

Report of Audit

Fiscal Year Ended June 30, 2011



CAMDEN COUNTY COLLEGE
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INTRODUCTORY SECTION

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2011**

Camden County College
Members of the Board of Trustees
As of June 30, 2011

NAME

Kevin G. Halpern, Chair
Sandee G. Vogelson, Vice Chair
Louis F. Cappelli, Sr., Treasurer
Hazel T. Nimmo, Secretary
Annette Castiglione
Susan R. Croll
Steven J. Greenfogel
Anthony J. Maressa
Wilbert Mitchell
Margaret J. Nicolosi (Executive County Superintendent of Schools)
Helen Albright Troxell
Amanda Braddock, Alumna Trustee

COLLEGE OFFICIALS

Dr. Raymond Yannuzzi, President
Sivaraman Anbarasan, Executive Dean of Continuing Education
Helen Antonakakis, Executive Assistant to the President
Dr. James Canonica, Executive Dean of Enrollment & Student Services
Edward Carney, Executive Director of Safety and Facilities
Rose Coston-McHugh, Executive Director of Human Resources
Dr. Margaret Hamilton, Vice President for Academic Affairs
Darrell McMillon, Chief Information Officer
Patricia Meehan, Chief Financial Officer
William Thompson, Vice President for Institutional Advancement
Richard Shapiro, Esq., College Counsel

FINANCIAL SECTION

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2011**

INDEPENDENT AUDITORS' REPORT

The Honorable Chairman and
Members of the Board of Trustees
Camden County College
Blackwood, New Jersey 08012

We have audited the accompanying basic financial statements of the business-type activities of Camden County College, State of New Jersey, a component unit of the County of Camden, State of New Jersey, as of and for the fiscal years ended June 30, 2011 and 2010, which collectively comprise the College's basic financial statements as listed in the table of contents and the financial statements of the discretely presented component unit (Camden County College Foundation) for the fiscal years ended June 30, 2011 and 2010. These financial statements are the responsibility of the College's management. 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; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Department of Treasury, State of New Jersey. The financial statements of the discretely presented component unit (Camden County College Foundation) were audited in accordance with auditing standards generally accepted in the United States of America, but were not audited in accordance with Government Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

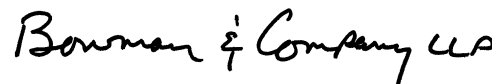
In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Camden County College, State of New Jersey, and the discretely presented component unit, as of June 30, 2011 and 2010, and the respective changes in financial position and cash flows for the fiscal years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 16, 2011 on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in assessing the results of our audit.

The accompanying management's discussion and analysis (MD&A) as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. The College has presented certain information in management's discussion and analysis that is not required by accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the College. The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and are not a required part of the basic financial statements. Such information has been subject to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
December 16, 2011

**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**

The Honorable Chairman and
Members of the Board of Trustees
Camden County College
Blackwood, New Jersey 08012

We have audited the accompanying basic financial statements of the business-type activities of Camden County College, State of New Jersey, a component unit of the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated December 16, 2011. We conducted our audit 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; and in compliance with audit requirements as prescribed by the Department of Treasury, State of New Jersey. The financial statements of the discretely presented component unit (Camden County College Foundation) were audited in accordance with auditing standards generally accepted in the United States of America, but were not audited in accordance with Government Auditing Standards.

Internal Control Over Financial Reporting

Management of Camden County College is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the College's financial statements will not be prevented, or detected and corrected on a timely basis.

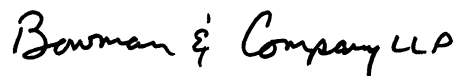
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. We did note certain matters that we reported to the management of the College in a separate letter dated December 16, 2011.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Camden County College's financial statements are free of 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 that are required to be reported under Government Auditing Standards, and audit requirements as prescribed by the Department of Treasury, State of New Jersey.

This report is intended solely for the information and use of the board of trustees and management of the College, the Department of Treasury, State of New Jersey, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

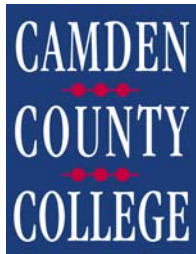
Respectfully submitted,

A handwritten signature in black ink that reads "Bowman & Company LLP". The signature is written in a cursive, flowing style.

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
December 16, 2011

REQUIRED SUPPLEMENTARY INFORMATION



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011 AND 2010
(UNAUDITED)**

This discussion and analysis of Camden County College's financial performance provides an overall review of the College's financial activities for the fiscal years ended June 30, 2011 and 2010. The intent of this review is to look at the College's financial performance as a whole; readers should also review the financial statements and the notes to the financial statements to enhance their understanding of the College's financial performance.

This narrative explaining Management's review and analysis of the June 30, 2011 statements is divided into the following four parts:

- An overview of all of the College's financial statements and notes included in this report.
- An analysis of the College's Statement of Net Assets.
- An analysis of the College's Statement of Revenues, Expenditures and Changes in Net Assets.
- A review of factors that will effect the College's future financial statements.

Overview of the Financial Statements

The first section of the report contains management's discussion and analysis, the basic financial statements and the accompanying note disclosures. For FY2011, the College included comparative data for FY2010 in the Notes to the Financial Statements. The following three financial statements are prescribed by the Governmental Accounting Standards Board (GASB): the Statement of Net Assets; the Statement of Revenues, Expenses and Changes in Net Assets; and the Statement of Cash Flows. These statements demonstrate the net value of assets and the results of operations on a college-wide basis. These statements also include the most recent audited financial statements for the Camden County College Foundation as a component unit in accordance with GASB 39.

The supplementary information section contains statements and schedules consistent with the presentation from previous years before the implementation of GASB 35. The Balance Sheet, Statement of Changes in Fund Balance and other supplementary information are reported in the traditional fund category. They are informational in their support of the College-wide financial statements. All statements are prepared using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting records all of the current year's revenues and expenses regardless of when cash is received or paid.

Camden County College
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011 and 2010
(Unaudited)

Throughout this analysis, the reader will note the impact of several events:

- Credit hour enrollment decreased 5.4% to 325,541 during FY2011 and increased 4.8% to 344,301 total credit hours during FY2010. Credit hour enrollment increased 5.4% to 328,484 during FY2009. The decrease in FY2011 is contrary to the previous two fiscal periods.
- The College continues to experience an increase in accounts receivable from multiple sources including a slowdown in payments from students and governmental entities.

Statement of Net Assets

The Statement of Net Assets includes all assets, liabilities, and net assets 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). As summarized in Table 1, net assets are displayed as:

- Amounts invested in capital assets (net of related debt).
- Restricted net assets.
- Unrestricted net assets.

Table 1: Statement of Net Assets as of June 30
(In Millions)

	2011	2010	2009	11 to 10 Percent Change	10 to 09 Percent Change
<u>Assets</u>					
Current Assets	\$29.51	\$23.34	\$19.33	26.4%	20.7%
Non-Current (Capital) Assets					
Net of Depreciation	95.71	92.63	91.54	3.3%	1.2%)
Total Assets	125.22	115.97	110.87	8.0%	4.6%
<u>Liabilities</u>					
Current Liabilities	15.44	12.61	11.97	22.4%	5.3%
Non-Current Liabilities	22.48	8.69	8.80	158.69%	(1.3%)
Total Liabilities	37.92	21.30	20.77	78.0%	2.6%
<u>Net Assets</u>					
Investment in Capital Assets	73.18	84.76	83.69	(11.58%)	1.3%
Restricted	5.81	3.58	2.19	20.3%	63.5%
Unrestricted	8.30	6.33	4.21	1.97%	50.4%
Total Net Assets	\$87.29	\$94.67	\$90.09	(7.38%)	5.1%

Camden County College
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011 and 2010
(Unaudited)

Total Assets, which are composed of current assets and non-current or capital assets, increased in each of the last two years, by 8.0% in FY2011 and 4.6% in FY2010. These increases are primarily a result from increases in cash and cash equivalents and accounts receivable.

Current assets for FY2011 increased by \$6.17 million (26.4%) resulting from an increase in cash and cash equivalents and accounts receivable, partially offset by a decrease in prepaid expenses. Current assets for FY2010 increased by \$4.01 million (20.7%) resulting from an increase in cash and cash equivalents, an increase in accounts receivable and an increase in prepaid expenses. The accounts receivable increase was comprised of an increase in County and Federal receivables, partially offset by a decrease in other receivables.

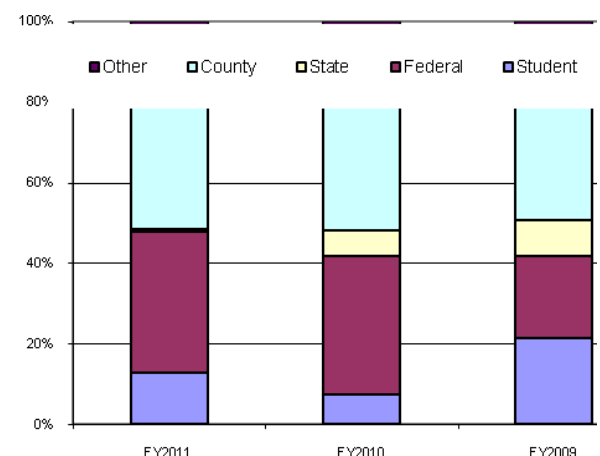
Table 2: Comparison of Current Assets

	2011	2010	2009	11 to 10 Percent Change	10 to 09 Percent Change
Cash & Cash Equivalents	\$17,566,598	\$11,898,127	\$9,029,033	47.6%	31.8%
Accounts Receivable – Net	11,151,497	10,409,218	9,340,719	7.1%	11.4%
Inventories	21,044	19,278	19,184	9.2%	0.5%
Prepaid Expenses	773,279	1,012,537	942,519	(23.6%)	7.4%
Total Current Assets	\$29,512,418	\$23,339,160	\$19,331,455	26.5%	20.7%

Over the examined three-year period, combined cash/cash equivalents and net accounts receivable have remained relatively stable at approximately 95.0% of current assets. The FY2011 increase in accounts receivable reflect an increase in Student, Federal and County receivables, partially offset by a decrease in State and Other. The FY2010 accounts receivable reflect a decrease in student accounts and corresponding increases in Federal, and County receivables. The county increase for FY2010 was a result of a delay by the College in billing costs associated with the College's construction costs funded by County Bonds.

Table 3: Comparison of Accounts Receivable

	2011	2010	2009	11 to 10 Percent Change	10 to 09 Percent Change
Student	\$1,439,439	\$785,631	\$1,993,013	83.2%	(60.6%)
Federal	3,877,664	3,562,691	1,901,515	8.8%	87.4%
State	99,245	664,589	832,924	(85.1%)	(20.2%)
County	4,575,989	3,829,275	3,126,440	19.5%	22.5%
Other	1,159,160	1,567,032	1,486,826	(26.0%)	5.4%
Total	\$11,151,497	\$10,409,218	\$9,340,718	7.1%	11.4%



The amount due from the federal government is primarily for student financial aid. In FY2011, the receivable accounts from the federal government increased by only \$314,973 (8.8%). For FY2010, the Federal receivable increased \$1,661,176 (87.4%). The amount due in this receivable at fiscal year-end is dependent on the College's ability to document the draw-downs required to balance the federally funded student financial aid programs.

Camden County College
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011 and 2010
(Unaudited)

The State of New Jersey receivable decreased from FY2010 to FY2011 by \$565,334, or 85.1% while this receivable decreased from FY2009 to FY2010 by approximately \$168,335 or 20.2%.

