

Middle States Accreditation-Relevant Federal Regulations

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This document is focused on the Commission's verification of institutional compliance in four areas:

1. Student identity verification in distance and correspondence education The Commission must verify that institutions have effective procedures in place to ensure that the students who register in a distance or correspondence education course are the same students who participate in and complete the course, and receive the academic credit (34 CFR 602.17(g)).

[Distance Education Student Identity Verification](#)
[Best Practices Academic Integrity in Online Education](#)
[Acceptable Use of Technology](#)
[Student Code of Conduct](#)

2. Transfer of credit

In accordance with 34 CFR 602.24(e), the Commission must confirm that an “institution has transfer of credit policies that: (1) Are publicly disclosed in accordance with section 668.43(a)(11); and (2) include a statement of criteria established by the institution regarding the transfer of credit earned at another institution of higher education.” Section 668.43(a)(11) states:

- (a) Institutional information that the institution must make readily available to enrolled and prospective students under this subpart includes, but is not limited to—
 - (1) A description of the transfer of credit policies established by the institution which must include a statement of the institution’s current transfer of credit policies that includes, at a minimum—
 - (i) Any established criteria the institution uses regarding the transfer of credit earned at another institution; and
 - (ii) A list of institutions with which the institution has established an articulation agreement.

[Camden County College Transfer of Credit](#)

3. Title IV Cohort default rate

In accordance with 34 CFR 602.16(a)(1)(x), the Commission must verify that the institution's three-year cohort default rate is within the federal limit.

[Financial Aid Default Rates](#)

Audit Reports

[FY2012](#)

[FY2011](#)

[FY2010](#)

4. Assignment of credit hours

In accordance with 34 CFR 602.24(f), the Commission "must conduct an effective review and evaluation of the reliability and accuracy of the institution's assignment of credit hours." The Commission must review the institution's policies and procedures for determining the credit hours awarded as well as the application of the institution's policies and procedures to its programs and coursework. The Commission must make a "reasonable determination of whether the institution's assignment of credit hours conforms to commonly accepted practice in higher education."

[Verification of Compliance with Credit Hour](#)

[Verification of Distance Learning Credit Hour](#)

Verification of Compliance with Accreditation-Relevant Federal Regulations

Initial Implementation for Spring 2013



Middle States Commission on Higher Education

Verification of Compliance with Accreditation-Relevant Federal Regulations

Initial Implementation for Spring 2013



Middle States Commission on Higher Education

Published by the
Middle States Commission on Higher Education
3624 Market Street
Philadelphia, PA 19104

Telephone: 267-284-5000
Fax: 215-662-5501
www.msche.org

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Verification of Compliance with Accreditation-Relevant Federal Regulations

Initial Implementation for Spring 2013

The Middle States Commission on Higher Education, as a federally recognized accreditor, is obligated to ensure that its candidate and member institutions comply with accreditation-relevant federal regulations (see 34 CFR §600.2, §602.16, §602.17, and §602.24; HEOA 2008). This document is focused on the Commission's verification of institutional compliance in four areas:

1. Student identity verification in distance and correspondence education
2. Transfer of credit
3. Title IV cohort default rate
4. Assignment of credit hours

If any of these regulations do not apply to an institution, please indicate that fact in an explicit statement in the compliance documentation. Otherwise, all accredited and candidate institutions should respond with regard to each of the areas.

These areas may also be reviewed as part of the self-study or periodic review process, especially as they relate to the MSCHE Standards.

Please note that as additional guidance is received from the U.S. Department of Education, these guidelines may be modified.

Distance or Correspondence Education

The Commission must verify that institutions have effective procedures in place to ensure that the students who register in a distance or correspondence education course are the same students who participate in and complete the course, and receive the academic credit (34 CFR 602.17(g)).

Institutions provide the following documentation:

- 1 Written description of the method(s) used to ensure student identity verification in distance or correspondence education courses.
- 2 Written procedure regarding the protection of student privacy in the implementation of such methods.
- 3 Written procedure for notifying students about projected additional charges associated with such verification.
- 4 Written procedure indicating the office(s) responsible for the consistent application of student identity verification procedures.

Peer reviewers assigned to this verification should consider the following questions:

- 1 What methods are used by the institution to verify the student's identity? Are these methods adequate and effective?
- 2 What is the procedure for protecting the privacy of students enrolled in distance or correspondence education courses? Is the procedure adequate and effective?
- 3 What is the procedure for notifying students regarding additional charges associated with identity verification? Does the institution notify students at the time of registration or enrollment of any projected additional student charges associated with the verification of student identity, such as a separate fee charged by a proctoring service?
- 4 What office(s) is/are responsible for ensuring that the provisions for ensuring student identity verification are consistently applied?

Transfer of Credit

In accordance with 34 CFR 602.24(e), the Commission must confirm that an “institution has transfer of credit policies that: (1) Are publicly disclosed in accordance with section 668.43(a)(11); and (2) include a statement of criteria established by the institution regarding the transfer of credit earned at another institution of higher education.”

Section 668.43(a)(11) states:

- (a) Institutional information that the institution must make readily available to enrolled and prospective students under this subpart includes, but is not limited to—
(11) A description of the transfer of credit policies established by the institution which must include a statement of the institution’s current transfer of credit policies that includes, at a minimum—
(i) Any established criteria the institution uses regarding the transfer of credit earned at another institution; and
(ii) A list of institutions with which the institution has established an articulation agreement.

Institutions provide the following documentation:

- 1 Written policies and procedures for making decisions about the transfer of credits earned at other institutions, including all modes of delivery.
- 2 Public disclosure of the policy for transfer of credit (i.e., on the institution’s website and in other relevant publications).
- 3 Procedures that indicate the office(s) responsible for the final determination of the acceptance or denial of transfer credit.
- 4 A published and accessible list of institutions with which the institution has established an articulation agreement.

Peer reviewers assigned to this verification should consider the following questions:

- 1 Are the policies and procedures for making decisions about the transfer of credits earned at other institutions formally documented? Do the policies and procedures include all modes of delivery?
- 2 Is the policy for transfer of credit readily available on the institution's website or in other relevant publications?
- 3 Does the policy include a statement of criteria established by the institution regarding the transfer of credit earned at another institution of higher education?
- 4 Does the institution publish a readily accessible list of institutions with which the institution has established an articulation agreement?

Title IV Cohort Default Rate

In accordance with 34 CFR 602.16(a)(1)(x), the Commission must verify that the institution's three-year cohort default rate is within the federal limit.

Institutions provide the following documentation:

- 1 Formal documentation from the U.S. Department of Education regarding the institution's cohort default rate for the past three years.
- 2 External audits of federal programs (A-133) for the past three years.
- 3 Relevant correspondence from U.S. Department of Education, and institutional responses, if appropriate.
- 4 Reports on compliance from U.S. Department of Education in regard to the cohort default rate.

Peer reviewers assigned to this verification should consider the following questions:

- 1 What is the institution's cohort default rate? Is this rate within the federal limit?
- 2 Do the independent audits of the institution's financial aid programs (A-133) document any significant non-compliance issues?
- 3 Are there any significant impending litigation issues with respect to financial aid activities, in regard to the cohort default rate?

Credit Hour

In accordance with 34 CFR 602.24(f), the Commission "must conduct an effective review and evaluation of the reliability and accuracy of the institution's assignment of credit hours." The Commission must review the institution's policies and procedures for determining the credit hours awarded as well as the application of the institution's policies and procedures to its programs and coursework. The Commission must make a "reasonable determination of whether the institution's assignment of credit hours conforms to commonly accepted practice in higher education."

Institutions provide the following documentation:

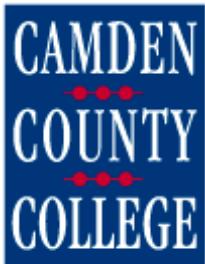
- 1 Written policies and procedures for credit hour assignment covering all types of courses, disciplines, programs, degree levels, formats, and modalities of instruction.
- 2 Evidence that the institution's credit hour policies and procedures are applied consistently across the full range of institutional offerings. Please note that if the state in which the institution is licensed has credit hour regulations that are consistent with the federal credit hour definition, documentation of compliance with those state regulations may be sufficient evidence of compliance with the federal requirements. Other evidence could include: documentation from recent academic program reviews, new course or program approvals; documentation for registration and catalog software or systems; calendars, schedules, and course matrices; course syllabi; documentation of adherence to credit hour requirements, consistent with federal regulations, from a system, or disciplinary organization; etc.
- 3 A description and evidence of the processes used by the institution to review periodically the application of its policies and procedures for credit hour assignment.
- 4 A list of the courses and programs that do not adhere to the federal definition of "credit hour" or its equivalent as specified in the MSCHE Credit Hour Policy (for example, online or hybrid, laboratory, studio, clinical, internship, independent study, and accelerated format) and evidence that such variations in credit hour assignment conform to commonly accepted practice in higher education.

Peer reviewers assigned to this verification should consider the following questions:

- 1 Are the institution's policies and procedures reasonable when compared with the federal definition and the MSCHE Credit Hour policy? Is there evidence that the institution's assignment of credit hours falls within the range of commonly accepted practice in higher education?
- 2 Do the institution's policies and procedures for assigning credit hours – which may be written at the level of the institution, department, or school and which may be differentiated by degree level and/or delivery format – address all types of courses and programs offered by the institution?
- 3 Do the institution's policies and procedures address the amount of instructional and out-of-classroom time that is typically expected of students with regard to the number of credit hours earned?
- 4 For institutions with courses and programs that do not adhere to the federal definition of "credit hour" (e.g., alternative instructional formats, more or less instructional or out-of-classroom time than would typically be expected), how do the institution's policies and procedures equate credit hour assignment with intended learning outcomes that the typical student could reasonably achieve in the timeframe allotted?
- 5 Is there sufficient evidence that the institution applies and monitors its own policies and procedures, and that credit hour assignments are accurate and reliable across the full range of institutional offerings?



Middle States Commission on Higher Education
www.msche.org



Guidelines for Student Identity Verification in Distance Education

Ensuring Student Identity Verification

Camden County College students registered for online courses have a secure user ID and password assigned to them by the College using a FERPA compliant procedure. Students have the opportunity to change their password at any time and are encouraged to do so periodically. Access to online courses is controlled by the use of secure User ID and Password.

The privacy of students who enroll in online courses at Camden County College is protected under the College's policies regarding student privacy, confidentiality, fraud, FERPA rules, and the Social Security Privacy Act of 1974 (P.L. 93-579). These policies are published in the Student Handbook and on the College's website at:

<http://www.camdencc.edu/financialaid/policiesandprocedures.cfm>

All credit-bearing courses and programs offered through distance learning methods at Camden County College verify that a student who registers for a distance education course or program is the same student who participates in and completes the course or program and receives academic credit through the use of a secure login and password and the utilization of proctored examinations in the College's Testing Center or at an approved secure remote testing location.

Students are responsible for providing complete and true information in any identity verification process, in accordance with the "*Student Code of Conduct*" as outlined in the *Student Handbook* and administered by the Dean of Students or his/her designee.

Protection of Student Privacy

All methods of verifying student identity in distance learning protect the privacy of student information. The privacy of students who enroll in online courses at Camden County College is protected under the College's policies regarding student privacy, confidentiality, fraud, FERPA rules, and the Social Security Privacy Act of 1974 (P.L. 93-579). These policies are published in the Student Handbook and on the College's website at: <http://www.camdencc.edu/financialaid/policiesandprocedures.cfm>

All users of the College's online learning management systems are responsible for maintaining the security of usernames and passwords. Access credentials may not be shared or given to anyone other than the user to whom they were assigned for any reason. Users are responsible for any and all uses of their online account. Users are held responsible for knowledge of the information contained within the most recent Student Handbook, including the section on Acceptable Use of Technology. Failure to read College guidelines, requirements and regulations will not exempt users from responsibility.

Charges Associated with Student Identity Verification

Camden County College does not charge a fee for student identity verification. Students would be notified of additional fees, if any, prior to and during the registration process through various publications i.e., the *Schedule of Classes* and the *College Catalog*, and on the College website.

Unit Responsible

The Office of Academic Affairs is responsible for the consistent application of student identity verification procedures. The Office of Academic Affairs is responsible for ensuring College-wide compliance with the provisions of this practice and that deans and directors are informed of any changes in a timely fashion. Academic deans are expected to ensure that faculty within their Divisions remain in compliance. Instructors teaching courses through distance education methods are responsible to ensure that their individual courses comply. If necessary, the Vice President of Academic Affairs may address non-compliance through performance reviews or other measures as appropriate.

Related Procedures:

- Student Issued ID's (See APPENDIX I)
- Remote Test Proctoring Guidelines (See APPENDIX II)

Related College Policies:

- Acceptable Use of Technology Guidelines
- Student Code of Conduct – Student Handbook

Additional Resources:

"Best Practice Strategies to Promote Academic Integrity in Online Education" by WCET, UT TeleCampus, and Instructional Technology Council. 2009.

APPENDIX I

STUDENT ISSUED ID NUMBERS

Upon enrollment each student at Camden County College is assigned a permanent ID number that is used to identify him/her for all internal College processes and for access to Web services.

Access to and use of Camden County College's information technologies by users is an affirmation that they accept the terms of Camden County College's Acceptable Use of Information Technology Policies.

These policies are posted in all College computer public access facilities, in the Student Handbook and on the College's website at:

<http://www.camdencc.edu/studentservices/loader.cfm?csModule=security/getfile&PageID=14141>

Users granted access to College information technologies shall adhere to the following rules regarding Access to Resources/Authorized Use/Security:

- Student User Accounts are granted to support the instructional process, facilitate communications in academic endeavors and promote information sharing on projects and class assignments.
- Students are responsible for their own data and accounts. Students must not allow any person to use their passwords or to share their accounts. It is the student's responsibility to protect their account from unauthorized use by changing passwords periodically and using passwords that are not easily guessed. The College is not responsible for lost data or work.

APPENDIX II

REMOTE TESTING PROCTORING GUIDELINES

The College's Testing Center provides proctoring services for online distance learning courses if so required by the instructor. Student must provide the following in the Test Center:

- 1) Must present a current/valid photo ID card (School ID, Drivers License, Passport, etc.)
- 2) Must know instructor's last name and course title.
- 3) Must bring pens and #2 pencils with erasers.
- 4) Must bring other authorized materials as listed on exam by instructor.

At all times academic integrity and appropriate conduct is enforced as outlined in the *Camden County College Student Handbook*.

For online students who require exams to be administered remotely due to their geographic location, the process is as follows:

- 1) The student is provided with a Proctor Candidate Request Form which must be completed by a proctor (remote testing site) within the first 10 days of class.
- 2) Once the form is returned to the Testing Center, an email correspondence begins between the proctor (testing center) and the CCC Testing Center in which the following information is required:
 - a. Is the student related to you, or an employee of your organization?
 - b. Where will the exam be stored?
 - c. Where will the exam be administered?
 - d. Will you or your staff remain with the student for the duration of testing?
- 3) Once the Testing Center has confirmed this information and approved the proctor (testing center), test materials are sent via USPS to the remote site.
- 4) The proctor (testing center) is asked to return the exam via fax or email, and then return originals via USPS.

The College requires that proctors be from an education setting, generally a college educator or staff member. The mailing address has to be their business address, exams are never sent to a proctor's residence. The proctor is required to have an .edu or .org E-mail address.

Best Practice Strategies to Promote Academic Integrity in Online Education

Version 2.0, June 2009

This list of best practice strategies is based on "Institutional Policies/Practices and Course Design Strategies to Promote Academic Integrity in Online Education," produced by WCET in February 2009 and updated in April 2009. In May 2009, the Instructional Technology Council (ITC) surveyed its membership to invite feedback and additional strategies to enhance the WCET work. This June 2009 document reflects the combined contributions of WCET, the UT TeleCampus of the University of Texas System, and ITC. This work is licensed under a Creative Commons Attribution-Noncommercial-Share Alike 3.0 United States license.

INSTITUTIONAL CONTEXT AND COMMITMENT

1. Establish a campus-wide policy on academic integrity that articulates faculty and student responsibilities.
2. Demonstrate an institutional commitment to enforcing the policy and in supporting faculty and staff in the handling of academic integrity matters.
3. Make information on academic integrity easy to find on the campus Web site, library Web site, department Web site, course, within the syllabus and within specific assignments.
4. Include ethics instruction within the core curriculum and/or area-specific within degree plans.
5. Address academic integrity at student orientation programs and events.
6. Encourage faculty to report every suspected violation and act upon it.
7. Secure student logins and password to access online courses and related resources, discussions, assignments and assessments.

CURRICULUM AND INSTRUCTION

1. State the academic integrity/academic honesty policy within the online learning environment and discuss it early in the course.
2. Require student engagement with the academic integrity policy. For example:
 - a. Ask students for their input on how to create a community of integrity at the start of the course. This establishes the students as stakeholders in the community and the process of its formation.
 - b. Develop and ask students to commit to a class honor code.
 - c. Require students to read and sign an agreement to the campus academic integrity policy.
 - d. Write a letter to students about integrity and post it in the course.
 - e. Ask students to restate the academic integrity policy (this can also be used as a writing sample to use when grading and reviewing student work).
 - f. Ask students to reflect on the academic integrity policy in the discussion board.
 - g. Include a lesson on avoiding plagiarism.
3. Have assignments and activities in which appropriate sharing and collaboration is essential to successful completion. Foster a community of integrity by choosing authentic learning tasks that require group cohesiveness and effort. For example, focus assignments on distinctive, individual, and non-duplicative tasks or on what individual students self-identify as their personal learning needs.
4. Provide students with a course or course lesson on research and/or study skills. Work with library staff to design assignments and prepare materials on plagiarism and research techniques.

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5. Include a statement that the instructor reserves the right to require alternative forms and/or locations of assessments (e.g., proctoring).
 6. Ask students follow-up questions to assignments such as, "expand upon this statement you made," "tell me why you chose this phrase, description or reference," and "expand upon the ideas behind this reference."
 7. Select one or two difficult concepts from the paper and ask the student to restate/rewrite the information.
 8. Require students to share key learning from references for a paper or self-reflection on an assignment in the discussion board.
 9. Include an ethical decision-making case study within the course.

FACULTY SUPPORT

1. Incorporate academic integrity strategies into professional development and faculty training offerings.
2. Publish academic integrity strategies and policies in faculty handbook and Web-based faculty resources.
3. Publish guidelines for handling/reporting individual student infractions.
4. Assign a department academic integrity liaison to support faculty.
5. Use a plagiarism detection service.
6. Use Google to search for a unique text string or unique phrase from the paper.
7. Keep student papers filed in the department by topic for reference.

STUDENT SUPPORT

1. Define academic integrity and cheating and clearly explain what is considered dishonest and unacceptable behavior.
2. Provide information and examples to help students understand the difference between collaboration on assignments and cheating, and identify plagiarism. Teach the proper use of citations.
3. State how much collaboration is permissible on each assignment.
4. State what the instructor's expectations are for the students and explain what they should expect from the instructor. For example:

- a. Include a statement in the syllabus encouraging honest work.
 - b. Repeat the campus academic integrity statement and provide a link to campus policies.
 - c. Describe academic dishonesty.
 - d. Describe the repercussions for academic dishonesty.
 - e. Describe permissible and impermissible collaboration.
 - f. Include outside links to information on plagiarism, self-tests and examples.
 - g. Include information on acceptable sources.
 - h. Include information about the college's writing center, library or other support.
5. Provide a writing style sheet or handbook with information on plagiarism and campus policies.
 6. Indicate assessments may require follow-up documentation, questions or assignments.
 7. State expectations for the time needed to complete coursework.
 8. State whether the instructor/college will use a plagiarism detection service.

ASSESSMENT AND EVALUATION

1. Provide rubrics, or detailed grading criteria, for every assignment at the beginning of the course so students understand how they will be graded.
2. Train faculty on ways to use the settings on the college's learning management system to reduce cheating:
 - a. Use a test bank with more questions than will be used on any particular test and have the learning management system pull a smaller number of questions from the test bank
 - b. Randomize the order of answers for multiple test questions so for example, the correct answer for a particular question might be "a" for one student and "b" for another.
 - c. Require forced completion on exams so students cannot re-enter a test.
 - d. Set a short window for testing completion, i.e. one or two days to take an exam rather than a whole week. Setting a completion time reduces a student's ability to access the test, look up the

-
- answer, and re-enter the test. Most test-taking software applications keep track of time on the server, not on the student's computer.
- e. Password protect exams.
 - f. Show questions one at a time (makes more difficult for students to copy and paste the test in order to give it to someone else).
 - g. Use a Web browser lock-down service during testing.
 - h. Check the computer "properties" for the "creation date" and "author" for essay or term paper submissions if students are suspected of submitting work created by someone else.
3. Clarify that students with disabilities and requesting testing accommodations (extended time for completion of examinations and quizzes) must identify themselves to the college's office of disabilities and provide appropriate documentation.
 4. Change test items and assignment topics each semester.
 5. Emphasize assignments that require written work and problem solving (e.g., essays, papers, online discussions).
 6. Use a variety of assessment strategies (quizzes, short and long papers, test questions that require the application of a theory or concept).
 7. Adopt the following practices to encourage authentic written work:
 - a. Require students to turn in copies of reference articles with cited text highlighted.
 - b. Require annotated bibliographies.
 - c. Do not allow last minute changes in assignment topics.
 - d. Require specific references be used (this might be the course text).
 - e. Require an abstract.
 - f. Give narrow assignment topics (tied into class experience) and require thesis statements prior to topic approval.
 - g. Require students to turn in a draft, and their bibliography or references prior to the paper's due date.
 - h. Require students to write a concept paper and project plan prior to completing an assignment.
- 8. Evaluate the research process and the product.
 - 9. After an assignment is due, have students post in the discussion board, describing the assignment and the research method used, a summary of conclusions and an abstract (a meta-learning essay).
 - 10. When evaluating student written work, consider following these practices:
 - a. Be wary of student writing that reads like an encyclopedia, newspaper article or expert in the field.
 - b. Look for whether a paper reflects the assignment, has changes in tense, includes odd sentences within a well-written paper, is based on references older than three years, refers to past events as current, or uses jargon.
 - c. Compare student writing on the discussion board with that on assignments and papers. A writing sample collected at the start of the semester can be helpful.
 - d. Compare the writing at the beginning and end of the paper with that in the middle of the paper -- language, sentence length and reading level.
 - e. Check references; compare quotations with cited sources; look for the same author in multiple references.
 - f. Read all papers on the same topic together.
 - 11. Make assignments cumulative (students turn in parts of a project or paper throughout the semester).
 - 12. Give open book exams.
 - 13. Other than grades, do not provide students feedback on tests until all of the students in the class have completed them.
 - 14. Use proctored test sites where appropriate.
 - 15. Faculty should use a robust user name and password to protect their computer-based grade book and keep a printed copy in a secure place in case students are able to hack into the computer system.

SOURCES

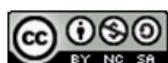
"101 Ways to Maintain Academic Integrity in an Online Course," by Michael Anderson and Lori McNabb, UT TeleCampus, The University of Texas System. Handout for faculty development program.

McNabb, L., & Olmstead, A. "Communities of Integrity in Online Courses: Faculty Member Beliefs and Strategies." *Journal of Online Learning and Teaching* 5, no.2 (June 2009), 208-221. Retrieved from http://jolt.merlot.org/vol5no2/mcnabb_0609.htm.

WCET Survey on Academic Integrity and Student Verification, August 2008.

"Institutional Policies/Practices and Course Design Strategies to Promote Academic Integrity in Online Education," by WCET Working Group on Academic Integrity and Student Verification. February 2009 and revised April 2009.

Instructional Technology Council Survey on Best Practice Strategies to Promote Academic Integrity in Online Education, May 2009.



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Guide to Acceptable Use of Technology

Office of Information Technology

INTRODUCTION

Camden County College's policy governing Acceptable Use of Technology attempts to balance the freedoms needed for legal, ethical and efficient use of shared resources. It is reflective of academic honesty and demonstrates respect for intellectual property, ownership of information, system security mechanisms and individuals rights to privacy and to freedom from intimidation and harassment. Access to College computers is not a right, it is a privilege enjoyed by all who observe an honor system based on the following guidelines that give notice and provide for due process.

Guidelines

In making acceptable use of technology you **MUST**:

1. Use files, information and software for authorized purposes only;
2. Use files, information and software for which you have authorized access;
3. Comply with state and federal copyright regulations;
4. Comply with vendor license agreements;
5. Use information in ways that support the mission of the College; and
6. Comply with other College technology-specific guidelines, such as those for academic computer laboratories, Web Page and e-mail.

In addition, you **MUST BE**:

7. Respectful in your use of shared resources; therefore, academic needs take precedence;
8. Responsible for maintaining the security of information;
9. Responsible for engaging in activities that will maintain the integrity of the system and information contained within; and
10. Responsible for observing the policies of all networks accessed through College resources.

In making acceptable use of technology you **MUST NOT**:

11. Give your password to anyone else or misrepresent your identity;

12. Use the College's equipment or software for commercial use of personal gain;
13. Engage in activities that are against federal or state law;
14. Use, copy or modify anyone else's files without permission;
15. Interfere with College operations;
16. Use resources to annoy, harass, discriminate or intimidate anyone;
17. Use resources to send, download or transmit materials that contain profanities, obscenities or sexually explicit materials; or
18. Destroy, remove or modify College computer equipment or software.

Enforcement/Consequences

The College considers any intentional violation of acceptable use guidelines to be a serious offense and will lead to disciplinary action under standard College rules for misconduct and existing judicial, disciplinary or personnel processes.

· Acceptable Use Policies

Access to and use of Camden County College's information technologies by users is an affirmation that they accept the terms of Camden County College's Acceptable Use of Information Technology (3/98, Fall 03), Printing Policy For Computer Open Access Facilities (4/03), and Student Responsibilities and Acceptable Use of Information Technology. These policies are posted in all College computer public access facilities, on the College's web page and in the Student Handbook.

Access and use of the College's information technologies is granted primarily for academic purposes. The following constitutes academic purposes:

- a. Completion of coursework as assigned by faculty
- b. Assigned research and/or limited independent research
- c. Participation in campus sanctioned activities
- d. Internet web browsing for academic purposes

Users granted access to College information technologies shall adhere to the following rules, responsibilities, and acceptable use in five categories:

- a. Access to Resources/Authorized Use/Security
- b. Academic Etiquette
- c. Misuse of Resources
- d. Privacy
- e. Miscellaneous

· Access to Resources/Authorized Use/Security

3.1 Student User Accounts (e.g. e-mail, Web Advisor) are granted to support the instructional process, facilitate communications in academic endeavors and promote information sharing on projects and class assignments.

3.2 Students are responsible for their own data and accounts (financial information, social security numbers, etc.) Students must not allow any person to use their passwords or to share their accounts. It is the student's responsibility to protect their account from unauthorized use by changing passwords periodically and using passwords that are not easily guessed.

3.3 Use of computers is on a first-come, first-served basis unless otherwise specified by a computing resource area.

3.4 No user may enter and use lab facilities unless supervisory personnel are present.

Academic Etiquette

3.5 Unauthorized or illegal copying or transfer of licensed digitized medium such as music, movies and other copyrighted materials is strictly prohibited. Students are not permitted to load software on any hard drive. The use of pirated software is also prohibited.

3.6 Any use of computing resources to commit academic fraud is strictly forbidden.

3.7 All users are responsible for maintaining a clean environment. NO Food or Drink is permitted while using computer equipment, except in the Cyber Café(s). Defacing of computer equipment or facilities is prohibited.

3.8 Users must exercise good judgment regarding noise levels in their computing environment. For example, when viewing multi media please use headphones.

· Misuse of Resources

3.9 Use of e-mail, voice mail or other technology to harass, threaten, or disrupt classes is prohibited.

3.10 Viewing, mailing, or posting of pornographic material and/or use of profanity is not an acceptable use and may constitute harassment as defined by the College's Sexual Harassment policy.

3.11 Certain facilities may have computing policies that prohibit all game playing.

3.12 Students' use of resources in all computing facilities (such as the computer system, printer, compilers and peripherals) is restricted to the requirements of their specific class. Students' use of all computing resources and facilities is not for commercial use.

3.13 Any attempt to intentionally circumvent system security, introduce a virus, use another user's password, access confidential information, or in any way attempt to gain unauthorized access to local or network resources is forbidden.

3.14 The owner of a digital device (such as a laptop or PDA) connected directly to the College network is responsible for the behavior of users on that device and for all network traffic to and from that device. The owner may use that device on the College network; however, the use is subject to all of the College policies on the use of the network.

· Privacy

3.15 Students are responsible for exercising caution when committing confidential information to electronic media. Although Camden County College maintains the confidentiality of all information stored on College computing resources such as Web Advisor (degree audit, financial aid, grades, payment, and registration, etc.) users should be aware that:

- a) It may be possible for individuals to obtain unauthorized access to the facilities or to other users' electronic mail or files.
- b) The Internet is not a secured network and should not be relied upon for transmitting confidential or sensitive data.
- c) E-mail is not viewed as a form of confidential communication.
- d) Authorized College personnel may view contents of e-mail due to serious addressing errors or as a result of maintaining the e-mail system.

3.16 The institution respects the privacy of all users; however, reserves the right to review questionable data or activity.

· Miscellaneous

3.17 Students are responsible for their data. The College is not responsible for lost data or work.

3.18 Students are responsible to report misuse, abuse or problems to supervisory personnel such as lab supervisors, lab assistants, faculty, and library staff.

FOR ASSISTANCE, STUDENTS CAN CALL THE TECHNOLOGY HELP DESK AT 1-856-374-4900. ASSISTANCE IS AVAILABLE 24 HOURS A DAY, 7 DAYS A WEEK.

E-MAIL POLICY

Purpose

To define the policy for the appropriate use of Camden County College's electronic mail system (e-mail) utilizing Camden County College-approved computer applications. This document is a supplement to the Acceptable Use of Technology Guidelines.

Scope

This policy applies to all Camden County College e-mail users, both employees and authorized non-employees (those not directly employed by the College).

Responsibility

It is the responsibility of each user to take all necessary steps to follow the policies outlined below when using e-mail, whether internally or externally (e.g., the Internet, private network). Violations of this policy may result in loss of use and may be subject to criminal or civil legal action as well as College disciplinary action.

Policy

Acceptable Use: E-mail is to be used primarily for business purposes. Any personal use must not interfere with normal business activities, must not involve chain letters or solicitations, must not be associated with any for-profit outside business activity and must not potentially embarrass or damage Camden County College's reputation or tarnish its image.

Content Precaution: E-mail users must treat e-mail messages as if they were written on Camden County College letterhead. In addition, e-mails may not contain language, images or sounds that are harassing, intimidating, pornographic, libelous, defamatory or discriminatory or that threaten physical harm.

