3,000		3,000	07/01/18	06/30/19	3,000		3,000
NJGIVS	100-074-2405-100	17,900		17,900	07/01/18	06/30/19	17,900		17,900
NJ Class Loans	Not Applicable	45,328		45,328	07/01/18	06/30/19	45,328		45,328
Total Student Financial Aid Cluster							3,394,983	-	3,394,893
<b>N.J. Office of the Secretary of Higher Education:</b>									
Educational Opportunities Fund - Article IV	100-074-2401-002	247,282	306,789	247,282	07/01/18	06/30/19	247,282	-	247,282
Community College Opportunity Grant	100-074-2400-061	250,000		250,000	09/01/18	06/30/19	250,000		250,000
Community College Opportunity Food Pantry	100-074-2400-061	7,083		7,083	09/01/18	06/30/19	7,083		7,083
NJ Gear Up Scholarship	100-074-2400-026	541		541	07/01/18	06/30/19	541		541
Total N.J. Office of the Secretary of Higher Education							504,906	-	504,906
<b>N.J. State Council on the Arts:</b>									
Local Arts Programming	100-074-2530-032-6130			29,949	01/01/18	12/31/18	24,949		59,732
Local Arts Programming	100-074-2530-032-6130			51,427	01/01/19	12/31/19	51,427		51,427
							76,376		111,159
History Partnership Grant	Unknown	12,950		6,988	01/01/18	12/31/18	6,988		12,950
History Partnership Grant	Unknown	12,950	3,000	10,450	01/01/19	12/31/19	10,450		10,450
							17,438		23,400
Total N.J. State Council on the Arts							93,814		134,559
<b>N.J. Department of Treasury - Higher Education Administration:</b>									
Operational Costs - County Colleges	100-082-2155-015	9,304,075		9,304,075	07/01/18	06/30/19	9,304,075		9,304,075
Higher Education Equipment Leasing Fund (ELF)	100-082-2155-036	1,281,890		9,691	01/01/14	Project Completion	9,691		1,281,890
Building Our Future Bond Act - Joint Health Sciences Center	586-074-2400-076	7,420,276		3,799,395	03/01/17	Project Completion	4,392,579	4,392,579	6,605,340
<b>P.L. 1971, Chapter 12 Debt Service:</b>									
Blackwood Transformation	100-082-2155-016	93,551		93,551	07/01/18	Project Completion	93,551		93,551
Demolition of Wilson Hall, Papiano Gym Renovations	100-082-2155-016	7,200,000		228,109	07/01/17	Project Completion	228,109		228,109
Lincoln Hall Renovations, Roosevelt Roof	100-082-2155-016	3,600,000		294,327	07/01/17	Project Completion	294,327		294,327
Lincoln Hall HVAC, Energy Upgrades, Camden Parking Garage	100-082-2155-016	1,500,000		124,614	07/01/16	Project Completion	124,614		124,614
							14,446,945	4,392,579	17,931,905
Employer Contributions - Alternate Benefit Program - FT Faculty	100-082-2155-017	846,288		681,920	07/01/18	06/30/19	846,288		846,288
Employer Contributions - Alternate Benefit Program - Adjunct	100-082-2155-017	210,540			07/01/18	06/30/19	210,540		210,540
Employer Contributions - Alternate Benefit Program - Eligible Employees Enrolled in PERS	100-082-2155-017	257,055			07/01/18	06/30/19	257,055		257,055
Total Employer Contributions - Alternate Benefit Program							1,313,883	-	1,313,883
Total N.J. Department of the Treasury - Higher Education Administration							15,760,829	4,392,579	19,245,788

(Continued)

**CAMDEN COUNTY COLLEGE**  
Schedule of Expenditures of State Financial Assistance  
For the Fiscal Year Ended June 30, 2019