The receivable from Camden County fluctuates over the three year period due to the annual fluctuation in the Board of School Estimates calculation of the College's appropriation. The statutory calculation of the County appropriation has both "up years" and "down years" as the result of a reduction in the County appropriation over a decade ago. As shown in the following table, in "up years" the College will record deferred County revenue and conversely, a receivable for County revenue will be recorded in "down" years. In FY2010, the College experienced a delay in its receipt of the County appropriation for June 2010 and subsequently recognized a receivable due from the county.

Table 4: County Aid Fluctuations

	FY2011	FY2010	FY2009
	"Up Year"	"Down Year"	"Up Year"
County Revenue based on Board of School Estimates	\$9,988,756	\$9,725,814	\$10,988,756
Actual County Payments Received	10,251,698	9,624,704	12,251,698
Account Receivable or (Deferred Revenue)	(\$262,942)	\$101,110	(\$1,262,942)

In addition to the fluctuating receivable/deferred revenue of the annual County appropriation, there are other County receivables for funded capital projects. Since payment is made on a reimbursement basis, billing cannot occur until the payable is liquidated and the contractors are paid. The receivable for capital projects was \$4,524,773, \$3,612,585, and \$1,762,388 in FY2011, FY2010 and FY2009 respectively.

Receivable accounts classified as "other" include receivables for facility partnerships, customized training programs, and insurance claims. For FY2011, the college experienced a decrease in other receivables in the amount of \$407,872 that included reductions in non-credit and credit other accounts receivables. For FY2010, the college experienced an increase in other receivables in the amount of \$80,206.

Concluding the analysis of assets, we need to review the second component: non-current or capital assets. Capital assets have grown by a net amount of \$4.175 million over the three year period covering FY2009 to FY2011. This growth is the result of several capital projects: the completion of a portion of the Ring Road and the completion of construction and renovation of Madison Hall and the Connector Building, the later two being part of Phase I of the Freeholder Initiative.

The additions to capital assets were partially offset by annual depreciation of approximately \$2.9 million for FY2011. Consistent with guidance in GASB 35, the College began including depreciation on its financial statements for the year ended June 30, 2002. Prior to FY2005, 41% of the College's assets were non-depreciable.

As shown in Table 5 below, the College had \$95,710,750 invested in land, buildings, furniture, equipment and other assets as of June 30, 2011.

Camden County College
Management's Discussion and Analysis
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(Unaudited)

Table 5: Calculation of Capital Asset Balances
(In Millions)

	FY 2009 Balance	FY2010 Net Additions	FY2010 Depreciation	FY 2010 Balance	FY2011 Net Additions	FY2011 Depreciation	FY 2011 Balance
Land	\$3.855			\$3.855			\$3.855
Land Improvements	1.184	.177	(.043)	1.318	(.177)	(.046)	1.094
Buildings	57.067	.371	(1.618)	55.820	24.657	(1.946)	78.530
Infrastructure	1.643		(.058)	1.585	.293	(.064)	1.815
Construction in Progress and Bond Issuance Costs	24.210	1.909		26.119	(19.914)		6.203
Furniture, Equipment and Vehicles	3.262	1.169	(.703)	3.728	1.096	(.730)	4.094
Assets Under Capital Leases	.259		(.094)	.165		(.087)	.079
Capitalized Software	0.000			0.000			0.000
Library Books	.055	.017	(.028)	.044	.009	(.013)	.041
Total	\$91.535	\$3.643	(\$2.544)	\$92.634	\$3.643	(\$2.886)	\$95.711

Also displayed in the Statement of Net Assets, summarized in Table 1 are current and non-current liabilities. Total liabilities were \$37.92, \$21.30 and \$20.77 million in FY2011, FY2010 and FY2009 respectively. The division of current and non-current liabilities remained consistent from FY2008 to FY2010. For FY2011, the College recorded non-current liabilities in the amount of \$13.1 million representing the College's obligation due related the Camden County Capital Investment Initiative.

Current liabilities are composed of payables due within the next fiscal year, the current portion of long-term debt and deferred revenue. Accounts payable were \$6,344,900, \$4,921,523 and \$4,365,170 in FY2011, FY2010 and FY2009 respectively. In all the fiscal years presented in this report, over 25% of these payables are amounts due to contractors based on the College's retainage on construction contracts. Although technically due to various contractors, these funds are generally equal to 10% of the completed work and are withheld until the project is completed satisfactorily. Another 44% of these liabilities represent the College's current liabilities for operations.

The current portion of long-term debt, the amount of long-term debt due within the next fiscal year, increased by \$17,400 in FY2011 and \$15,300 in FY2010. Camden County holds a mortgage on the facility that is paid from the proceeds of the parking garage operations. The current portion of long-term debt is \$448,900 and \$431,500 for fiscal years 2011 and 2010, respectively.

As previously discussed, the College alternately recognizes a receivable or deferred revenue for its County appropriation. In FY2011 the College recorded deferred revenue in the amount of \$594,341. In FY2010, the College recorded a receivable of \$101,110. The College did not recognize any deferred revenue beyond tuition and fees and summer Pell receipts. Deferred tuition and fee revenue, the amount of funds the College recognizes as payments on student registrations for classes in the

Camden County College
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subsequent fiscal year, increased from FY2009 to FY2010 by \$16,000 and from FY2010 to FY2011 by \$765,000.

Non-current liabilities include the accrual of compensated absences and the long-term portion of liabilities that include an existing mortgage on the Camden Technology Center and the recording of \$13.1 million of capital leases payable representing the College's obligation due related to the Camden County Capital Investment Initiative. As shown in Table 6, total non-current liabilities were relatively constant between the comparative fiscal years exception for the increase in capital leases.

Table 6: Comparison of Annual Non-Current Liabilities

	2011	2010	2009	11 to 10 Percent Change	10 to 09 Percent Change
Accrued Compensated Sick Leave	\$929,909	\$896,232	\$786,927	3.8%	13.9%
Accrued Compensated Vacation Leave	1,687,506	1,695,718	1,791,657	(0.5%)	(5.4%)
Capital Leases Payable	13,900,072	107,246	209,255	12,860.9%	(48.7%)
Camden Technology Center Mortgage	5,965,932	5,987,866	6,007,673	(0.4%)	(0.3%)
Total	\$22,483,421	\$8,687,062	\$8,795,512	158.82%	(1.2%)

The total liability, current and non-current, for compensated absences was \$2,938,935, \$2,930,402 and \$2,832,284 in FY2011, FY2010 and FY2009, respectively. This liability represents full funding of earned but unused vacation time payable at employees' separation as well as funding of estimated earned but unused sick time that would be paid to retiring employees. The annual fluctuations reflect the pattern of individual staff vacation schedules and illnesses. For FY2011, the liabilities for compensated absences only increased by 0.29% or \$8,500. For FY2010, the liabilities increased \$98,000 or 3.46%.

In addition, the College recorded non-current liabilities in the amount of \$13.1 million representing the College's obligation due related to the Camden County Capital Investment Initiative as previously noted.

Also note, effective 9/28/2011, the CCIA Camden County College Series 2002 Bonds were defeased when the new Series 2011 bond issue closed. The Series 2002 Bonds were related to the Camden Technology Center Mortgage and will appropriately be accounted for during FY2012.

Two capital leases are related to energy saving HVAC and lighting equipment. In FY2000, the College entered into a lease for HVAC equipment at the Rohrer Center. The William G. Rohrer Center obligation has been fulfilled. The College entered into a second \$865,000 lease for energy efficient equipment at the Blackwood Campus Library in FY2002. The total balance of capital leases payable at June 30, 2011 is \$107,246 (including the current portion of the liability).

Finally, these financial statements record the long-term liability for the County's mortgage on the Camden Technology Center. The construction of the Center was funded from multiple sources: (1) three years of Chapter 12 funding from the State and County; (2) a state appropriation pursuant to the Camden Economic Recovery Act of 2002, and (3) College funds. The College memorialized its commitment to Camden County to re-pay \$6,383,500 of its Chapter 12 allocation in a mortgage dated July 2002. During FY2005 through FY2011 the County funded the principal and interest payments

Camden County College
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011 and 2010
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due for these periods. The change in the mortgage for the Camden Technology Center is the amount of the change in the current portion of the long-term debt obligation and the amortization of the 2002 revenue bond premium. The changes for FY2011 and FY2010 were \$17,447 and \$15,321, respectively.

As stated above on several occasions, the Series 2002 bonds have been defeased during FY2012.

The final component of the Statement of Net Assets, summarized in Table 1, is net assets. Conceptually, net assets are similar to the College's previous fund balances. Net assets are composed of capital assets like buildings and equipment as well as more liquid assets that are designated as either restricted or unrestricted. Table 7 summarizes the components of the College's net assets in the previous three fiscal years.

Table 7: Comparison and Composition of Net Assets as of June 30

	2011	2010	2009	11 to 10 Dollar Change	10 to 09 Dollar Change
<u>Investment in Capital Assets</u>					
Investment In Plant Fund Balance	\$67,129,363	\$58,808,002	\$59,674,233	\$8,321,360	(\$866,231)
Construction in Progress	6,056,195	25,950,218	24,020,086	(19,894,022)	1,930,082
Total	73,185,558	84,758,220	83,694,369	(11,572,662)	1,063,851
<u>Restricted Net Assets</u>					
Restricted Fund Balance	5,675	5,675	38,242	-	(32,567)
Financial Aid Fund Balance	92,272	92,272	22,636	-	69,636
Peter Cheeseman Facility Reserve	3,424	3,424	3,424	-	-
Reserve for Parking Garage	327,335	279,785	237,750	47,550	42,035
Reserve for Camden Campus Renewal and Replacement	306,009	306,009	306,008	-	(83,990)
Reserve FY2011 Operations	3,442,942	1,742,607		1,700,335	1,742,607
Unexpended Plant Fund Balance (Net of Construction in Progress)	1,041,083	1,153,416	322,758	(112,333)	830,658
Stabilization Reserve	594,341		1,262,942	594,341	1,262,942
Total	5,813,080	3,583,188	2,193,762	2,229,892	1,389,426
<u>Unrestricted Net Assets</u>					
Current Fund Balance	8,300,398	6,333,229	4,206,325	2,126,904	2,746,165
Total Net Assets	\$87,299,036	\$94,674,637	\$90,094,456	(\$7,375,601)	\$4,580,181

For FY2011 the College experienced a decrease in Net Assets of \$7.38 million or 7.8% in part due to the increase in non-current assets related to the increase of capital lease in the amount of approximately \$13.1 million. For FY2010 an increase in Net Assets of \$4.58 or 5.1%. The increase is primarily attributable to fund balance appropriations for internal operations.