Unwelcome E-Mail: It is the responsibility of the user to contact the Human Resources Office should they receive inappropriate e-mail, whether internally or externally.

Security: E-mail messages (especially but not limited to those sent over the Internet) may potentially be accessed or viewed by unintended persons. E-mail users must use care when using e-mail to send or receive sensitive or confidential information.

Ownership: The e-mail system and all messages sent by e-mail are the property of Camden County College. Camden County College reserves the right to access and disclose all messages sent or received using its e-mail system to determine whether users have breached security, violated College policy or engaged in other unauthorized or illegal actions. Camden County College also may, without prior notice to either the sender or recipient, disclose e-mail messages when law or contract requires such action. Users should be aware that their deletion of a message might not automatically delete all copies of that message.

Copyrighted Material: Certain data and materials on the Internet may be copyrighted, and downloading for distribution would constitute copyright infringement.

Individual Mailboxes: An e-mail user must have authorization to use a mailbox assigned to another individual to either send or receive messages.

Group (Non-Individual) Mailboxes: An e-mail user must have authorization to use a group mailbox.

Retention: E-mail users are responsible for the maintenance of their mailboxes, i.e., saving needed messages and deleting unneeded messages. E-mail retention policies will be adopted and communicated from time to time.

ADDENDUM TO E-MAIL POLICY (April 2000) FOR BULK E-MAIL

Background:

The Guide to Acceptable Use of Technology, published in April 2000 states, "E-mail users must treat e-mail messages as if they were written on Camden County College letterhead." When widely distributed, such a document is considered official College

correspondence. While broadcast or bulk e-mails can serve a useful function, care must be taken to ensure that this official communications channel remains free of inappropriate or unsolicited e-mail. Bulk e-mail is defined as official communication being sent to all users with a Camdencc.edu e-mail address.

Recommendation:

Bulk e-mail can only be used for official communication that is to be approved by the Vice President to whom the sender reports.

March 5, 2002

ADVICE FOR MANAGING YOUR E-MAIL ACCOUNT

Delete Messages: Users are responsible for e-mail residing on personal or shared workstations and should delete messages regularly.

Beware of Viruses: While text-based e-mail messages cannot contain viruses, they can be transmitted from one system to another. This can happen if a user attaches a virus-containing message and then sends it out across the Internet. Opening a file attachment to an Internet e-mail message really is no different than placing an unknown diskette in your drive and should be treated with the same precautions.

Make Use of the Reply Function: Rather than creating a new e-mail message when replying to a message you have received, use the reply function. It automatically inserts the recipient reply, but more importantly indicates the message to which you are replying.

Descriptive Subject Lines: Use the subject line to assist the reader in determining the importance of the message. This also is important for easy retrieval after it has been filed.

File Attachments: While it's simple to attach files such as a spreadsheet, Internet e-mail protocols were never designed to transfer large file attachments. In fact, only files of 64k will arrive at their destination reliably. This is especially true when sending e-mail to countries where Internet service providers cannot afford large file storage facilities. Limit your file attachments to less than 500k or use compression software.

Signature Files: A signature file is like letterhead for your e-mail. It should be short and contain at least your full name, the College name, and your e-mail address, which often gets lost in headers. You also should include phone and fax numbers.

Keep it to no more than four lines.

Security: Unless special encryption software is used, e-mail sent across the Internet is not secure. It is at least as secure as the fax, and e-mail is more likely to end up with the right person and not on the floor of the fax room. Rule of thumb: If you'd normally fax your message, then e-mail it. If you wouldn't risk faxing a message, don't e-mail it without taking extra precautions.

NETIQUETTE

- 1) Users should become knowledgeable of e-mail etiquette or Netiquette.
 - 2) Users should use the same judgment in preparing e-mail messages that they use in formal written communication. The ease of saving, forwarding and printing e-mail messages makes them much more akin to formal letters and memoranda than to verbal communications.
 - 3) E-mail messages should be brief yet complete. That means include some form of greeting, even if it's simply "Mr. Jones." All first-time communications should include the full, "Dear..."
 - 4) If you're sending a long e-mail, say so in the subject heading.
 - 5) Don't forget correct spelling, grammar and punctuation in the name of techno-efficiency. You'd never send a letter in all lower case letters, with words misspelled. Nor would you use excessive slang. Remember that sometimes the only first impression others have of you is your e-mail. Don't come off as cyber-sloppy.
 - 6) If you receive an e-mail not intended for you, let the sender know and ask if you should forward it somewhere. Don't assume that you know where the message belongs.
 - 7) Read and re-read your messages. If you have any doubts, don't send them. Watch your "tone of voice." The receiver doesn't have the benefit of seeing your facial expression and body language or hearing your words.
 - 8) Check with the author before forwarding a message.
 - 9) Never participate in chain letters.
 - 10) Remember to remain accessible and human. Include a short, "soft" line or two in your e-mail. For example, "Hope your trip was successful. Glad to have you back."
 - 11) Check e-mail messages at least twice daily and respond to your messages within 24 hours. It's the same principle as telephone etiquette.
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Student Responsibilities And Acceptable Use of Information Technologies

Introduction

In support of Camden County College's vision of preparing students for leadership in society, expanding access and meeting the emerging learning and training needs necessary for concerned citizenship, the College maintains technology systems that allow students to pursue academic excellence and innovation through technology. The intent of this Acceptable Use Policy is to lay out responsibilities and guidelines for all students, alumni, and the public (users) of information technology at Camden County

College. This policy will be included in the Student Handbook and placed on the College website.

If the following policies are violated, disciplinary procedures and the appeal process as outlined in the Student Handbook under Code of Conduct: Student Disciplinary Hearings and Appeal Procedures will be invoked. Those violating this policy may face penalties that include restrictions on their use of technology or more severe sanctions if circumstances warrant. In keeping with the tradition of the College and scholarly practice, all technology users are expected to uphold high ethical standards and adhere to the policy guidelines outlined below. In addition to this policy, academic areas may have supplemental computing policies for specific labs and/or classrooms.

Acceptable Use Policies

1. Access to and use of Camden County College's information technologies by users is an affirmation that they accept the terms of Camden County College's Acceptable Use of Information Technology (3/98, Fall 03), Printing Policy For Computer Open Access Facilities (4/03), and Student Responsibilities and Acceptable Use of Information Technology. These policies are posted in all College computer public access facilities, on the College's web page and in the Student Handbook.
2. Access and use of the College's information technologies is granted primarily for academic purposes. The following constitutes academic purposes:
 - a. Completion of coursework as assigned by faculty
 - b. Assigned research and/or limited independent research
 - c. Participation in campus sanctioned activities
 - d. Internet web browsing for academic purposes
3. Users granted access to College information technologies shall adhere to the following rules, responsibilities, and acceptable use in five categories:
 - a. Access to Resources/Authorized Use/Security
 - b. Academic Etiquette
 - c. Misuse of Resources
 - d. Privacy
 - e. Miscellaneous

. Access to Resources/Authorized Use/Security

3.1 Student User Accounts (e.g. e-mail, WebAdvisor) are granted to support the instructional process, facilitate communications in academic endeavors and promote information sharing on projects and class assignments.

3.2 Students are responsible for their own data and accounts (financial information, social security numbers, etc.) Students must not allow any person to use their passwords or to share their accounts. It is the student's responsibility to protect their account from unauthorized use by changing passwords periodically and using passwords that are not easily guessed.

3.3 Use of computers is on a first-come, first-served basis unless otherwise specified by a computing resource area.

3.4 No user may enter and use lab facilities unless supervisory personnel are present.

· Academic Etiquette

3.5 Unauthorized or illegal copying or transfer of licensed digitized medium such as music, movies and other copyrighted materials is strictly prohibited. Students are not permitted to load software on any hard drive. The use of pirated software is also prohibited.

3.6 Any use of computing resources to commit academic fraud is strictly forbidden.

3.7 All users are responsible for maintaining a clean environment. NO Food or Drink is permitted while using computer equipment, except in the Cyber Café(s). Defacing of computer equipment or facilities is prohibited.

3.8 Users must exercise good judgment regarding noise levels in their computing environment. For example, when viewing multi media please use headphones.

· Misuse of Resources

3.9 Use of e-mail, voice mail or other technology to harass, threaten, or disrupt classes is prohibited.

3.10 Viewing, mailing, or posting of pornographic material and/or use of profanity is not an acceptable use and may constitute harassment as defined by the College's Sexual Harassment policy.

3.11 Certain facilities may have computing policies that prohibit all game playing.

3.12 Students' use of resources in all computing facilities (such as the computer system, printer, compilers and peripherals) is restricted to the requirements of their specific class. Students' use of all computing resources and facilities is not for commercial use.

3.13 Any attempt to intentionally circumvent system security, introduce a virus, use another user's password, access confidential information, or in any way attempt to gain unauthorized access to local or network resources is forbidden.

3.14 The owner of a digital device (such as a laptop or PDA) connected directly to the College network is responsible for the behavior of users on that device and for all network traffic to and from that device. The owner may use that device on the College network; however, the use is subject to all of the College policies on the use of the network.

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WebAdvisor (degree audit, financial aid, grades, payment, and registration, etc.) users should be aware that:

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- c) E-mail is not viewed as a form of confidential communication.
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3.16 The institution respects the privacy of all users; however, reserves the right to review questionable data or activity.

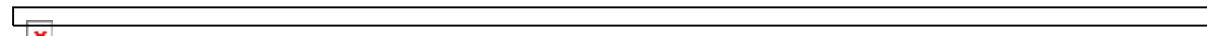
- Miscellaneous

3.17 Students are responsible for their data. The College is not responsible for lost data or work.

3.18 Students are responsible to report misuse, abuse or problems to supervisory personnel such as lab supervisors, lab assistants, faculty, and library staff.

FOR ASSISTANCE, STUDENTS CAN CALL THE TECHNOLOGY HELP DESK AT 1-856-374-4900. ASSISTANCE IS AVAILABLE 24 HOURS A DAY, 7 DAYS A WEEK.

ADDENDUM TO E-MAIL POLICY (April 2000) FOR BULK E-MAIL



Background:

The *Guide to Acceptable Use of Technology*, published in April 2000 states, "E-mail users must treat e-mail messages as if they were written on Camden County College letterhead." When widely distributed, such a document is considered official College correspondence. While broadcast or bulk e-mails can serve a useful function, care must be taken to ensure that this official communications channel remains free of inappropriate or unsolicited e-mail. Bulk e-mail is defined as official communication being sent to all users with a Camdencc.edu e-mail address.

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- d. This policy shall apply to all students, employees, contractors, and visitors on College property as defined above.
 - 2. Camden County College recognizes the health hazards associated with tobacco addiction. The College also recognizes the challenges faced by those addicted to tobacco products. The College supports students' efforts to quit using tobacco products. Visit the Student Advisement Center for options.
 - 3. Any student who violates this Policy shall be subject to fine and disciplinary measures in accordance with the provisions of the Student Code of Conduct as contained in the *Student Handbook*. Other individuals, including visitors to the College, who violate this policy, may be asked to leave the College property. All violators are also subject to sanctions provided by applicable laws and regulations.

Be Healthy, Live Longer, and Help Us – Create a Safer and Cleaner Campus!

CODE OF CONDUCT, DISCIPLINARY HEARINGS AND APPEALS PROCESS

Introduction

All students enrolled at Camden County College acknowledge with their enrollment an obligation to abide by the College's regulations and policies, as approved by the administration and Board of Trustees. Students are responsible for their own actions and are expected to maintain the highest standards of conduct at all times and in all places affiliated with the College. Each student must, of course, respect the rights and privileges of all other students, as well as College administrators, faculty and staff. The College reserves the right to dismiss from a course or from the College, or restrict from any other College activity or facility, any student whose behavior is detrimental to the College or its students. (Academic policies and procedures shall govern dismissal or suspension for academic reasons.)

Visitors to the College also are obliged to abide by the Student Code of Conduct and may be restricted from College activities or from one or all campuses as a result of code violations.

Purpose

The purpose of the Student Code of Conduct is to protect Camden County College, its academic and social community and its property from harm resulting from acts of its students or visitors that may cause injury or threat of injury. The Student Code of Conduct defines prohibited conduct as any behavior that violates College standards. The code gives students and visitors notice of the standards expected. The College will take appropriate disciplinary action against violators. Violators also may be accountable to law enforcement authorities, as well as to the College, for acts that constitute violations of law as well as violations of this code. College disciplinary actions may proceed regardless of any pending criminal legal proceedings. The College recognizes that its inherent powers and responsibilities to protect the safety and well being of the campus community are broad, as is the potential range of misconduct that could harm persons and property on campus.

Accordingly, this code is to be interpreted broadly so as to ensure the protection of the Camden County College community.

Misconduct

The following acts, when committed by students or visitors to Camden County College, will be considered misconduct. Any person committing these or similar acts is subject to discipline under this code. This code applies to conduct engaged in on the property of Camden County College while attending College functions, on-campus at any College location, or off-campus; functions of college-sponsored organizations, conducted on-campus at any College location; or off-campus; or any other college-sponsored events, on or off campus, or at clinical/agency sites affiliated with the College. These acts are not meant to define misconduct in exhaustive terms.

- 1. Engaging in disruptive behavior, which threatens others, or, in any way, interferes with the teaching and learning process.
- 2. Engaging in hostile conduct or disorderly behavior that might incite immediate violence.
- 3. Engaging in abusive or demeaning conduct (including the use of profanity), obscene gestures, sexual exploitation, or harassment, including cyber harassment, directed toward another individual or group of individuals which has the effect of creating a hostile environment and infringes upon the rights and privileges of other members of the College community.

4. Intentionally or recklessly causing physical or psychological harm to any person, stalking, bullying or intentionally or recklessly causing reasonable apprehension of such harm.
5. Committing any physical act of harassment, intimidation, or bullying (as that term is defined in NJSA 18A:37-14 and NJSA 18A:3B-68), or any such acts in the form of gestures, written, verbal or electronic communication, that may reasonably be perceived as being motivated either by any actual or perceived characteristics, such as race, color, religion, ancestry, national origin, gender, sexual orientation, gender identity and expression, or a mental, physical or sensory disability, or by any other distinguishing characteristic, when these acts substantially disrupt or interfere with the orderly operation of the College or the rights of other students or College employees.
6. Committing any acts in any form that will have the effect of emotionally or physically harming a student or damaging the student's property, or placing a student in reasonable fear of physical or emotional harm to his person or damage to his property.
7. Committing any acts that have the effect of insulting or demeaning any student or group of students or creates a hostile educational environment for the student by interfering with the student's education or by severely or pervasively causing physical or emotional harm to the student.
8. Using, possessing, brandishing or storing any weapon or facsimile of a weapon without proper authorization.
9. Using, possessing or being under the influence of alcoholic beverages and/or controlled substances.
10. Using, possessing, manufacturing, distributing or selling a controlled substance in violation of Federal Law or the State of New Jersey.
11. Misusing fire safety equipment or tampering with any electrical system, wiring, telephone service, fire safety equipment or security devices.
12. Using and/or possessing fireworks, pyrotechnics, explosives or flammable liquids on College premises without proper authority.
13. Gambling in violation of the laws of the state of New Jersey, or playing any games of chance or skill that, under the circumstances, provoke or may provoke disorderly behavior.
14. Intentionally initiating or causing to be initiated any false report, warning or threat of fire, explosion or other emergency.
15. Intentionally or recklessly disrupting College operations or College-sponsored activities.
16. Intentionally or recklessly furnishing false information to the College, including forgery, alteration or misuse of College documents, records or identification.
17. Accessing, modifying or transferring electronic data system software or computing facilities without authorization and other violations as outlined in the Student Responsibilities and Acceptable Use of Technologies Policy.
18. Stealing or wrongful appropriation of property, belonging to the College or anyone else.
19. Destroying, damaging or misusing property of the College or others on campus.
20. Failing to comply with the directions of a College official, faculty member, public safety officer, or police officer acting in the performance of their duties; or failing to positively identify one's self to a College official, faculty member, public safety officer, or police officer when requested to do so. The required form of identification shall be a current and validated College identification card, Social Security card, driver's license, military ID card, photo ID, etc.
21. Being present or using College premises, facilities or property without proper authority.
22. Using or misusing the College's name or logo for soliciting funds, sponsoring of activities or on printed matter without proper authority.
23. Violating the terms of any disciplinary sanction imposed in accordance with this Code.
24. Violating College regulations or policies, including campus motor vehicle regulations, Tobacco-Free Institution Policy, etc.; or federal, state or local laws.
25. Violating local, state or federal law on College property or off campus when such violation adversely affects the College.



Administration of Code and Proceedings

This Student Code of Conduct shall be administered by the dean of students or his/her designee, by the dean of Enrollment and Student Services at the Camden City Campus, and by the director of campus services at the William G. Rohrer Center, acting on behalf of the dean of students. In the case of visitors, Public Safety personnel will handle sanctions as appropriate.

Classroom Management

The primary responsibility for managing the classroom environment rests with faculty members who are authorized to remove students from class for behavior that threatens others, or in any way impedes the teaching and learning process. If such a student refuses the faculty member's request to leave, the faculty member may request the assistance of the Department of Public Safety to remove the student from class. When a faculty member has removed the student from class for disruptive behavior and deems it necessary to preclude the student from returning to this particular class, the faculty member should immediately file a misconduct complaint with the dean of students or those acting on his/her behalf, who will follow the procedures set forth herein to determine whether the student has violated this code and if so, whether to impose sanctions.

Sanctions

Acts of misconduct will be met with one or more of the following sanctions, all of which will be permanently recorded and kept on file in the Office of the Dean of Students.

1. **Warning** – verbal or written admonition against further violations, alerting student that continuation of misconduct may be cause for more severe disciplinary action.
2. **Written Reprimand** – written warning placed in student's file alerting student that continuation of misconduct may be cause for more severe disciplinary action.
3. **Restriction** – from a College activity or facility for a specified period of time
4. **Referral** – to a workshop or other intervention designed to mitigate the particular code violation.
5. **Community Service** – on-campus activity to improve campus life.
6. **Fine** – a monetary penalty to cover the costs of replacing physical property of the College, or the property of others intentionally damaged or stolen by any student or damaged through the gross negligence of the student. The payment of any fine by a student shall in no way limit the right of the College to seek restitution through appropriate civil proceedings.
7. **Disciplinary Probation** – loss of participation in College-related activities for a specified period of time.
8. **Suspension** – temporary exclusion from all academic work or specified classes and/or other College-related activities for a specified period of time.*
9. **Expulsion** – permanent dismissal from classes and College activities. This action shall be permanently recorded on student's transcript.*

**If suspension or expulsion is the resulting disciplinary action, the student is responsible for contacting his/her instructors to arrange make-up for missed course work, if applicable.*

Hearing Board

The Hearing Board is responsible for reviewing and reporting findings, and making recommendations on all misconduct complaints that are not dismissed or otherwise resolved by the dean of students or those acting on his/her behalf. The Hearing Board will be comprised of the following: three members of the administration, two faculty members and two students. One of the administrative members will serve as the chair of the proceedings. He/she will not vote except in the case of a tie. A member of the board will be selected by the group to serve as the recorder. A simple majority will constitute a



quorum, and decisions of the Hearing Board will require a majority of the members present and voting. All members of the Hearing Board may question witnesses. The board member designated as recorder will prepare or supervise the preparation of a summarized record of all proceedings and assure the timely transmission of correspondence from the Hearing Board. Appointments to the board will be made by the College's senior student affairs executive or his/her designee.

Reporting Misconduct

Allegations of student misconduct will be reported promptly to the dean of students or those acting on his/her behalf. All reports will be addressed in a timely manner. When student misconduct occurs, any person observing it (including students, faculty, administrators, etc.) should immediately report the misconduct to the responsible College official. Any reports received by campus officials or public safety personnel will be routed to the dean of students. A written report will be submitted as soon as possible after a verbal report is made, and will include, at a minimum, the following information:

1. Name, department and position of the person making the report;
2. Date(s), time(s) and place(s) of each alleged act of misconduct;
3. Name(s) or other identifying information of the student(s) involved in the allegations;
4. A detailed description of each act of student misconduct including what was stated and done by the individuals involved;
5. The name(s) or other identifying information of other witnesses to the acts of student misconduct;
6. A brief indication as to which specific provisions of the Student Code of Conduct are alleged to have been violated; and
7. A statement by the person making the report whether he or she will be willing to participate, if necessary, as a witness in subsequent administrative proceedings.

The dean of students or those acting on his/her behalf shall immediately notify the Department of Public Safety of the occurrence of any misconduct constituting a violation of law and of the suspension of any student for misconduct. A copy of the notice will also be sent to the appropriate academic deans.

Misconduct may also be reported directly to the Department of Public Safety. If the conduct is considered to be pervasive, continually disruptive to a class, or places others at risk, the Department of Public Safety will remove the student from class. In some cases, the student will be required to report to the dean of students before being permitted to return to class.

Silent Witness Tipline: (856) 374-4907 (Voice mail checked daily)

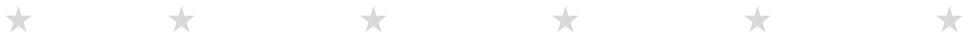
Camden County College maintains a 24/7 tip-line. Anyone may leave a recorded message with information on anything happening on any campus concerning misconduct or safety concerns. Messages may be left anonymously. This number accepts a recorded message and should never be used to report a crime or incident occurring at the time of the call. For all instances needing immediate attention, call the direct public safety numbers. (See page 51.)

Disciplinary Conference

When misconduct is reported, the dean of students, his designee, or the designated official at Camden City Campus or William G. Rohrer Center will as immediately as feasible speak to the alleged violator and to any persons harmed by the misconduct or witness to it. The dean of students or those acting on his/her behalf will discuss the matter with the alleged violator apprising him/her of the accusation made and giving him/her an opportunity to explain his/her version of the facts. After conducting this discussion, the dean of students or those acting on his/her behalf shall determine whether (1) to dismiss the matter, (2) to issue a warning, (3) to issue a written reprimand, (4) to restrict facility use or participation in activities, (5) to refer for an intervention strategy, (6) to assign community service, or (7) to convene the Hearing Board.

Referral to Hearing Board

If the dean of students determines that referral to the Hearing Board is in order, he/she will provide the student with written notice of the time and place of the disciplinary proceedings before the Hearing Board, and the nature of the complaint against the student. The student charged shall receive at least five (5) days advance written notice of the hearing and shall



receive any related documents not less than five (5) days prior to the scheduled appearance before the Hearing Board. Disciplinary proceedings before the Hearing Board and action to the extent possible shall be implemented rapidly and with a sense of urgency. If written notice is served during the period June through August, proceedings will occur within one month of the first day of the fall semester.

Waiver of Hearing Board Review – A student may file with the dean of students a written waiver of his/her right to have a disciplinary action or charges reviewed by the Hearing Board. Upon filing such a waiver, the dean of students will determine the disciplinary action warranted. Disciplinary proceedings are closed. Attendance is limited to board members, the alleged violator, the violator's representative, the complaining party and any witnesses. Proceedings before the Hearing Board are not intended to be a formal legal proceeding. However a student may obtain the advice of anyone who is reasonably available and willing to assist, including a College administrator or faculty member during the proceedings before the Hearing Board. If a student advises the dean of students at least five (5) working days before the Hearing Board appearance of his/her inability to obtain such advice, the dean of students may appoint a suitable individual to advise the student. Where the dean of students deems a witness to be at risk of harm, the anonymity of the witness shall be preserved by presenting a statement of the witness out of the presence of the accused student, provided that the substance of the witness' statement is made known to the accused student. The student charged shall have the right to produce persons or materials to refute the charge and may personally testify and make a closing statement to the board prior to its deliberations.

Complaint Withdrawal – The dean of students reserves the right to withdraw a complaint for demonstrated cause prior to the Hearing Board review or rendering of a disciplinary action.

Failure to Appear – Failure of the student charged to appear before the Hearing Board after proper notice will not normally be cause to postpone or cancel the proceeding, which may be conducted in the absence of the student charged. The Hearing Board shall make its findings and recommendations at the conclusion of the presentation of the matter. An adverse finding must be supported by a preponderance of the evidence presented to the board. Determinations of the Hearing Board shall not be made public unless required by law. The findings, recommendations and summarized record of proceedings on disciplinary cases shall be transmitted in writing to the dean of students. If the Hearing Board finds no basis for imposing discipline, no further discipline shall be imposed for the same charge. If it is determined that discipline is warranted, the Hearing Board may recommend the appropriate sanction from the list above. The dean of students will impose the recommended sanction. The dean of students must notify the student within three working days of the sanction to be imposed.

Student Appeal – Students may appeal the determination of discipline imposed by the dean of students or the Hearing Board to the vice president for Enrollment and Student Services. The decision of the vice president for Enrollment and Student Services is final.

Appeals

A student desiring to appeal the decision of the Hearing Board or the dean of students or those acting on his/her behalf, must file a written request to the vice president for Enrollment and Student Services within five (5) days of receiving the notice of sanctions imposed. Within ten (10) working days from receipt of a student's appeal, the vice president for Enrollment and Student Services will review the record of any Hearing Board proceedings and other relevant documents and notify the student in writing of his/her agreement or disagreement with the decision. The decision being appealed will not be implemented during the appeal process; however, a student suspended from campus and/or activities shall not be permitted to return unless circumstances no longer justify the suspension as determined by the vice president for Enrollment and Student Services. The decision of the vice president for Enrollment and Student Services is final.

Camden County College

Awarding of Transfer Credit

Students attending Camden County College may earn college credit for a variety of learning experiences that were achieved outside of the traditional college setting. For example, students who can document knowledge acquired while in the military, workplace, advanced courses in high school, or non-traditional course work may submit official documentation for an evaluation or request a test that demonstrates college level knowledge in a particular area.

Note: Students who wish to achieve credit this way should look closely at the credits needed to finish their degree, and how their prior learning experiences may satisfy some of the courses they are required to take. Credits earned through these methods are not computed in the cumulative grade-point average.

Proficiency Exams and Credit by Assessment:

- [Advanced Placement](#)
- [College Level Examination Program \(CLEP\)](#)
- Apprenticeship to College Credit (NJPlace) [Apprenticeship to College Credit Handbook](#)
- [Credit by Exam](#)
- [Student Portfolio](#)
- Credit for Military Experience
 - ACE(American Council on Education) and PONSI (Program on Non-collegiate Sponsored Instruction)

Transfer of Credit - (From [2013 Camden County College Catalog](#))

Students who have attended or are attending a regionally accredited college or university must provide **official transcripts** of all **previously attempted** college credits if they are applying to a selective program OR want to have previous college credit evaluated for transfer OR need to document completion of a course prerequisite. The Records and Registration Office will evaluate and grant transfer of credit upon admission to the College. **Only courses completed at regionally accredited colleges or universities with a grade of C (or equivalent) or above will be evaluated for transfer.** Transfer students must complete at least 30 credits in Camden County College courses to receive a degree. Grades received at other institutions will not be used in computing the cumulative grade point average at Camden County College.

International students who wish to transfer credits earned in their home countries have the responsibility of having their transcripts evaluated by the American Association of Collegiate Registrars and Admissions Officers (AACRAO) International Education Services or an evaluator of foreign credentials that is a member of the National Association of Credentials Evaluation Services (NACES), such as World Education Services; and submitting the evaluation to the Office of Records and Registration.

Camden County College reserves the right to deny inappropriate credit requests. The required regional accrediting agencies are:

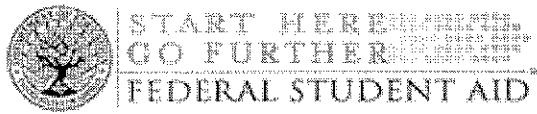
- **MSA** - Middle States Association of Colleges and Schools, Commission on Higher Education
- **NASC** - Northwest Association of Schools, Colleges and Universities, Commission on Colleges and Universities
- **NCA** - North Central Association of Colleges and Schools, Higher Learning Commission
- **NEASC-CIHE** - New England Association of Schools and Colleges, Inc., Commission on Institutions of Higher Education
- **SACS** - Southern Association of Colleges and Schools, Commission on Colleges
- **WASC-Jr** - Western Association of Schools and Colleges, Accrediting Commission for Community and Junior Colleges

- **WASC-Sr** - Western Association of Schools and Colleges, Accrediting Commission for Senior Colleges and Universities

Articulation Agreements Transferring INTO Camden County College

Camden County College has a number of articulation agreements with institutions transferring credits into Camden County College.

Affiliated Institution	Courses/program	Transfer Into	Date Signed
Camden County Technical School/ Technical Institute of Camden County	Culinary Certificate in the Hospitality Technologies Department	12 credits toward Culinary Certificate Hospitality Technology	2007
Camden County Technical Schools/ Technical Institute of Camden County	Culinary Arts/Food Services Management Program	12 credits toward Culinary Certificate Hospitality Technology	2007
Cape May Technical High School	Dental Assisting w/ grades of 75+	Dental Assisting	2009
Camden County Technical School/ Technical Institute of Camden County	TICC Medical Assisting program if receive CMA credential	22 credits Medical Assisting	2003
Cumberland County College	Prereqs for MLT taken @ Cumberland	36 credits toward Medical Lab Assistant	2006
Cumberland County College	HIT.AAS	31 credits toward Health Information Technology	2012
Cumberland County College	MDC.CT	15 credits toward Medical Coding Certificate	2012



**School Default Rates 2-
Year
FY 2010, 2009, and 2008**

RETURN TO RESULTS

Record 1 of 1

OPE ID	School	Type	Control	PRGMS		FY2010	FY2009	FY2008
006865	Camden County College 200 College Drive Blackwood NJ 08012-3240	Associate's Degree	Public	Both (FFEL/FDL)	Default Rate	13.2	11.4	10.9
					No. in Default	190	143	129
					No. in Repay	1436	1250	1182
					Enrollment figures	23399	22683	22446
					Percentage Calculation	6.1	5.5	5.3

ENROLLMENT: To provide context for the Cohort Default Rate (CDR) data we include enrollment data (students enrolled at any time during the year) and a corresponding percentage (borrowers entering repayment divided by that enrollment figure). While there is no direct relationship between the timing of when a borrower entered repayment (October 1 through September 30) and any particular enrollment year, for the purpose of these data, we have chosen to use the academic year ending on the June 30 prior to the beginning of the cohort year (e.g., FY 2008 CDR Year will use 2006-2007 enrollment).