<u>State Grantor/Program Title</u>	<u>State GMIS Number</u>	<u>Program or Award Amount</u>	<u>Matching Contribution</u>	<u>Program Funds Received</u>	<u>Grant Period</u>		<u>Expenditures</u>	<u>Passed Through to Subrecipients</u>	<u>Cumulative 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	\$ -	\$ -	\$ 58,871	07/01/18	06/30/19	\$ 58,781	\$ -	\$ 58,781
<b>N.J. Department of Children and Families:</b>									
Child Assault Prevention									
Purchase of Social Services	100-016-1610-039	178,449		178,449	07/01/18	06/30/19	178,449		178,449
School Based Youth Program	100-016-1630-013	1,530,287		1,529,444	07/01/18	06/30/19	1,529,444		1,529,444
Total N.J. Department of Children and Families							1,707,893	-	1,707,893
<b>N.J. Department of Law and Public Safety:</b>									
Law Enforcement Officers Training and Equipment Fund	100-074-2405-316	38,482		38,482	07/01/18	06/30/19	38,482	-	38,482
<b>N.J. Department of Labor and Workforce Development</b>									
Workforce Development Youth Program:									
County Apprenticeship Coordinator Grant	CAC1304S	21,222		21,222	07/01/18	06/30/19	21,222		21,222
Advanced Manufacturing Talent Development Center	780-062-4545-003	1,200,000		623,013	11/01/18	06/30/19	623,013	451,040	740,336
Total N.J. Department of Labor and Workforce Development							644,235	451,040	761,558
<b>N.J. Council for the Humanities</b>									
1968 The Year That Changed America	NJCH Grant	13,774		13,774	07/01/18	06/30/19	13,774	-	13,774
Total State Financial Assistance							\$ 22,217,697	\$ 4,843,619	\$ 25,860,634

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, 2019**

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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, 2019 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, 2019.

#### **Note 5: MAJOR PROGRAMS**

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

**CAMDEN COUNTY COLLEGE**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2019

**Section 1- Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified?        yes   X   no

Significant deficiency(ies) identified?        yes   X   none reported

Noncompliance material to financial statements noted?        yes   X   no

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?        yes   X   no

Significant deficiency(ies) identified?        yes   X   none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)?        yes   X   no

Identification of major programs:

<b><u>CFDA Number(s)</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
<u>84.007</u>	<b>Student Financial Aid Cluster:</b> <u>Federal Supplemental Educational Opportunity Grants</u>
<u>84.033</u>	<u>Federal Work Study Program</u>
<u>84.063</u>	<u>Federal Pell Grant Program</u>
<u>84.268</u>	<u>Federal Direct Student Loans</u>
<u>84.048</u>	<b>Career and Technical Education - Basic Grants to States:</b> <u>Carl D. Perkins Vocational and Applied Technology Act</u>

Dollar threshold used to determine Type A programs \$ 785,001

Auditee qualified as low-risk auditee?   X   yes        no

**CAMDEN COUNTY COLLEGE**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2019

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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   X   no

Significant deficiency(ies) identified? \_\_\_\_\_ yes   X   none reported

Type of auditor's report issued on compliance for major programs \_\_\_\_\_ Unmodified

Any audit findings disclosed that are required to be reported in  
accordance with New Jersey Circular 15-08-OMB? \_\_\_\_\_ yes   X   no

Identification of major programs:

**GMIS Number(s)**

**Name of State Program**

100-082-2155-015

Operational Costs - County Colleges

780-062-4545-003

Advanced Manufacturing Talent Development Center

100-074-2400-061

Community College Opportunity Grant

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

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

**CAMDEN COUNTY COLLEGE**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2019

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

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, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

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, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

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**

**Finding No. 2018-001 (Return of Title IV Funds)**

**Program**

U.S. Department of Education - Student Financial Aid Cluster (Federal Award Year 7/1/17 to 6/30/18):  
Federal Supplemental Educational Opportunities Grants:  
(CFDA 84.007) (Federal Grant Number P007A172540) (FAIN – not applicable)  
Federal Pell Grant Program:  
(CFDA 84.063) (Federal Grant Number P063P172865) (FAIN – not applicable)  
Federal Direct Student Loans:  
(CFDA 84.268) (Federal Grant Number P268K182865) (FAIN – not applicable)

**Condition**

Remittances resulting from Return of Title IV Calculations (“Return Calculations”) were not always returned back to the Department of Education within 45 days after the institution determined the student withdrew.

**Current Status**

This finding has been resolved

**Finding No. 2018-002 (Federal Work Study)**

**Program**

U.S. Department of Education - Student Financial Aid Cluster (Federal Award Year 7/1/17 to 6/30/18):  
Federal Work Study Program:  
(CFDA 84.033) (Federal Grant Number P033A172540) (FAIN – not applicable)

**Condition**

Timesheets for federal work study students are not always approved by the student’s supervisor.

**Current Status**

This finding has been resolved

**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