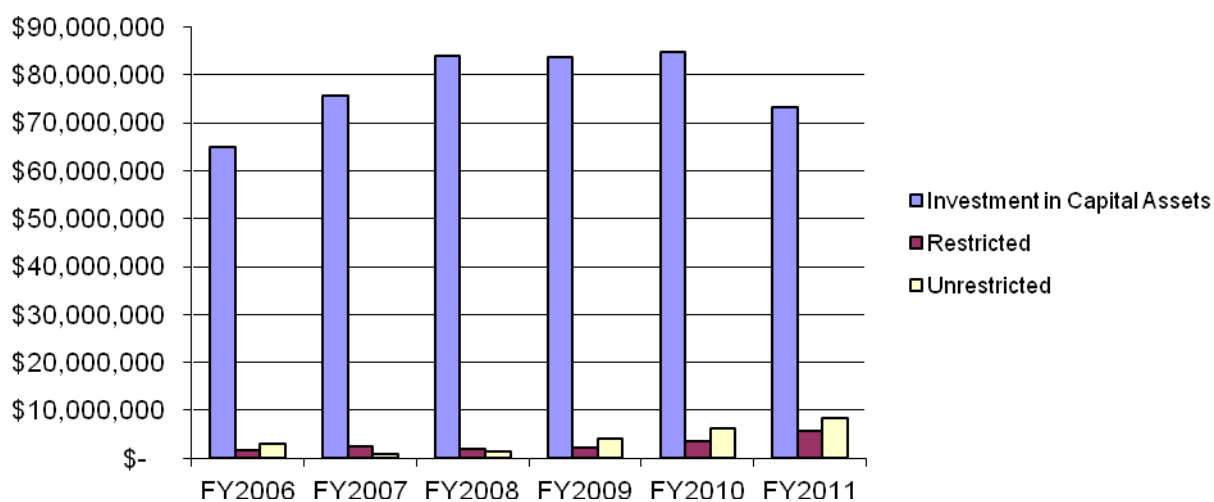
Restricted net assets for FY2011 increased by \$2.23 million primarily due to the appropriated reserve for the FY2011 operating budget. For FY2010, restricted net assets increased by \$1.39 million. The notable change within the category is the use of the stabilization reserve from FY2009 to support FY2010 operations. The stabilization reserve fund is established every other fiscal year in order to equalize annual appropriations from Camden County. Budgeting and spending at the artificial levels of the Board of School Estimates calculation was extremely problematic for the

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College. Therefore, the College established a stabilization reserve in FY1999 to address these differences. The College now budgets and spends at the level of the County calendar year appropriation. The difference between the calendar appropriation and the statutory calculation is either “banked” or “spent” depending on whether it is an “up” or “down” year. During FY2006, the College established a reserve for the parking garage in accordance with the 2002 Revenue Bond documents and continues to reserve funds on an annual basis.

Finally, for FY2011, the Current Unrestricted Fund Balance increased from \$1,968,458 to \$8,198,375, net of dedicated funds for student government, athletics and the College’s operating appropriation reserve, inclusive of the stabilization reserve fund totaling \$3,442,942 for the FY2012 operating budget or 11.1% of total operating revenues. The amount of \$6,229,916 represents 8.5% of total operating revenues for FY2010. The Current Unrestricted Fund Balance increased by \$2,633,948 to \$4,094,108 or 5.9% of total operating revenues for FY2009. As stated below, FY2011 reserves were above the Board of Trustees’ policy, while in FY2010, the reserves were slightly above the range of the targeted percentages. In addition, the College funded approximately \$1,185,641 in capital projects out of operations for FY2011, \$1,155,551 in capital projects out of operations for FY2010 and \$357,000 in capital projects out of operations during FY2009 for projects not otherwise funded.

By Board policy, the Current Fund balance is targeted between 5% and 7.5% of total operating revenues. As stated above, for FY2010, the College was slightly higher than the targeted range at 8.5%. As a result of operations for fiscal year FY2010, approximately \$2,135,808 was added to the current fund reserve inclusive of the FY2010 stabilization reserve fund of \$1,262,942. For fiscal year FY2011, approximately \$1,968,458 was added to the current fund reserve inclusive of the stabilization reserve fund of \$262,942 for FY2011. Based on Board policy, the Current Unrestricted Fund Balance is targeted between 5% and 7.5% or amounts for a low of \$3,681,779 and a high of \$5,522,668 for FY2011.



The composition of the College’s net assets shows a financially viable but tightly run institution. Unrestricted net assets make up only 9.5% of the total net assets. Additionally, 33.8% of the net assets are relatively liquid assets as opposed to capital assets that must be sold to raise funds. The expected consistency between all three fiscal years is reflected in the preceding graph.

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Statement of Revenues, Expenses and Change in Net Assets

The next statement in the first section of the audit report is the Statement of Revenues, Expenses and Changes in Net Assets (SRECNA). The SRECNA reports the results of college-wide operations using the business model prescribed by GASB. This model defines operating revenues as tuition and fees (net of scholarships), direct financial aid related to students' tuition and fees, and other miscellaneous sources. Non-operating revenues include the state and county appropriations as well as investment earnings. Expenses related to the operational purposes of the College are functionally displayed. Table 8 summarizes this year's SRECNA and provides comparative data for the prior fiscal years.

Table 8: Statement of Revenues, Expenses & Changes in Net Assets for the Year Ended June 30
(In Millions)

	2011	2010	2009	11 to 10 Dollar Change	11 to 10 Percent Change	10 to 09 Dollar Change	10 to 09 Percent Change
Operating Revenues:							
Student Tuition And Fees	32.31	34.47	32.77	(2.16)	(6.5%)	1.70	5.2%
State and Local Grants/Contracts	5.03	7.34	6.37	(2.31)	(31.5%)	0.97	15.2%
Federal Grants and Contracts	38.40	40.72	29.56	(2.32)	(5.7%)	11.16	37.8%
Nongovernmental Grants/Contracts	0.10	0.04	0.22	0.06	147.5%	(0.18)	(81.8%)
Chargeback Revenue	0.07	0.09	0.08	(0.02)	(18.9%)	0.01	12.5%
Auxiliary Enterprises	1.02	0.66	0.63	0.36	54.2%	0.03	4.8%
Other Operating Revenues	2.35	2.23	2.03	0.12	5.2%	0.20	9.9%
Total Operating Revenues	79.28	85.55	71.66	(6.28)	(7.3%)	13.89	19.4%
Operating Expenses:							
Instruction	27.57	27.07	25.92	0.50	1.8%	1.15	4.4%
Public Services	0.95	1.30	1.20	(0.35)	(26.8%)	0.10	8.3%
Academic Support	8.74	8.43	8.32	0.31	3.7%	0.11	1.3%
Student Services	8.18	7.92	7.34	0.26	3.2%	0.58	7.9%
Institutional Support	12.05	12.42	12.02	(0.37)	(3.0%)	0.40	3.3%
Facilities	27.33	11.61	11.61	15.72	135.4%	0.00	0.00%
Student Aid	25.51	31.94	24.28	(6.43)	(20.1%)	7.66	31.5%
Depreciation	2.89	2.54	2.59	0.35	13.7%	(0.05)	(1.9%)
Other Expenditures	0.98	2.18	1.88	(1.20)	(54.9%)	0.30	16.0%
Total Operating Expenses	114.21	105.41	95.16	8.79	8.3%	10.25	10.8%
Operating Income (Loss)	(34.93)	(19.86)	(23.50)	(15.06)	75.9%	3.64	(8.5%)
Non-operating Revenues:							
State Appropriations	10.54	11.20	12.08	(0.66)	(5.9%)	(0.88)	(7.3%)
County Appropriations:	15.36	12.36	13.93	2.68	21.7%	(1.57)	(11.3%)
State and Local Grants/Contracts	0.08	0.65	-	(0.57)	(88.2%)	0.65	-
Investment Income Earned	0.03	0.05	0.12	(0.02)	(40.0%)	(0.07)	(58.3%)
Gifts and Donations	-	-	-				
Insurance Claims - Net	1.87	0.18		1.69	941.1%	(0.18)	(100.0%)
Total Non-operating Revenues	27.56	24.44	26.13	3.12	12.8%	(1.69)	(6.5%)
Increase In Net Assets	(7.37)	4.58	2.63	(11.95)	74.1%	1.95	74.1%
Net Assets-Beginning of Year	94.67	90.09	87.46	4.58	3.0%	2.63	3.0%
Net Assets-End of Year	87.30	94.67	90.09	(7.37)	5.1%	4.58	5.1%

Operating revenues decreased slightly over the period, decreasing by 7.3% for FY2011. Operating revenues for FY2010 increased by 19.4% for FY2010. The largest component of operating revenues is student tuition and fees paid both by students directly and through state and federal financial aid. During FY2011, the College experienced a decrease in scholarships, inclusive of federal grants and contracts of \$6.43 million or 20.1%. For FY2010, the College experienced an increase in

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scholarships, inclusive of federal grants and contracts of \$7.66 million or 31.5%. These increases minimized the increase in operating revenues resulting from an increase in tuition rates and a growing increase in enrollment as student tuition and fees are presented net of scholarship allowances in these financial statements. The College experienced credit enrollment decreases of 5.4% during FY2011. For FY2010, the College experienced an increase of 4.8% and an increase of 5.4% for FY2009. During Fall 2011, the College experienced a decrease in credit hours of 5.7% over Fall 2010, in part reflective of a weakened economy.

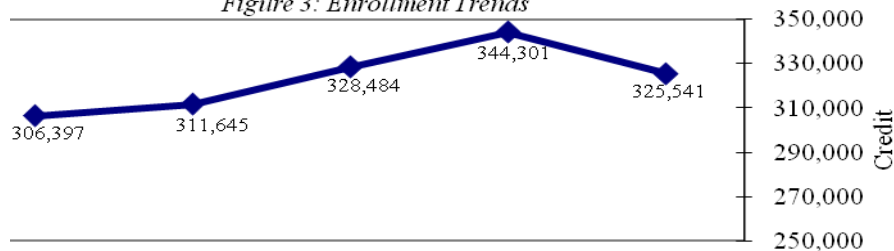
During FY2008, the New Jersey County Colleges, in conjunction the New Jersey Council of County Colleges adopted a change in the method for which non-credit courses would be funded by the State of New Jersey. Non-credit hours will no longer be formula funded, instead, each of the County Colleges will receive a fixed dollar funding from the state appropriation as agreed upon the County College presidents. For Camden County College, the College will receive approximately \$400,000 annually to replace the previous funding process.

The College anticipates credit enrollment will continue to decline. This decline is predicted based on our recent enrollments for Fall 2011, a 6% decline in head counts and a 5.7% decline in enrollments. The decline in enrollments is in part related to full-time and part-time students taking fewer classes. The College speculates that this change in enrollment is related to the current economic environment. The College continues to pursue means to cultivate new curriculum and expanded certificate programs with other educational institutions. (The College's tuition has historically and continually is one of the lowest per credit hour rates among New Jersey community colleges.)

Table 9: Total Fundable Credit Hour Enrollment

	FY2011	FY2010	FY2009	FY2008	FY2007	FY2006
Credit Hours	325,541	344,301	328,484	311,645	306,397	310,306
Non-Credit Hours						17,359
Total Credits Hours	325,541	344,301	328,484	311,645	306,397	327,665
% Change Total Hours						(0.8%)
% Change Credit Hours	(5.45%)	4.8%	5.4%	1.71%	(1.26%)	(0.42%)

Figure 3: Enrollment Trends



From the previous year, total tuition and fee revenue adjusted for the effect of scholarships and financial aid awards decreased 4.5% during FY2011 although an increase of \$3 per credit hour, \$1 per credit hour for the General Service Fee, and the establishment of the Hourly Instruction Charge of \$65 per contact hour that exceeds the number of credits per course. Tuition and Fees increased 5.2% during FY2010. The increase for FY2010 primarily resulted from an increase of \$5 per credit hour increase in tuition, a \$6 increase in the general service fees, and the establishment of a \$2 Facilities Fee per credit hour along with an increase in enrollment. The increase for FY2009 primarily resulted from an increase of \$5 per credit hour increase in tuition and a \$2 per credit hour increase in the general service fees along with a slight increase in enrollment.