Current Date : 11/26/2012

RETURN TO RESULTS



School Default Rates 3-Year FY 2009

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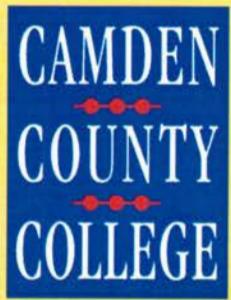
Record 1 of 1

OPE ID	School	Type	Control	PRGMS		FY2009
006865	Camden County College 200 College Drive Blackwood NJ 08012-3240	Associate's Degree	Public	Both (FFEL/FDL)	Default Rate	19.1
					No. in Default	239
					No. in Repay	1246
					Enrollment figures	22683
					Percentage Calculation	5.5

ENROLLMENT: To provide context for the Cohort Default Rate (CDR) data we include enrollment data (students enrolled at any time during the year) and a corresponding percentage (borrowers entering repayment divided by that enrollment figure). While there is no direct relationship between the timing of when a borrower entered repayment (October 1 through September 30) and any particular enrollment year, for the purpose of these data, we have chosen to use the academic year ending on the June 30 prior to the beginning of the cohort year (e.g., FY 2009 CDR Year will use 2007-2008 enrollment).

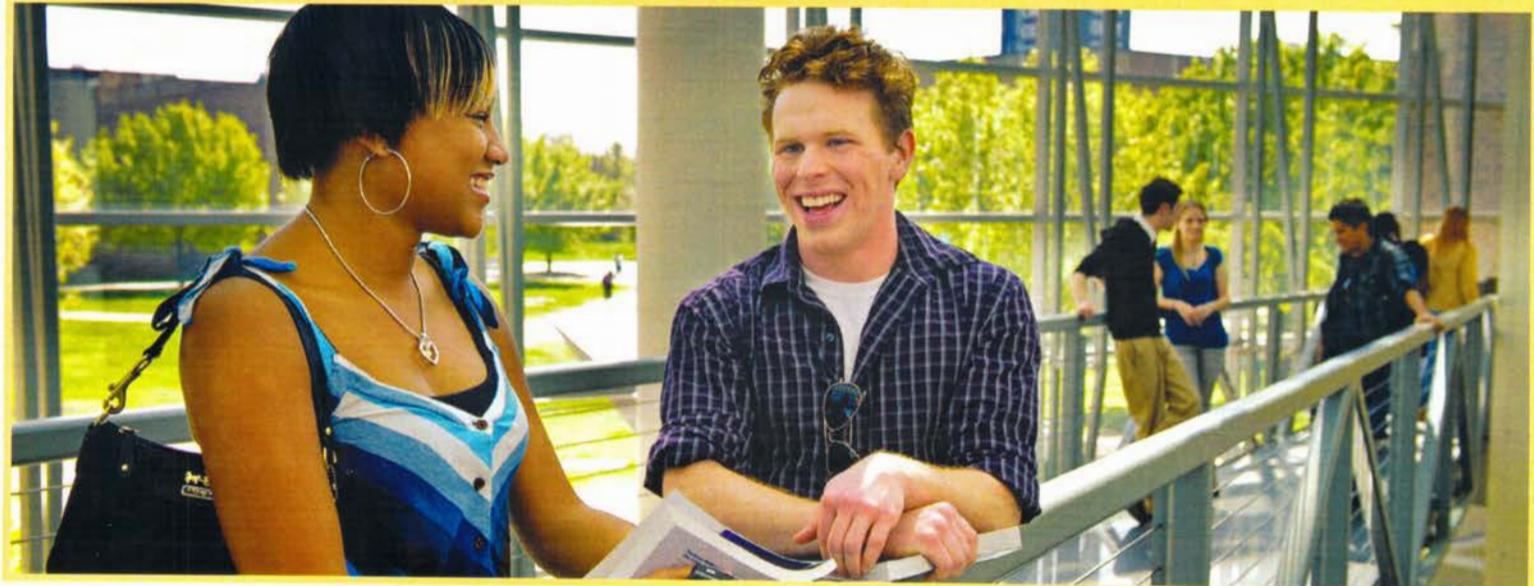
Current Date : 11/26/2012

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Report of Audit

Fiscal Year Ended June 30, 2012



CAMDEN COUNTY COLLEGE
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INTRODUCTORY SECTION

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2012**

Camden County College

Members of the Board of Trustees

As of June 30, 2012

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
Angelica Santiago, 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, 2012**

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, 2012 and 2011, 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, 2012 and 2011. 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, 2012 and 2011, 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 3, 2012 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. The Schedules of Expenditures of Federal Awards and State Financial Assistance Programs are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
December 3, 2012

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, 2012, and have issued our report thereon dated December 3, 2012. 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 3, 2012.

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, management and others within 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

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
December 3, 2012

REQUIRED SUPPLEMENTARY INFORMATION

This discussion and analysis of Camden County College's financial performance provides an overall review of the College's financial activities for the fiscal year ended June 30, 2012. 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, 2012 statements is divided into the following five 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.
- An analysis of the College Foundation's financial activity.

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 FY2012, the College included comparative data for FY2012 and FY2011 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.

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

- Credit student enrollment decreased 5.78% to 306,719 during FY2012 and decreased 5.45% to 325,541 total credit hours during FY2011. Credit student enrollment was 344,301 for FY2010.
- The College continues to experience increases in accounts receivable from multiple sources including a slowdown in payments from students and governmental entities.

**Camden County College – Management’s Discussion and Analysis
For the Fiscal Years Ended June 30, 2012 and 2011**

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 debt).
- Restricted assets.
- Unrestricted assets.

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

	2012	2011	2010	12 to 11 Percent Change	11 to 10 Percent Change
<u>Assets</u>					
Current Assets	\$ 37.24	\$ 29.51	\$ 23.34	26.2%	26.4%
Non-Current Assets:					
Capital Assets, net of Depreciation	144.79	94.87	92.63	52.6%	2.4%
Total Assets	182.03	124.38	115.97	46.3%	7.3%
<u>Liabilities</u>					
Current Liabilities	19.33	15.44	12.61	25.2%	22.4%
Non-Current Liabilities	22.37	22.48	8.69	-0.5%	158.7%
Total Liabilities	41.70	37.92	21.30	10.0%	78.0%
<u>Net Assets</u>					
Investment in Capital Assets, net	122.96	72.35	84.76	70.0%	-14.6%
Restricted	9.23	5.81	3.58	58.9%	62.3%
Unrestricted	8.13	8.30	6.33	-2.0%	31.1%
Total Net Assets	\$ 140.32	\$ 86.46	\$ 94.67	62.3%	-8.7%

Camden County College – Management’s Discussion and Analysis
For the Fiscal Years Ended June 30, 2012 and 2011

Statement of Net Assets(Cont’d)

Total Assets, which are composed of current assets and non-current or capital assets, increased in each of the last two years, by 46.3% in FY2012 and 7.3% in FY2011. The increases are primarily a result of increases in accounts receivable and a partial decrease in cash and cash equivalents.

Current assets for FY2012 increased by \$7.73 million (26.2%) resulting from a decrease in cash and cash equivalents and an increase in accounts receivable of \$16.67 million (149.5%). Current assets for FY2011 increased by \$6.17 million (26.5%) 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 (In Millions)

	2012	2011	2010	12 to 11 Percent Change	11 to 10 Percent Change
Cash & Cash Equivalents	\$ 8.64	\$ 17.57	\$ 11.90	-50.8%	47.6%
Accounts Receivable, net	27.82	11.15	10.40	149.5%	7.2%
Inventories	0.02	0.02	0.02	0.0%	0.0%
Prepaid Expenses	0.76	0.77	1.01	-1.3%	-23.8%
Total Current Assets	\$ 37.24	\$ 29.51	\$ 23.33	26.2%	26.5%

Over the examined three-year period, combined cash/cash equivalents and net accounts receivable have remained relatively stable at approximately 97.0% of current assets. The FY2012 increase in accounts receivable reflect an increase in Student, Federal and County receivables, partially offset by a decrease in the State receivable. FY2011 accounts receivable reflect an increase in student accounts and corresponding increases in Federal, and County receivables. The county increase is a result of amounts due for billings by the College in costs associated with the College’s construction costs funded by County Bonds.

Table 3: Comparison of Accounts Receivable (In Millions)

	2012	2011	2010	12 to 11 Percent Change	11 to 10 Percent Change
Student	\$ 2.11	\$ 1.44	\$ 0.79	46.5%	82.3%
Federal	4.12	3.88	3.56	6.2%	9.0%
State	0.02	0.09	0.66	-77.8%	-86.4%
County	19.44	4.58	3.83	324.5%	19.6%
Other	2.13	1.16	1.57	83.6%	-26.1%
Total Receivables	\$ 27.82	\$ 11.15	\$ 10.41	149.5%	7.1%

Camden County College – Management’s Discussion and Analysis
For the Fiscal Years Ended June 30, 2012 and 2011

Statement of Net Assets(Cont’d)

The amount due from the federal government is primarily for student financial aid. In FY2012, the receivable accounts from the federal government increased by only \$238,464 (6.2%). For FY2011, the Federal receivable increased \$314,973 (9.0%). 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.

The State of New Jersey receivable decreased from FY2012 by \$76,840 (77.8%) and a decrease in FY2011 by \$565,344, or (86.4%).

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

	FY 2012 "Down Year"	FY 2011 "Up Year"	FY 2010 "Down Year"
County Revenue Based on Board of School Estimates	\$ 9,725,814	\$ 9,998,756	\$ 9,725,814
Actual County Payments Received	10,633,141	10,251,698	9,624,704
Accounts Receivable or (Deferred Revenue)	(907,327)	(262,942)	101,110

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 \$19,367,459, \$4,524,773, and \$3,612,585 in FY2012, FY2011 and FY2010 respectively.

Receivable accounts classified as “other” include receivables for facility partnerships, customized training programs, and insurance claims. For FY2012, the college experienced an increase in receivables in the amount of \$909,328 or (83.6%). 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.

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 \$52.153 million over the three year period covering FY2010 to FY2012. This growth is the result of multiple capital projects: the majority of the completion Ring Road, the completion of construction and renovation of Madison Hall the Connector Building, the Science Building the later four being all part of Phase I&II of the Freeholder Initiative and the acquisition of the RETC Building located at Lakeland.

Camden County College – Management’s Discussion and Analysis
For the Fiscal Years Ended June 30, 2012 and 2011

Statement of Net Assets(Cont’d)

The additions to capital assets were partially offset by annual depreciation of approximately \$3.954 million for FY2012. 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 \$144.78 million invested in land, buildings, furniture, equipment and other assets as of June 30, 2012.

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

	FY 2010	FY 2011	FY 2011	FY 2011	Adjustments	FY 2012	FY 2012	FY 2012
	Balance	Net Additions	Depr. Expense	Balance		Net Additions	Depr. Expense	Balance
Land	\$ 3.86			\$ 3.86		5.60		9.46
Construction in Progress	25.95	\$ (19.89)		6.06		30.32		36.38
Bond Issue Costs	0.17	(0.02)		0.15		(0.03)		0.12
Land Improvements	1.32	(0.17)	(0.05)	1.10	0.77	2.15	(0.11)	3.91
Buildings	55.81	24.66	(1.94)	78.53	1.03	13.52	(3.25)	89.83
Infrastructure	1.59	0.29	(0.06)	1.82		0.18	(0.07)	1.93
Equipment	2.69	0.96	(0.58)	3.07	(1.57)	0.86	(0.35)	2.01
Grouped Furniture	0.93	0.13	(0.13)	0.93	(0.93)			-
Vehicles	0.11		(0.03)	0.08	(0.14)	1.13	(0.09)	0.98
Assets under Capital Lease	0.16		(0.09)	0.07			(0.07)	-
Capitalized Software	-			-		0.13		0.13
Library Books	0.04			0.04		(0.01)		0.03
	\$ 92.63	\$ 5.96	\$ (2.88)	\$ 95.71	\$ (0.84)	\$ 53.86	\$ (3.95)	\$ 144.78

Also displayed in the Statement of Net Assets, summarized in Table 1 are current and non-current liabilities. Total liabilities were \$41.70 million, \$37.92 million, and \$21.30 million in FY2012, FY2011 and FY2010 respectively. For FY2012, the College recorded non-current liabilities in the amount of \$22.37 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 \$10,439,982, \$6,344,900 and \$4,933,189 in FY2012, FY2011 and FY2010 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.

Camden County College – Management’s Discussion and Analysis
 For the Fiscal Years Ended June 30, 2012 and 2011

Statement of Net Assets(Cont’d)

The current portion of long-term debt, the amount of long-term debt due within the next fiscal year decreased by \$77,373. The current portion of long-term debt represents amount due for debt service on capital improvement projects and the amount due on the mortgage for the parking garage. Camden County holds a mortgage on the facility that is paid from the proceeds of the parking garage operations. The current portion of the Long-term debt is reflected in the amounts of \$1,008,347 and \$1,085,700 for fiscal years 2012 and 2011, respectively.

As previously discussed, the College alternately recognizes receivable or deferred revenue for its County appropriation. In FY2012 deferred revenue is \$907,327 and 268,942 for FY2011. In addition the college recognized deferred revenue for tuition and fees and summer Pell receipts. Deferred tuition and fee revenue is 6,599,428 for FY2012 and 6,999,753 for FY2011.

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 (In Millions)

	2012	2011	2010	12 to 11 Percent Change	11 to 10 Percent Change
Accrued Compensated Sick Leave	\$ 1.28	\$ 0.92	\$ 0.90	39.1%	2.2%
Accrued Compensated Vacation Leave	1.79	1.69	1.70	5.9%	-0.6%
Capital Leases Payable	13.36	13.90	0.10	-3.9%	13800.0%
Camden Technology Center Mortgage	5.94	5.97	5.99	-0.5%	-0.3%
Total	\$ 22.37	\$ 22.48	\$ 8.69	-0.5%	158.7%

The total liability, current and non-current, for compensated absences was \$3,604,661, \$2,938,994, in FY2012, FY2011 and 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 FY2012, the liabilities for compensated absences increased by 20% or \$588,367. For FY2011, the liabilities increased \$25,000 or 3.46%.

Camden County College – Management’s Discussion and Analysis
For the Fiscal Years Ended June 30, 2012 and 2011

Statement of Net Assets(Cont’d)

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 and 5.9 million for the mortgage payable on the parking garage.

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.

**Camden County College – Management’s Discussion and Analysis
For the Fiscal Years Ended June 30, 2012 and 2011**

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

	2012	2011	2010	12 to 11 Dollar Change	11 to 10 Dollar Change
<u>Investment in Capital Assets</u>					
Investment in Plant Fund Balance	\$ 86,582,423	\$ 67,129,360	\$ 58,808,002	\$ 19,453,063	\$ 8,321,358
Construction in Progress	36,380,778	6,056,198	25,950,218	30,324,580	(19,894,020)
Total	122,963,201	73,185,558	84,758,220	49,777,643	(11,572,662)
<u>Restricted Net Assets</u>					
Restricted Fund Balance	5,675	5,675	5,675	-	-
Financial Aid Fund Balance	81,314	92,272	92,272	(10,958)	-
Peter Cheeseman Facility Reserve	3,424	3,424	3,424	-	-
Reserve for Parking Garage	368,370	327,335	279,785	41,035	47,550
Reserve for Camden Campus:					
Renewal and Replacement	301,789	306,009	306,009	(4,220)	-
Reserve for FY 2012 Operations	3,630,000	3,442,942	1,742,607	187,058	1,700,335
Unexpended Plant Fund Balance,					
Net of Construction in Progress	4,843,147	1,041,083	1,153,416	3,802,064	(112,333)
Stabilization Reserve		594,341		(594,341)	594,341
Total	9,233,719	5,813,081	3,583,188	3,420,638	2,229,893
<u>Unrestricted Net Assets</u>					
Current Fund Balance	8,130,562	8,300,398	6,333,229	(169,836)	1,967,169
	\$ 140,327,482	\$ 87,299,037	\$ 94,674,637	\$ 53,028,445	\$ (7,375,600)

For FY2012 the College experienced an increase in Net Assets of \$53.01 million and for FY2011 a decrease in Net Assets of \$7.37. The increase is primarily attributable to the increases in investment in plant and construction in progress due to the Blackwood Transformation Initiative.

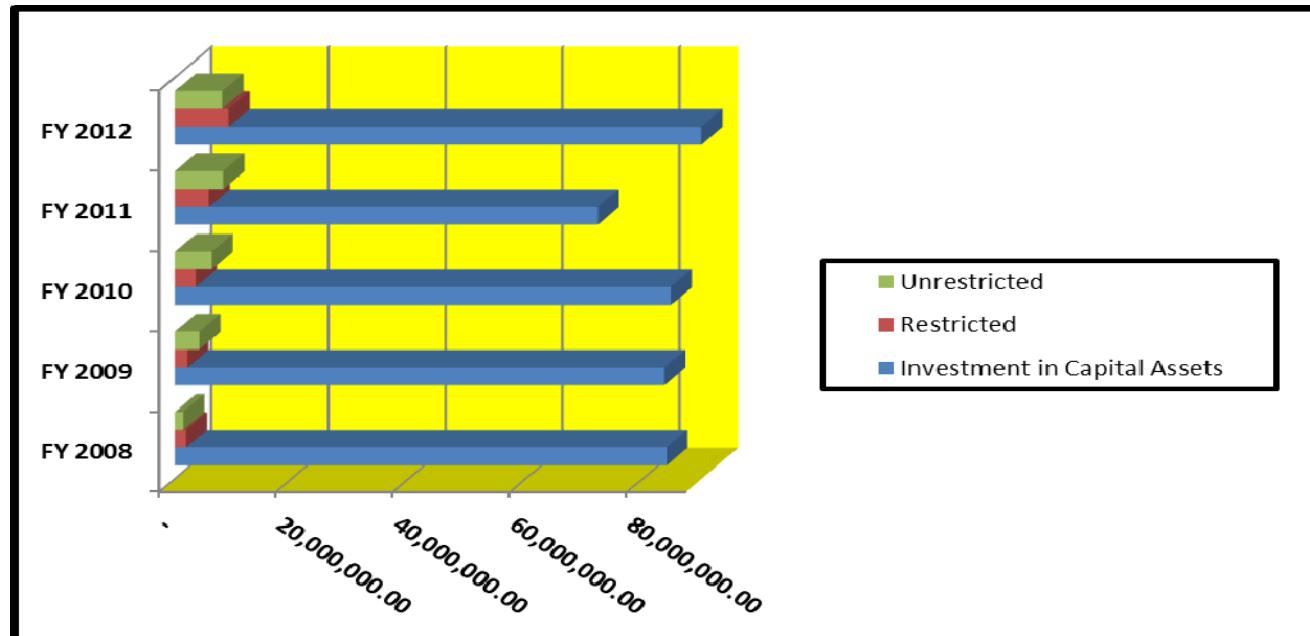
Restricted net assets for FY2012 increased by \$3.49 million. For FY2012 restricted net assets increased by \$3.5 million primarily due to the increase in the Plant Fund. Within this category is the stabilization reserve. The stabilization reserve fund is established every other fiscal year in order 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 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.

Camden County College – Management’s Discussion and Analysis
For the Fiscal Years Ended June 30, 2012 and 2011

Statement of Net Assets(Cont’d)

Finally, for FY2012, the Unrestricted Fund Balance decreased from \$8,300,398 to \$8,130,562. The Current Unrestricted Fund Balance decreased by \$169,836. As stated below, FY2012 reserves are above the Board of Trustees’ policy.

By Board policy, the Current Fund balance is targeted between 7.5% and 10% of total operating revenues. As a result of operations for fiscal year FY2012, \$47,777 was added to the current fund reserve. The Current Unrestricted Fund Balance for FY2012 is at 11% of operating revenues which is slightly over the target.



The composition of the College’s net assets shows a financially viable but tightly run institution. Unrestricted net assets make up only 5% of the total net assets. 12.4% 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.

Camden County College – Management’s Discussion and Analysis
For the Fiscal Years Ended June 30, 2012 and 2011

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.

As seen in Table 8, operating expenses decreased slightly over the period, decreasing by (12.98%) for FY2012 and by (12.53%) for FY2011. Operating revenues for FY2012 increased by 3.79% for FY2012. The largest component of operating revenues is student tuition and fees paid both by students directly and through state and federal financial aid. During FY2012, the Financial Aid revenue remained fairly constant at \$28.3 million. College experienced an increase in scholarships, inclusive of federal grants and contracts of \$3.96 million. The College experienced credit enrollment decreases of 5.8% during FY2012 and 5.4% during FY2011.

Overall, operating Revenue increased by 3.79% primarily due to an increase in other revenues of \$2.38 million. This was the result of additional rentals and a one-time payment from ABP for adjuncts. Tuition and fees increased by 1.49% due to the increase in tuition.

Camden County College – Management’s Discussion and Analysis
For the Fiscal Years Ended June 30, 2012 and 2011

Statement of Revenues, Expenses and Change in Net Assets (Cont’d)

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

	2012	2011	2010	12 to 11 Dollar Change	11 to 10 Dollar Change
Operating Revenues					
Student Tuition and Fees, net	\$ 33.80	\$ 32.31	\$ 34.47	\$ 1.49	\$ (2.16)
State and Local Grants and Contracts	4.79	4.90	7.10	(0.11)	(2.20)
Federal Grants and Contracts	27.12	27.00	25.70	0.12	1.30
Nongovernmental Grants and Contracts	0.16	0.09	0.03	0.07	0.06
Chargeback Revenue	0.06	0.07	0.09	(0.01)	(0.02)
Auxiliary Enterprises	0.87	1.02	0.66	(0.15)	0.36
Other Operating Revenues	4.73	2.35	2.24	2.38	0.11
Total Operating Revenue	71.53	67.74	70.29	3.79	(2.55)
Operating Expenses					
Instruction	28.48	27.57	27.07	0.91	0.50
Public Services	1.35	0.95	1.30	0.40	(0.35)
Academic Support	8.47	8.74	8.43	(0.27)	0.31
Student Services	8.08	8.18	7.92	(0.10)	0.26
Institutional Support	11.78	12.05	12.41	(0.27)	(0.36)
Student Aid	11.10	13.97	11.61	(2.87)	2.36
Operation and Maintenance of Plant	14.62	27.33	16.68	(12.71)	10.65
Depreciation	3.95	2.89	2.54	1.06	0.35
Amortization		0.02	0.02	(0.02)	-
Other expenses	1.86	0.97	2.16	0.89	(1.19)
Total Operating Expenses	89.69	102.67	90.14	(12.98)	12.53
Operating Loss	(18.16)	(34.93)	(19.85)	16.77	(15.08)
Non-Operating Revenues (Expenses)					
State Appropriations	10.15	10.54	11.21	(0.39)	(0.67)
County Appropriations	9.72	9.72	9.72	-	-
State and Local Grants and Contracts	0.15	0.08		0.07	0.08
Federal Stimulus			0.66	-	(0.66)
Investment Income Earned		0.03	0.54	(0.03)	(0.51)
Insurance Claims-Revenue		1.87	0.18	(1.87)	1.69
On-Behalf Payments:					
State of N.J. Alternative Benefits Program:					
Revenues	0.95	0.93	0.86	0.02	0.07
Expenses	(0.95)	(0.93)	(0.86)	(0.02)	(0.07)
Total Non-Operating Revenues	20.02	22.24	22.31	(2.22)	(0.07)
Income (Loss) before Other Revenues	1.86	(12.69)	2.46	14.55	(15.15)
Capital Grants and Contributions					
	52.01	5.31	2.61	46.70	2.70
Increase (Decrease) in Net Assets	53.87	(7.38)	5.07	61.25	(12.45)
Net Assets					
Net Assets - Beginning of Year	86.46	93.84	88.77	(7.38)	5.07
Net Assets - End of Year	\$ 140.33	\$ 86.46	\$ 93.84	\$ 53.87	(7.38)

Camden County College – Management’s Discussion and Analysis
 For the Fiscal Years Ended June 30, 2012 and 2011

Statement of Revenues, Expenses and Change in Net Assets (Cont’d)

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 in FY2011. 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 FY2012 students borrowed \$187,792 less than in FY2011.

Table 9: Comparison of Financial Aid Program Revenue

	2012	2011	2010	2009	2008
Federal Grants					
Pell Grants	\$ 23,052,006	\$ 22,790,870	\$ 21,697,019	\$ 13,376,676	\$ 10,408,940
Loan Programs	11,217,492	11,405,284	14,955,185	12,847,123	10,906,922
Other Federal Aid	804,733	826,281	1,013,057	594,842	965,505
State Grants					
Tuition Aid Grant	3,428,679	3,481,174	4,995,580	3,698,578	3,058,318
Other State Grants	968,761	1,232,225	1,771,545	1,703,390	1,224,708
Total	\$ 39,471,671	\$ 39,735,834	\$ 44,432,386	\$ 32,220,609	\$ 26,564,393
% Change	-0.66%	-10.57%	37.90%	21.29%	22.54%

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.

Camden County College – Management’s Discussion and Analysis
For the Fiscal Years Ended June 30, 2012 and 2011

Statement of Revenues, Expenses and Change in Net Assets (Cont’d)

Non-operating revenues were \$20.02 and \$22.24 million in FY2012 and FY2011, respectively. These changes were the net result of the following shifts.

- Our calculated state operating appropriation was \$10,151,513 and \$10,540,430 in FY2012 and FY2011 respectively. Camden County operating appropriation was \$9,725,814 for FY2012 and FY2011.
- Capital Grants and Contacts were \$52,006,843 in FY2012 and \$5,310,439 in FY2011. The large increase in FY2012 was due to the capital revenue for the college’s ring road, science building and the acquisition of the Helene Fuld building and the RETC building in Lakeland.
- Other non-operating revenues were \$150,421 in FY2012 and \$1,979,761 in FY2011. The composition of these non-operating revenues consists of investment earnings, gifts and donations and insurance claims proceeds. In FY2011, non-operating revenues were higher due to the receipt of \$1,874,979 in insurance proceeds from the community center fire.

Figure 5 below graphically displays the components of the College’s total operating and non-operating revenue in FY2012. Table 10 displays the composition of revenues from FY 2008 to FY 2012.

Camden County College – Management’s Discussion and Analysis
 For the Fiscal Years Ended June 30, 2012 and 2011

Figure 5: Composition of FY2012 Revenues

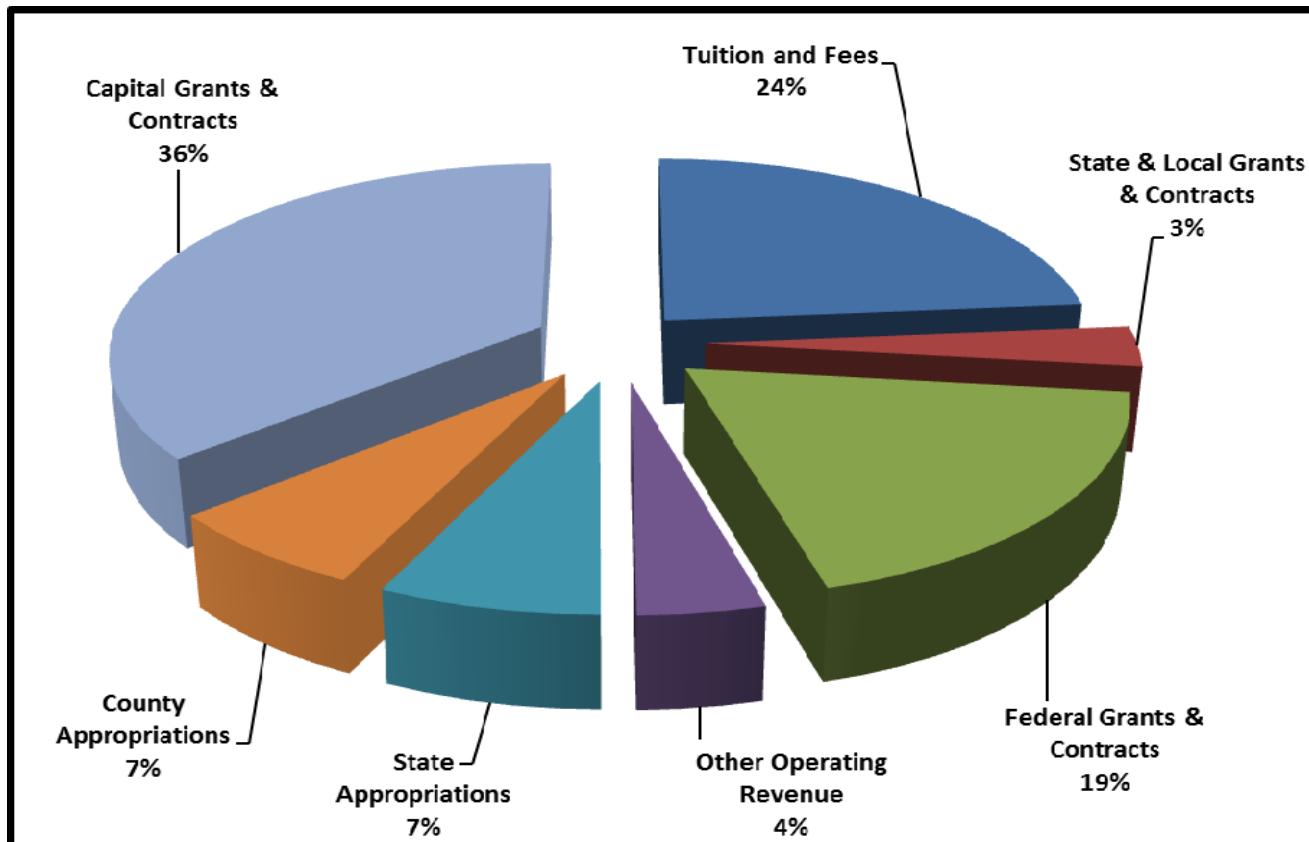


Table 10: Composition of Total Revenues

	<u>FY 2012</u>	<u>FY 2011</u>	<u>FY 2010</u>	<u>FY 2009</u>	<u>FY 2008</u>
Tuition and Fees	24%	35%	37%	35%	32%
State & Local Grants & Contracts	3%	5%	8%	7%	6%
Federal Grants & Contracts	19%	29%	27%	18%	16%
Other Operating Revenue	4%	4%	3%	3%	3%
State Appropriations	7%	11%	12%	13%	15%
County Appropriations	7%	10%	10%	13%	10%
Capital Grants & Contracts	36%	6%	3%	2%	11%

As noted in Table 8, operating expenses decreased \$12.98 million or 13% from FY2011 to FY2012. The only notable change in FY2012 was a \$12.71 decrease in operation and Maintenance of Plant. The favorable weather coupled with the energy cooperative agreements with the county as well as the college’s energy initiatives contributed to the lower costs.

Camden County College – Management’s Discussion and Analysis
For the Fiscal Years Ended June 30, 2012 and 2011

Statement of Revenues, Expenses and Change in Net Assets (Cont’d)

Approximately 66% of the College’s expenditures are devoted to instruction and other services for students. The remaining 34% 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.

Compared to other New Jersey county colleges, Camden County College is very cost efficient. For FY2011 the college had an operating cost of 6,064 per full-time equivalent and for FY2010, the College had an operating cost of \$5,610 per full-time equivalent student. This compares to the statewide average of \$6,715 for FY2011 a decline of 2.6%.

Camden County College – Management’s Discussion and Analysis
For the Fiscal Years Ended June 30, 2012 and 2011

Statement of Revenues, Expenses and Change in Net Assets (Cont’d)

Figure 6 is a graphical illustration of operating expenses by function. Expenses by function are detailed in Table 8.

Figure 6: FY2012 Expenditures by Function

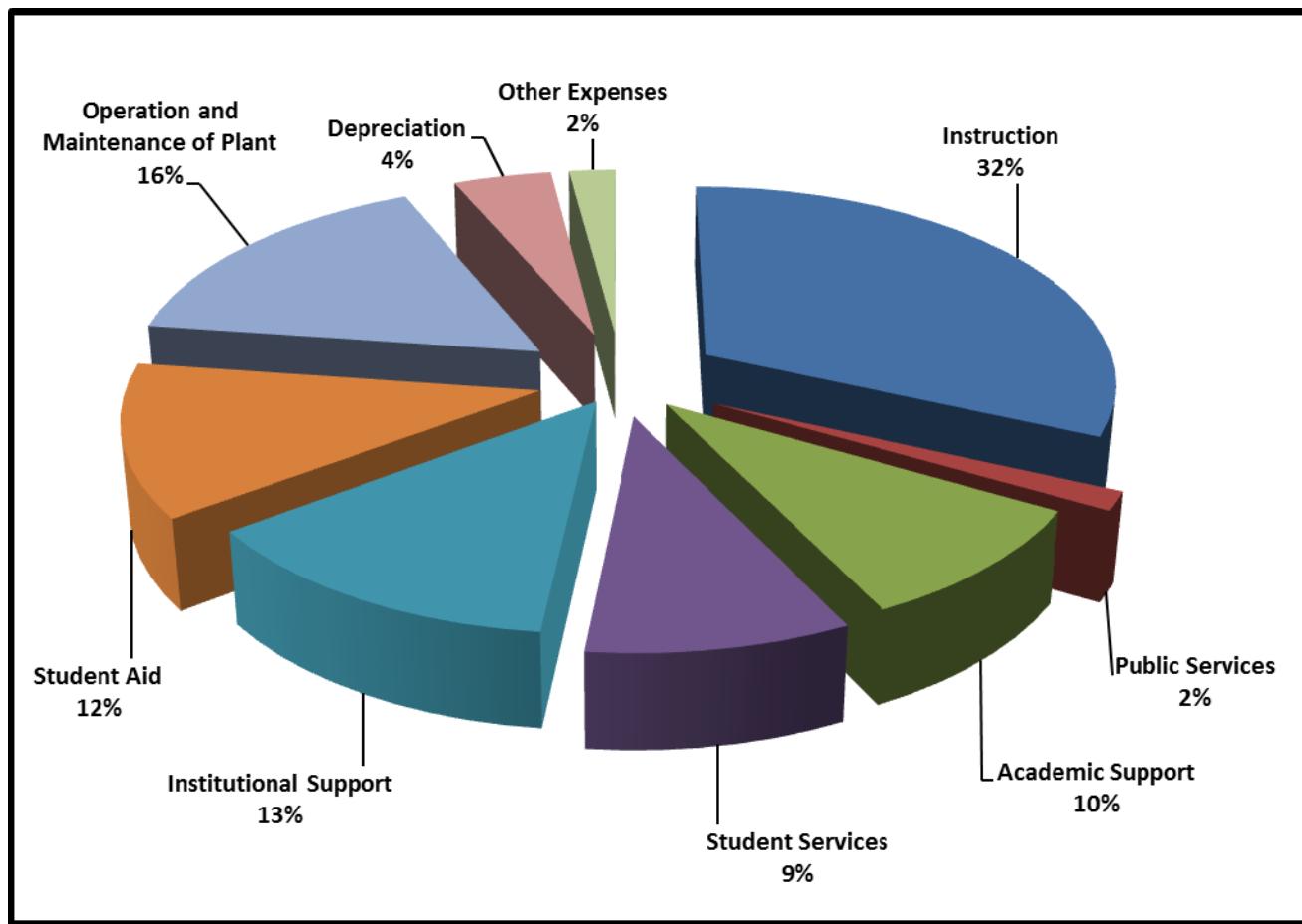


Table 11 displays the College’s FY2012, FY2011 and FY2010 expenditures by object classification.

Table 11 Comparison of Expenditures by Object (In Millions)

	FY 2012 Expenses	Percent of Expenses	FY 2011 Expenses	Percent of Expenses	FY 2010 Expenses	Percent of Expenses
Salaries and Wages	\$ 44.33	49.43%	\$ 43.64	42.51%	\$ 41.86	46.44%
Fringe Benefits	13.50	15.05%	13.26	12.92%	11.70	12.98%
Other Operating Costs	16.82	18.75%	28.91	28.16%	22.41	24.86%
Student Aid	11.09	12.36%	13.97	13.61%	11.61	12.88%
Depreciation	3.95	4.40%	2.89	2.81%	2.56	2.84%
Total	\$ 89.69	100.00%	\$ 102.67	100.00%	\$ 90.14	100.00%

Statement of Revenues, Expenses and Change in Net Assets (Cont’d)

As a labor-intensive organization, the College continues to monitor the amount it spends on compensation (salaries and fringe benefits). In Table 11, 65%, 55% and 59.42% of expenses are devoted to salaries and benefits in FY2012, FY2011, and FY2010 respectively. This amount is understated in comparison to the College’s operating budget because of the additional expenditures for student aid and annual depreciation. Without these expenses, the College spent 77%, 66% and 71% of its expenditures on compensation in FY2012, FY2011 and FY2010, respectively. These percentages are within or below 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 income of \$1.86 million for FY2012. For FY2011, the College had an operating deficit of \$12.69 million.

Economic and Other Factors That Will Effect the Future

There are five significant events that will impact the College’s future financial statements.

- First, the College is in the final stages of the Phase II projects that include a new science building with an estimated 105,000 square feet along with roads and grounds projects including the completion of a ring road that will improve access and egress from the College. Although the construction will be funded, operating costs will increase as the new facility comes online. The county initiative is nearly completed with the exception for the Taft Hall Renovation. This project will begin shortly after vacating Taft Hall. The College will also be participating in the debt service related to the Science Building subsequent to finalizing the last Bond Series, in the amount of \$50.0 million along with servicing debt with the other existing outstanding bond funds.
- Second, the economic climate has declined to appoint that reverses prior trends at the College. Typically, a downward economy would drive up enrollments; however, since the Fall 2010, the College has experienced a decline in enrollments and College’s credit enrollment. For FY2012 total credit hours are below the FY2011 by 5.78% or 18,822 credit hours. 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 ended their program at the College by December 2011. The College’s enrollment is a critical element of the funding formula used by 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.

Economic and Other Factors That Will Effect the Future (Cont’d)

- Third, the County of Camden funds annually approximately 7% of the College’s revenue sources. This resource is also subject to potential reductions in funding in the coming years.
- Fourth, 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.
- Fifth, the College recently invested in a significant upgrade of its financial information system. The upgrade will enhance the College’ 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.
- 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 FY2012 revenues to FY2011, budget-to-actual expenditures, FY2012 expenditures compared to FY2011, (going forward) year-end projections and a narrative summary that commented and otherwise explained the operating results for the Trustees.

Recently the College has been notified that the voters of the state approved a Higher Education Bonding for the four year schools and the county Colleges. A funding match formula will be required to participate.

BASIC FINANCIAL STATEMENTS

CAMDEN COUNTY COLLEGE
 Statements of Net Assets
 As of June 30, 2012 and 2011

	2012			2011
	College	Component Unit CCC Foundation	(Restated) College	Component Unit CCC Foundation
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 8,640,464	\$ 113,291	\$ 17,566,598	\$ 157,038
Accounts Receivable, Net	27,823,422	90,000	11,151,497	121,000
Inventories	19,660		21,044	
Prepaid Expenses	757,658		773,279	
Total Current Assets	<u>37,241,204</u>	<u>203,291</u>	<u>29,512,418</u>	<u>278,038</u>
Noncurrent Assets:				
Investments		1,629,345		1,516,485
Capital Assets, Net	144,787,606		94,872,716	
Total Noncurrent Assets	<u>144,787,606</u>	<u>1,629,345</u>	<u>94,872,716</u>	<u>1,516,485</u>
Total Assets	<u>182,028,810</u>	<u>1,832,636</u>	<u>124,385,134</u>	<u>1,794,523</u>
LIABILITIES				
Current Liabilities:				
Account Payable	10,439,982	41,367	6,344,900	82,455
Accrued Salaries	699,333		611,852	
Accrued Compensated Absences - Current Portion	459,536		321,577	
Obligations Under Capital Lease - Current Portion	541,500		636,747	
Mortgage Payable - Current Portion	466,847		448,973	
Other Deferred Revenue	124,734		76,909	
Deferred Tuition and Fees Revenue	6,599,428		6,999,753	
Total Current Liabilities	<u>19,331,360</u>	<u>41,367</u>	<u>15,440,711</u>	<u>82,455</u>
Noncurrent Liabilities:				
Accrued Compensated Absences	3,067,825		2,617,417	
Obligations Under Capital Lease	13,358,572		13,900,072	
Mortgage Payable	5,943,571		5,965,932	
Total Noncurrent Liabilities	<u>22,369,968</u>	<u>-</u>	<u>22,483,421</u>	<u>-</u>
Total Liabilities	<u>41,701,328</u>	<u>41,367</u>	<u>37,924,132</u>	<u>82,455</u>
NET ASSETS				
Investment in Capital Assets, Net of Related Debt	122,963,201		72,347,524	
Restricted for:				
Nonexpendable:				
Other		552,576		464,800
Expendable:				
Other	9,233,719	770,627	5,813,080	674,260
Unrestricted	8,130,562	468,066	8,300,398	573,008
Total Net Assets	<u>\$ 140,327,482</u>	<u>\$ 1,791,269</u>	<u>\$ 86,461,002</u>	<u>\$ 1,712,068</u>

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, 2012 and 2011

	2012	2011		
	<u>College</u>	<u>Component Unit CCC Foundation</u>	<u>(Restated) College</u>	<u>Component Unit CCC Foundation</u>
REVENUES				
Operating revenues:				
Student Tuition and Fees (Net of Scholarship Allowance of \$13,959,766 in 2012 and \$14,829,166 in 2011)	\$ 33,795,707		\$ 32,309,932	
State and Local Grants and Contracts	4,787,490		4,895,534	
Federal Grants and Contracts	27,124,689		26,994,769	
Nongovernmental Grants and Contracts	156,577		99,041	
Chargeback Revenue	55,303		73,175	
Auxiliary Enterprises	874,593		1,017,826	
Gifts and Contributions		\$ 547,437		\$ 532,397
Other Operating Revenues	4,734,150		2,345,082	
Total Operating Revenues	71,528,509	547,437	67,735,359	532,397
EXPENSES				
Operating Expenses:				
Instruction	28,478,564		27,572,628	
Public Services	1,353,462		952,214	
Academic Support	8,474,324		8,744,788	
Student Services	8,078,377		8,177,875	
Institutional Support	11,781,733		12,049,060	
Student Aid	11,095,222	81,081	13,971,334	42,814
Operation and Maintenance of Plant	14,618,964		27,333,310	
Depreciation	3,954,882		2,886,907	
Amortization			16,583	
Other expenses	1,861,091	421,597	965,711	293,700
Total Operating Expenses	89,696,619	502,678	102,670,410	336,514
Operating Income (Loss)	(18,168,110)	44,759	(34,935,050)	195,884
NON-OPERATING REVENUES (EXPENSES)				
State Appropriations:				
State Aid	10,151,513		10,540,430	
County Appropriations:				
County Aid	9,725,814		9,725,814	
State and Local Grants and Contracts	148,800		77,246	
Investment Income Earned	1,621	34,442	30,541	231,390
Insurance Claims-Revenue			1,874,979	
On-Behalf Payments:				
State of New Jersey Alternative Benefits Program:				
Revenues	948,344		927,821	
Expenses	(948,344)		(927,821)	
Total Non-Operating Revenues	20,027,748	34,442	22,249,010	231,390
Income (Loss) before Other Revenues	1,859,638	79,201	(12,686,040)	427,274
CAPITAL GRANTS AND CONTRIBUTIONS	52,006,843		5,310,439	
Increase (Decrease) in Net Assets	53,866,481	79,201	(7,375,601)	427,274
NET ASSETS				
Net Assets - Beginning of Year	86,461,002	1,712,068	93,836,603	1,284,794
Net Assets - End of Year	<u>\$ 140,327,482</u>	<u>\$ 1,791,269</u>	<u>\$ 86,461,002</u>	<u>\$ 1,712,068</u>

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

CAMDEN COUNTY COLLEGE
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2012 and 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and Fees	\$ 32,637,330	\$ 32,575,121
Grants and Contracts	32,116,581	32,033,624
Other Receipts	4,818,927	3,473,063
Payments to Employees and Fringe Benefits	(43,599,983)	(43,413,007)
Payments to Vendors and Suppliers	(26,263,084)	(40,893,590)
Payments for Scholarships and Student Aid	(11,298,904)	(13,999,344)
Net Cash Used in Operating Activities	<u>(11,589,133)</u>	<u>(30,224,133)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
County Appropriations	9,725,814	10,421,265
State Appropriations	10,151,513	10,952,430
Noncapital Grants Received	153,516	-
Net Cash Flows Provided by Noncapital Financing Activities	<u>20,030,843</u>	<u>21,373,695</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Grants and Contributions:		
Capital Appropriations	16,855,056	4,478,986
Capital Grants and Gifts Received	-	81,431
Purchases of Capital Assets	(33,093,827)	(5,963,121)
Principal Issued (Paid) on Capital Debt and Leases, net	(529,500)	14,323,078
Proceeds from Insurance Claims	-	1,874,979
Interest Paid on Capital Debt and Leases	(601,195)	(306,985)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(17,369,466)</u>	<u>14,488,368</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	<u>1,620</u>	<u>30,541</u>
Net Cash Provided by Investing Activities	<u>1,620</u>	<u>30,541</u>
Net Increase (Decrease) in Cash	<u>(8,926,136)</u>	<u>5,668,471</u>
Cash and Cash Equivalents - Beginning of the Year	<u>17,566,598</u>	<u>11,898,127</u>
Cash and Cash Equivalents - End of the Year	<u>\$ 8,640,464</u>	<u>\$ 17,566,598</u>
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Used in Operating Activities:		
Operating Loss	\$ (18,168,110)	\$ (34,935,049)
Adjustments to Reconcile Net Loss to Net Cash		
Provided by (Used in) Operating Activities:		
Changes in Assets and Liabilities:		
Depreciation	3,954,882	2,886,907
Change in Assets and Liabilities:		
Receivables, Net	(1,806,853)	(411,753)
Inventories	1,384	(1,766)
Prepaid Expenses	15,621	239,258
Accounts Payable and Accrued Liabilities	4,182,563	1,786,640
Accrued Compensated Absences	588,367	8,591
Other Liabilities	(4,487)	-
Deferred Tuition	(352,500)	203,039
Net Cash Used in Operating Activities	<u>\$ (11,589,133)</u>	<u>\$ (30,224,133)</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, 2012 and 2011

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 discretely 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, 2012 and June 30, 2011, the Foundation distributed \$117,341 and \$53,901 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 discretely presented in the financial statements of the College.

A separate report of audit for the Foundation for the fiscal year ended June 30, 2012 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, 2012 for classes that are scheduled in the summer and fall semesters of 2012. 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, 2012.

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, 2012 and 2011 were \$1,048,199 and \$2,781,099 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, 2012 and 2011 were \$13,959,766 and \$14,829,166 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 might not be recovered. Although the College does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the College in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, athletic and student activity funds, or funds that may pass to the College relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule below.

As of June 30, 2012 and 2011 the College's bank balances were exposed to custodial credit risk as follows:

	<u>2012</u>	<u>2011</u>
Insured	\$ 250,000	\$ 250,000
Collateralized under GUDPA	<u>4,814,950</u>	<u>13,581,170</u>
	<u>\$ 5,064,950</u>	<u>\$ 13,831,170</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, 2012 and 2011, the College had \$4,707,920 and \$4,715,799 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, 2012 is presented as follows:

	Original Balance	Restated Balance			Balance
	June 30, 2011	Adjustments	June 30, 2011	Additions	Reductions
Non-Depreciable Capital Assets					
Land	\$ 3,855,327		\$ 3,855,327	\$ 5,600,000	\$ 9,455,327
Construction in Progress	6,056,195		6,056,195	30,324,583	36,380,778
Bond Issuance Costs	147,487		147,487		\$ (21,070) 126,417
Total Non-depreciable Capital Assets	10,059,009	-	10,059,009	35,924,583	(21,070) 45,962,522
Depreciable Capital Assets:					
Land Improvements	2,576,098		2,576,098	2,152,709	4,728,807
Buildings	103,886,139		103,886,139	13,494,263	117,380,402
Infrastructure	3,228,572		3,228,572	182,641	3,411,213
Equipment	10,300,998	\$ (5,188,555)	5,112,443	858,468	5,970,911
Grouped Furniture	1,413,325	(1,413,325)	-		-
Vehicles	220,075		220,075	1,132,235	1,352,310
Assets Under Capital Lease	1,773,461		1,773,461	-	1,773,461
Capitalized Software	3,123,808		3,123,808	137,150	3,260,958
Library Books	2,953,209		2,953,209	8,791	2,962,000
Total Depreciable Capital Assets	129,475,685	(6,601,880)	122,873,805	17,966,257	- 140,840,062
Less Accumulated Depreciation For:					
Land Improvements	1,481,773	(770,627)	711,146	108,895	820,041
Buildings	25,356,529	(1,027,648)	24,328,881	3,220,453	27,549,334
Infrastructure	1,413,370		1,413,370	67,364	1,480,734
Equipment	7,225,819	(3,623,253)	3,602,566	362,058	3,964,624
Grouped Furniture	479,664	(479,664)	-	-	-
Vehicles	136,881	142,616	279,497	90,687	370,184
Assets Under Capital Lease	1,694,209	(7,248)	1,686,961	86,500	1,773,461
Capitalized Software	3,123,808		3,123,808	6,858	3,130,666
Library Books	2,911,891	1,978	2,913,869	12,067	2,925,936
Total Accumulated Depreciation	43,823,944	(5,763,846)	38,060,098	3,954,882	- 42,014,980
Depreciable Capital Assets	85,651,741	(838,034)	84,813,707	14,011,375	- 98,825,082
Total Capital Assets, Net	\$ 95,710,750	\$ (838,034)	\$ 94,872,716	\$ 49,935,958	\$ (21,070) \$ 144,787,604

Depreciation expense for the year ended June 30, 2012 was \$3,954,882.

Note 3: CAPITAL ASSETS (CONT'D)

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>Balance</u>	
	<u>June 30, 2010</u>	<u>Additions</u>	<u>Reductions</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	2,943,759	9,450		2,953,209
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	23,410,040	1,946,489		25,356,529
Infrastructure	1,349,574	63,796		1,413,370
Equipment	6,652,019	573,800		7,225,819
Grouped Furniture	346,246	133,418		479,664
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	2,898,929	12,962		2,911,891
Total Accumulated Depreciation	40,937,037	2,886,907	-	43,823,944
Depreciable Capital Assets	62,660,432	23,168,770	(177,461)	85,651,741
Total Capital Assets, Net	\$ 92,634,532	\$ 27,673,081	\$ (24,596,865)	\$ 95,710,750

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

Note 4: LEASES

Lease Obligations - At June 30, 2012 the College had operating lease agreements in effect for copiers, a mail machine and vehicles.

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

Year Ending <u>June 30,</u>	
2013	\$ 138,408
2014	138,408
2015	108,173
2016	7,869

Rental payments under operating leases for the fiscal years ended June 30, 2012 and 2011 were \$135,597 and \$45,134 respectively.

Capital Leases Obligations – At June 30, 2012, the College had lease agreements in effect for various Campus Capital Construction Improvements.

The following is a schedule of future minimum lease payments under these capital leases at June 30, 2012.

Various Campus Capital Construction Improvements

Year Ending <u>June 30,</u>	Principal	Interest	Total
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	622,500	650,323	1,272,823
2018-2022	3,334,072	2,825,347	6,159,419
2023-2027	3,351,000	1,970,050	5,321,050
2028-2032	1,534,500	1,250,522	2,785,022
2033-2037	1,545,000	711,210	2,256,210
2038-2041	<u>1,236,000</u>	<u>175,067</u>	<u>1,411,067</u>
	<u>\$ 13,900,072</u>	<u>\$ 10,406,931</u>	<u>\$ 24,307,003</u>

During the fiscal year ended June 30, 2012, the College paid \$529,500 and \$601,195 for principal and interest respectively. 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 years ending June 30, 2012 and 2011, the County of Camden made basic lease payments in the amount of \$564,358 and \$571,213, respectively, 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, 2012 and 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, 2012:

<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	\$ 2,938,994	\$ 588,367		\$ 3,527,361	\$ 459,536
Capital Leases	14,536,819		\$ (636,747)	13,900,072	541,500
Mortgage Payable	6,383,500			6,383,500	462,361
Premium on Bonds	31,405		(4,487)	26,918	4,486
	<u>\$ 23,890,718</u>	<u>\$ 588,367</u>	<u>\$ (641,234)</u>	<u>\$ 23,837,851</u>	<u>\$ 1,467,883</u>

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

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>

Note 7: PENSION PLANS

A substantial number 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 and Benefits. In addition, several College employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This too is administered by the New Jersey Division of Pensions and Benefits. 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

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, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate will be increased to 6.5% plus an additional 1.0% phased-in over seven years beginning in the first year. The phase-in of the additional incremental member contribution amount will take place in July of each subsequent year. 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, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Note 7: PENSION PLANS (CONT'D)**Public Employees' Retirement System (Cont'd)**

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

Public Employees Retirement System

Fiscal Year	Normal Contribution	Accrued Liability	Total Liability	Funded by State	Group Life	Paid by College
2012	\$ 591,608	\$ 1,183,215	\$ 1,774,823	\$ -	\$ 113,078	\$ 1,887,901
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

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.

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

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

Alternate Benefit Program

Year Ended June 30,	Normal Contribution	Accrued Liability	Total Liability	Funded by State	Group Life	Paid by College
2012	\$ 1,430,147	\$ -	\$ 1,430,147	\$ 948,344	\$ -	\$ 481,803
2011	1,367,100	-	1,367,100	927,821	-	439,279
2010	1,314,279	-	1,314,279	885,119	-	429,160

Note 7: PENSION PLANS (CONT'D)

Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Division of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the College's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The College's contributions, equal to the required contribution for each fiscal year, were as follows:

Defined Contributions Retirement Program

<u>Year Ended June 30,</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Funded by State</u>	<u>Group Life</u>	<u>Paid by College</u>
2012	\$ 5,861		\$ 5,861	\$ -	-	\$ 5,861
2011	-		-	-	-	-
2010	-		-	-	-	-

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, 2012 and 2011 were \$268,325 and \$280,279 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, 2012 and 2011 the Compensated Absences Liability was \$3,527,361 and \$2,938,994 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, 2012, the amount reserved was \$301,789. In addition, Rowan University has also reserved a portion of its fund balance in the amount of \$210,000. Also at June 30, 2012 the College reserved fund balance in its Plant Fund for the Camden Technology Center in the amount of \$368,369 and a Facilities Reserve in the amount of \$1,305,917.

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 three years commencing August, 2010 with an option to renew the contract for an additional two years. In addition, the College has entered into a separate agreement with Barnes and Noble, Inc. for the operation of the *University District Bookstore* (Joint Bookstore) at the Camden County College's Technology Center in Camden, New Jersey. This bookstore serves Camden County College, Rutgers University-Camden Campus, and Rowan University. These institutions have jointly subcontracted for the provision of bookstore services at this facility. The agreement is in effect for five years commencing March, 2011.

Net commissions paid to the College for the fiscal year ended June 30, 2012 and 2011 were \$874,593 and \$1,017,826 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, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Invested in Capital Assets:		
Gross	\$ 144,787,606	\$ 94,872,716
Related Debt	<u>(21,824,405)</u>	<u>(22,525,192)</u>
	<u>\$ 122,963,201</u>	<u>\$ 72,347,524</u>
Restricted for Expendable Net Assets:		
Stabilization	\$ -	\$ 262,942
Appropriated for Operations	3,630,000	3,180,000
Renewal and Replacement		
Reserve (JEC Bond Act)	5,516,730	2,291,555
Federal and State Grants	<u>86,989</u>	<u>78,583</u>
	<u>\$ 9,233,719</u>	<u>\$ 5,813,080</u>
Unrestricted Net Assets	<u>\$ 8,130,562</u>	<u>\$ 8,300,398</u>
Designation of Unrestricted Net Assets:		
Student Government and		
Intercollegiate Athletics	\$ 71,468	\$ 102,023
Undesignated	<u>8,059,094</u>	<u>8,198,375</u>
	<u>\$ 8,130,562</u>	<u>\$ 8,300,398</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, 2012 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: ACCOUNTS RECEIVABLE

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

	<u>2012</u>	<u>2011</u>
Student tuition and fees	\$ 3,156,378	\$ 3,428,765
Auxiliary enterprises and other operating activities	2,081,083	1,875,800
Federal, state, county and private grants and contracts	<u>23,634,159</u>	<u>8,628,031</u>
	28,871,620	13,932,596
Less: allowance for doubtful accounts	<u>1,048,199</u>	<u>2,781,099</u>
Net accounts receivable	<u>\$ 27,823,421</u>	<u>\$ 11,151,497</u>

Note 17: 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 18: LITIGATION

The College is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the College, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 19: PRIOR PERIOD ADJUSTMENT

In fiscal year 2012, the College contracted with an inventory company to perform an inventory of its capital assets at June 30, 2012. As a result of this inventory, it was necessary to adjust certain capital assets classifications along with their accumulated depreciation. The cumulative effect on the financial statements as reported for June 30, 2011 is as follows:

	<u>As Reported June 30, 2011</u>	<u>Prior Period Adjustment</u>	<u>Restated June 30, 2011</u>
Total Capital Assets, net	\$95,710,750	(\$838,034)	\$94,872,716
Investment in Capital Assets, Net of Related Debt	\$95,710,750	(\$838,034)	\$94,872,716

SINGLE AUDIT SECTION

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2012**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS 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 President 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, 2012. 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 of 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, 2012.

Internal Control Over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the 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 the requirements that could have a direct and material effect on a major federal or state program to determine the 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 program 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.

This report is intended solely for the information and use of the board of trustees, management and others within 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 3, 2012

CAMDEN COUNTY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDING JUNE 30, 2012

<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 2012 Expenditures</u>
U.S. Department of Education:				
Student Financial Aid Cluster (Direct Funding):				
Federal Supplemental Educational Opportunity Grants	84.007	P007A112540	\$ 427,424	\$ 422,447
Federal Direct Student Loans	84.268	P268K122865	11,224,237	11,217,492
Federal Pell Grant Program	84.063	P063P112865	23,052,006	23,052,006
Federal Work-Study Program	84.033	P033A112540	386,318	382,286
Total Student Financial Aid Cluster				35,074,231
TRIO Cluster (Direct Funding):				
Upward Bound	84.047	P047A070532-09	450,792	337,757
Upward Bound	84.047	P047A070532-09	450,792	141,445
Upward Bound Food	84.047	5120-100-034	5,799	4,386
Total TRIO Cluster				483,588
Passed Through State of New Jersey Department of Education:				
CTE Partnership Grant	84.xxx	10-AG81-H06	175,000	33,107
CTE Partnership Grant	84.xxx	10-AG81-H06	175,000	136,824
Total CTE Partnership Grant				169,931
Vocational Education - Perkins	84.048	PSFS712011	958,676	958,676
Passed Through State Department of Labor and Workforce Development:				
Adult Education and Family Literacy:				
Adult Basic Skills (Includes \$248,731 Matching Share)	84.002	ABS-FY11004	839,393	827,015
English Literacy and Civics	84.002	ABS-FY11004	163,502	164,986
				992,001
Passed Through Camden County Vocational Technical School:				
21st Century-CCVT	84.287	subcontract	109,500	29,513
21st Century-CCVT	84.287	subcontract	109,500	120,716
Passed Through Gloucester City School District				
21st Century - Gloucester City	84.287	subcontract	59,000	10,055
21st Century - Gloucester City	84.287	subcontract	52,000	31,394
				191,678
Passed Through Bergen Community College				
Garden State Pathways (Includes \$28,347 in Matching Share)	84.407	P407A100024	250,999	117,011
Garden State Pathways (Includes \$6,217 in Matching Share)	84.407	P407A100024	193,926	53,795
				170,806
U.S. Department of Environmental Protection Agency:				
Passed Through New Jersey Department of Environmental Protection				
EPA's Brownfield Initiative	66.815	EG12-005	266,511	100,428
U.S. Department of Health and Human Services:				
Passed Through Tidewater Community College				
Tidewater Consortia Year 3	93.721	90CC0080/01	306,609	13,792
Tidewater Consortia Year 2	93.721	90CC0080/02	447,037	313,133
				326,925
National Science Foundation (Direct Funding):				
NSF-OP-TEC	47.076	DUE-0603275	90,000	10,713
NSF-OP-TEC	47.076	DUE-0603275	90,000	81,712
NSF-ALICE	47.076	DUE-0903271	31,666	6,063
NSF-Deaf STEM ALICE	47.076	31204-01	8,938	5,643
NSF-STEM	47.076	DUE-0631050	118,441	2,625
NSF-STEM	47.076	DUE-0631050	117,841	42,050
Total National Science Foundation				148,806
Total Federal Financial Assistance				\$ 38,617,070

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, 2012

State Grantor/Program Title	State GMIS Number	Program or Award Amount	Matching Contribution	Program Funds Received	From	To	Grant Period	FY 2012 Expenditures	Cumulative Expenditures
Student Financial Aid Cluster:									
N.J. Commission on Higher Education:									
Educational Opportunities Fund - Article III	100-074-2401-001	\$ 194,127	\$ 174,963	07/01/11	06/30/12		\$ 174,963	\$ 174,963	
Educational Opportunities Fund - Article III Summer	100-074-2401-001	53,036	47,669	07/01/11	06/30/12		47,669	47,669	
N.J. Higher Education Student Assistance Authority:									
New Jersey Stars Program	100-074-2405-313	568,443	568,443	07/01/11	06/30/12		567,768	567,768	
Tuition Aid Grants	100-074-2405-007	3,430,835	3,440,285	07/01/11	06/30/12		3,428,679	3,428,679	
Garden State Scholars Program	100-074-2405-278	2,790	2,790	07/01/11	06/30/12		2,790	2,790	
Urban Scholars Program	100-074-2405-278	3,255	3,255	07/01/11	06/30/12		3,255	3,255	
NJ Gear Up Scholarship	100-074-2400-026	56,122	56,122	07/01/11	06/30/12		56,122	56,122	
NJ Class Loans	none	116,194	116,194	07/01/11	06/30/12		116,194	116,194	
Total Student Financial Aid Cluster							4,397,440	4,397,440	
N.J. Commission on Higher Education:									
Educational Opportunities Fund - Article IV	100-074-2401-002	217,343	\$ 237,866	217,343	07/01/11	06/30/12		455,209	455,209
N.J. Department of Education:									
CTE Partnership	10-AG81-H06	140,000	46,438	09/01/11	08/31/12		68,843	68,843	
CTE Partnership	10-AG81-H06	140,000	43,380	02/01/10	08/31/11		43,380	43,380	
N.J. Department of Treasury - Higher Education Administration:							112,223	191,611	
Operational Costs - County Colleges	100-082-2155-015	10,201,317	10,201,317	07/01/11	06/30/12		10,201,317	10,201,317	
P.L.1971, Chapter 12 Debt Service	100-082-2155-016	11,335,894	11,335,894	07/01/11	06/30/12		11,335,894	11,335,894	
Employer Contributions - Alternative Benefit Program:	100-082-2155-017	948,344	948,344	07/01/11	06/30/12		948,344	948,344	
N.J. Department of Law and Public Safety:							22,485,555	22,485,555	
LEOTEFF	100-066-1020-314-YCJF-6120	167,644	167,644.00	07/01/11	06/30/12		167,644	167,644	
N.J. Council for the Humanities:									
American Civil War	Unknown	9,034	18,375	9,034	09/14/11	11/16/11		27,409	27,409
Total State Financial Assistance							\$ 27,645,480	\$ 27,724,868	

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

CAMDEN COUNTY COLLEGE

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2012

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 and New Jersey Class Loans; accordingly, these loans balances are not included in the College's basic financial statements. It is not practical to determine the balance of loans outstanding to students of the College under these programs as of June 30, 2012.