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Overall federal and state financial aid usage decreased from FY10 to FY11 in the amount of \$4.7 million or 10.73% even though there was increase in the number of students applying for financial aid. There was an increase in the number of Pell eligible students and this is a direct correlation to a substantial increase to the number students applying for assistance to the aid programs. There are two factors that play a role in the increase dollar amount of \$1.09 million or 5.0% that include changes to the formula used to determine aid eligibility and issues with the economy. In FY10 there were 6460 student receiving a Pell grant compared to 6,792 for FY11 and Pell grant usage increased by \$1,093,851 to \$22,790,870.

Due to changes in the FAFSA (Free Application for Federal Student Aid) and the state requiring additional data elements we saw a \$1,514,406 decrease in state funding. For the current award year the state has worked with the Department of Education to assist students in submitting this information so they can be evaluated for state grant eligibility.

Students at the College are also borrowing less; which keeps their student loan indebtedness down. This is an area where the College wants student usage to decrease. In FY11 students borrowed \$3,584,219 less than in FY10 for approximately 24.0% decrease in loan utilization comprised of \$14.96 million for FY2010 to \$11.40 million for FY2011.

Table 10: Comparison of Financial Aid Program Revenue

	FY2011	FY2010	FY2009	FY2008	FY2007	FY2006
Pell Grants	\$22,790,870	\$21,697,019	\$13,376,676	\$10,408,940	\$8,749,858	\$8,987,898
Federal Education Loan Program	11,405,284	14,955,185	12,847,123	10,906,922	8,264,262	7,792,259
Other Federal Aid	826,281	1,013,057	594,842	965,505	693,637	788,248
New Jersey TAG	3,481,174	4,995,580	3,698,578	3,058,318	2,953,576	2,738,386
Other New Jersey Aid	1,232,225	1,771,545	1,703,390	1,224,708	1,017,564	697,041
Total Student Aid	\$39,735,834	\$44,432,386	\$32,220,609	\$26,564,393	\$21,678,897	\$21,003,832
Percent Change	(10.57%)	37.90%	21.29%	22.54%	3.21%	(1.5%)

Seventy-four percent of the College's revenues are classified as operating revenues while 22% are classified by GASB as non-operating revenues for FY2011. Similarly for FY2010, 78% percent of the College's total revenues are classified as operating revenues while 26% are classified as non-operating revenues. Non-operating revenues include operating appropriations from the State and County as well as grants or contracts that are not related to student tuition and fees. As a public county college, the College views these annual subsidies as appropriate operating revenues. Non-operating revenues also include funding sources for the County's Capital Initiative.

Non-operating revenues were \$27.56, \$24.44 and \$26.14 million in FY2011, FY2010 and FY2009, respectively. These changes were the net result of the following shifts.

- Our calculated state operating appropriation was \$10,540,430, \$11,028,633 and \$12,084,580, in FY2011, FY2010 and FY2009 respectively. Camden County operating appropriation was \$9,725,814, \$9,725,814 and \$12,251,698 for FY2011, FY2010 and FY2009 respectively.

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- The fluctuations in County aid are a result of changes in annual capital appropriations as well as the alternating calculation of the county appropriation reported in the College's budget. For FY2011 and FY2010, the college processed capital requests related to its annual capital appropriation from the county in the amount of \$2,039,671 and \$985,751 respectively. In addition, the college processed requests in the amount of \$3,270,768 and \$1,798,899 related to Phase I of the County's Capital Initiative for the College for FY2011 and FY2010 respectively. For FY2009, the college processed capital requests related to its annual capital appropriation from the county in the amount of \$298,524 and processed requests totaling \$1.38 million related to Phase I of the County's Capital Initiative for the College. Currently there exists outstanding receivables for County Bond issues in the amount of \$3.9 million to be invoiced for payment for completed or partially completed projects.
- Other non-operating revenues were \$1,874,979 and \$30,541 in FY2011, and \$183,979 and \$54,234 in FY2010. The composition of these non-operating revenues consists of investment earnings, gifts and donations and insurance claims proceeds. The other noteworthy trend is the decline in the rate of return on investments receiving \$30,541 for FY2011 and \$54,234 and \$122,686 in interest earnings during FY2010 and FY2009 respectively.

Figure 5 below graphically displays the components of the College's total operating and non-operating revenue in FY2011. Table 11 displays the relative changes between FY2011, FY2010 and FY2009. For FY2011 and FY2010, student and governmental paid tuition and fees represented about 71% and 75% of the College revenues for the respective years. For FY2011, governmental operating appropriations from the State and County represented another 24% of revenue, up from 21% of revenue for FY2010. For FY2009, governmental operating appropriations from the State and County represented another 27% of revenue, down from 35% of revenue for FY2007. The remaining percentage leaves miscellaneous revenues of 5%. Adjusting for one-time unique events, these percentages remained relatively constant over the last three fiscal years.

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Figure 5: Composition of FY2011 Revenues

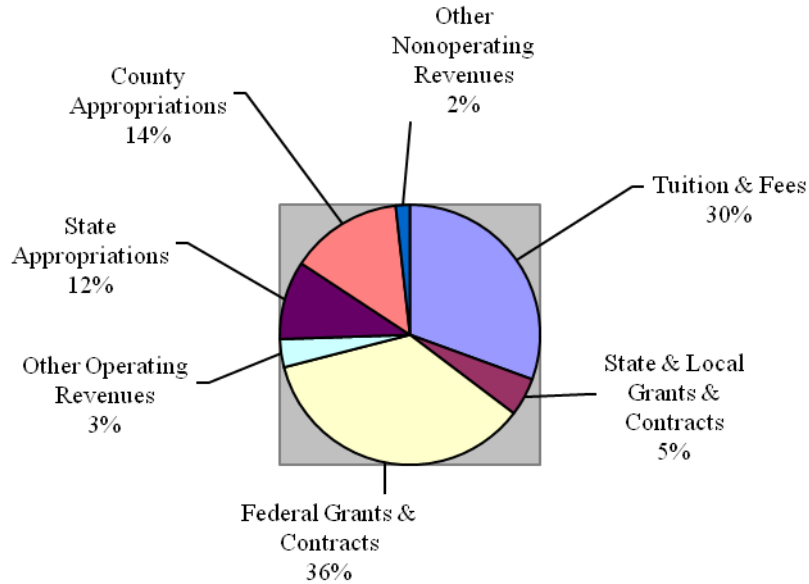


Table 11: Composition of Total Revenues

	FY2011	FY2010	FY2009	FY2008	FY2007	FY2006
Tuition & Fees	30.6%	31.3%	33.5%	30.8%	29.8%	29.7%
Operating Governmental Grants/Contracts	40.4%	43.6%	36.7%	31.7%	26.8%	29.1%
State Appropriations	9.8%	10.0%	12.4%	14.0%	16.2%	17.4%
County Appropriations	14.0%	11.4%	14.3%	20.5%	23.7%	19.8%
Other Operating and Non-operating Revenues	5.2%	3.6%	3.1%	3.0%	3.5%	4.0%

As noted in Table 8, operating expenses increased \$9.63 million or 9.1% from FY2010 to FY2011 and increased by \$10.25 million 10.8% from FY2009 to FY2010. Notable changes in FY2011 were in the following functions: (1) a \$5.83 million or 18.3% decrease in Student Aid; (2) an increase in of \$15.96 million increase or 137.5% in Facilities related to the recording College's obligation due to the Camden County Capital Investment Initiative and a decrease in Other Expenses of \$1.2 million or 54.9%. Notable changes in FY2010 were in the following functions; (1) a \$7.66 million or 31.5% increase in Student Aid; (2) an increase of \$0.30 million or 16.0% increase in Other Expenditures. .

Approximately 70.0% of the College's expenditures are devoted to instruction and other services for students. The remaining 30% of the College's expenses are devoted to operation and maintenance of over 970,554 square feet of College facilities, depreciation and other institutional support. Expenses categorized as institutional support include those expenses not specifically attributable to one organizational unit of the College; it includes such expenses as property/casualty insurance and information technology.

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Compared to other New Jersey county colleges, Camden County College is very cost efficient. For FY2009 and FY2010, the College had an operating cost of \$5,490 and \$5,610 per full-time equivalent student, respectively. This compares to the statewide average of \$6,781 for FY2009, a 23.5% difference, and \$6,576 for FY2010, a 17.2% difference. This increase is primarily a result of the increase in student enrollment and the respective increase in credit hours. The College has projected a cost per FTE of \$6,194 for the FY2011.

Figure 6 is a graphical illustration of operating expenses by function.

Figure 6: FY2011 Expenditures by Function

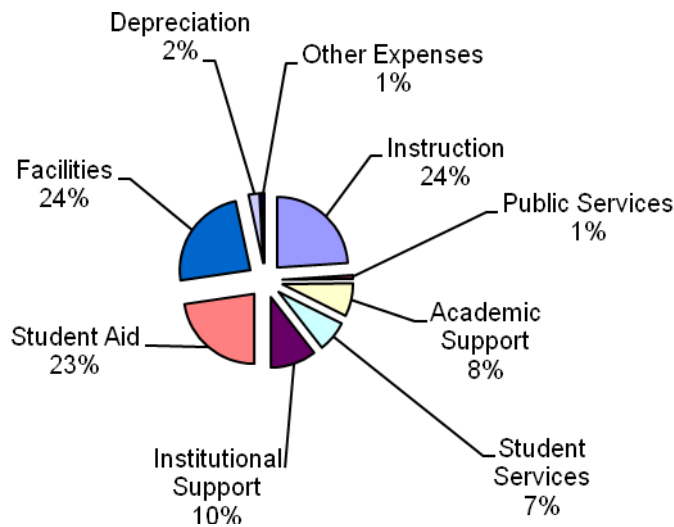


Table 12 displays the College's FY2011, FY2010 and FY2009 expenditures by object classification.

Table 12 Comparison of Expenditures by Object
(In Millions)

	FY2011 Expense	FY2011 Percent of Expense	FY2010 Expense	FY2010 Percent of Expense	FY2009 Expense	FY2009 Percent of Expense
Salaries and Wages	\$43.18	37.5%	\$40.06	38.0%	\$38.47	40.4%
Fringe Benefits	13.22	11.5%	11.70	11.1%	10.73	11.3%
Other Operating Costs	29.64	25.8%	19.15	18.2%	19.08	20.1%
Student Aid	25.51	22.7%	31.94	30.3%	24.28	25.5%
Depreciation	<u>2.89</u>	<u>2.5%</u>	<u>2.56</u>	<u>2.4%</u>	<u>2.60</u>	<u>2.7%</u>
Total Expenditures	\$114.21	100.0%	\$105.41	100.0%	\$95.16	100.0%

As a labor-intensive organization, the College continues to monitor the amount it spends on compensation (salaries and fringe benefits). In Table 12, 49.0%, 49.1% and 51.7% of expenses are devoted to salaries and benefits in FY2011, FY2010, and FY2009 respectively. This amount is understated in comparison to the College's operating budget because of the additional expenditures

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for student aid and annual depreciation. Without these expenses, the College spent 74.8%, 67.3% and 71.8% of its expenditures on compensation in FY2011, FY2010 and FY2009, respectively. These percentages are within 72% to 77% of the operating budget target range set by the Board of Trustees.

Table 8 shows that the College had an operating loss when comparing operating expenses against what GASB defines as operating revenues; mostly those revenues associated with student charges. As a public community college, the College views the operating appropriations from the State and County governments as essential to its operations. Accounting for these revenue sources, the College had an operating deficit of \$34.93 million after the inclusion of the stabilization reserve for FY2011. For FY2010, the College had an operating deficit of \$19.86 million after the inclusion of the stabilization reserve for FY2010. The stabilization reserve is necessary due to "up" and "down" years in the county appropriation as calculated for the Board of School estimate. Since FY2011 is an "up" year, the College received a higher level of county funding due to the calculation of the Board of School Estimate. Subsequently this amount is put aside to provide level funding for next fiscal year, a "down" year (FY2012) in the amount of \$262,942.

Economic and Other Factors That Will Effect the Future

There are nine significant events that will impact the College's future financial statements.

- First, the College is in the early stages of the Phase II projects that include a new science building with an estimated 107,000 square feet with a projected completion date of January 2013 along with roads and grounds projects including the completion of a ring road that will improve access and egress from the College. The ring road project should be completed by the end of December 2011. Although the construction costs will be funded, operating costs will increase as the new facility comes online.
- Second, preliminary work has begun on the renovation and conversion of Taft Hall into new "One-Stop" student services center and college administration building. Planning and design are under way so that renovation will commence as soon as the science facility opens. Renovation will take approximately eight to twelve months with a planned opening in summer 2013.
- Third, the College will also be participating in the servicing of the debt service related to the Science Building subsequent to finalizing the last Bond Series, in the amount of \$50.0 million along servicing debt with the other existing outstanding bond funds.
- Fourth, the economic climate has declined to the point that reverses prior trends at the College. Typically, a downward economy would drive up enrollments, however, during the Fall 2010 and Spring 2011 and Fall 2011, the College has experienced a decline in enrollments and College's credit enrollment is in a downward trend estimated at a 5.0% decrease. For Fall 2010 and Spring 2011 semesters, total credit hours are below the previous semesters by 5.0% or 7,000 credit hours respectively. The gradual reduction of students participating in the Helene Fuld School of Nursing program is a partial contributor of this decline. The Helene Fuld School of Nursing will end their program at the College by mid December 2011. The College's enrollment is a critical element of the funding formula used by

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the State of New Jersey in distributing operating aid to the community colleges in the state. It is important for the College's enrollment to keep pace with or outperform the sector in order to maintain or increase its share of the State of New Jersey's operating appropriation. By not keeping pace with the sector, the College will face reductions in this funding method.

- Fifth, the College anticipates the state budget for FY2012 will be level funded for the FY2012 budget year. Previously, County colleges enjoyed their past success in receiving appropriation increases. Continuing budget cuts or level funding for the sector are certainly a possibility.
- Sixth, the County of Camden funds annually approximately 14% of the College's revenue sources. This resource is also subject to potential reductions in funding in the coming years.
- Seventh, the College continues to pursue means to lower the costs of educating the students at Camden County College. The College participates in multiple activities including shared services within the County agencies, participation in the New Jersey County Colleges purchasing consortium in order to better control and minimize expenditures. The College also participates in the County's Cooperative Purchasing Program.
- Eighth, the College recently invested in a significant upgrade of its financial information system. The upgrade will enhance the College's ability to timely and efficiently present financial information to senior management and the Board of Trustees at Camden County College. In addition, financial information is more readily available to analyze revenue and expenditures in a concise and consistent manner. Quarterly reports and projections can be more efficiently created to assist management with up to the minute reporting in order to make improved financial decisions utilizing current information.
- Ninth, beginning with a report for the Fourth Quarter of FY2010, the College administration instituted a new financial reporting system to the Board of Trustees. More robust and informative quarterly reports replaced monthly reports. The new system contained the following information: year-to-date performance including a comparison of budget-to-actual revenues, a comparison of FY2010 revenues to FY2009, budget-to-actual expenditures, FY2010 expenditures compared to FY2009, (going forward) year-end projections and a narrative summary that commented and otherwise explained the operating results for the Trustees.

BASIC FINANCIAL STATEMENTS

CAMDEN COUNTY COLLEGE
 Statements of Net Assets
 As of June 30, 2011 and 2010

	2011		2010	
	<u>College</u>	<u>Component Unit CCC Foundation</u>	<u>College</u>	<u>Component Unit CCC Foundation</u>
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 17,566,598	\$ 157,038	\$ 11,898,127	\$ 122,088
Accounts Receivable, Net	11,151,497	121,000	10,409,218	
Inventories	21,044		19,278	
Prepaid Expenses	773,279		1,012,537	
Total Current Assets	29,512,418	278,038	23,339,160	122,088
Noncurrent Assets:				
Investments		1,516,485		1,263,098
Capital Assets, Net	95,710,750		92,634,534	
Total Noncurrent Assets	95,710,750	1,516,485	92,634,534	1,263,098
Total Assets	125,223,168	1,794,523	115,973,694	1,385,186
LIABILITIES				
Current Liabilities:				
Account Payable	6,344,900	82,455	4,921,523	100,392
Accrued Salaries	611,852		539,204	
Accrued Compensated Absences - Current Portion	321,577		338,452	
Obligations Under Capital Lease - Current Portion	636,747		102,009	
Mortgage Payable - Current Portion	448,973		431,525	
Other Deferred Revenue	76,909		32,629	
Deferred Tuition and Fees Revenue	6,999,753		6,246,653	
Total Current Liabilities	15,440,711	82,455	12,611,995	100,392
Noncurrent Liabilities:				
Accrued Compensated Absences	2,617,417		2,591,950	
Obligations Under Capital Lease	13,900,072		107,246	
Mortgage Payable	5,965,932		5,987,866	
Total Noncurrent Liabilities	22,483,421	-	8,687,062.00	-
Total Liabilities	37,924,132	82,455	21,299,057	100,392
NET ASSETS				
Investment in Capital Assets, Net of Related Debt	73,185,558		84,758,220	
Restricted for:				
Nonexpendable:				
Other		464,800		304,429
Expendable:				
Other	5,813,080	674,260	3,583,188	588,864
Unrestricted	8,300,398	573,008	6,333,229	391,501
Total Net Assets	\$ 87,299,036	\$ 1,712,068	\$ 94,674,637	\$ 1,284,794

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

CAMDEN COUNTY COLLEGE
Statements of Revenues, Expenses, and Changes in Net Assets
For the Fiscal Years Ended June 30, 2011 and 2010

	2011		2010	
	<u>College</u>	<u>Component Unit CCC Foundation</u>	<u>College</u>	<u>Component Unit CCC Foundation</u>
REVENUES				
Operating revenues:				
Student Tuition and Fees (Net of Scholarship Allowance of \$14,829,166 in 2011 and \$12,838,120 in 2010)	\$ 32,309,932		\$ 34,467,629	
State and Local Grants and Contracts	5,029,376		7,340,983	
Federal Grants and Contracts	38,400,053		40,718,602	
Nongovernmental Grants and Contracts	99,041		34,721	
Chargeback Revenue	73,175		94,499	
Auxiliary Enterprises	1,017,826		657,518	
Gifts and Contributions		\$ 532,397		\$ 327,688
Other Operating Revenues	2,345,084		2,231,564	
Total Operating Revenues	79,274,487	532,397	85,545,516	327,688
EXPENSES				
Operating Expenses:				
Instruction	27,572,628		27,073,003	
Public Services	952,214		1,300,102	
Academic Support	8,744,788		8,431,629	
Student Services	8,177,875		7,915,680	
Institutional Support	12,049,060		12,418,104	
Student Aid	25,510,460		31,939,523	
Operation and Maintenance of Plant	27,333,310		11,611,089	
Depreciation	2,886,907		2,537,590	
Amortization	16,583		16,583	
Other expenses	965,711	336,513	2,161,999	378,649
Total Operating Expenses	114,209,536	336,513	105,405,302	378,649
Operating Income (Loss)	(34,935,049)	195,884	(19,859,785)	(50,960)
NON-OPERATING REVENUES (EXPENSES)				
State Appropriations:				
State Aid	10,540,430		11,028,633	
County Appropriations:				
County Aid	9,725,814		9,725,814	
State and Local Grants and Contracts	77,246		4,188	
Federal Stimulus			658,470	
Investment Income Earned	30,541	231,390	54,234	141,514
Insurance Claims-Revenue	1,874,979		183,979	
On-Behalf Payments:				
State of New Jersey Alternative Benefits Program:				
Revenues	927,821		885,119	
Expenses	(927,821)		(885,119)	
Total Non-Operating Revenues	22,249,010	231,390	21,655,318	141,514
Income (Loss) before Other Revenues	(12,686,039)	427,274	1,795,533	90,554
OTHER REVENUES				
County Appropriations:				
Capital Appropriations	2,039,671		985,751	
Capital Initiative	3,270,768		1,798,899	
Total Other Revenues	5,310,439	-	2,784,650	-
Increase (Decrease) in Net Assets	(7,375,600)	427,274	4,580,181	90,554
NET ASSETS				
Net Assets - Beginning of Year	94,674,637	1,284,794	90,094,456	1,194,240
Net Assets - End of Year	\$ 87,299,036	\$ 1,712,068	\$ 94,674,637	\$ 1,284,794

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, 2011 and 2010

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and Fees	\$ 33,141,857	\$ 35,132,026
Payments to Employees	(43,268,508)	(42,009,531)
Payments to Suppliers	(65,841,732)	(58,073,869)
Grants and Contracts	43,442,623	47,678,312
Auxiliary Enterprise Charges	1,014,266	657,518
Other	1,287,361	(66,658)
Net Cash Used in Operating Activities	<u>(30,224,133)</u>	<u>(16,682,202)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
County Appropriations	10,421,265	10,988,755
State Appropriations	10,952,430	11,275,103
Net Cash Flows Provided by Noncapital Financing Activities	<u>21,373,695</u>	<u>22,263,858</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Appropriations	1,553,573	818,873
Capital Initiative	2,925,413	
Capital Grants and Gifts Received	81,431	-
Purchases of Capital Assets	(5,963,123)	(3,636,289)
Principal Paid on Capital Debt and Leases	14,323,078	(118,864)
Proceeds from Insurance Claims	1,874,979	183,979
Interest Paid on Capital Debt and Leases	(306,985)	(14,495)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>14,488,366</u>	<u>(2,766,796)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	30,541	54,234
Net Cash Provided by Investing Activities	<u>30,541</u>	<u>54,234</u>
Net Increase (Decrease) in Cash	5,668,469	2,869,094
Cash and Cash Equivalents - Beginning of the Year	11,898,127	9,029,033
Cash and Cash Equivalents - End of the Year	<u>\$ 17,566,598</u>	<u>\$ 11,898,127</u>
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Used in Operating Activities:		
Operating Loss	\$ (34,935,049)	\$ (19,859,785)
Adjustments to Reconcile Net Loss to Net Cash Provided by (Used in) Operating Activities:		
Changes in Assets and Liabilities:		
Depreciation	2,886,907	2,537,590
Change in Assets and Liabilities:		
Receivables, Net	(411,753)	50,524
Inventories	(1,766)	(94)
Prepaid Expenses	239,258	(70,019)
Accounts Payable	1,713,992	566,361
Accrued Salaries	72,648	17,051
Accrued Compensated Absences	8,591	98,119
Deferred Tuition	203,039	(21,949)
Net Cash Provided by (Used in) Operating Activities	<u>\$ (30,224,133)</u>	<u>\$ (16,682,202)</u>

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

CAMDEN COUNTY COLLEGE
Notes to Financial Statements
For the Fiscal Years Ended June 30, 2011 and 2010

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Description of Financial Reporting Entity - Camden County College is a comprehensive, co-educational, community college, founded in 1967 by the Board of Chosen Freeholders, the governing body of Camden County. Camden County College is an instrumentality of the State of New Jersey, established to function as a two-year community college. The College is an accredited member of the Middle States Association of Colleges and Schools. The college operates one main campus in Blackwood, New Jersey approximately twelve miles east of the City of Philadelphia. In addition to the main campus, the College operates a campus in the City of Camden and a center in the Township of Cherry Hill. In addition to offering courses at several county high schools, the College has instituted a distance learning program that allows students to choose from internet courses, telecourses, and hybrid courses.