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, 2012

Section 1- Summary of Auditor's Result:

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no
Were significant deficiencies identified that were not considered to be a material weakness?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no

Federal Awards

Internal control over compliance:	
Material weaknesses identified?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no
Were significant deficiencies identified that were not considered to be material weaknesses?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> 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))?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.007	Student Financial Aid Cluster: Federal Suppl. Educational Opportunity Grant (FSEOG)
84.268	Federal Direct Student Loans (Direct Loan)
84.063	Federal Pell Grant Program (PELL)
84.033	Federal Work Study Program (FWS)

Dollar threshold used to determine Type A programs	\$1,158,512
Auditee qualified as low-risk auditee?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no

(Continued)

CAMDEN COUNTY COLLEGE
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ending June 30, 2012

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

State Financial Assistance

Internal control over compliance:

Material weaknesses identified? _____ yes no

Were significant deficiencies identified that were considered to be material weaknesses? _____ 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)) or New Jersey Circular 04-04-OMB?

_____ yes no

Identification of major programs:

<u>GMIS Numbers</u>	<u>Name of State Program</u>
100-074-2401-001	Student Financial Aid: Educational Opportunity Fund (EOF) - Article III
100-074-2401-001	Educational Opportunity Fund (EOF) - Article III Summer
100-074-2405-313	New Jersey Stars Program
100-074-2405-007	Tuition Aid Grant (TAG)
100-074-2405-278	Garden State Scholars Program
100-074-2405-278	Urban Scholars Program
100-074-2400-026	New Jersey Gear Up
none	New Jersey Class Loans
100-074-2401-002	Educational Opportunity Fund (EOF) - Article IV
100-082-2155-015	Operational Costs - County Colleges
100-082-2155-016	P.L. 1970, Chapter 12 Debt Service

Dollar threshold used to determine Type A programs

_____ \$829,364

Auditee qualified as low-risk auditee?

_____ yes no

CAMDEN COUNTY COLLEGE
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2012

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, 2012

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.

No Current Year Findings

CAMDEN COUNTY COLLEGE
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2012

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

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.

Current Status

This finding has been resolved.

STATE FINANCIAL ASSISTANCE PROGRAMS

No Prior Year Findings

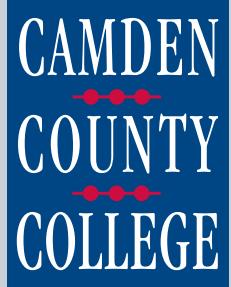
APPRECIATION

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



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

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.

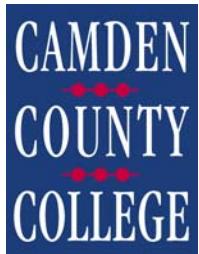
Respectfully submitted,

Bowman & Company LLP

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
Assets					
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%
Liabilities					
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%
Net Assets					
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.

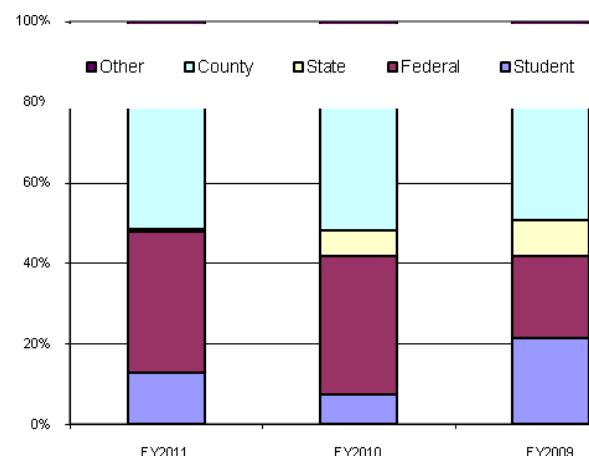
Table 2: Comparison of Current Assets

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

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

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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.

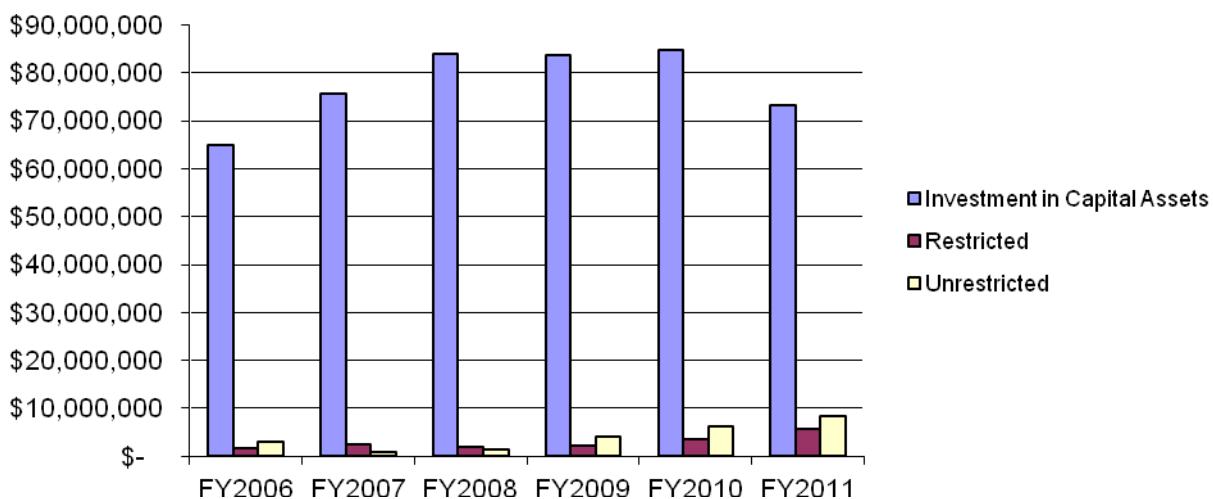
Restricted net assets for FY2011 increased by \$2.23 million primarily due to the appropriated reserve for the FY2011 operating budget. For FY2010, restricted net assets increased by \$1.39 million. The notable change within the category is the use of the stabilization reserve from FY2009 to support 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)			11 to 10 Dollar Change	11 to 10 Percent Change	10 to 09 Dollar Change	10 to 09 Percent Change
	2011	2010	2009				
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							
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.

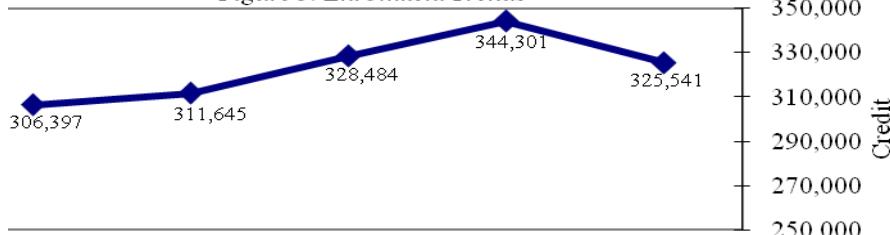
During FY2008, the New Jersey County Colleges, in conjunction the New Jersey Council of County Colleges adopted a change in the method for which non-credit courses would be funded by the State of New Jersey. Non-credit hours will no longer be formula funded, instead, each of the County Colleges will 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	(5.45%)	4.8%	5.4%	1.71%	(1.26%)	(0.8%)
% Change Credit Hours						(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

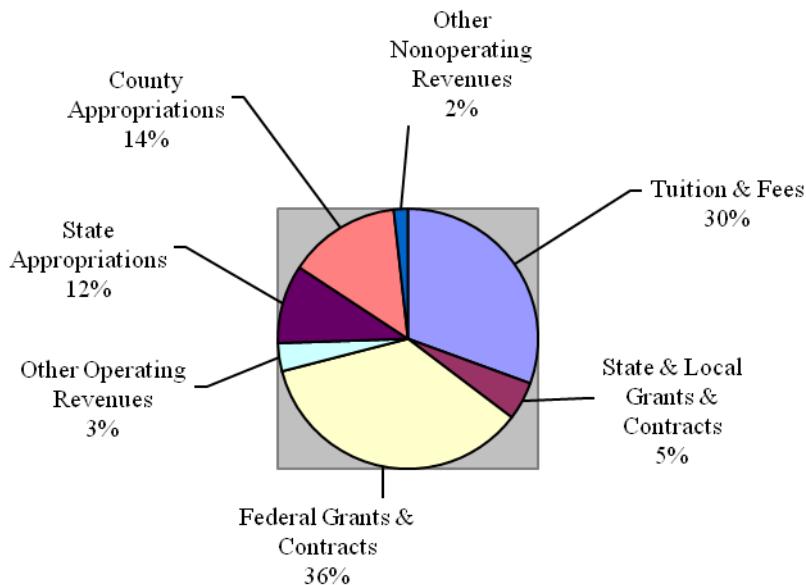


Table 11: Composition of Total Revenues

	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

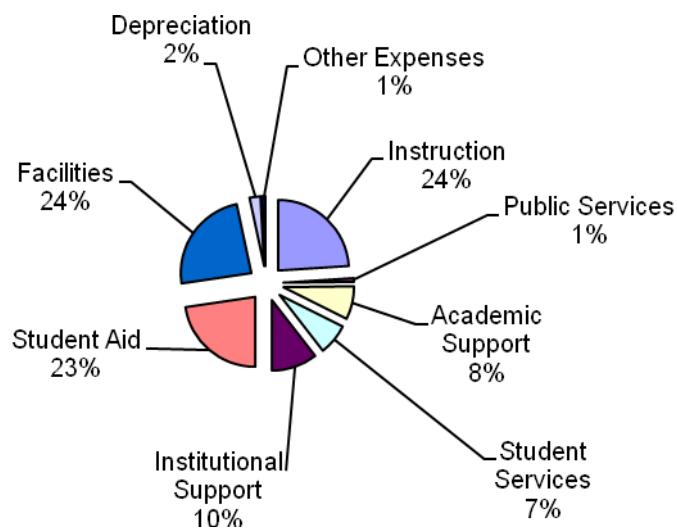


Table 12 displays the College's FY2011, FY2010 and FY2009 expenditures by object classification.

*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 it's financial information system. The upgrade will enhance the College' 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</u> <u>CCC Foundation</u>	<u>College</u>	<u>Component Unit</u> <u>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	<u>\$ 87,299,036</u>	<u>\$ 1,712,068</u>	<u>\$ 94,674,637</u>	<u>\$ 1,284,794</u>

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

CAMDEN COUNTY COLLEGE
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2011 and 2010

	2011	2010
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	<u>10,952,430</u>	<u>11,275,103</u>
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	<u>30,541</u>	<u>54,234</u>
Net Cash Provided by Investing Activities	<u>30,541</u>	<u>54,234</u>
Net Increase (Decrease) in Cash	<u>5,668,469</u>	<u>2,869,094</u>
Cash and Cash Equivalents - Beginning of the Year	<u>11,898,127</u>	<u>9,029,033</u>
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	<u>203,039</u>	<u>(21,949)</u>
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 discretely 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 discretely 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:

	2011	2010
Insured	\$ 250,000	\$ 250,000
Collateralized under GUDPA	<u>13,581,170</u>	<u>9,456,792</u>
	<u>\$13,831,170</u>	<u>\$ 9,706,792</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>Balance</u>	
	<u>June 30, 2010</u>	<u>Additions</u>	<u>Reductions</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>Balance</u>	
	<u>June 30, 2009</u>	<u>Additions</u>	<u>Reductions</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

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

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
	\$ 14,429,574	\$ 11,008,126	\$ 25,437,700

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 June 30,</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Funded by State</u>	<u>Group Life</u>	<u>Paid 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

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	<u>242,388</u>
				<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	<u>32,120</u>
				<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	<u>49,682</u>
				<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	<u>473</u>
				<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>From</u>	<u>To</u>	<u>Grant Period</u>	<u>FY 2011 Expenditures</u>	<u>Cumulative Expenditures</u>
N.J. Department of Treasury - Office of Student Assistance:									
Student Financial Aid Cluster:									
Educational Opportunities Fund - Article III	100-074-2401-001	\$ 194,127		\$ 194,127	07/01/10	06/30/11	\$ 194,127	\$ 194,127	\$ 194,127
EOF - Summer	100-074-2401-001	53,036		51,841	07/01/10	06/30/11	51,841		51,841
New Jersey Stars Program	100-074-2405-313	775,174		756,678	07/01/10	06/30/11	775,174		775,174
Tuition Aid Grants	100-074-2405-007	3,481,799		3,458,908	07/01/10	06/30/11	3,481,794		3,481,794
Garden State Distinguish Scholarship	100-074-2405-278	21,390			07/01/10	06/30/11	21,390		21,390
NJ Gear Up Scholarship	100-074-2400-026	55,851			07/01/10	06/30/11	55,851		55,851
NJ Class Loans	Unknown	135,184		138,647	07/01/10	06/30/11	133,842		133,842
Total Student Financial Aid Programs								<u>4,713,399</u>	<u>4,713,399</u>
Educational Opportunities Fund - Article IV	100-074-2401-002	\$ 217,343	\$ 232,388	217,343	07/01/10	06/30/11		<u>449,731</u>	<u>449,731</u>
N.J. Department of Education:									
CTE Partnership	10-AG81-H06	140,000		5,914	02/01/10	08/31/11		<u>79,388</u>	<u>79,388</u>
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
								<u>12,822,888</u>	<u>12,822,888</u>
New Jersey Council for the Humanities:									
Cleopatra's World	2010-12	5,250	12,545	5,250	08/01/10	03/31/11		<u>17,795</u>	<u>17,795</u>
Total State Financial Assistance								<u>\$ 18,083,200</u>	<u>\$ 18,083,200</u>

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

CAMDEN COUNTY COLLEGE

Notes 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?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no
Were significant deficiencies identified that were not considered to be a material weakness?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no

Federal Awards

Internal control over compliance:	
Material weaknesses identified?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no
Were significant deficiencies identified that were not considered to be material weaknesses?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> 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))?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no

Identification of major programs:

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

Dollar threshold used to determine Type A programs	\$1,161,691
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> 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 no

Were significant deficiencies identified that were considered to be material weaknesses? _____ 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)) or New Jersey Circular 04-04-OMB? _____ yes no

Identification of major programs:

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

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

Auditee qualified as low-risk auditee? _____ 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

CAMDEN COUNTY COLLEGE
REPORT OF AUDIT
WITH SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2010



CAMDEN COUNTY COLLEGE
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INDEPENDENT AUDITOR'S REPORT

To the 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 and the discretely presented component unit of Camden County College (the 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, 2010 and 2009, which collectively comprise the College's basic financial statements as listed in the table of contents. 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 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 Camden County College Foundation (a discretely presented component unit) were audited in accordance with auditing standards generally accepted in the United States of America, but were not audited in accordance with Government Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, based upon our audits, 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, 2010 and 2009, 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 March 28, 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.

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. In addition, supplemental schedules 1 through 9, as listed in the table of contents, are also presented for purposes of additional analysis 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 taken as a whole.

Respectfully submitted,

Bowman Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Woodbury, New Jersey
March 28, 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**

To the 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 and the discretely presented component unit 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, 2010 and have issued our report thereon dated March 28, 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

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 a 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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.

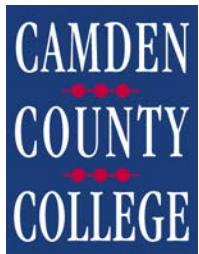
Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Woodbury, New Jersey
March 28, 2011

REQUIRED SUPPLEMENTARY INFORMATION



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 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 year ended June 30, 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, 2010 statements is divided into the following five 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.
- An analysis of the College Foundation's financial activity.

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 FY2010, the College included comparative data for FY2009 and FY2008 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, 2010
(Unaudited)

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

- Credit student enrollment increased 4.8% to 344,301 during FY2010 and increased 5.4% to 328,484 total credit hours during FY2009. Credit student enrollment increased 1.7% to 311,645 during FY2008. The increases in FY2010 and FY2009 continued the upward trend experienced over the past several years.
- 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 with in 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 debt).
- Restricted assets.
- Unrestricted assets.

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

	2010	2009	2008	10 to 09 Percent Change	09 to 08 Percent Change
Assets					
Current Assets	\$23.34	\$19.33	\$16.09	20.7%	20.1%
Non-Current (Capital) Assets					
Net of Depreciation	92.63	91.54	92.03	1.2%	(0.5%)
Total Assets	115.97	110.87	108.12	4.6%	2.5%
Liabilities					
Current Liabilities	12.61	11.97	11.93	5.3%	0.3%
Non-Current Liabilities	8.69	8.80	8.72	(1.3%)	0.9%
Total Liabilities	21.30	20.77	20.65	2.5%	0.6%
Net Assets					
Investment in Capital Assets	84.76	83.69	84.04	1.3%	(0.4%)
Restricted	3.58	2.19	1.96	63.5%	11.7%
Unrestricted	6.33	4.21	1.46	50.4%	188.4%
Total Net Assets	\$94.67	\$90.09	\$87.46	5.1%	3.0%

Camden County College
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 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 4.6% in FY2010 and 2.5% in FY2009. These increases primarily result from increases in cash and cash equivalents and accounts receivable.

Current assets for FY2010 increased by \$4.01 million (20.7%) resulting from an increase in cash and cash equivalents and accounts receivable. Current assets for FY2009 increased by \$3.24 million (20.1%) resulting from an increase in cash and cash equivalents, an increase in accounts receivable and a decrease in prepaid expenses. The accounts receivable increase was comprised of an increase in County and Federal receivables.

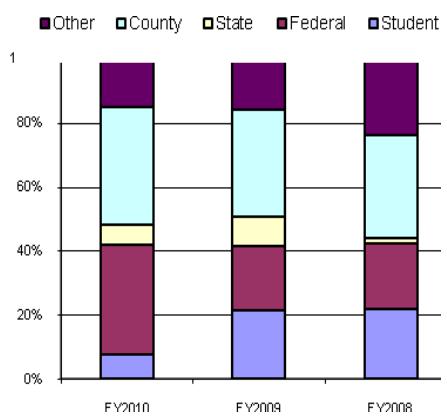
Table 2: Comparison of Current Assets

	2010	2009	2008	10 to 09 Percent Change	09 to 08 Percent Change
Cash & Cash Equivalents	\$11,898,127	\$9,029,033	\$7,249,302	31.8%	24.6%
Accounts Receivable – Net	10,409,218	9,340,719	8,188,146	11.4%	14.1%
Inventories	19,278	19,184	21,386	0.5%	(10.3%)
Prepaid Expenses	1,012,537	942,519	627,869	7.4%	50.1%
Total Current Assets	\$23,339,160	\$19,331,455	\$16,086,704	20.7%	20.2%

Over the examined three-year period, combined cash/cash equivalents and net accounts receivable have remained relatively stable at approximately 94.5% of current assets. The FY2010 increase in accounts receivable reflect an increase in Federal and County receivables, partially offset by a decrease in student receivables for FY1010 due to the placement of delinquent accounts placed in FY2011. The FY2009 accounts receivable reflect an increase in student accounts and other receivables and corresponding increases in Federal, State 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. The decline in Other Receivables for FY2009 was a direct result in the decrease of non-credit and other billable accounts receivable. The following table and chart display the remaining components of the fluctuation in accounts receivable.

Table 3: Comparison of Accounts Receivable

	2010	2009	2008	10 to 09 Percent Change	09 to 08 Percent Change
Student	\$785,631	\$1,993,013	\$1,791,884	(60.6%)	11.2%
Federal	3,562,691	1,901,515	1,686,667	87.4%	12.7%
State	664,589	832,924	117,162	(20.2%)	610.9%
County	3,829,275	3,126,440	2,643,218	22.5%	18.3%
Other	1,567,032	1,486,826	1,949,214	5.4%	(23.7%)
Total	\$10,409,218	\$9,340,718	\$8,188,145	11.4%	14.1%



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

The amount due from the federal government is primarily for student financial aid. In FY2010, the receivable accounts from the federal government increased by \$1,661,176 (87.4%). For FY2009, the receivable increased \$215,000 (12.7%). 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.

The State of New Jersey receivable decreased from FY2009 to FY2010 by \$168,335 while this receivable increased from FY2008 to FY2009 by approximately \$716,000 due to the timely receipt of State aid funding during FY2009.

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 a receivable for County revenue, and conversely, deferral of County revenue will be recorded in "down" years unless appropriation payments are not received on a timely basis. In FY2008, the College experienced a delay in its receipt of the County appropriation for June 2008 and subsequently recognized a receivable due from the county. During FY2009, the College experienced a delay in its receipt of the County appropriation resulting in the receivable of \$1,364,052. For FY2010, a similar delay existed in the County appropriation receipt.

Table 4: County Aid Fluctuations

	FY2010	FY2009	FY2008
	"Down Year"	"Up Year"	"Down Year"
County Revenue based on Board of School Estimates	\$9,725,814	\$12,251,698	\$9,725,814
Actual County Payments Received	9,624,704	10,887,646	9,516,371
Account Receivable or (Deferred Revenue)	\$101,110	\$1,364,052	\$209,443

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 \$3,612,585, \$1,762,388, and \$2,370,539 in FY2010, FY2009 and FY2008 respectively.

Receivable accounts classified as "other" include receivables for facility partnerships, customized training programs, and insurance claims. For FY2010, the college experienced an increase in other receivables in the amount of \$80,200 that included reductions in non-credit and credit other accounts receivables. For FY2009, the college experienced a decline in other receivables in the amount of \$462,000. For FY2008, multiple years of our facility partnerships remained outstanding yielding the increase in other receivables.

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 \$19.370 million over the four year period covering FY2007 to FY2010. This growth is the result of several significant capital projects: the completion of the College's Conference Center at the Camden City Campus and the construction and renovation of Madison Hall and the Connector Building, the later two being part of Phase I of the Freeholder Initiative.

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The additions to capital assets were partially offset by annual depreciation of approximately \$2.6 million. 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. The Conference Center at the Camden City campus received its certificate of occupancy during FY2007 and was placed into service during the same period. As of June 30, 2008, the final certificate of occupancy was not received and therefore, the renovated Madison Hall and Connector Building are still classified as construction in progress.

As shown in Table 5 below, the College had \$92,634,534 invested in land, buildings, furniture, equipment and other assets as of June 30, 2010.

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

	FY 2008 Balance	FY2009 Net Additions	FY2009 Depreciation	FY 2009 Balance	FY2010 Net Additions	FY2010 Depreciation	FY 2010 Balance
Land	\$3.855			\$3.855			\$3.855
Land Improvements	1.050	.177	(.043)	1.184	.177	(.043)	1.318
Buildings	58.455	.221	(1.609)	57.067	.371	(1.618)	55.820
Infrastructure	1.719		(.076)	1.643		(.058)	1.585
Construction in Progress and Bond Issuance Costs	22.972	1.238		24.210	1.909		26.119
Furniture, Equipment and Vehicles	3.463	.458	(.659)	3.262	1.169	(.703)	3.728
Assets Under Capital Leases	.415		(.156)	.259		(.094)	.165
Capitalized Software	0.000			0.000			0.000
Library Books	.097	.011	(.053)	.055	.017	(.028)	.044
Total	\$92.026	\$2.105	(\$2,596)	\$91.535	\$3.643	(\$2,544)	\$92.634

Also displayed in the Statement of Net Assets, summarized in Table 1 are current and non-current liabilities. Total liabilities were \$21.30, \$20.77 and \$20.65 million in FY2010, FY2009 and FY2008 respectively. The division of current and non-current liabilities remained consistent from FY2008 to FY2010.

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 \$4,933,189, \$4,365,569 and \$4,996,473 in FY2010, FY2009 and FY2008 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.

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The current portion of long-term debt, the amount of long-term debt due within the next fiscal year, increased by \$15,300 in FY2010 and \$15,000 in FY2009. 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 \$431,500 and \$416,000 for fiscal years 2010 and 2009, respectively.

As previously discussed, the College alternately recognizes a receivable or deferred revenue for its County appropriation. In FY2010 the College recorded a receivable of \$101,110. In FY2009, the College recorded a receivable of \$1,364,052. 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 subsequent fiscal year, increased from FY2009 to FY2010 by \$16,000 and from FY2008 to FY2009 by \$906,000.

Non-current liabilities include the preponderance of accrued compensated absences and the long-term portion of liabilities. As shown in Table 6, total non-current liabilities were relatively constant between the comparative fiscal years.

Table 6: Comparison of Annual Non-Current Liabilities

	2010	2009	2008	10 to 09 Percent Change	09 to 08 Percent Change
Accrued Compensated Sick Leave	\$896,232	\$786,927	\$750,685	13.9%	4.8%
Accrued Compensated Vacation Leave	\$1,695,718	\$1,791,657	\$1,618,456	(5.4%)	10.7%
Capital Leases Payable	\$107,246	\$209,255	\$328,119	(48.7%)	(36.2%)
Camden Technology Center Mortgage	\$5,987,866	\$6,007,673	\$6,027,054	(0.3%)	(0.3%)
Total	\$8,687,062	\$8,795,512	\$8,724,314	(1.2%)	0.8%

The total liability, current and non-current, for compensated absences was \$2,930,402, \$2,832,283 and \$2,601,662 in FY2010, FY2009 and FY2008, 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 FY2010, the liabilities for compensated absences increased by 3.5% or \$98,000. For FY2009, the liabilities increased \$231,000 or 8.9%.

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 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, 2010 is \$209,255 (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 FY2006 and FY2005, the County funded the principal and interest payments due for these periods. The change in the mortgage for the Camden Technology Center is the amount of

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the change in the current portion of the long-term debt obligation and the amortization of the 2002 revenue bond premium. The changes for FY2010 and FY2009 were \$19,807 and \$19,381, respectively.

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

	2010	2009	2008	10 to 09 Dollar Change	09 to 08 Dollar Change
<u>Investment in Capital Assets</u>					
Investment In Plant Fund Balance	\$58,808,000	\$68,243,283	\$61,282,926	\$(9,435,283)	\$6,960,357
Construction in Progress	25,950,220	15,451,086	22,761,492	10,499,134	(7,310,406)
Total	84,758,220	83,694,369	84,044,418	1,063,851	(350,049)
<u>Restricted Net Assets</u>					
Restricted Fund Balance	5,675	38,242	7,174	(32,567)	31,068
Financial Aid Fund Balance	92,272	22,636		69,636	22,636
Peter Cheeseman Facility Reserve	3,424	3,424	3,424		
Reserve for Parking Garage	279,785	237,750	190,200	42,035	47,550
Reserve for Camden Campus Renewal and Replacement	306,009	306,008	389,998		(83,990)
Reserve FY2011 Operations	1,742,607			1,742,607	
Unexpended Plant Fund Balance (Net of Construction in Progress)	1,153,416	322,758	321,391	830,658	1,366
Quasi-Endowment Fund Balance			1,045,558		(1,045,558)
Stabilization Reserve		1,262,942		(1,262,942)	1,262,942
Total	3,583,188	2,193,762	1,957,745	1,389,426	236,015
<u>Unrestricted Net Assets</u>					
Current Fund Balance	6,333,229	4,206,325	1,460,160	2,126,904	2,746,165
Total Net Assets	\$94,674,637	\$90,094,456	\$87,462,323	\$4,580,181	\$2,632,132

For FY2010 and FY2009, the respective increases of \$4.58 and \$2.63 million in Net Assets are primarily attributable to ongoing and finalization of construction/renovation projects at the Community Center, and Madison Hall and Connector Building construction-in-progress activities.

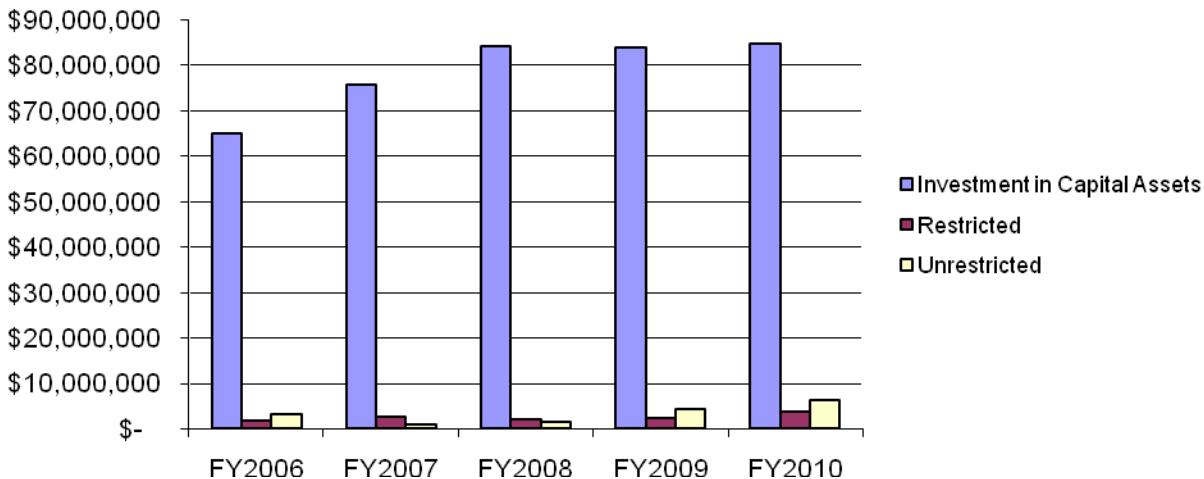
Restricted net assets for FY2010 increased by \$1.39 million primarily due to the appropriated reserve for the FY2011 operating budget. For FY2009, restricted net assets increased by \$0.24 million between FY2009 and FY2008. The notable change within the category is the use of the stabilization reserve 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 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

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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.

Finally, the Current Unrestricted Fund Balance increased from \$2,135,808 to \$6,229,916, net of dedicated funds for student government, athletics and the College’s appropriation of reserves in the amount of \$1,742,607 for the FY2011 operating budget during FY2010, or 2.92% 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 80.4% of total operating revenues for FY2009. This amount represents 3.77% of total operating revenues for FY2009. As stated below, FY2010 reserves were slightly above the Board of Trustees’ policy, while in FY2009, the reserves were below the range of the targeted percentages. In addition, the College funded approximately \$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.



The composition of the College’s net assets shows a financially viable but tightly run institution. Unrestricted net assets make up only 1.7% of the total net assets. Additionally, only 20% 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.

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

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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)

	2010	2009	2008	10 to 09 Dollar Change	10 to 09 Percent Change	09 to 08 Dollar Change	09 to 08 Percent Change
Operating Revenues:							
Student Tuition And Fees	34.47	32.77	30.11	1.70	5.2%	2.66	8.8%
State and Local Grants/Contracts	7.34	6.37	5.22	0.97	15.2%	1.15	22.0%
Federal Grants and Contracts	40.72	29.56	25.60	11.16	37.8%	3.96	15.5%
Nongovernmental Grants/Contracts	0.04	0.22	0.11	(0.18)	(81.8%)	0.11	100.00%
Chargeback Revenue	0.09	0.08	0.08	0.01	12.5%		
Auxiliary Enterprises	0.66	0.63	0.54	0.03	4.8%	0.09	16.7%
Other Operating Revenues	2.23	2.03	1.83	0.20	9.9%	0.20	10.9%
Total Operating Revenues	85.55	71.66	63.49	13.89	19.4%	8.17	12.9%
Operating Expenses:							
Instruction	27.07	25.92	24.79	1.15	4.6%	1.13	4.6%
Public Services	1.30	1.20	1.24	0.10	(3.2%)	(0.04)	(3.2%)
Academic Support	8.43	8.32	8.03	0.11	3.6%	0.29	3.6%
Student Services	7.92	7.34	7.04	0.58	4.3%	0.30	4.3%
Institutional Support	12.42	12.02	11.89	0.40	3.3%	0.13	1.1%
Facilities	11.61	11.61	11.92	0.00	0.00%	(0.31)	(2.6%)
Student Aid	31.94	24.28	20.72	7.66	31.5%	3.56	17.2%
Depreciation	2.54	2.59	2.66	(0.05)	(1.9%)	(0.07)	(2.6%)
Other Expenditures	2.18	1.88	0.92	0.30	16.0%	0.96	104.3%
Total Operating Expenses	105.41	95.16	89.21	10.25	10.8%	5.95	6.7%
Operating Income (Loss)	(19.86)	(23.50)	(25.72)	3.64	(15.5%)	2.22	(8.6%)
Non-operating Revenues:							
State Appropriations	11.20	12.08	13.72	(0.88)	(7.3%)	(1.64)	(12.0%)
County Appropriations:	12.36	13.93	19.98	(1.57)	(11.3%)	(6.05)	(30.3%)
State and Local Grants/Contracts	0.65	-	-	0.65	-	-	-
Investment Income Earned	0.05	0.12	0.33	(0.07)	(58.3%)	(0.21)	(63.6%)
Gifts and Donations	-	-	-				
Insurance Claims - Net	0.18		0.11	(0.18)	(100.0%)	(0.11)	(100.0%)
Total Non-operating Revenues	24.44	26.13	34.14	(1.69)	(6.5%)	(8.01)	(23.5%)
Increase In Net Assets							
Net Assets-Beginning of Year	90.09	87.46	79.04	2.63	3.0%	8.42	10.7%
Net Assets-End of Year	94.67	90.09	87.46	4.58	5.1%	2.63	3.0%

Operating revenues rose over the period, increasing by 19.4% for FY2010 and 12.9% for FY2009. The largest component of operating revenues is student tuition and fees paid both by students directly and through state and federal financial aid. During FY2010, the College experienced an increase in scholarships, inclusive of federal grants and contracts of \$11.16 million or 37.8%. For FY2009, the College experienced an increase in scholarships, inclusive of federal grants and contracts of \$3.96 million or 15.5% compared to the increase of .08 million or 0.4% for FY2008. 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 increases during FY2010 and FY2009. For FY2010, the College experienced an increase of 4.8% and an increase of 5.4% for FY2009. During Fall 2010, the

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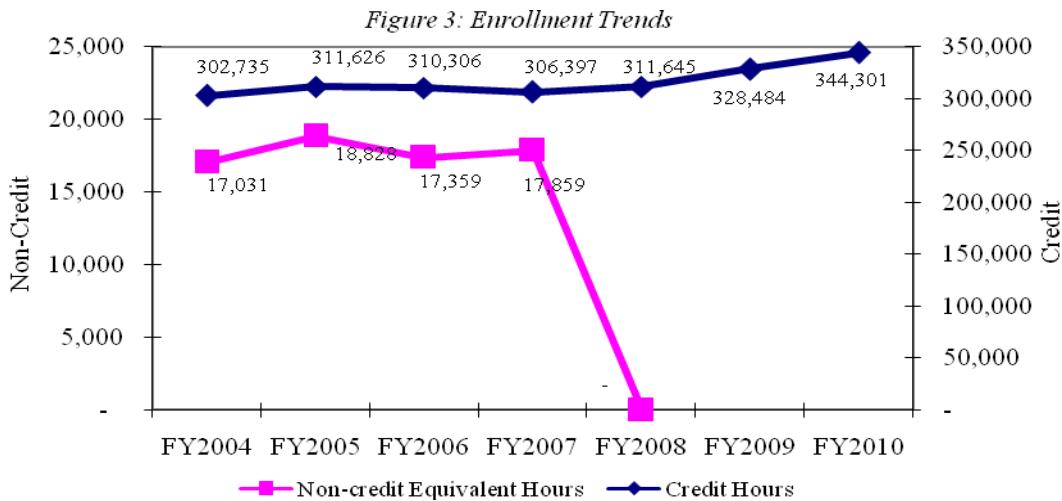
College experienced a decrease in credit hours of 5.08% over Fall 2009, reflective of a weakened economy.

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.

We anticipate credit enrollment will continue to decline. This decline is predicted based on our recent enrollments for Fall 2010 and Spring 2011. Although the student head count is within range of our prior experience, the decline in enrollments is in part related to full-time and part-time students taking fewer classes. We speculate 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 been one of the lowest per credit hour rates among New Jersey community colleges.)

Table 9: Total Fundable Credit Hour Enrollment

	FY2010	FY2009	FY2008	FY2007	FY2006	FY2005	FY2004
Credit Hours	344,301	328,484	311,645	306,397	310,306	311,626	302,735
Non-Credit Hours					17,359	18,828	17,031
Total Credits Hours	344,301	328,484	311,645	306,397	327,665	330,454	319,766
% Change Total Hours					(0.8%)	3.3%	8.1%
% Change Credit Hours	4.8%	5.4%	1.71%	(1.26%)	(0.42%)	2.94%	7.61%



From the previous year, total tuition and fee revenue adjusted for the effect of scholarships and financial aid awards increased 5.2% during FY2010 and 8.8% during FY2009. The increase for FY2010 primarily resulted from an increase of \$5 per credit hour increase in tuition, a \$6 increase in

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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. The increase for FY2008 primarily resulted from an increase of \$4 per credit hour increase in tuition and a \$2 per credit hour increase in the general service fees partially offset by a slight decrease in enrollment. The College experienced a decline in FY2010 of \$624,000 in Continuing Education revenues.

Federal and state financial aid programs increased \$12,211,776 or 37.90% in FY2010, \$5,656,216 or 21.3 % in FY2009 and \$4,885,496 or 22.54% in FY2008. This increase, in part, was attributable to the federal government updating its financial needs analysis formulas by bringing the State's tax tables current. The effect is that more students were eligible for or were eligible for higher amounts of Pell in FY2010 and FY2009. However, during the FY2010 and FY2009, the College received a significant increase in the number of students seeking financial assistance inclusive of student loans. The fluctuations in financial aid past five years are displayed in Table 10 below.

Table 10: Comparison of Financial Aid Program Revenue

	FY2010	FY2009	FY2008	FY2007	FY2006	FY2005
Pell Grants	\$21,697,019	\$13,376,676	\$10,408,940	\$8,749,858	\$8,987,898	\$9,653,579
Federal Education Loan Program	\$14,955,185	\$12,847,123	\$10,906,922	\$8,264,262	\$7,792,259	\$7,499,413
Other Federal Aid	\$1,013,057	\$594,842	\$965,505	\$693,637	\$788,248	\$789,734
New Jersey TAG	\$4,995,580	\$3,698,578	\$3,058,318	\$2,953,576	\$2,738,386	\$2,883,044
Other New Jersey Aid	\$1,771,545	\$1,703,390	\$1,224,708	\$1,017,564	\$697,041	\$502,424
Total Student Aid	\$44,432,386	\$32,220,609	\$26,564,393	\$21,678,897	\$21,003,832	\$21,328,193
Percent Change	37.90%	21.29%	22.54%	3.21%	(1.5%)	(4.2%)

Seventy-eight percent of the College's revenues are classified as operating revenues while 22% are classified by GASB as non-operating revenues for FY2010. Similarly for FY2009, 73% percent of the College's total revenues are classified as operating revenues while 27% 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 \$24.44, \$26.14 and \$34.14 million in FY2010, FY2009 and FY2008, respectively. These changes were the net result of the following shifts.

- Our calculated state operating appropriation was \$11,206,746, \$12,084,580 and \$13,721,740, in FY2010, FY2009 and FY2008 respectively. Camden County operating appropriation was \$9,725,814, \$12,251,698 and \$9,725,814 for FY2010, FY2009 and FY2008 respectively.
- 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 FY2010, the college processed capital requests related to its annual capital appropriation from the county in the amount of \$985,751. In addition, the college processed requests in the amount of \$1.80 million related to Phase I of the County's Capital Initiative for the College.

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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. For FY2008, the college processed capital requests related to its annual capital appropriation from the county in the amount of \$1.2 million and processed requests totaling \$9.04 million related to Phase I of the County's Capital Initiative for the College.

- Other non-operating revenues were \$0.05, \$0.34 and \$0.45 million in FY2010, FY2009 and FY2008, respectively. 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 \$54,000 for FY2010 and \$122,000 and \$446,000 in interest earnings during FY2009 and FY2008 respectively.

Figure 5 below graphically displays the components of the College's total operating and non-operating revenue in FY2010. Table 11 displays the relative changes between FY2010, FY2009 and FY2008. For FY2007 and FY2008, student and governmental paid tuition and fees represented about 60% of the College revenues. During FY2010 and FY2009, the amounts paid by students and governmental programs paid tuition and fees that represented approximately 75% and 70% of revenues for the respective years. For FY2010, governmental operating appropriations from the State and County represented another 21% of revenue, down from 27% of revenue for FY2009. For FY2008, governmental operating appropriations from the State and County represented another 34% of revenue, down from 39% of revenue for FY2007. The remaining percentage leaves miscellaneous revenues of 3%. 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 FY2010 Revenues

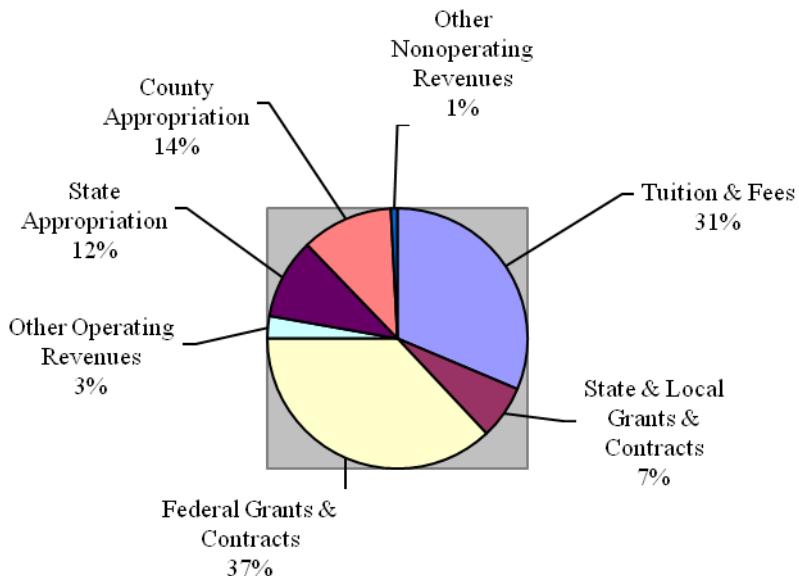


Table 11: Composition of Total Revenues

	FY2010	FY2009	FY2008	FY2007	FY2006	FY2005
Tuition & Fees	31.3%	33.5%	30.8%	29.8%	29.7%	31.7%
Operating Governmental Grants/Contracts	43.7%	36.7%	31.7%	26.8%	29.1%	31.4%
State Appropriations	10.0%	12.4%	14.0%	16.2%	17.4%	17.7%
County Appropriations	11.4%	14.3%	20.5%	23.7%	19.8%	15.7%
Other Operating and Non-operating Revenues	3.6%	3.1%	3.0%	3.5%	4.0%	3.5%

As noted in Table 8, operating expenses increased \$10.25 million or 10.8% from FY2009 to FY2010 and increased by \$5.95 million 6.7% from FY2008 to FY2009. Notable changes in FY2010 were in the following functions: (1) a \$7.7 million or 31.5% increase in Student Aid; (2) an increase in other operating expenditures of \$0.30 million or 16.0% increase; and increases in Academic and Student Support Services totaling approximately \$0.69 million combined, along with an increase of \$1.1 million in Instruction. Notable changes in FY2009 were in the following functions; (1) a \$3.56 million or 17.2% increase in Student Aid; (2) an increase of \$1.09 million or 4.4% increase in Other Expenditures. Notable changes in FY2008 were in the following functions; (1) a \$.54 million or 2.2% increase in Instruction; (2) a \$2.42 million or 2.71% increase in Other Expenditures inclusive of the reserve for the Community Center fire claim; and (3) \$.54 million or 2.2% increase in Institutional Support. These increases were partially offset by decreased expenditures in the remaining categories.

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

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organizational unit of the College; it includes such expenses as property/casualty insurance and information technology.

Compared to other New Jersey county colleges, Camden County College is very cost efficient. For FY2008 and FY2009, the College had an operating cost of \$5,618 and \$5,490 per full-time equivalent student, respectively. This compares to the statewide average of \$6,891 for FY2008, a 22.6% difference, and \$6,764 for FY2009, a 23.2% difference. For FY2010, the College experienced operating costs of \$5,610 per full-time equivalent or a 2.2% an increase over FY2009. This increase is primarily a result of the increase in student enrollment and the respective increase in credit hours. The \$5,610 per full-time equivalent compares to the statewide average of \$6,603 for FY2010, a 17.7% difference.

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

Figure 6: FY2010 Expenditures by Function

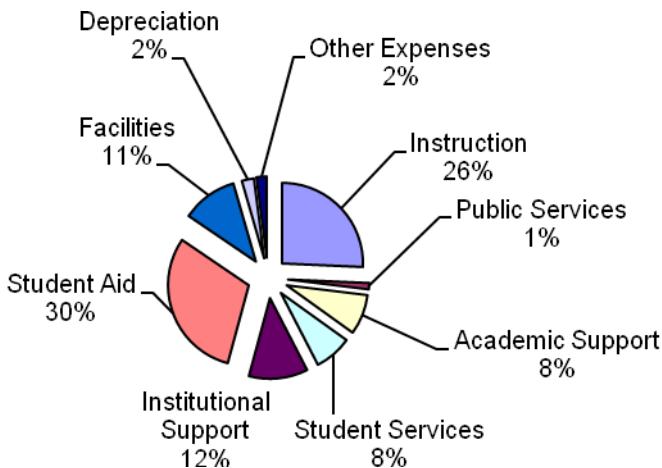


Table 12 displays the College's FY2010, FY2009 and FY2008 expenditures by object classification.

*Table 12 Comparison of Expenditures by Object
(In Millions)*

	FY2010 Expense	FY2010 Percent of Expense	FY2009 Expense	FY2009 Percent of Expense	FY2008 Expense	FY2008 Percent of Expense
Salaries and Wages	\$40.06	38.01%	\$38.47	40.4%	\$36.72	41.1%
Fringe Benefits	11.70	11.10%	10.73	11.3%	11.23	12.6%
Other Operating Costs	19.15	18.17%	19.08	20.1%	17.89	20.1%
Student Aid	31.94	30.30%	24.28	25.5%	20.72	23.2%
Depreciation	<u>2.56</u>	<u>2.43%</u>	<u>2.60</u>	<u>2.7%</u>	<u>2.66</u>	<u>3.0%</u>
Total Expenditures	\$105.41	100.0%	\$95.16	100.0%	\$89.22	100.0%

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

As a labor-intensive organization, the College continues to monitor the amount it spends on compensation (salaries and fringe benefits). In Table 12, 49.1%, 51.7% and 53.7% of expenses are devoted to salaries and benefits in FY2010, FY2009, and FY2008 respectively. This amount is understated in comparison to the College's operating budget because of the additional expenditures for student aid and annual depreciation. Without these expenses, the College spent 73.1%, 76.1% and 76.0% of its expenditures on compensation in FY2010, FY2009 and FY2008, 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 \$0.43 million after the exclusion inclusion of the stabilization reserve for FY2010. For FY2009, the College had an operating deficit of \$1.70 million after the inclusion of the stabilization reserve for FY2009. The stabilization reserve is necessary due to "up" and "down" years in the county appropriation as calculated for the Board of School estimate. Since FY2009 is an "up" year, the College received a higher level of county funding due to the estimate, subsequently this amount is put aside to provide level funding for next fiscal year, a "down" year (FY2010).

Economic and Other Factors That Will Effect the Future

There are six 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 facility with an estimated 105,000 square feet along with roads and grounds projects including the completion of a ring road that will improve access and egress from the College. Although the construction will be funded, operating costs will increase as the new facility comes online. The College will also be participating in the servicing of the debt service related to the Science Building.
- Second, the economic climate has declined to appoint that reverses prior trends at the College. Typically, a downward economy would drive up enrollments, however, during the Fall 2010 and Spring 2011 the College has experienced a decline in enrollments and College's credit enrollment is in a downward trend estimated at 5.0% decreased. For Fall 2010 and Spring 2011 semesters, total credit hours are below the previous fall semester by 5.0% or 7,000 credit hours respectively. The gradual reduction of students participating in the Helene School of Nursing program is a partial contributor of this decline. Our enrollment is a critical element of the funding formula used by 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.
- Third, the College anticipates the state budget for FY2011 will be level funded for the FY2011 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.

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- Fourth, the County of Camden funds annually approximately 13% of the College's revenue sources. This resource is also subject to potential reductions in funding in the coming years.
- Fifth, 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.
- Sixth, the College recently invested in a significant upgrade of it's financial information system. The upgrade will enhance the College' 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.
- 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.

Review of Foundation Financial Statements

The Camden County Foundation exists to enhance the College's tradition of academic excellence. Its purpose is to provide additional resources to support the mission of the College principally in the form of student scholarships. In addition, the Foundation provides some financial support of strategic initiatives that are related to the continuing development of excellence of the College.

The Foundation's financial statements are presented for the twelve-month period ending June 30, 2010 and June 30, 2009. The Statement of Net Assets and Statement of Revenues, Expenses and Changes in Net Assets have been prepared in conformity with generally accepted accounting principles. Those statements along with comparative data are summarized in the following table.

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

Table 13: Foundation Financial Activity

	FY2010	FY2009	FY2008	Dollar Change	Percent Change
Assets	\$1,385,185	\$1,231,304	\$1,446,763	\$153,881	12.50%
Liabilities	\$100,391	\$37,064		\$ 63,327	170.85%
Net Assets	\$1,284,794	\$1,194,240	\$1,446,763	\$ 90,554	7.58%
Revenue & Investment Activity					
Unrestricted & Temporarily Restricted Revenues	\$ 327,689	\$ 421,118	\$ 357,599	\$ (93,429)	(22.19%)
Investment Returns	\$ 141,514	\$ (234,886)	\$ (39,054)	\$ 376,400	160.25%
	Total \$ 469,203	\$ 186,233	\$ 318,544	\$ 282,970	151.94%
Expenses					
Program Expenses	\$ 99,072	\$ 189,761	\$ 120,950	\$ (90,689)	(47.79%)
Fundraising and Management Expenses	\$ 279,577	\$ 248,995	\$ 221,257	\$ 30,582	12.28%
	Total \$ 378,649	\$ 438,756	\$ 342,208	\$ (60,107)	(13.70%)
Change in Net Assets	\$ 90,554	\$ (252,523)	\$ (23,663)	\$343,077	135.86%

Several significant events reflected in these statements.

- The Foundation had an operating surplus of \$90,554 in FY2010, a deficit of \$252,523 in FY2009 and an operating deficit of \$23,663 in FY2008. During FY2010, the Foundation restructured their investment portfolio and generated a surplus thereby reversing the two year trend of negative returns. Ninety-three percent of the loss in net assets resulted from losses on investments in FY2009. This loss is indicative of current market conditions. The Foundation continues to seek revenue sources to generate funds from gifts and donations along with other fund raising activities, most notable, the Annual Golf Outing and the cultivation of the alumni population of Camden County College.

BASIC FINANCIAL STATEMENTS

CAMDEN COUNTY COLLEGE

Statements of Net Assets
As of June 30, 2010 and 2009

	2010		2009	
	<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	\$ 11,898,127	\$ 122,088	\$ 9,029,033	\$ 231,699
Accounts Receivable, Net	10,409,218		9,340,719	
Inventories	19,278		19,184	
Unconditional Promise to Give				3,000
Prepaid Expenses	1,012,537		942,519	
Total Current Assets	<u>23,339,160</u>	<u>122,088</u>	<u>19,331,455</u>	<u>234,699</u>
Noncurrent Assets:				
Investments		1,263,098		993,605
Unconditional Promise to Give				3,000
Capital Assets, Net	<u>92,634,534</u>		<u>91,535,835</u>	
Total Noncurrent Assets	<u>92,634,534</u>	<u>1,263,098</u>	<u>91,535,835</u>	<u>996,605</u>
Total Assets	<u>115,973,694</u>	<u>1,385,186</u>	<u>110,867,290</u>	<u>1,231,304</u>
LIABILITIES				
Current Liabilities:				
Account Payable	4,921,522	100,391	4,365,170	37,064
Accrued Salaries	539,204		522,153	
Accrued Compensated Absences - Current Portion	338,452		253,699	
Obligations Under Capital Lease - Current Portion	102,009		118,864	
Mortgage Payable - Current Portion	431,525		416,204	
Other Deferred Revenue	32,629		36,808	
Deferred Tuition and Fees Revenue	6,246,653		6,264,423	
Total Current Liabilities	<u>12,611,995</u>	<u>100,391</u>	<u>11,977,321</u>	<u>37,064</u>
Noncurrent Liabilities:				
Accrued Compensated Absences	2,591,950		2,578,584	
Obligations Under Capital Lease	107,246		209,255	
Mortgage Payable	5,987,866		6,007,673	
Total Noncurrent Liabilities	<u>8,687,062</u>	<u>-</u>	<u>8,795,512</u>	<u>-</u>
Total Liabilities	<u>21,299,057</u>	<u>100,391</u>	<u>20,772,834</u>	<u>37,064.00</u>
NET ASSETS				
Investment in Capital Assets, Net of Related Debt	84,758,220		83,694,369	
Restricted for:				
Nonexpendable:				
Other		304,429		294,600
Restricted for:				
Expendable:				
Other	3,583,189	588,864	2,193,761	525,488
Unrestricted	6,333,229	391,501	4,206,324	374,152
Total Net Assets	<u>\$ 94,674,637</u>	<u>\$ 1,284,794</u>	<u>\$ 90,094,456</u>	<u>\$ 1,194,240</u>

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, 2010 and 2009

	2010	2009
	<u>Component</u> <u>Unit CCC</u> <u>Foundation</u>	<u>Component</u> <u>Unit CCC</u> <u>Foundation</u>
REVENUES		
Operating revenues:		
Student Tuition and Fees (Net of Scholarship Allowance of \$12,838,120 in 2010 and \$8,587,107 in 2009)	\$ 34,467,629	\$ 32,776,587
State and Local Grants and Contracts	7,340,983	6,371,053
Federal Grants and Contracts	40,718,602	29,557,773
Nongovernmental Grants and Contracts	34,721	216,549
Chargeback Revenue	94,499	84,557
Auxiliary Enterprises	657,518	626,421
Gifts and Contributions		
Other Operating Revenues	2,231,566	\$ 327,689
Total Operating Revenues	85,545,516	2,029,348
	327,689	\$ 71,662,288
		421,118
EXPENSES		
Operating Expenses:		
Instruction	27,073,002	25,916,719
Public Services	1,300,102	1,198,354
Academic Support	8,431,629	8,315,564
Student Services	7,915,680	7,342,319
Institutional Support	12,418,104	12,020,954
Student Aid	31,939,523	24,280,335
Facilities	11,611,089	11,616,542
Depreciation	2,537,590	2,596,124
Amortization	16,583	
Other expenses	2,161,999	378,649
Total Operating Expenses	105,405,302	378,649
		95,166,257
Operating Income (Loss)	(19,859,785)	(50,960)
		(23,503,968)
		(17,637)
NON-OPERATING REVENUES (EXPENSES)		
State Appropriations:		
State Aid	11,028,633	12,084,580
County Appropriations:		
County Aid	9,725,814	12,251,698
State and Local Grants and Contracts	4,188	
Federal Stimulus	658,470	
Investment Income Earned	54,234	141,514
Insurance Claims-Revenue	183,979	122,686
On-Behalf Payments:		
State of New Jersey Alternative Benefits Program:		
Revenues	885,119	890,583
Expenses	(885,119)	(890,583)
Total Non-Operating Revenues	21,655,318	141,514
		24,458,964
Income (Loss) before Other Revenues	1,795,532	90,554
		954,996
		(252,523)
OTHER REVENUES		
County Appropriations:		
Capital Appropriations	985,751	298,527
Capital Initiative	1,798,899	1,378,610
Total Other Revenues	2,784,649	-
		1,677,137
Increase (Decrease) in Net Assets	4,580,182	90,554
		2,632,131
		(252,523)
NET ASSETS		
Net Assets-Beginning of Year	90,094,456	1,194,240
Net Assets-End of Year	\$ 94,674,637	\$ 1,284,794
		\$ 90,094,456
		\$ 1,194,240

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, 2010 and 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and Fees	\$ 35,132,026	\$ 33,790,562
Payments to Employees	(42,009,531)	(40,365,814)
Payments to Suppliers	(58,073,870)	(51,286,714)
Grants and Contracts	47,678,312	35,119,872
Auxiliary Enterprise Charges	657,518	626,421
Other	(66,658)	547,586
Net Cash Used in Operating Activities	<u>(16,682,203)</u>	<u>(21,568,087)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
County Appropriations	10,988,755	11,103,289
State Appropriations	11,275,103	12,084,580
Net Cash Flows Provided by Noncapital Financing Activities	<u>22,263,858</u>	<u>23,187,869</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Appropriations	818,873	475,405
Capital Initiative	(0)	1,866,916
Purchases of Capital Assets	(3,636,289)	(2,105,651)
Principal Paid on Capital Debt and Leases	(118,864)	(176,984)
Proceeds from Insurance Claims	183,979	
Interest Paid on Capital Debt and Leases	(14,495)	(22,424)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(2,766,796)</u>	<u>37,262</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	54,233	122,684
Net Cash Provided by Investing Activities	<u>54,233</u>	<u>122,684</u>
Net Increase (Decrease) in Cash	2,869,092	1,779,729
Cash - Beginning of the Year	9,029,033	7,249,303
Cash - End of Year	<u>\$ 11,898,127</u>	<u>\$ 9,029,033</u>
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ (19,859,785)	\$ (23,503,968)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	2,537,590	2,596,124
Change in Assets and Liabilities:		
Receivables, Net	50,524	(669,349)
Inventories	(94)	2,202
Prepaid Expenses	(70,019)	(314,650)
Accounts Payable	566,361	(747,760)
Accrued Salaries	17,051	(26,439)
Accrued Compensated Absences	98,119	230,622
Deferred Tuition	(21,949)	865,130
Net Cash Provided (Used) by Operating Activities	<u>\$ (16,682,203)</u>	<u>\$ (21,568,087)</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**CAMDEN COUNTY COLLEGE
Notes to Financial Statements
For the Fiscal Years Ended June 30, 2010 and 2009**

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 discretely 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, 2010 and June 30, 2009, the Foundation distributed \$132,599 and \$207,029 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 discretely presented in the financial statements of the College.

A separate report of audit for the Foundation for the fiscal year ended June 30, 2010 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 College financial statements 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.

New Jersey community colleges are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey Community Colleges.

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 a formula of funding as prescribed by N.J.S.A.18A:64A-22. Aid is based upon audited credit hour enrollments.

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, 2010 for classes that are scheduled in the summer and fall semesters of 2010. 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, 2010.

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.