The Board of Trustees of Camden County College consists of the Executive County Superintendent of Schools and ten persons, eight of whom shall be appointed by the appointing authority of the County with the advice and consent of the Board of Chosen Freeholders and two of whom shall be appointed by the Governor. The term of office of appointed members shall be for four years. The Board is responsible for the fiscal control of the College. A president is appointed by the Board and is responsible for the administrative control of the College. The College offers a wide range of academic programs, including associate degrees in arts, science and applied science.

Component Units - Camden County College is a component unit of the County of Camden as described in Governmental Accounting Standards Board Statement No. 14 – *The Financial Reporting Entity*. These financial statements 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 prescribed by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. Therefore, the financial statements of the College are not presented with the County of Camden.

The Camden County College Foundation (the "Foundation") is a New Jersey non-profit corporation. The Foundation was formed 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. During the fiscal years ending June 30, 2011 and June 30, 2010, the Foundation distributed \$36,308 and \$132,599 to the College for both restricted and unrestricted purposes, respectively. In accordance with GASB Statement No. 39 – *Determining Whether Certain Organizations Are Component Units*, the Foundation is discreetly presented in the financial statements of the College.

A separate report of audit for the Foundation for the fiscal year ended June 30, 2011 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

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

Basis of Presentation - The financial statements of Camden County College are presented in accordance with 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 Statement No. 35 provides a comprehensive, entity-wide perspective of the College's assets, liabilities, net assets, revenues, expenses, changes in net assets, 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 only in 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, revenues are recognized when earned, and expenses are recorded when the obligation has been incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligible requirements imposed by the provider have been met.

Cash, Cash Equivalents and Investments - 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.

The College accounts for its investments at fair value in accordance with GASB Statement No. 31 - *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the statement of revenues, expenses, and changes in net assets.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units.

The College has adopted an investment policy which enables it to prudently invest available funds in a manner which will yield the highest possible return with minimum risk, while conforming to all federal, state, and local statutes governing the investment of public funds.

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.

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

Federal Financial Assistance Programs – The College participates in the following federally funded financial assistance programs: Federal Pell Grants, Federal Supplemental Educational Opportunity Grants (FSEOG), Federal Work-Study Grants, and Federal Family Education Loan Programs (FFELP). Federal programs are audited in accordance with the Single Audit Act Amendments of 1996, the U.S. Office of Management and Budget Revised Circular A-133, *Audit of States, Local Governments and Non-Profit Organizations* and the OMB Circular A-133 Compliance Supplement.

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.

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 college in an amount no less than 25% of the operational expense in the base State Fiscal Year.

Deferred Revenue - Deferred revenue represent the tuition revenue that has been received before June 30, 2011 for classes that are scheduled in the summer and fall semesters of 2011. Deferred revenue represents cash, which has been received, but not yet earned.

Prepaid Expenses - Prepaid expenses represent payments made to vendors for services that will benefit periods beyond June 30, 2011.

Capital Assets – Capital assets include land, buildings, improvements, and infrastructure assets, such as roads and sidewalks. Assets acquired or constructed during the year are recorded at actual historical cost. The College defines capital assets as assets with an initial unit cost of \$2,500 or more and an estimated useful life in excess of five years. An exception to the \$2,500 threshold is made for improvements to buildings and site improvements which are capitalized at an initial cost of \$50,000. In addition, an exception to the \$2,500 threshold is made for the purchase of library books in bulk. Purchases of this nature are categorized as a composite group of assets and recorded as such. Donated capital assets are valued at their estimated fair market value on the date of donation. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized.

The property, plant and equipment of the College are depreciated using straight-line method over the useful lives of the assets, generally 50 years for buildings, 5 to 20 years for equipment, and 25 to 50 years for infrastructure. Assets purchased under capital lease are depreciated over the term of the lease as opposed to the useful life of the asset. Construction in progress is depreciated when the asset is placed into service.

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 Alternative Benefit Program. The College is economically dependent on these appropriations to carry out its operations.

Compensated Absences - Compensated absences are those absences for which employees will be paid for vacation and sick leave when used. A liability is accrued for compensated absences that are earned and unused in accordance with College policy at June 30th of each fiscal year. Eligible employees earn a right to vacation benefits and some sick leave benefits based on seniority.

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 years collection rates. It is the College policy to write off uncollectible accounts after one year of delinquency. The allowances for June 30, 2011 and 2010 were \$2,781,099 and \$3,686,894 respectively.

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

Use of Estimates – The preparation of the financial statements in conformity of 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.

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.

On-Behalf Payments for Pension Contributions – In fiscal year 1997, the College adopted the requirements of Governmental Accounting Standards Board (GASB) Statement No. 24 – *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*. GASB Statement No. 24 recommends that revenue and expenditures be recorded in the financial statements for the State of New Jersey Pension payments for Alternative Benefit Program (TIAA/CREF).

Income Taxes – The College is a political subdivision of the State of New Jersey and is excluded from Federal income taxes under Section 115 (1) of the Internal Revenue Code, as amended.

Classification of Revenues – The College has classified its revenues as either operating or non-operating revenues according to the following criteria:

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

Non-Operating Revenues – Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as non-operating revenues by GASB No. 9 – Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting and GASB Statement No. 35, such as state appropriations, county appropriations, investment income, and amounts paid by the State of New Jersey on behalf of the College for the employer contribution to the Alternative Benefit Program (ABP).

Net Assets – The College's net assets are classified as follows:

Invested in Capital Assets, Net of Related Debt – 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 invested in capital assets, net of related debt.

Restricted Net Assets – Expendable - Restricted expendable net assets include 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 Assets – Non-Expendable – Non-expendable restricted net assets consist of endowment and similar types of funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Net Assets (Cont'd)**

Unrestricted Net Assets – Unrestricted net assets 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.

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 assets. Scholarship discounts and allowance are the difference between the stated charge for goods and services provided by the College and the amount paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, state or nongovernmental programs are recorded as either operating or non-operating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship discount and allowance. The amount of scholarship discount and allowances for the fiscal years ending June 30, 2011 and 2010 were \$14,829,165 and \$12,838,120 respectively.

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 may not be recovered. Although the College does not have a formal policy regarding custodial credit risk, as described in Note 1, 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. As of June 30, 2011 and 2010 the College's bank balances were exposed to custodial credit risk as follows:

	<u>2011</u>	<u>2010</u>
Insured	\$ 250,000	\$ 250,000
Collateralized under GUDPA	<u>13,581,170</u>	<u>9,456,792</u>
	<u><u>\$13,831,170</u></u>	<u><u>\$ 9,706,792</u></u>

New Jersey Cash Management Fund - During the year, the College participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Fund's participants. Deposits with the New Jersey Cash Management Fund are not subject to categorization as defined above. At June 30, 2011 and 2010, the College had \$4,705,799 and \$4,696,375 invested in the Fund, respectively.

Note 3: **CAPITAL ASSETS**

A summary of changes in the various capital asset categories for the year ending June 30, 2011 is presented as follows:

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2011</u>
Non-Depreciable Capital Assets				
Land	\$ 3,855,327			\$ 3,855,327
Construction in Progress	25,950,218	\$ 4,504,311	\$ (24,398,334)	6,056,195
Bond Issuance Costs	168,557		(21,070)	147,487
Total Non-depreciable Capital Assets	29,974,102	4,504,311	(24,419,404)	10,059,009
Depreciable Capital Assets:				
Land Improvements	2,753,559		(177,461)	2,576,098
Buildings	79,229,411	24,656,728		103,886,139
Infrastructure	2,935,332	293,240		3,228,572
Equipment	9,341,349	959,649		10,300,998
Grouped Furniture	1,280,150	133,175		1,413,325
Vehicles	216,640	3,435		220,075
Assets Under Capital Lease	1,773,461			1,773,461
Capitalized Software	3,123,808			3,123,808
Library Books	2,943,760	9,450		2,953,210
Total Depreciable Capital Assets	103,597,469	26,055,677	(177,461)	129,475,685
Less Accumulated Depreciation For:				
Land Improvements	1,434,985	46,788		1,481,773
Buildings	23,410,039	1,946,489		25,356,528
Infrastructure	1,349,573	63,796		1,413,370
Equipment	6,652,018	573,800		7,225,818
Grouped Furniture	346,247	133,418		479,665
Vehicles	113,727	23,154		136,881
Assets Under Capital Lease	1,607,709	86,500		1,694,209
Capitalized Software	3,123,808			3,123,808
Library Books	2,898,930	12,961		2,911,891
Total Accumulated Depreciation	40,937,036	2,886,907	-	43,823,944
Depreciable Capital Assets	62,660,433	23,168,770	(177,461)	85,651,741
Total Capital Assets, Net	\$ 92,634,534	\$ 27,673,081	\$ (24,596,865)	\$ 95,710,750

Depreciation expense for the year ended June 30, 2011 was \$2,886,907.

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

A summary of changes in the various capital asset categories for the year ending June 30, 2010 is presented as follows:

	<u>Balance</u> <u>June 30, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2010</u>
Non-Depreciable Capital Assets				
Land	\$ 3,855,328			\$ 3,855,328
Construction in Progress	24,020,136	\$ 1,930,082		25,950,218
Bond Issuance Costs	189,626		\$ (21,070)	168,556
Total Non-depreciable Capital Assets	28,065,090	1,930,082	(21,070)	29,974,102
Depreciable Capital Assets:				
Land Improvements	2,576,098	177,461		2,753,559
Buildings	78,858,742	370,669		79,229,411
Infrastructure	2,935,332			2,935,332
Equipment	8,288,528	1,052,821		9,341,349
Grouped Furniture	1,192,883	87,267		1,280,150
Vehicles	188,014	28,626		216,640
Assets Under Capital Lease	1,780,711		(7,250)	1,773,461
Capitalized Software	3,123,808			3,123,808
Library Books	2,926,077	17,683		2,943,760
Total Depreciable Capital Assets	101,870,192	1,734,527	(7,250)	103,597,470
Less Accumulated Depreciation For:				
Land Improvements	1,392,342	42,643		1,434,985
Buildings	21,791,269	1,618,770		23,410,039
Infrastructure	1,291,680	57,893		1,349,573
Equipment	6,100,947	551,071		6,652,018
Grouped Furniture	223,223	123,024		346,247
Vehicles	83,774	29,953		113,727
Assets Under Capital Lease	1,521,209	86,500		1,607,709
Capitalized Software	3,123,808			3,123,808
Library Books	2,871,195	27,735		2,898,930
Total Accumulated Depreciation	38,399,447	2,537,590	-	40,937,037
Depreciable Capital Assets	63,470,745	(803,062)	(7,250)	62,660,433
Total Capital Assets, Net	\$ 91,535,835	\$ 1,127,020	\$ (28,320)	\$ 92,634,535

Depreciation expense for the year ended June 30, 2010 was \$2,537,590

Note 4: LEASES

Lease Obligations - At June 30, 2011 the College had operating lease agreements in effect for copiers and vehicles.

Operating Leases - Future minimum rental payments under operating lease agreements are as follows:

2011-12	\$ 135,597
2012-13	126,605
2013-14	126,605
2014-15	96,370

Rental payments under operating leases for the fiscal years ended June 30, 2011 and 2010 were \$45,134 and \$23,521 respectively.