Fiscal 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, 2010 and 2009 were \$3,686,894 and \$2,160,508 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, 2010 and 2009 were \$12,838,120 and \$8,587,107 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 returned to it. 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, 2010 and 2009 the College's bank balances were exposed to custodial credit risk as follows:

	2010	2009
Insured	\$ 250,000	\$ 250,000
Collateralized under GUDPA	<u>9,456,792</u>	<u>4,529,377</u>
	<u><u>\$ 9,706,792</u></u>	<u><u>\$ 4,779,377</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, 2010 and 2009, the College had \$4,696,375 and \$4,680,156 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, 2010 is presented as follows:

	<u>Balance</u>		<u>Balance</u>	
	<u>June 30, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2010</u>
Non-Depreciable Capital Assets				
Land	\$3,855,327			\$3,855,327
Construction in Progress	24,020,136	\$1,930,082		25,950,218
Bond Issuance Costs	189,626		(\$21,070)	168,557
Total Non-depreciable Capital Assets	<u>28,065,090</u>	<u>1,930,082</u>	<u>(21,070)</u>	<u>29,974,102</u>
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	8,288,527	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	<u>101,870,192</u>	<u>1,734,527</u>	<u>(7,250)</u>	<u>103,597,470</u>
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	<u>38,399,447</u>	<u>2,537,589</u>	<u>-</u>	<u>40,937,036</u>
Depreciable Capital Assets	<u>63,470,745</u>	<u>(803,062)</u>	<u>(7,250)</u>	<u>62,660,434</u>
Total Capital Assets, Net	<u>\$91,535,835</u>	<u>\$1,127,020</u>	<u>(\$28,320)</u>	<u>\$92,634,535</u>

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

Note 3: CAPITAL ASSETS (CONT'D)

A summary of changes in the various capital asset categories for the year ending June 30, 2009 is presented as follows:

	<u>Balance</u>		<u>Balance</u>	
	<u>June 30, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2009</u>
Non-Depreciable Capital Assets				
Land	\$3,855,328			\$3,855,328
Construction in Progress	22,761,490	\$1,541,146	(\$282,500)	24,020,136
Bond Issuance Costs	210,696		(21,070)	189,626
Total Non-depreciable Capital Assets	<u>26,827,514</u>	<u>1,541,146</u>	<u>(303,570)</u>	<u>28,065,090</u>
Depreciable Capital Assets:				
Land Improvements	2,398,637	177,461		2,576,098
Buildings	78,637,410	221,332		78,858,742
Infrastructure	2,935,332			2,935,332
Equipment	7,953,132	335,395		8,288,527
Grouped Furniture	1,069,853	123,030		1,192,883
Vehicles	188,014			188,014
Assets Under Capital Lease	1,780,711			1,780,711
Capitalized Software	3,123,808			3,123,808
Library Books	2,915,220	10,857		2,926,077
Total Depreciable Capital Assets	<u>101,002,117</u>	<u>868,075</u>	-	<u>101,870,192</u>
Less Accumulated Depreciation For:				
Land Improvements	1,349,237	43,105		1,392,342
Buildings	20,182,138	1,609,131		21,791,269
Infrastructure	1,215,846	75,834		1,291,680
Equipment	5,566,865	534,082		6,100,947
Grouped Furniture	110,086	113,137		223,223
Vehicles	71,695	12,079		83,774
Assets Under Capital Lease	1,365,371	155,838		1,521,209
Capitalized Software	3,123,809			3,123,809
Library Books	2,818,277	52,918		2,871,195
Total Accumulated Depreciation	<u>35,803,324</u>	<u>2,596,124</u>	-	<u>38,399,448</u>
Depreciable Capital Assets	<u>65,198,793</u>	<u>(1,728,049)</u>	-	<u>63,470,744</u>
Total Capital Assets, Net	<u>\$92,026,309</u>	<u>(\$186,903)</u>	<u>(\$303,570)</u>	<u>\$91,535,835</u>

Depreciation expense for the year ended June 30, 2009 was \$2,596,124

Note 4: LEASES

Lease Obligations - At June 30, 2010 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:

<u>Fiscal Year</u>	<u>Amount</u>
2010-11	\$ 68,161
2011-12	35,734
2012-13	6,107
2013-14	1,481

Rental payments under operating leases for the fiscal years ended June 30, 2010 and 2009 were \$158,333 and \$160,788 respectively.

Capital Leases Obligations – At June 30, 2010, the College had lease agreements in effect for the lease of energy management equipment to be used to reduce the College's energy requirements for heating, cooling, and operating buildings and other facilities. The following is a schedule of future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2010.

<u>Year Ending</u>	<u>Wolverton Center</u>		
	<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 102,009	\$ 9,332	
2012	<u>107,246</u>	<u>4,095</u>	
	<u><u>\$ 209,255</u></u>	<u><u>\$ 13,427</u></u>	

During the fiscal year ended June 30, 2010, the College paid \$118,864 and \$14,495 for principal and interest respectively. During the fiscal year ended June 30, 2009, the College paid \$176,984 and \$22,424 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, 2010, the County of Camden made basic lease payments in the amount of \$570,507, 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, 2010. 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, 2010:

<u>Analysis of 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 Agreement/ Lease Purchase of CTC	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 6: LONG-TERM LIABILITIES (CONT'D)

The following is a summary of long-term liabilities at June 30, 2009:

<u>Analysis of 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	\$ 2,601,662	\$ 230,622		\$ 2,832,284	\$ 253,699
Capital Leases	505,103		\$(176,984)	328,119	118,864
Mortgage Agreement/ Lease Purchase of CTC	6,383,500			6,383,500	416,204
Premium on Bonds	44,864		(4,486)	40,378	4,486
	\$ 9,535,129	\$ 230,622	\$(181,470)	\$ 9,584,281	\$ 793,253

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

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.

Note 7: PENSION PLANS (CONT'D)

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 begins 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.

The College's contributions, equal to the required contribution for each year, were as follows:

Public Employees Retirement System

<u>Year Ended June 30,</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Group Life</u>	<u>Total Liability</u>	<u>Funded by State</u>	<u>Paid by College</u>
2010	\$ 560,136	\$ 719,709	\$ 177,485	\$ 1,457,330	\$ -	\$ 1,457,330
2009	503,426	582,276	134,955	1,220,657	-	1,220,657
2008	673,254	518,838	-	1,192,092	238,418	953,674
2007	594,919	308,930	-	903,849	361,540	542,309
2006	552,290	151,915	-	704,205	422,523	281,682

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:66-21400167 et seq.). The ABP provides retirement, death and disability, and medical benefits to qualified members.

The contribution requirements of plan members are determined by State statute. In accordance with N.J.S.A. 18A:66-173, required contributions, calculated on the employees' 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>	
2010	\$ 429,160
2009	281,019
2008	177,369

Employee contributions to the Alternative Benefit Program in Fiscal Year 2010 and 2009 were \$821,403 and \$732,256, respectively.

Note 8: POSTEMPLOYMENT BENEFITS

Plan Description - The College contributes to the New Jersey State Health Benefits Program ("the SHBP"), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP provides medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program Act is found in the New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295.

Funding Policy - 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, 2009, there were 84,590 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 retired from a school district or county college with 25 years of service. The State paid \$116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in Fiscal Year 2009.

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, 2010 and 2009 were \$245,267 and \$256,262 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, 2010 and 2009 the Compensated Absences Liability was \$2,930,402 and \$2,832,284 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, 2010, 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, 2010 the College reserved fund balance in its Plant Fund for the Camden Technology Center in the amount of \$279,785 and facilities reserve in the amount of \$672,581.

Note 13: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various fund balance sheets as of June 30, 2010:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Unrestricted Fund	\$ 4,493,549	
Restricted Fund		\$138,329
Financial Aid Fund		3,133,775
Athletic Fund		11,667
Unexpended Plant		1,209,778
	<hr/>	<hr/>
	<u>\$ 4,493,549</u>	<u>\$ 4,493,549</u>

The following interfund balances were recorded on the various fund balance sheets as of June 30, 2009:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Unrestricted Fund	\$ 2,625,417	
Restricted Fund		\$542,533
Financial Aid Fund		1,674,879
Athletic Fund		18,468
Unexpended Plant		389,537
	<hr/>	<hr/>
	<u>\$ 2,625,417</u>	<u>\$ 2,625,417</u>

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, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Invested in Capital Assets:		
Gross	\$ 92,634,535	\$ 91,535,835
Related Debt	<u>(7,876,314)</u>	<u>(7,841,466)</u>
	<u>\$ 84,758,220</u>	<u>\$ 83,694,369</u>
Restricted for Expendable Net Assets:		
Stabilization	\$ -	\$ 1,262,942
Appropriated for Operations	1,742,607	
Renewal and Replacement Reserve	1,742,635	869,941
Federal and State Grants	<u>97,947</u>	<u>60,878</u>
	<u>\$ 3,583,189</u>	<u>\$ 2,193,761</u>
Unrestricted Net Assets:		
Student Government and		
Intercollegiate Athletics	\$ 98,534	\$ 112,217
Undesignated	<u>6,234,695</u>	<u>4,094,108</u>
	<u>\$ 6,333,229</u>	<u>\$ 4,206,325</u>

Note 15: ACCOUNTS RECEIVABLE

Accounts receivable consists of the following at the end of fiscal years ending June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Student tuition and fees	\$4,472,525	\$4,105,486
Auxiliary enterprises and other operating activities	1,538,119	1,534,863
Federal, state, county and private grants and contracts	<u>8,085,468</u>	<u>5,860,878</u>
	<u>14,096,112</u>	<u>11,501,227</u>
Less: allowance for doubtful accounts	<u>3,686,894</u>	<u>2,160,508</u>
Net accounts receivable	<u>\$ 10,409,218</u>	<u>\$ 9,340,719</u>

The College has \$3,493,024 in un-reimbursed expenses associated with the \$4,492,789 claim filed with the Philadelphia Insurance Company for a fire that took place on campus. The College has posted a reserve for this claim. The College will seek to recover the all the un-reimbursed expenses associated with the claim.

Note 16: 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, 2009 the College had reserved \$1,262,942 of its Unrestricted Fund Balance to support the College's budget for the fiscal year ending June 30, 2010.

Note 17: LEGAL, GOVERNMENTAL, AND PUBLIC RELATIONS EXPENSES

Legal expenses incurred by the College for the fiscal years ended June 30, 2010 and 2009 were \$249,448 and \$246,421 respectively. The College had no expenses relating to lobbying activities.

Note 18: 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, 2010 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 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.

SUPPLEMENTAL SCHEDULES

CAMDEN COUNTY COLLEGE
 Balance Sheets
 As of June 30, 2010 and 2009

<u>ASSETS</u>	<u>2010</u>		<u>2009</u>		<u>LIABILITIES, RESERVES AND FUND BALANCES</u>	<u>2010</u>		<u>2009</u>	
Current Funds:									
Unrestricted:					Current Funds:				
Cash and Cash Equivalents	\$ 11,313,079		\$ 8,577,854		Unrestricted:				
Accounts Receivable:					Accounts Payable and Accrued Liabilities	\$ 5,578,191		\$ 5,345,779	
Student Accounts Receivable, net	1,147,340		1,993,013		Prepaid Tuition and Student Deposits	6,238,076		6,254,217	
Other Accounts Receivable	1,172,222		1,431,992		Fund Balance - Appropriated	1,742,607		1,262,942	
Interfunds Accounts Receivable	4,493,549		2,625,417		Fund Balance	6,229,917		4,094,108	
Intergovernmental Accounts Receivable:									
Federal	2,095		3,015						
State of New Jersey	412,000								
County of Camden	216,690		1,364,052						
Inventory - Ophthalmic Clinic	19,278		19,184						
Prepaid Expenses	1,012,537		942,519						
Total Unrestricted	\$ 19,788,791		\$ 16,957,046		Total Unrestricted			\$ 19,788,791	\$ 16,957,046

(Continued)

CAMDEN COUNTY COLLEGE
 Balance Sheets
 As of June 30, 2010 and 2009

<u>ASSETS (CONT'D)</u>	<u>2010</u>	<u>2009</u>	<u>LIABILITIES, RESERVES AND FUND BALANCES (CONT'D)</u>	<u>2010</u>	<u>2009</u>
Restricted:			Restricted:		
Restricted Programs Fund:			Restricted Programs Fund:		
Cash and Cash Equivalents	\$ -	\$ -	Accounts Payable and Accrued Liabilities	\$ 396,389	\$ 334,769
Other Accounts Receivable			Interfunds Accounts Payable	138,329	542,533
Intergovernmental Accounts Receivable:			Deferred Revenue	32,629	36,408
Federal	508,643	142,695	Fund Balance	5,675	38,242
State of New Jersey	64,380	809,257			
Total Restricted Programs Fund	<u>\$ 573,022</u>	<u>\$ 951,952</u>	Total Restricted Programs Fund	<u>\$ 573,022</u>	<u>\$ 951,952</u>
Financial Aid Fund:			Financial Aid Fund:		
Cash and Cash Equivalents	\$ -	\$ -	Accounts Payable and Accrued Liabilities	\$ 7,980	\$ 4,596
Intergovernmental Accounts Receivable:			Due to Grantor:		
Federal	3,051,953	1,755,805	State	26,471	117,798
State	188,209	23,666	Interfunds Accounts Payable	3,133,775	1,674,879
Other	28,913	50,644	Deferred Revenue	8,577	10,206
			Fund Balance	92,272	22,636
Total Financial Aid Fund	<u>\$ 3,269,075</u>	<u>\$ 1,830,116</u>	Total Financial Aid Fund	<u>\$ 3,269,075</u>	<u>\$ 1,830,116</u>
Total Restricted	<u>\$ 3,842,098</u>	<u>\$ 2,782,068</u>	Total Restricted	<u>\$ 3,842,098</u>	<u>\$ 2,782,068</u>
Total Current Funds	<u>\$ 23,630,889</u>	<u>\$ 19,739,114</u>	Total Current Funds	<u>\$ 23,630,889</u>	<u>\$ 19,739,114</u>

(Continued)

CAMDEN COUNTY COLLEGE
 Balance Sheets
 As of June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>		<u>2010</u>	<u>2009</u>
<u>ASSETS (CONT'D)</u>			<u>LIABILITIES, RESERVES AND FUND BALANCES (CONT'D)</u>		
Student Activities Fund:			Student Activities Fund:		
Cash	\$ 110,608	\$ 128,848	Accounts Payable and Accrued Liabilities	\$ 408	\$ 3,083
			Fund Balance	110,201	125,765
Total Student Activities Fund	<u>\$ 110,608</u>	<u>\$ 128,848</u>	Total Student Activities Fund	<u>\$ 110,608</u>	<u>\$ 128,848</u>
Intercollegiate Athletic Fund:			Intercollegiate Athletic Fund:		
Cash	\$ -	\$ -	Interfunds Accounts Payable	\$ 11,667	\$ 18,468
Deficit	11,667	18,868	Deferred Revenue	400	
Total Intercollegiate Athletic Fund	<u>\$ 11,667</u>	<u>\$ 18,868</u>	Total Intercollegiate Athletic Fund	<u>\$ 11,667</u>	<u>\$ 18,868</u>
General Agency:			General Agency:		
Cash and Cash Equivalents	\$ 474,439	\$ 322,330	Accounts Payable	\$ 469,661	\$ 321,201
Other Accounts Receivable	4,190		Fund Balance	4,778	5,319
Total General Agency	<u>\$ 474,439</u>	<u>\$ 326,520</u>	Total General Agency	<u>\$ 474,439</u>	<u>\$ 326,520</u>

(Continued)

CAMDEN COUNTY COLLEGE
 Balance Sheets
 As of June 30, 2010 and 2009

<u>ASSETS (CONT'D)</u>	<u>2010</u>	<u>2009</u>	<u>LIABILITIES, RESERVES AND FUND BALANCES (CONT'D)</u>	<u>2010</u>	<u>2009</u>
Plant Funds:			Plant Funds:		
Unexpended:			Unexpended:		
Cash and Cash Equivalents	\$ -	\$ -	Accounts Payable and Accrued Liabilities	\$ 664,359	\$ 502,910
Other Accounts Receivable	4,188	-	Interfunds Accounts Payable	1,209,778	389,537
Intergovernmental Accounts Receivable:			Fund Balance - Restricted	1,742,635	869,941
County of Camden	3,612,585	1,762,388			
Total Unexpended	<u>\$ 3,616,773</u>	<u>\$ 1,762,388</u>	Total Unexpended	<u>\$ 3,616,773</u>	<u>\$ 1,762,388</u>
Investment in Plant:			Investment in Plant:		
Construction in Progress	\$ 25,950,218	\$ 24,020,136	Accounts Payable and Accrued Liabilities	\$ 1,247,669	\$ 1,089,470
Land	3,855,327	3,855,327	Obligations Under Capital Lease	209,255	328,119
Land Improvements	1,318,574	1,183,756	Net Investment in Plant	84,758,220	83,694,369
Buildings	55,819,374	57,067,476	Long Term Debt	6,383,500	6,383,500
Equipment and Furnishings	3,623,233	3,157,240	Premium on Bonds	35,891	40,377
Infrastructure	1,585,759	1,643,652			
Library Books	44,829	54,882			
Vehicles	102,913	104,240			
Bond Issuance Cost	168,557	189,626			
Assets Under Capital Lease	165,751	259,500			
Total Investment in Plant	<u>\$ 92,634,535</u>	<u>\$ 91,535,835</u>	Total Investment in Plant	<u>\$ 92,634,535</u>	<u>\$ 91,535,835</u>
Total Plant Funds	<u>\$ 96,251,308</u>	<u>\$ 93,298,224</u>	Total Plant Funds	<u>\$ 96,251,308</u>	<u>\$ 93,298,224</u>

CAMDEN COUNTY COLLEGE
 Statement of Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2010

	Current Funds			Agency Funds			Plant Funds		
	Restricted		Financial Aid Fund	Student Activities Fund	General Agency	Intercollegiate Athletic Fund	Unexpended	Renewal and Replacement	
	Unrestricted	Restricted Programs							Investment In Plant
Revenue and Other Additions:									
Educational and General Revenues	\$ 47,400,327								
Governmental Appropriations and Grants--									
Federal	34,274	\$ 3,053,342	\$ 37,665,261						
Federal Stimulus	658,470								
State	11,913,752	573,859	6,767,124						
County	9,841,393								
Other Grants and Contracts--									
Restricted		34,721							
Intercollegiate Athletic Revenue									
Student Activities Revenue									
Other									
Expended for Plant Assets		3,069,819		\$ 18,452	\$ (5,848)		4,188		\$ 1,734,525
	72,918,035	3,661,921	44,432,385	18,452	(5,848)	10,600	2,673,258	\$ -	\$ 1,734,525
Expenditures and Other Deductions:									
Educational and General Expenditures	67,063,287	3,606,398	44,319,567		(5,307)				158,199
Intercollegiate Athletic Expenditures									
Increase in Accrued Compensated Absences	98,119						59,296		
Student Activities Expenditures									
Other Changes in Fund Balance	1,489,567			182,105					
Accounts Receivable Canceled	423,325								
Expended for Plant Assets							916,321		
Amortization									16,583
Depreciation									2,537,590
	69,074,298	3,606,398	44,319,567	182,105	(5,307)	59,296	914,417	-	2,712,373
Net Increase (Decrease) Before Transfers Among Funds		3,843,737	55,523	112,818	(163,653)	(541)	(48,696)	1,758,840	-
									(977,847)
Additions (Deductions):									
From Financial Aid Fund:									
Administrative Expenses	43,182			(43,182)					
From Restricted Programs Fund:									
Indirect Costs	88,090		(88,090)						
To Plant Fund	(1,155,551)								
Transfer CIP from Unexpended to Investment									
To Intercollegiate Athletic Fund	(55,896)						55,896		
To Student Activities Fund	(148,089)			148,089					
Net Increase (Decrease) After Transfers		2,615,474	(32,568)	69,636	(15,565)	(541)	7,201	872,694	-
Fund Balance at Beginning of Year		5,357,050	38,243	22,636	125,765	5,319	(18,868)	866,517	3,424
Fund Balance End of Year		\$ 7,972,524	\$ 5,675	\$ 92,272	\$ 110,201	\$ 4,778	\$ (11,667)	\$ 1,739,211	\$ 3,424
									\$ 84,758,220

CAMDEN COUNTY COLLEGE
 Statement of Current Funds Revenues, Expenditures and Other Changes
 For the Fiscal Year Ended June 30, 2010

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Revenues:			
Education and General:			
Student Tuition and Fees	\$ 47,305,828		\$ 47,305,828
Chargebacks from Other Counties	94,499		94,499
Governmental Appropriations	22,447,889	\$ 48,059,585	70,507,474
Other Sources	3,069,819	34,721	3,104,539
Total Revenues	72,918,035	48,094,306	121,012,341
Expenditures and Mandatory Transfers:			
Educational and General:			
Instruction	25,170,563	1,902,440	27,073,002
Academic Support	8,222,143	209,486	8,431,629
Student Services	7,200,663	473,616	7,674,280
Extension and Public Service	283,245	1,016,856	1,300,102
General Institutional	12,418,104		12,418,104
Operation and Maintenance of Plant	12,429,293		12,429,293
Scholarships & Fellowships	454,156	44,323,567	44,777,723
Other	885,119		885,119
Total Expenditures	67,063,287	47,925,965	114,989,251
Net Increase (Decrease) Before			
Other Transfers and Additions (Deductions)			
(Carried Forward)	5,854,748	168,341	6,023,089
Other Transfers and Additions (Deductions):			
Transfer from Restricted Programs Fund:			
Indirect Costs	88,090	(88,090)	
Transfer from Financial Aid Fund:			
Administrative Expenses	43,182	(43,182)	
Transfer to Plant Fund	(1,155,551)		(1,155,551)
Transfer to Intercollegiate Athletic Fund	(55,896)		(55,896)
Transfer to Student Activities Fund	(148,089)		(148,089)
Student Accounts Receivable Cancelled	(423,325)		(423,325)
Other Credits to Income	(1,489,567)		(1,489,567)
(Increase) in Accrued Compensated Absences	(98,119)		(98,119)
Net Increase (Decrease) in Fund Balance	\$ 2,615,474	\$ 37,070	\$ 2,652,543

CAMDEN COUNTY COLLEGE
 Statement of Unrestricted Funds Revenues
 For the Fiscal Year Ended June 30, 2010

Student Tuition and Fees:	
Non-Credit Tuition and Fees	\$ 3,757,433
Credit Tuition	31,289,644
Credit Fees	<u>12,258,752</u>
	<u>47,305,828</u>
Chargebacks from Other Counties	<u>94,499</u>
Governmental Appropriations:	
Federal	34,274
Federal Stimulus	658,470
State of New Jersey	11,028,633
County of Camden	9,841,393
On-Behalf Payments - Alternate Benefit Program:	
State of New Jersey	<u>885,119</u>
	<u>22,447,889</u>
Other Sources:	
Income from Investments	54,234
Commissions	657,518
Building Partnerships	781,048
Miscellaneous	<u>1,577,019</u>
	<u>3,069,819</u>
	<u>\$ 72,918,035</u>

CAMDEN COUNTY COLLEGE
 Statement of Unrestricted Fund Expenditures
 For the Fiscal Year Ended June 30, 2010

Instruction:

Instructional Fringe Benefits	\$ 4,241,722
Academic Skills (Math, English)	2,225,411
Academic/Student Support	17,650
Accounting, Economics and Finance	770,975
Adult Basic Skills	1,000
Allied Health	115,601
Automotive Technology	490,233
Automotive - Toyota	227
Biology	1,517,867
Biotechnology	2,049
Business and Management	405,096
Camden Board of Education	83,048
Camden County Surrogate Office	12,976
Chemistry	893,269
CIM	157,970
Communications	74,770
Computer Aided Drafting	128,403
Computer Science	399,219
Computer Systems Technology	101,472
Computer Information Systems	692,494
Customized Training-Continuing Education	222,679
Computer Graphics	272,085
Criminal Justice	265,162
Dental and Dental Hygiene	673,691
Elementary/Secondary Education	148,597
English as a Secondary Language	481,363
Engineering Technician	143,432
English	1,429,654
Fire Science Technology	93,890
Food & Nutrition Science	278,162
General Interest Programming - Continuing Education	922,191
Health and Physical Education	437,443
Health Information Technology	182,367
History and Political Science	958,366
Hospitality Technology Service	56,889
Human Services	209,159
K-12 School Contract	32,257
Languages	350,604
Laser Technology	93,793
Liberal Arts	7,508
Marketing and Retailing	49,422
Mathematics	979,930
Medical Lab Technician	114,884
Nursing and Respiratory Therapy	203,477
Occupational Skills-Continuing Ed	648,651
Office System Technology	104,267
Ophthalmic and Hearing Science	300,744
Paramedic Science	59,261
Paralegal	84,382
Physics	273,922
Basic Police Training - Alternate Route	14,339
Police Recruit	30,709
Police Training Seminar	1,772
Psychology	844,636
Sign Language Interpreter	184,726
Sociology / Anthropology	404,035
Surgical Technology	17,501
Veterinary Technology	213,155
Visual and Performing Arts	1,050,007
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	25,170,563
	(Continued)

CAMDEN COUNTY COLLEGE
 Statement of Unrestricted Fund Expenditures
 For the Fiscal Year Ended June 30, 2010

Academic Support:

Academic Support Fringe Benefits	\$ 1,428,930
Office of Provost and Vice-President of Academic Affairs	493,077
Vice-President of Economic Development and Dean of Rohrer Campus	115,055
Dean of Business, Computer and Technical Studies	294,251
Dean of Arts, Humanities and Social Sciences	686,764
Dean of Mathematics, Science and Health Careers	405,847
General Interest Program Office	286,321
Customized Training Office	334,838
Occupational Skills Office	325,261
Library	899,351
Shared Library Costs	44,999
Instructional Support	277,169
Academic Information Systems	1,155,678
Camden Academic Support	151,885
Ophthalmic Clinic	27,571
School Relations Office	460,859
Institutional Research	256,610
Distance Learning	577,676
	<hr/>
	8,222,143

Student Services:

Student Services Fringe Benefits	1,234,380
Office of Admissions and Recruitment	106,199
Office of Records and Registration Services	688,407
Enrollment Services Camden	341,885
Office of Enrollment Services	781,685
Office of Financial Aid	888,468
Office of Student Life	54,217
Honors Convocations	1,190
Advisement Center	464,136
Commencement	64,702
ESL/International Students	129,872
Intercollegiate Sports	320,485
Transfer and Student Employment	73,470
Camden Campus Student Services	105,432
Food Service	122,582
Parking Garage Office	127,036
SSS Match	13,624
Disability Services	147,570
Rohrer Center	498,797
Academic/Student Services	314,817
Hearing Impaired	156,555
Assessment & Tutoring	512,068
EOF Support Program	53,088
	<hr/>
	7,200,663

Extension and Public Service:

Extension and Public Service Fringe Benefits	37,301
Center for Civic Leadership	56,185
Facility Scheduling	72,659
Theatre Production/Art Gallery	16,500
Faculty Development	26,385
Wellness	47,159
Summer Camps for Kids	5,815
Miscellaneous Expense	21,242
	<hr/>
	283,245

(Continued)

CAMDEN COUNTY COLLEGE
 Statement of Unrestricted Fund Expenditures
 For the Fiscal Year Ended June 30, 2010

Institutional Support

Institutional Support Fringe Benefits	\$ 2,816,079
Board of Trustees	170,237
President's Office	334,013
Office of Vice-President for Administrative Services	315,472
Office of Vice-President for Institutional Advancement	546,122
Office of Budgeting and Planning	231,581
Financial Services	956,901
Human Resources	493,815
Printing Services	417,300
Communication and Development	765,547
Foundation & Alumni	90,986
Administrative Information Systems	1,774,882
Compliance Office	170,870
Auxiliary Services/Conference Center	10,231
Salary Accruals	18,509
Consulting	313,230
Building Rentals	13,518
Audit	67,000
Solicitor	143,436
Memberships	149,250
Postage	227,833
Property and Casualty Insurance	885,944
In Lieu of Taxes	70,000
Credit Card Service Fees	324,332
Collection Agency Fee	45,997
Debt Service	597,027
Technology Priorities	332,849
Bitech Implementation	21,018
Miscellaneous	114,126
	<hr/>
	12,418,104

Operation and Maintenance:

Operation and Maintenance Fringe Benefits	1,937,736
Operation and Maintenance	3,541,074
Materials and Repairs	705,672
Contractual Services	147,724
Financing Costs	90
Equipment	64,703
Service Contracts	228,671
Conferences and Meetings	10,363
Operation of Vehicles	214,613
Sewerage	219,861
Electricity	2,183,421
Gas	365,742
Water	107,962
Waste Collection	108,667
Telephone	420,007
Public Safety	2,172,986
	<hr/>
	12,429,293

Scholarships & Fellowships:

Waivers	454,156
	<hr/>

Other:

On-Behalf Payments - Alternate Benefit Program	
Teachers Insurance Annuity Association (TIAA)	885,119
	<hr/>
	\$ 67,063,287

CAMDEN COUNTY COLLEGE
 Statement of Current Fund Expenditures by Function and Object
 For the Fiscal Year Ended June 30, 2010

	<u>General Operating</u>	<u>Auxiliary Services</u>	<u>Continuing Education</u>	Total <u>Current Unrestricted</u>
Instruction:				
Salaries	\$ 18,675,600	\$ 9,960	\$ 1,349,158	\$ 20,034,718
Fringe	4,147,314	1,327	93,079	4,241,720
Contractual Services	48,895	11,412		60,307
Materials & Supplies	274,729	14,869	403,212	692,810
Conferences & Meetings	49,003		9,807	58,810
Fixed Charges	52,985		725	53,710
Utilities			13	13
Student Aid	4,290		8,538	12,828
Capital	4,962			4,962
Contingency	105	10,580		10,685
	<u>23,257,883</u>	<u>48,148</u>	<u>1,864,532</u>	<u>25,170,563</u>
Academic Support:				
Salaries	4,257,537		859,308	5,116,845
Fringe	1,184,596		244,332	1,428,928
Contractual Services	1,202,946		121,634	1,324,580
Materials & Supplies	198,484		6,560	205,044
Conferences & Meetings	59,488		9,077	68,565
Fixed Charges	9,612			9,612
Utilities	420		64,896	65,316
Student Aid				-
Capital	3,253			3,253
Contingency				-
	<u>6,916,336</u>	<u>-</u>	<u>1,305,807</u>	<u>8,222,143</u>
Student Services:				
Salaries	4,848,183	115,905		4,964,088
Fringe	1,197,350	37,022		1,234,372
Contractual Services	492,601	117,664		610,265
Materials & Supplies	154,742	2,983		157,725
Conferences & Meetings	98,286	1,323		99,609
Fixed Charges	122,480	9,230		131,710
Utilities	351			351
Student Aid				-
Capital				-
Contingency				-
	<u>28</u>	<u>2,515</u>	<u>-</u>	<u>2,543</u>
	<u>6,914,021</u>	<u>286,642</u>	<u>-</u>	<u>7,200,663</u>

(Continued)

CAMDEN COUNTY COLLEGE
 Statement of Current Fund Expenditures by Function and Object
 For the Fiscal Year Ended June 30, 2010