Capital Leases Obligations – At June 30, 2011, the College had lease agreements in effect for the following:

- 1) Lease of energy management equipment to be used to reduce the College's energy requirements for heating, cooling, and operating buildings and other facilities.
- 2) Various Campus Capital Construction Improvements.

The following is a schedule of future minimum lease payments under these capital leases at June 30, 2011.

Energy Management Equipment

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 107,246	\$ 4,095	\$ 111,341

During the fiscal year ended June 30, 2011, the College paid \$102,009 and \$9,332 for principal and interest respectively.

Note 4: LEASES (CONT'D)**Capital Leases Obligations (Cont'd)****Various Campus Capital Construction Improvements**

Year Ending June 30,	Principal	Interest	Total
2012	\$ 529,500	\$ 601,195	\$ 1,130,695
2013	541,500	737,320	1,278,820
2014	559,500	717,059	1,276,559
2015	577,500	696,048	1,273,548
2016	598,500	673,985	1,272,485
2017-2021	3,278,574	2,971,579	6,250,153
2022-2026	3,747,000	2,162,631	5,909,631
2027-2031	1,507,500	1,354,140	2,861,640
2032-2036	1,545,000	820,627	2,365,627
2037-2041	1,545,000	273,542	1,818,542
	<u>\$ 14,429,574</u>	<u>\$ 11,008,126</u>	<u>\$ 25,437,700</u>

During the fiscal year ended June 30, 2011, the College paid \$339,900 and \$302,890 for principal and interest respectively.

Note 5: REIMBURSEMENT AGREEMENT/LEASE PURCHASE AGREEMENT

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

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

For the fiscal year ending June 30, 2011, the County of Camden made basic lease payments in the amount of \$571,213, 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, 2011. 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.

Note 6: LONG-TERM LIABILITIES

The following is a summary of long-term liabilities at June 30, 2011:

<u>Analysis of Long Long-Term Liabilities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated Absences	\$ 2,930,403	\$ 8,591		\$ 2,938,994	\$ 321,577
Capital Leases	209,255	14,429,573	\$ (102,009)	14,536,819	636,747
Mortgage Payable	6,383,500			6,383,500	448,973
Premium on Bonds	35,891		(4,486)	31,405	4,486
	<u>\$ 9,559,049</u>	<u>\$ 14,438,164</u>	<u>\$ (106,495)</u>	<u>\$ 23,890,718</u>	<u>\$ 1,411,783</u>

The following is a summary of long-term liabilities at June 30, 2010:

<u>Analysis of Long Long-Term Liabilities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated Absences	\$ 2,832,284	\$ 98,119		\$ 2,930,403	\$ 338,452
Capital Leases	328,119		\$ (118,864)	209,255	102,009
Mortgage Payable	6,383,500			6,383,500	431,525
Premium on Bonds	40,378		(4,487)	35,891	4,486
	<u>\$ 9,584,281</u>	<u>\$ 98,119</u>	<u>\$ (123,351)</u>	<u>\$ 9,559,049</u>	<u>\$ 876,472</u>

Note 7: PENSION PLANS

Substantially all of the College's employees participate in one of the two following defined benefit pension plans or defined contribution pension plan: (1) the Public Employees' Retirement System or (2) the New Jersey Alternative Benefit Program, both of which are administered and/or regulated by the New Jersey Division of Pensions. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

Note 7: PENSION PLANS (CONT'D)

Public Employees' Retirement System - The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The College is billed annually for its normal contribution plus any accrued liability.

Public Employees Retirement System

<u>Year Ended</u> <u>June 30,</u>	<u>Normal</u> <u>Contribution</u>	<u>Accrued</u> <u>Liability</u>	<u>Total</u> <u>Liability</u>	<u>Funded by</u> <u>State</u>	<u>Group Life</u>	<u>Paid</u> <u>by College</u>
2011	\$ 645,421	\$ 1,028,436	\$ 1,673,857		\$ 127,128	\$ 1,800,985
2010	560,136	719,709	1,279,845		177,485	1,457,330
2009	503,426	582,276	1,085,702		134,955	1,220,657
2008	673,254	518,838	1,192,092	\$ (238,418)	953,674	953,673
2007	594,919	308,930	903,849	361,540	1,265,389	542,309

New Jersey Alternative Benefit Program - The New Jersey Alternative Benefit Program (ABP) is a defined contribution pension plan, which was established pursuant to P.L.1969, c. 242 (N.J.S.A. 18A:66-167 et seq.) The ABP provides retirement, death and disability, and medical benefits to qualified members.

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

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

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

Note 7: PENSION PLANS (CONT'D)

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

Teacher's Insurance and Annuity Association (TIAA/CREF)
ING Life Insurance and Annuity Company
Equitable Life
The Variable Annuity Life Insurance Company (VALIC)
The Hartford Group
Citistreet – Travelers Educators Retirement Services

Camden County College contributions for ABP participants were as follows:

Year ended		
<u>June 30,</u>		
2011	\$	439,279
2010		429,160
2009		281,019

Employee contributions to the Alternative Benefit Program in Fiscal Year 2011 and 2010 were \$927,821 and \$885,119, respectively.

Note 8: POSTEMPLOYMENT BENEFITS

P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees eligible for postemployment medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retire from a board of education or county college with 25 years of service. The State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in fiscal year 2010.

Note 9: RISK MANAGEMENT

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

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

Joint Insurance Pool - The Camden County College is a member of the New Jersey County College Insurance Pool for the purpose of obtaining workers' compensation insurance coverage. Contributions to the Fund are payable in an annual premium and are based on actuarial assumptions determined by the Fund's actuary. Contributions to the pool for the Fiscal Years Ending June 30, 2011 and 2010 were \$280,279 and \$245,267 respectively.

Note 10: COMPENSATED ABSENCES

Compensated Absences - Accrued vacation and sick leave represents Camden County College's liability for the cost of unused employee vacation and sick time payable in the event of employee termination. College employees are granted vacation and sick time in varying amounts under the college personnel policies and negotiated agreements. In the event of retirement or termination, an employee is reimbursed for unused vacation and vested sick time at various amounts.

At June 30, 2011 and 2010 the Compensated Absences Liability was \$2,938,994 and \$2,930,403 respectively.

Note 11: DEFERRED COMPENSATION SALARY ACCOUNT

The College offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Service Code 457. The Plan, available to full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the College or its creditors.

Note 12: 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, 2011, the amount reserved was \$306,008. In addition, Rowan University has also reserved a portion of its fund balance in the amount of \$210,000. Also at June 30, 2011 the College reserved fund balance in its Plant Fund for the Camden Technology Center in the amount of \$327,335 and facilities reserve in the amount of \$1,305,916.

Note 13: AUXILIARY OPERATIONS - BOOKSTORE

The College has an agreement with Barnes and Noble, Inc., a private contractor for the operation of the official *Campus Store* (Bookstore) at the Blackwood Campus and Rohrer Center for a period of five years commencing August, 2001. In addition, the College has entered into an agreement with Follett Higher Education Group 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 October, 2003.

Net commissions paid to the College for the fiscal year ended June 30, 2011 and 2010 were \$1,017,826 and \$657,518 respectively.

Note 14: NET ASSETS

The following is a summary of the Reserved and Unreserved Net Asset balances of the College for the fiscal years ended June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Invested in Capital Assets:		
Gross	\$ 95,710,750	\$ 92,634,534
Related Debt	<u>(22,525,192)</u>	<u>(7,876,314)</u>
	<u>\$ 73,185,558</u>	<u>\$ 84,758,220</u>
Restricted for Expendable Net Assets:		
Stabilization	\$ 262,942	
Appropriated for Operations	3,180,000	\$ 1,742,607
Renewal and Replacement		
Reserve (JEC Bond Act)	2,291,555	1,742,635
Federal and State Grants	<u>78,583</u>	<u>97,947</u>
	<u>\$ 5,813,080</u>	<u>\$ 3,583,189</u>
Unrestricted Net Assets	<u>\$ 8,300,398</u>	<u>\$ 6,333,229</u>
Designation of Unrestricted Net Assets:		
Student Government and		
Intercollegiate Athletics	\$ 102,023	\$ 98,534
Undesignated	<u>8,198,375</u>	<u>6,234,695</u>
	<u>\$ 8,300,398</u>	<u>\$ 6,333,229</u>

Note 15: CONTINGENCIES

The College receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended during the fiscal year ended June 30, 2011 were subject to Federal OMB Circular A-133 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the College's annual audit. In addition to the aforementioned annual audit, all grants and cost reimbursements are subject to financial and compliance audits by the State and Federal grantor agencies. The College management does not believe such an audit would result in material amounts of disallowed costs.

Note 16: LEGAL, GOVERNMENTAL, AND PUBLIC RELATIONS EXPENSES

Legal expenses incurred by the College for the fiscal years ended June 30, 2011 and 2010 were \$313,233 and \$249,448 respectively. The College had no expenses relating to lobbying activities.

Note 17: ACCOUNTS RECEIVABLE

Accounts receivable consists of the following at the end of fiscal years ending June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Student tuition and fees	\$ 3,428,765	\$ 4,472,525
Auxiliary enterprises and other operating activities	1,875,800	1,538,119
Federal, state, county and private grants and contracts	<u>8,628,031</u>	<u>8,085,468</u>
	13,932,596	14,096,112
Less: allowance for doubtful accounts	<u>2,781,099</u>	<u>3,686,894</u>
Net accounts receivable	<u>\$ 11,151,497</u>	<u>\$ 10,409,218</u>

Note 18: TUITION STABILIZATION RESERVE

Beginning the fiscal year ended June 30, 1999, the Board of Trustees reserved a portion of the College's fund balance for the purpose of compensating for fluctuations in funding from the County of Camden and the resulting impact on tuition. These fluctuations in county funding are caused by differences in the College's fiscal year budget and the County's calendar year budget. Because the College and the County operate on a different overlapping twelve-month basis, fluctuations in funding are magnified. When the County makes a substantial increase or reduction from one calendar year to another, a cyclical fluctuation is triggered on the College's fiscal year budget.

At June 30, 2011 the College had reserved \$262,942 of its Unrestricted Fund Balance to support the College's budget for the fiscal year ending June 30, 2012.

Note 19: 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.

SINGLE AUDIT SECTION

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2011**

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND
STATE OF NEW JERSEY CIRCULAR 04-04-OMB**

The Honorable Chairman and
Members of the Board of Trustees
Camden County College
Blackwood, New Jersey 08012

Compliance

We have audited Camden County College's (the College) compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on each of the College's major federal and state programs for the fiscal year ended June 30, 2011. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the College's management. Our responsibility is to express an opinion on the College's compliance based on our audit.

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; audit requirements as prescribed by the Department of Treasury, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133, and State of New Jersey Circular 04-04-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about 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. Our audit does not provide a legal determination on the College's compliance with those requirements.

In our opinion, Camden County College complied, in all material respects, with the 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, 2011. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133, which is described in the accompanying Schedule of Findings and Questioned Costs as finding number 2011-1.

Internal Control Over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the College's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey Circular 04-04-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

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

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying Schedule of Findings and Questioned Costs as finding number 2011-1. 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.

The College's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the College's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of the board of trustees and management of the College, the Department of Treasury, State of New Jersey and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
December 16, 2011

CAMDEN COUNTY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDING JUNE 30, 2011

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Program or Award Amount</u>	<u>FY 2011 Expenditures</u>
U.S. Department of Education:				
Student Financial Aid Cluster (Direct Funding):				
Federal Supplemental Educational Opportunity Grants	84.007	P007A102540	\$ 428,911	\$ 428,911
Federal Direct Student Loans	86.268	P268K112865	11,603,414	11,405,284
Federal Pell Grant Program	84.063	P063P102865	23,640,279	22,790,870
Academic Competitiveness Grant	84.375	P375A105865	52,895	52,895
Federal Work-Study Program	84.033	P033A102540	389,087	344,475
Total Student Financial Aid Cluster				<u>35,022,435</u>
TRIO Cluster (Direct Funding):				
Upward Bound	84.047	P047A070532-09	450,792	134,114
Upward Bound	84.047	P047A070532-09	450,792	306,985
Upward Bound Food	84.047	5120-100-034	5,799	5,799
Student Support Services	84.042	P042A060991	278,507	95,281
Total TRIO Cluster				<u>542,179</u>
Passed Through State of New Jersey Department of Education:				
Vocational Education - Perkins	84.048	PSFS712011	1,196,583	1,194,050
CTE Partnership Grant	84.xxx	10-AG81-H06	175,000	119,680
Tech Prep	84.243	subcontract	93,764	19,758
Passed Through State Department of Labor and Workforce Development:				
Adult Education and Family Literacy:				
Adult Basic Skills	84.002	ABS-FY11004	672,354	925,758
English Literacy and Civics	84.002	ABS-FY11004	250,420	242,388
				<u>1,168,146</u>
Passed Through Camden County Vocational Technical School:				
21st Century-CCVT	84.287	subcontract	109,500	96,632
Passed Through American Library Association				
Ben Franklin - In Search of a Better World	84.xxx	subcontract	1,000	800
Passed Through Gloucester City School District				
21st Century - Gloucester City	84.287	subcontract	59,000	32,120
				<u>129,552</u>
Passed Through Bergen Community College				
Garden State Pathways	84.407	P407A100024	187,709	63,759
U.S. Department of Health and Human Services:				
Passed Through Tidewater Community College				
Tidewater Consortia Year 1	93.721	90CC0080/01	306,609	217,014
Tidewater Consortia Year 2	93.721	90CC0080/02	447,037	49,682
				<u>266,696</u>
National Science Foundation (Direct Funding):				
NSF-OP-TEC	47.076	DUE-0603275	90,000	79,287
NSF-OP-TEC	47.076	DUE-0603275	94,136	24,976
NSF-ALICE	47.076	DUE-0903271	71,054	17,073
NSF-ALICE	47.076	DUE-0903271	51,687	33,434
SYSTEM ON CHIP	47.076	DUE-0633512	35,346	1,159
NSF-STEM	47.076	DUE-0631050	118,441	40,360
NSF-STEM	47.076	DUE-0631050	117,841	473
				<u>196,762</u>
Total Federal Financial Assistance				<u>\$ 38,723,017</u>

See accompanying notes to financial statements and notes to schedules of expenditures of Federal Awards and State Financial Assistance.

CAMDEN COUNTY COLLEGE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

<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>FY 2011 Expenditures</u>	<u>Cumulative Expenditures</u>
					<u>From</u>	<u>To</u>		
N.J. Department of Treasury - Office of Student Assistance:								
Student Financial Aid Cluster:								
Educational Opportunities Fund - Article III								
EOF - Summer	100-074-2401-001	\$ 194,127		\$ 194,127	07/01/10	06/30/11	\$ 194,127	\$ 194,127
New Jersey Stars Program	100-074-2401-001	53,036		51,841	07/01/10	06/30/11	51,841	51,841
Tuition Aid Grants	100-074-2405-313	775,174		756,678	07/01/10	06/30/11	775,174	775,174
Garden State Distinguished Scholarship	100-074-2405-007	3,481,799		3,458,908	07/01/10	06/30/11	3,481,174	3,481,174
NJ Gear Up Scholarship	100-074-2405-278	21,390		21,390	07/01/10	06/30/11	21,390	21,390
NJ Class Loans	100-074-2400-026	55,851		55,851	07/01/10	06/30/11	55,851	55,851
	Unknown	135,184		138,647	07/01/10	06/30/11	133,842	133,842
Total Student Financial Aid Programs							4,713,399	4,713,399
Educational Opportunities Fund - Article IV	100-074-2401-002	\$ 217,343	\$ 232,388	217,343	07/01/10	06/30/11	449,731	449,731
N.J. Department of Education:								
CTE Partnership	10-AG81-H06	140,000		5,914	02/01/10	08/31/11	79,388	79,388
N.J. Department of Treasury:								
Operational Costs - County Colleges	100-082-2155-015	10,540,430		10,540,430	07/01/10	06/30/11	10,540,430	10,540,430
P.L.1971, Chapter 12 Debt Service	100-082-2155-016	1,340,640		-	07/01/10	06/30/11	1,340,640	1,340,640
Employer Contributions - Alternative Benefit Program:	100-082-2155-017	927,821		927,821	07/01/10	06/30/11	927,821	927,821
College Bound	10YR3-800930-0055	13,997		13,997	07/01/10	06/30/11	13,997	13,997
							12,822,888	12,822,888
New Jersey Council for the Humanities:								
Cleopatra's World	2010-12	5,250	12,545	5,250	08/01/10	03/31/11	17,795	17,795
Total State Financial Assistance							\$ 18,083,200	\$ 18,083,200

See accompanying notes to financial statements and notes to schedules of expenditures of Federal Awards and State Financial Assistance.

CAMDEN COUNTY COLLEGENotes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2011

Note 1: **GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of Camden County College. The College is defined in Note 1 to the College's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

Note 2: **BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the accrual basis of accounting. The accrual basis of accounting is described in Note 1 to the financial statements.

Note 3: **RELATIONSHIP TO FINANCIAL STATEMENTS**

Amounts reported in the accompanying schedules agree with amounts reported in the financial statements.

Note 4: **STUDENT LOAN PROGRAMS**

The College is responsible only for the performance of certain administrative duties with respect to Federal Direct Student Loans, 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 this program as of June 30, 2011.

Note 5: **MAJOR PROGRAMS**

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

Note 6: **OTHER**

In November of 2010, the United States Department of Education conducted a program review of the College's Federal Student Aid Programs. The Department of Education has not released a program review report as of the date of this audit report.

CAMDEN COUNTY COLLEGE
Schedule of Findings and Questioned Costs
For the Fiscal Year Ending June 30, 2011

Section 1- Summary of Auditor's Result:

Financial Statements

Type of auditor's report issued Unqualified

Internal control over financial reporting:

Material weaknesses identified? yes X no

Were significant deficiencies identified that were not considered to be a material weakness? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over compliance:

Material weaknesses identified? yes X no

Were significant deficiencies identified that were not considered to be material weaknesses? X yes none reported

Type of auditor's report on compliance for major programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a))? X yes no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>84.007</u>	Student Financial Aid Cluster: <u>Federal Suppl. Educational Opportunity Grant (FSEOG)</u>
<u>84.268</u>	<u>Federal Direct Student Loans (Direct Loan)</u>
<u>84.063</u>	<u>Federal Pell Grant Program (PELL)</u>
<u>84.375</u>	<u>Academic Competitiveness Grant (ACG)</u>
<u>84.033</u>	<u>Federal Work Study Program (FWS)</u>
<u> </u>	<u>Pass Through New Jersey Department of Education:</u>
<u>84.048</u>	<u>Vocational Education - Perkins Grant</u>
<u> </u>	<u>Pass Through New Jersey Department of Labor and Workforce Development:</u>
<u>84.002</u>	<u>Adult Education and Family Literacy Grants</u>

Dollar threshold used to determine Type A programs \$1,161,691

Auditee qualified as low-risk auditee? X yes no

CAMDEN COUNTY COLLEGE
Schedule of Findings and Questioned Costs
For the Fiscal Year Ending June 30, 2011

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

State Financial Assistance

Internal control over compliance:

Material weaknesses identified? _____ yes X no

Were significant deficiencies identified that were considered to be material weaknesses? _____ yes X none reported

Type of auditor's report on compliance for major programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a)) or New Jersey Circular 04-04-OMB? _____ yes X no

Identification of major programs:

<u>GMIS Numbers</u>	<u>Name of State Program</u>
<u>100-074-2401-001</u>	Student Financial Aid Cluster: <u>Educational Opportunity Fund (EOF) - Article III</u>
<u>100-074-2405-313</u>	<u>New Jersey Stars Program</u>
<u>100-074-2405-007</u>	<u>Tuition Aid Grant (TAG)</u>
<u>100-074-2405-278</u>	<u>Garden State Distinguish Scholarship</u>
<u>100-074-2400-026</u>	<u>New Jersey Gear Up</u>
<u>Unknown</u>	<u>New Jersey Class Loans</u>
<u>100-082-2155-015</u>	<u>Operational Costs - County Colleges</u>
<u>100-082-2155-016</u>	<u>P.L. 1970, Chapter 12 Debt Service</u>
<u>100-082-2155-017</u>	<u>Employer Contributions - Alternative Benefit Program</u>

Dollar threshold used to determine Type A programs \$542,496

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, 2011

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Department of Treasury, State of New Jersey.

No Current Year Findings

CAMDEN COUNTY COLLEGE
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by OMB Circular A-133.

Finding No. 2011-1

Information on the Federal Program

Federal PELL Grant Program – CFDA 84.063

Criteria or Specific Requirement

20010-11 FSA Handbook – Volume 3 – Calculating Awards & Packaging, Chapter 3 – Calculating Pell Grant Awards, Changes in Enrollment Status within a Term

Condition

One student sampled who was awarded a Pell Grant, changed enrollment status during the fall term from half-time to less than half-time and did not have their Pell Grant award adjusted.

Questioned Costs

\$694 known questioned cost and \$66,844 projected questioned cost.

Context

In our initial sample of 40 students receiving student financial aid, we noted one exception where a student registered in the fall 2010 semester for (1) 4 credit 15 week course and (1) 3 credit compressed term course, for a total of 7 credits, making them available for a half-time Pell Grant award. Shortly after the start of the 15 week course, but prior to the start of the compressed term course, the College awarded and disbursed to this student their entire Pell Grant of \$1,388. Prior to the start of their compressed term course, the student dropped the course and never begun attendance. This constituted a change in the student's enrollment status from half-time (7 credits) to less than half-time (4 credits); however, the College did not adjust the student's award and reduce the Pell Grant from \$1,388 to \$694.

The auditor expanded testing over the award of Pell Grants by an additional 31 students, for a total of 71 students, and did not note any additional exceptions with regards to awarding Pell Grants.

The College disbursed a total of \$22,790,870 in Pell Grant awards during the fiscal year 2011.

Effect

Non-compliance with the requirements of change in enrollment status within a term.

Cause

Oversight of the College to identify the students change in enrollment status.

Recommendation

That the College establish procedures to identify all students who have compressed course terms, along with traditional course terms, and have changes in their enrollment status within those terms.

View of Responsible Officials and Planned Corrective Action

The responsible officials accept the recommendation and will address the matter as part of their corrective action plan and immediate corrective action will be implemented.

CAMDEN COUNTY COLLEGE
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

No Current Year Findings

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

This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with Government Auditing Standards, OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

FINANCIAL STATEMENT FINDINGS

No Prior Year Findings

FEDERAL AWARDS

No Prior Year Findings

STATE FINANCIAL ASSISTANCE PROGRAMS

No Prior Year Findings

APPRECIATION

We received the complete cooperation of all of the officials of Camden County College and we greatly appreciate the courtesies extended to us.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