	<u>General Operating</u>	<u>Auxiliary Services</u>	<u>Continuing Education</u>	Total <u>Current Unrestricted</u>
Extension and Public Service:				
Salaries	\$ 184,719	\$ 600	\$ 26,385	\$ 211,704
Fringe	34,069	49	3,184	37,302
Contractual Services	7,797			7,797
Materials & Supplies	14,379			14,379
Conferences & Meetings	6,848			6,848
Fixed Charges				-
Utilities				-
Student Aid				-
Capital				-
Contingency		5,215		5,215
	<u>247,812</u>	<u>5,864</u>	<u>29,569</u>	<u>283,245</u>
Institutional Support:				
Salaries	4,050,013			4,050,013
Fringe	2,816,082			2,816,082
Contractual Services	2,415,777			2,415,777
Materials & Supplies	485,195			485,195
Conferences & Meetings	248,880			248,880
Fixed Charges	2,023,987			2,023,987
Utilities	306,643			306,643
Student Aid	0			0
Capital	60,573			60,573
Contingency	10,954			10,954
	<u>12,418,104</u>	<u>-</u>	<u>-</u>	<u>12,418,104</u>
Operations & Maintenance:				
Salaries	5,250,848	427,175		5,678,023
Fringe	1,850,611	87,126		1,937,737
Contractual Services	425,712	23,154		448,866
Materials & Supplies	880,116	1,267		881,383
Conferences & Meetings	16,189			16,189
Fixed Charges	38,020			38,020
Utilities	3,120,433	226,362		3,346,795
Student Aid				-
Capital	82,280			82,280
Contingency				-
	<u>11,664,209</u>	<u>765,084</u>	<u>-</u>	<u>12,429,293</u>

(Continued)

CAMDEN COUNTY COLLEGE
 Statement of Current Fund Expenditures by Function and Object
 For the Fiscal Year Ended June 30, 2010

	<u>General Operating</u>	<u>Auxiliary Services</u>	<u>Continuing Education</u>	<u>Current Unrestricted</u>	Total
Scholarships & Fellowships:					
Salaries					-
Fringe					-
Contractual Services					-
Materials & Supplies					-
Conferences & Meetings					-
Fixed Charges					-
Utilities					-
Student Aid	454,156				454,156
Capital					-
Contingency					-
	<u>454,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>454,156</u>
Other	<u>885,119</u>	<u>-</u>			<u>885,119</u>
Total	\$ 62,757,640	\$ 1,105,738	\$ 3,199,908	\$ 67,063,287	
Total					
Salaries	\$ 37,266,900	\$ 553,640	\$ 2,234,851	\$ 40,055,391	
Fringe	11,230,022	125,524	340,595	11,696,141	
Contractual Services	4,593,728	152,230	121,634	4,867,592	
Materials & Supplies	2,007,644	19,119	409,772	2,436,535	
Conferences & Meetings	478,694	1,323	18,884	498,901	
Fixed Charges	2,247,084	9,230	725	2,257,039	
Utilities	3,427,847	226,362	64,909	3,719,118	
Student Aid	458,447	-	8,538	466,985	
Capital	151,068	-	-	151,068	
Contingency	11,087	18,310	-	29,397	
	<u>61,872,521</u>	<u>1,105,738</u>	<u>3,199,908</u>	<u>66,178,167</u>	
Other	<u>885,119</u>	<u>-</u>	<u>-</u>	<u>885,119</u>	
Total	\$ 62,757,640	\$ 1,105,738	\$ 3,199,908	\$ 67,063,287	

CAMDEN COUNTY COLLEGE
 Statement of Restricted Programs Fund
 For the Fiscal Year Ended June 30, 2010

	Revenues			Expenditures and Other Deductions		Net Increase (Decrease) For Year	Fund Balance at Beginning of Year	Fund Balance at End of Year
	Federal	State	Other	Transfers				
Upward Bound Food	\$ 11,133			\$ 11,133				
Upward Bound (end date 8/31/09)	159,674			146,131	\$ 13,543			
Upward Bound (end date 8/31/10)	276,324			256,171	20,153			
College Bound		\$ 322,982		322,982				
Dual Enrollment		13,919		13,919				
Upward Bound Parent Adv				104		\$ (104)	\$ 104	
Student Support Services(end date 8/31/09)	37,998			37,421	577			
Student Support Services (end date 8/31/10)	216,653			216,653				
Perkins	1,001,675			1,001,675		(0)	0	\$ 0
NSF - OP-TEC (end date 8/31/09)	13,102			11,310	1,793			
NSF - OP-TEC (end date 8/31/10)	69,159			42,191	26,969			
NSF-STEM (end date 8/31/10)	39,295			39,295				
NSF - ALICE (end 8/31/10)	44,346			26,206	18,140			
Title III Student Access	50			50				
Health Careers Opp Prog (HCOP) (end date 8/31/06)				69		(69)	69	
Tech Prep (end date 8/31/2009)	22,043			22,043				
Two Plus Two Tech Prep (end date 8/31/2010)	72,140			72,140				
Delaware Valley Innovation Partnership	72,345			72,345				
Advanced Manufacturing		1,816		1,816				
NSF - STEM (end date 8/31/09)	2,892			2,892				
The Big Read	20,000			20,000				
Adult Basic Skills	516,243			516,243				
English Literacy & Civics	307,007			307,007				
EOF		219,263		219,263				
21st Century Learning-CCVT(end date 8/30/10)	115,000			115,000				
21st Century -CCVT (end date 8/31/09)	36,035			36,035				
System on Chip	20,229			13,312	6,917			
Life Science Career Alliance		\$ 3,968		3,968				
Literacy Project				280		(280)	280	
Emergency Medical Technician				298		(298)	298	
American Cancer Society		1,200		1,200				
At History's Doorstep Yr 3				36		(36)	36	
Dwight Eisenhower				668		(668)	668	
India - Ancient Civilization		7,862		7,862				
Lindback Blended Learning			3,926	3,926				
Zoo in the Park							5,675	5,675
Walt Whitman - Celebrating		6,817		6,817				
Gateway United Way				31,093		(31,093)	31,093	
Gateway Danellie Foundation				21		(21)	21	
HOPE VI		22,826		22,826				
Lindback Foundation		4,000		4,000				
	\$ 3,053,342	\$ 573,859	\$ 34,721	\$ 3,606,398	\$ 88,090	\$ (32,568)	\$ 38,243	\$ 5,675

Transfer to (from) Unrestricted Current Funds:

Fringe Benefits

Indirect Costs / Administrative Allowance

\$	-
\$ 88,090	
<u><u>\$ 88,090</u></u>	

CAMDEN COUNTY COLLEGE
Statement of Financial Aid Fund
For the Fiscal Year Ended June 30, 2010

	Revenues (Deobligations)		Expenditures and Other Deductions			<u>Net Increase (Decrease) For Year</u>	<u>Fund Balance at Beginning of Year</u>	<u>Fund Balance at End of Year</u>
	<u>Federal</u>	<u>State</u>	<u>Transfers</u>	<u>Transfers</u>	<u>Transfers</u>			
Pell Grant	\$21,697,019		\$21,697,019					
Supplemental Education	486,409		459,121	\$ 7,652	\$ 19,636	\$ 22,636	\$ 42,272	
Federal Work Study Program	386,318		300,788	35,530	50,000			50,000
Federal Family Education Loan Program	14,955,185		14,955,185					
SSS Trio	37,792		37,792					
Academic Competitiveness	41,955		41,955					
Plus Loans	60,583		60,583					
Tuition Aid Grant	4,995,580		4,995,580					
Educational Opportunity Fund	253,261		253,261					
New Jersey Gear Up	77,734		77,734					
NJ Class Loans	240,534		240,534					
New Jersey Stars Program	1,163,281		1,163,281					
Garden State Scholarships	36,735		36,735					
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$37,665,261	\$ 6,767,124	\$44,319,567	\$ 43,182	\$ 69,636	\$ 22,636	\$ 92,272	

CAMDEN COUNTY COLLEGE
 Statement of Agency Fund Revenues, Expenditures and Transfers -
 Student Activities Fund
 For the Fiscal Year Ended June 30, 2010

	<u>Revenues</u>	<u>Expenditures</u>
<u>Student Government Association</u>		
Transfer from Unrestricted Current Fund - Student Activity Fees	\$ 148,089	
Student Activity Board	4,405	\$ 91,631
Graduation Activities	5,640	43,519
<u>Student Media</u>		
Newspaper-Campus Press	1,943	7,248
Radio Station		13,146
<u>Student Clubs</u>		
Accounting Club	1,376	
Christian Connection	40	
Criminal Justice Society	230	661
Dead Poets Society	145	
Dental Assisting Club	1,892	4,081
Dental Hygiene Club	2,414	4,988
Dietetic Club	1,136	
Game Design Club	1,248	
Human Service Club	1,651	3,294
International Club	545	
Kappa Delta Pi	1,666	
NJ Business	1,002	
Owning Our Ignorance	420	
Paralegal Studies	495	
Phi Theta Kappa Honor Society	550	
PSI Beta	2,361	
Rotary Club	278	411
Urban Unity		2,141
	\$ 166,541	\$ 182,105

CAMDEN COLLEGE COLLEGE
Statement of Agency Fund Revenues, Expenditures and Transfers -
Intercollegiate Athletic Fund
For the Fiscal Year Ended June 30, 2010

	<u>Revenues</u>	<u>Expenditures</u>
General	\$ 400	\$ 1,788
Men's Soccer Team		5,125
Men's Basketball Team		8,486
Men's Baseball Team	10,200	17,142
Women's Softball Team		6,143
Women's Basketball Team		8,037
Women's Soccer Team		7,395
Men's Golf Team		5,181
Transfer from Camps	5,896	
Transfer from Unrestricted Current Fund	<u>50,000</u>	<u></u>
	<u>\$ 66,496</u>	<u>\$ 59,296</u>

CAMDEN COUNTY COLLEGE
PART 2
SINGLE AUDIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**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**

To the 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, 2010. 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, 2010.

Internal Control Over Compliance

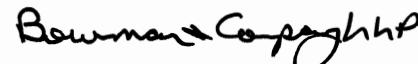
Management of the College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the College's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program to determine the 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 program 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.

This report is intended solely for the information and use of the board of trustees and management of the College, the Division of Treasury of the 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

Woodbury, New Jersey
March 28, 2011

CAMDEN COUNTY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDING JUNE 30, 2010

<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>Matching Contribution</u>	<u>Grant Period</u>		<u>Balance June 30, 2009</u>	<u>Receipt or Revenues Recognized</u>	<u>Key</u>	<u>FY 10</u>		<u>(Memo Only)</u>			
					<u>From</u>	<u>To</u>				<u>Disbursements/ Expenditures</u>	<u>Balance June 30, 2010</u>	<u>Cash Received</u>	<u>Cumulative Expenditures</u>		
<u>U.S. Department of Education:</u>															
<u>Direct Programs:</u>															
Federal Supplemental Educational Opportunity Grants	84.007	E-P007-A992540	\$ 486,409	N/A	7/1/2009	6/30/2010	\$ 22,636	\$ 486,409		\$ 466,773	\$ 42,272	\$ 397,583	\$ 466,773		
Federal Family Education Loans	84.032	Unavailable	14,955,185	N/A	7/1/2009	6/30/2010		14,955,185				14,909,995	14,955,185		
Federal Pell Grant Program	84.063	E-P063P992308	21,697,019	N/A	7/1/2009	6/30/2010		21,697,019				19,099,871	21,697,019		
Academic Competitiveness	84.375	P375AA062865	41,955	N/A	7/1/2009	6/30/2010		41,955				3,925	41,955		
Plus Loans	84.032	N/A	60,583	N/A	7/1/2009	6/30/2010		60,583				60,583	60,583		
SSS Trio	84.042	N/A	37,792	N/A	7/1/2009	6/30/2010		37,792				37,792	37,792		
Federal Work-Study Program	84.033	E-P033-A992540	386,318	N/A	7/1/2009	6/30/2010		386,318				42,073	336,318		
Total Student Financial Aid								22,636	37,665,261				34,551,822	37,595,625	
<u>Other U.S. Department of Education Programs:</u>															
<u>Direct Programs:</u>															
Upward Bound	84.047	P047A070532-09	159,674	N/A	9/1/2008	8/31/2009		159,674				159,674	159,674		
Upward Bound	84.047	P047A070532-09	450,792	N/A	9/1/2009	8/31/2010		276,324				243,393	276,324		
Upward Bound Food	84.219	5120-100-034	11,133	N/A	7/1/2009	6/30/2010		11,133				11,133	11,133		
Student Support Services	84.042	P042A060991	278,507	\$ 22,942	9/1/2008	12/31/2010		216,653	(1) \$ 22,942			202,779	239,596		
Student Support Services	84.042	P042A060991	37,998	N/A	9/1/2008	8/31/2009		37,998				37,998	37,998		
Title III	84.031	PO31A030179-4	50	N/A	10/1/2008	9/30/2009		50				50	50		
<u>Passed Through State Department of Education:</u>															
Vocational Education - Perkins	84.048	PSFS712010	1,001,675	N/A	7/1/2009	6/30/2010		1,001,675				896,090	1,001,675		
Tech Prep	84.243	subcontract	22,043	N/A	9/1/2008	8/31/2009		22,043				15,043	22,043		
Tech Prep	84.243	subcontract	93,764	N/A	9/1/2009	8/31/2010		72,140				72,140	72,140		
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	N/A	658,470	N/A	7/1/2009	6/30/2010		658,470				658,470	658,470		
<u>Passed Through State Department of Labor and Workforce Development:</u>															
Adult Basic Skills	84.002	ABS-FY10004	527,360	298,399	7/1/2009	6/30/2010		516,243	(1) 298,399			463,625	814,642		
English Literacy and Civics	17.259	ABS-FY10004	326,400	N/A	7/1/2009	6/30/2010		307,007				233,273	307,007		
<u>Passed Through Camden County Vocational Technical School:</u>															
21st Century-CCVT	84.287	subcontract	36,035	N/A	9/1/2008	8/31/2009		36,035				26,474	36,035		
21st Century-CCVT	84.287	subcontract	115,000	N/A	9/1/2009	8/31/2010		115,000				105,000	115,000		
<u>Passed Through Delaware Valley Innovation Network</u>															
Delaware Valley Innovation Partnership	17.xxx	N/A	76,005	N/A	9/1/2009	12/31/2009		72,345				72,345	72,345		
<u>Passed Through The National Endowment for the Arts</u>															
The Big Read	45.024	53179	20,000	N/A	4/14/2009	6/30/2010		20,000				16,000	20,000		
<u>Passed Through The National Science Foundation:</u>															
NSF-OP-TEC	47.076	DUE-0603275	115,000	N/A	9/1/2008	8/31/2009		13,102				13,102	115,531		
NSF-OP-TEC	47.076	DUE-0603275	94,136	N/A	9/1/2009	8/31/2010		69,159				39,754	69,159		
NSF-ALICE	47.076	DUE-0903271	71,054	N/A	9/1/2009	8/31/2010		44,346				44,346	44,346		
SYSTEM ON CHIP	47.076	DUE-0633512	35,346	N/A	6/1/2007	9/30/2010		20,229				20,229	20,229		
NSF-STEM	47.076	DUE-0631050	118,260	N/A	9/1/2008	8/31/2009		2,892				2,892	40,393		
NSF-STEM	47.076	DUE-0631050	117,841	N/A	9/1/2009	8/31/2010		39,295				6,078	39,295		
Total Other U.S. Department of Education Programs								- 3,711,812					3,203,170	4,173,083	
Total Federal Financial Assistance								\$ 22,636	\$ 41,377,072					\$ 37,754,992	\$ 41,768,707

(1) Matching Funds

The accompanying Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

CAMDEN COUNTY COLLEGE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

State Grantor/ Program Title	State GMIS Number	Program or Award Amount	Matching Contribution	Grant Period		Balance June 30, 2009	Receipts or Revenues Recognized			FY 10 Disbursements/ Expenditures		(Memo Only)					
				From	To		Key	Adjustments		Cash Received	Cumulative Expenditures						
Student Financial Aid Programs:																	
Department of the State - Commission on Higher Education:																	
Opportunities Program Grants:																	
Educational Opportunities Fund - Article IV	100-074-2401-002	\$ 219,263	\$ 224,487	7/1/2009	6/30/2010		\$ 219,263	(1)	\$ 224,487	\$ 443,750		\$ 210,973	\$ 443,750				
Total Commission on Higher Education							-		219,263	224,487	443,750	-	210,973	443,750			
Department of the Treasury - Office of Student Assistance:																	
Educational Opportunities Fund - Article III	100-074-2401-001	\$ 253,261	N/A	6/1/2009	7/31/2010		253,261		253,261		253,261	253,261					
New Jersey Stars Program	100-074-2405-313	1,163,281	N/A	7/1/2009	6/30/2010		1,163,281		1,163,281		1,159,737	1,163,281					
Tuition Aid Grants	100-074-2405-007	4,995,580	N/A	7/1/2009	6/30/2010		4,995,580		4,995,580		4,814,509	4,995,580					
Garden State Distinguish Scholarship	100-074-2405-278	36,735	N/A	7/1/2009	6/30/2010		36,735		36,735		36,735	36,735					
NJ Gear Up Scholarship	100-074-2400-026	77,734	N/A	7/1/2009	6/30/2010		77,734		77,734		77,734	77,734					
NJ Class Loans	NA	240,534	N/A	7/1/2009	6/30/2010		240,534		240,534		236,940	240,534					
Total Student Financial Aid Programs							-		6,767,124		-	6,767,124					
												6,578,916	6,767,125				
State Department of Education:																	
Advanced Manufacturing	NJCHE08IPI-801080-0001	16,025	N/A	6/23/2008	7/31/2009		1,816		1,816				14,638				
Total State Department of Education							-		1,816		-	1,816	-				
												-	14,638				
State Department of Higher Education:																	
Operational Costs - County Colleges	100-082-2155-015	11,206,746	N/A	7/1/2009	6/30/2010		11,206,746		11,206,746		10,794,746	11,206,746					
P.L.1971, Chapter 12 Debt Service	100-082-2155-016	841,660	N/A	7/1/2009	6/30/2010		841,660		841,660			841,660					
Employer Contributions - Alternative Benefit Program:	100-082-2155-017	885,119	N/A	7/1/2009	6/30/2010		885,119		885,119		705,794	885,119					
College Bound	10YR3-800930-0055	337,406	313,290	7/1/2009	8/31/2010		322,982	(1)	313,290	636,272	269,925	636,272					
Dual Enrollment Project	100-074-2400-050	20,000	N/A	4/30/2009	6/30/2010		13,919		13,919		13,919	13,919					
Total State Department of Higher Education							-		13,270,426	313,290	13,583,716	-	11,784,384	13,583,716			
Passed Through NJ Tobacco Control Worksite Program																	
American Cancer Society	NA	1,200	N/A	7/1/2009	6/30/2010		1,200		1,200		1,200	1,200	1,200				
Total NJ Tobacco Control Worksite Program							1,200		-	1,200	-	1,200	1,200				
New Jersey Council for the Humanities:																	
India: Ancient Civilization to Modern Democracy	2009-02	7,862	11,761	7/13/2009	12/31/2009		7,862	(1)	11,761	19,623	7,862	19,623					
Walt Whitman - Celebrating and Singing America's Bard	2009-34	8,491	20,725	12/1/2009	6/15/2010		6,817	(1)	20,725	27,542	6,817	27,542					
Total New Jersey Council for the Humanities							-		14,679	32,486	47,164	-	14,679	47,164			
Total State Financial Assistance							-		\$ 20,274,508	\$ 570,263	\$ 20,844,770	-	\$ 18,590,152	\$ 20,857,593			

(1) Matching Funds

The accompanying Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

CAMDEN COUNTY COLLEGE
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2010

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 the Federal Family Educational Loan Program (FFEL), 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, 2010.

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 March 28, 2011.

CAMDEN COUNTY COLLEGE
PART 3
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

CAMDEN COUNTY COLLEGE
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2010

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unqualified

Internal control over financial reporting:

Material weaknesses identified? _____ yes no

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

Noncompliance material to financial statements noted? _____ yes no

Federal Awards

Internal control over compliance:

Material weaknesses identified? _____ yes no

Were significant deficiencies identified that were not considered to be a material weakness? _____ 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))? _____ yes no

Identification of major programs:

CFDA Numbers

_____ 84.007

_____ 84.032

_____ 84.063

_____ 84.375

_____ 84.033

Name of Federal Program or Cluster

_____ Federal Supplemental Educational Opportunities Grants

_____ Federal Family Educational Loans

_____ Federal PELL Grant Program

_____ Academic Competitiveness Grant Program

_____ Federal Work-Study Program

Dollar threshold used to determine Type A programs \$ 1,248,863

Auditee qualified as low-risk auditee? yes _____ no

CAMDEN COUNTY COLLEGE
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2010

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

State Financial Assistance

Internal control over compliance:

Material weaknesses identified? _____ yes no

Were significant deficiencies identified that were not considered to be a material weakness? _____ 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)) or New Jersey Circular 04-04-OMB?

_____ yes no

Identification of major programs:

GMIS Numbers

Name of State Program

100-074-2401-001
 100-074-2405-007
 100-074-2405-278
 100-074-2400-026
 100-074-2405-313
 NA
 100-082-2155-015

Educational Opportunities Fund (EOF) - Article III
 Tuition Aid Grant Program
 Garden State Distinguished Scholarship Program
 New Jersey Gear Up Scholarship
 New Jersey Stars Program
 New Jersey Class Loans
 State Operating Subsidy

Dollar threshold used to determine Type A programs \$ 625,343.00

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, 2010

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 the Treasury, State of New Jersey.

No Current Year Findings.

Section 3- Schedule of Federal Award Findings and Questioned Costs

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

No Current Year Findings.

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by 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

Finding No. 2009-1

Programs

Federal Supplemental Educational Opportunities Grants – CFDA No. 84.007
Federal Family Educational Loans – CFDA No. 84.032
Federal PELL Grant Program – CFDA No. 84.063
Federal Academic Competitiveness Grant – CFDA No. 84.375

Condition

Title IV credit balances in four of seventy-three credit balances on student accounts sampled were not paid within 14 days.

Current Status

This condition has been resolved.

Finding No. 2009-2

Program

Vocational Education – Perkins – CFDA No. 84.048

Condition

The procedure to determine if liabilities are liquidated within 90 days after project period end did not operate effectively.

Current Status

This condition has been resolved.

Finding No. 2009-3

Program

Federal Family Educational Loans – CFDA No. 84.032

Condition

Unsubsidized and Subsidized Loans were not always awarded in the correct amounts.

Current Status

This condition has been resolved.

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

FEDERAL AWARDS (CONT'D)

Finding No. 2009-4

Program

Federal Family Educational Loans – CFDA No. 84.032

Condition

Federal Family Education Loans received were not always disbursed to the student's account within 3 business days for five of thirty-one student loans sampled.

Current Status

This condition has been resolved.

STATE FINANCIAL ASSISTANCE PROGRAMS

No Prior Year Findings.

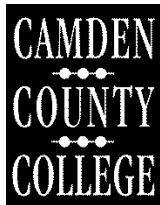
APPRECIATION

We received the complete cooperation of all of the officials of the College and greatly appreciate the courtesies extended to us during the course of the audit.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Verification of Compliance with Credit Hour

Credit Hour Policy

Camden County College offers courses that comply with the *New Jersey Administrative Code Title 9A – Higher Education* and in Appendix H of the *Administrative Code* under Chapter 1, Licensure Rules, Subchapter 1. General Standards, section 9A:1-1.2 the following definition for a credit hour is stated:

“Semester credit hour” means 50 minutes of face-to-face class activity each week for 15 weeks (or the equivalent attained by scheduling more minutes of face-to-face class activity per week for fewer weeks in the semester) in one semester complemented by at least 100 minutes each week of laboratory or outside assignments (or the equivalent thereof for semesters of different length).

P. 4.

This citation is included in the New Jersey's President's Council Academic Issues Committee Manual <http://njpc.org/documents/academic-issues-committee-manual>.

Credit Hour Audit Procedures

To ensure that each community college adheres to this definition of a credit hour, the following audit rules have been established.

STATEMENT OF AUDITING AND ACCOUNTING STANDARDS FOR COUNTY COLLEGES

(Recommended by Council of County Colleges for use by Department of Treasury
pursuant to N.J.S.A. 18A:64A-22 & 29)

VI. Audit Rules:

In preparing the audited schedule of credit-hour enrollments as required by this Accounting Standard, the audit firm must adhere to the following:

- The auditor shall review this Accounting Standard, all contracts with third party providers, and grant contracts to determine the State funding eligibility of credit courses.
- The college shall maintain a clearly defined audit trail to enable the auditor to certify credit-hour reported by the college.
- Student credit hours shall be reconciled to tuition income, including cash received, accounts receivable, and waivers.
- The auditor shall send a confirmation letter to a statistically valid sample of students who are listed as having attended courses during the year under audit.

The methodology and results of this sample shall be appended to the year- end audit report.

- The auditor shall follow the format for audited enrollment schedule provided by the Department of Treasury.
- If the auditor plans to deviate from any of the audit procedures, he or she shall obtain prior written approval from the Department of Treasury.
- Such approval, if granted, shall be valid only for the audit in process.
- Course outlines shall be made available to the auditors who shall submit sample course outlines along with the credit course category classification assigned to these courses by the college.
- The auditor shall certify that course outlines are on file for all of the college's State fundable course offerings and that these courses have been classified and meet course eligibility criteria as defined in these Accounting Standards.
- The Course Review Committee of the Council of County Colleges may request and review all official course outlines.
- The county college shall have the burden of establishing that a course has been properly classified as a credit course.
- Upon review of the recommendation of the Council of County Colleges, the decision to approve or reject the classification and eligibility of a credit course for State support rests with the Department of Treasury.
- Based upon examination of the college's audit trail including registration records, attendance records, and course descriptions, that the auditor shall in an opinion letter accompanying the schedule of credit hour course categories eligible for State support, certify:
- The audit trail is valid and adequate for certification of the schedule of credit-hour enrollments;
- The schedule of credit-hour is accurate;
- The eligible portions of grant and third party funded courses are calculated and reported accurately;
- The review of the documentation underlying the calculation of credit hours is valid and adequate for the certification of the credit-hour enrollment schedule.
- The reviewer has completed the enrollment audit in accordance with the provisions of these Accounting Standards.

As mentioned in the *Audit Rules*, the Course Review Committee of the Council of County Colleges conducts an annual review of new and revised courses submitted by each county college using the credit hour definition in the *New Jersey Administrative Code* as stipulated on following page.

**CRITERIA FOR
SUBMISSION OF NEW AND REVISED CREDIT COURSES TO THE
COURSE REVIEW COMMITTEE (CRC)**
Academic Year 2012-2013

Credit Course Criteria

The number of state-fundable credits for a credit course should not exceed the number of credits that a student is charged for the course. Additionally, state fundable credit hours are separate and apart from the amount that faculty may be paid for teaching the course. The number of state-fundable credit hours that is assigned to each credit course on the inventory is based on the following criteria:

1. One credit hour for each hour per week for 15 weeks of lecture plus one credit for every two hours per week for 15 weeks of formally scheduled laboratory or studio/performance hours for art, music, dance, etc. (or the equivalent attained by scheduling more minutes of class activity per week for fewer weeks in the semester).

Fractions of credits may be awarded for developmental courses that grant institutional credit provided there is congruence between the fractional class time and the fractional amount of credit awarded.

Whole numbers will continue to be used for credit granted for the completion of general education and specialized courses in academic degree and certificate programs as per current policies and practices.

2. A minimum of 45 contact hours must be completed by a student during a semester or term to earn one (1) credit for practical experiences such as cooperative education, internships, field study, practicum, or clinical experiences.

The following form completed by the county college is used by the Course Review Committee in its review process.

Appendix A

New Jersey Council of County Colleges **Request for Review of a New, Revised, or Reactivated Credit Course**

College: _____ Date: _____
Contact Person: _____ Phone: _____

Check One: New Course: _____ Change in Credit Hours: _____
Change in Course Title: _____ or Course from Inactive List: _____

Course Number: _____ Course Title: _____

Lecture Credit Hours¹: _____ Lab Credit Hours¹: _____

Studio Performance Credit Hours¹: _____

Cooperative Education/Internship/Field
Study/Practicum/Clinical Contact Hours²: _____

State Fundable Credit Hours: _____

¹ One credit hour for each hour per week for 15 weeks of lecture plus one credit for every two hours per week for 15 weeks of formally scheduled laboratory or studio/performance hours for art, music, dance, etc. (or the equivalent attained by scheduling more minutes of class activity per week for fewer weeks in the semester).

²A minimum of 45 contact hours must be completed by a student during a semester or term to earn one (1) credit for practical experiences such as cooperative education, internships, field study, practicum, or clinical experiences.

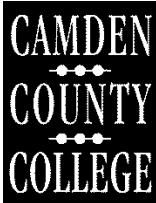
Course Description [include description from the catalog AND any other descriptive information that supports the data indicated above (number of lecture hours, number of lab hours, etc.)]:

The Course Review Committee also conducts a periodic review of all courses within a set of disciplines according to the following schedule. This review process utilizes the criteria and the form mentioned above.

Audit Year	Disciplines	Next Audit Year
2008 – 2009	Science and Technology	2015 – 2016
2009 – 2010	Social Sciences, Humanities, and Art Courses	2016 – 2017
2010 – 2011	Remaining Disciplines	2017 – 2018

List of Courses and Programs That Do Not Adhere to the Federal Definition of "Credit Hour"

Course Type	Course/Program	Evidence
Online		
Hybrid		
Laboratory		Meets NJ Administrative Code Auditing Criteria
Studio		Meets NJ Administrative Code Auditing Criteria
Clinical		Meets NJ Administrative Code Auditing Criteria
Internship		Meets NJ Administrative Code Auditing Criteria
Independent Study		Meets NJ Administrative Code Auditing Criteria
Accelerated Format		



Guidelines for Verification of Credit Hours in Distance Education Courses

Camden County College offers distance education courses that comply with the College's existing credit hour policy, which is based on *New Jersey Administrative Code*, "*Semester credit hour*." Although this Code defines credit hours by traditional seat time, the College translates this definition by requiring the same amount of student engagement in educational activities with the instructor as is required in a traditional classroom setting. In the traditional credit hour model, one credit is assigned for 50 minutes of instruction/student engagement over 15 weeks or 750 minutes. This definition translates to the online/hybrid requirement of 750 minutes worth of online/hybrid educational activities/instruction. All Camden County College courses, regardless of mode of instruction, utilize the same Master Course Syllabus and are assessed using the same course student learning outcomes. To ensure compliance with the College's credit hour policy, Camden County College faculty have defined and approved *an attendance policy specifically for hybrid and online instruction* that provides evidence of credit-hour instruction and student engagement.

**Online and hybrid courses require a special definition of attendance. In a distance education context, documenting that a student has logged into an online class is not sufficient, by itself, to demonstrate academic attendance by the student. Using the Federal Student Aid Handbook as a guide, attendance for an online/hybrid course is defined as engaging in an academically related activity which includes but is not limited to the following:*

- Attending the in-person sessions (for hybrid classes);
- Submitting an academic assignment;
- Taking an exam, an interactive tutorial or computer-assisted instruction;
- Participating in an online discussion about academic matters;
- Initiating contact with a faculty member to ask a question about the academic subject studied in the course.