

EXHIBIT A



**BOARD OF TRUSTEES
Business/Finance Committee Agenda Items**

To: Board of Trustees
From: Office of the President
Date: December 2, 2015

The following Finance Committee items are recommended to the Ocean County College Board of Trustees for approval at its meeting on **Monday, December 7, 2015**:

1. Recommend acceptance of the statement of income and expenditures as of November 30, 2015 (**Exhibit A-1**)
2. Recommend acceptance of the Ocean County College Report of Audit for the fiscal year ended June 30, 2015 (**Exhibit A-2**)
3. Recommend adoption of a resolution to authorize an e-Learning pilot program between Ocean County College and Eastwick College in accordance with the agreement dated November 9, 2015, for the period January 1, 2016, through December 31, 2016 (**Exhibit A-3**)
4. Recommend that the following contract be awarded:
 - a. For professional site work services to the Central Chiller Plant at Ocean County College (**Exhibit A-4**)
5. Recommend adoption of resolutions to award the following contracts:
 - a. For technical support services for e-College courses and miscellaneous tests for use at Ocean County College (**Exhibit A-5**)
 - b. For professional helpdesk support services at Ocean County College (**Exhibit A-6**)

- c. For the purchase of a Canvas Learning Management System, through NJEDge.net, for use at Ocean County College **(Exhibit A-7)**
 - d. For professional consulting services for e-Learning programs for the period of December 15, 2015, through June 30, 2016, at Ocean County College **(Exhibit A-8)**
6. Recommend that the following contracts be amended:
- a. An additional \$97,980, for a maximum total of \$1,003,286, to Kimmel Bogrette Architecture + Site, Conshohocken, Pennsylvania, for a change order for a design revision as part of the Instructional Building renovation at Ocean County College (contract originally awarded at the September 23, 2013, Board meeting) **(Exhibit A-9)**
 - b. An additional \$800, for a maximum total of \$30,395, to The Aluminum Athletic Equipment Company, Royersford, Pennsylvania, for expediting an Athletic Portable Press Box, Video Tower with Storage, and Camera Rail Unipod Accessory for use at Ocean County College (contract originally awarded at the October 16, 2015, Board retreat) **(Exhibit A-10)**
7. Recommend acceptance of a \$70,170 grant award from the New Jersey Department of Children and Families, Division on Women, to provide funding for services to meet the needs of displaced homemakers in Ocean County by fostering the development of career and employment skills and educational opportunities so clients and their families can become economically self-sufficient. Funding period: July 1, 2015, through June 30, 2016. Project director: Dr. Kate Pandolpho, Director of Career, Employment, and Counseling Services.

EXHIBIT A-1

EXHIBIT A

OCEAN COUNTY COLLEGE

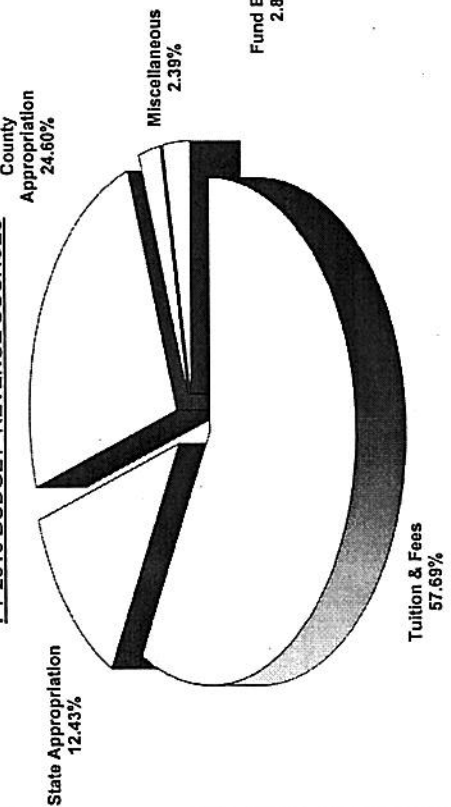
STATEMENT OF CURRENT EXPENDITURES FY 2015-2016

For the Period Ending November, 2015 (not audited)

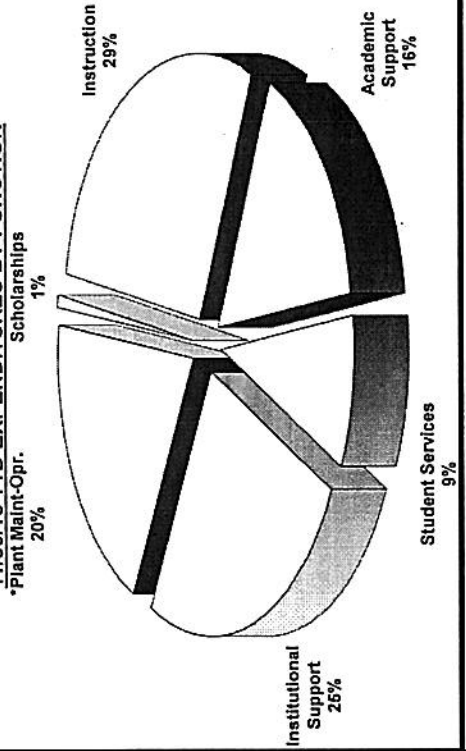
	ACTUAL	ENCUMBRANCES	TOTAL	FY2015-2016 BUDGET-REVISED	(OVER) UNDER BUDGET	% BUDGET
REVENUE:						
Tuition & Fees	22,965,338		22,965,338	34,469,486	11,504,148	66.63%
State Appropriation	3,094,370		3,094,370	7,426,489	4,332,119	41.67%
County Appropriation	3,675,065		3,675,065	14,700,259	11,025,194	25.00%
Miscellaneous	70,726		70,726	1,428,075	1,357,349	4.95%
Fund Balance	0		0	1,726,577	1,726,577	0.00%
Total Revenue:	29,805,499		29,805,499	59,750,886	29,945,387	49.88%

EXPENDITURES:						
Instruction	6,802,343	832,804	7,635,147	20,076,883	12,441,736	38.03%
Academic Support	3,455,639	921,477	4,377,116	10,830,413	6,453,297	40.42%
Student Services	2,157,966	330,857	2,488,823	5,948,108	3,459,285	41.84%
Institutional Support	5,603,279	1,089,511	6,692,791	11,707,322	5,014,531	57.17%
*Plant Maint-Opr.	3,054,902	2,153,627	5,208,528	9,155,757	3,947,229	56.89%
Scholarships	200,952	0	200,952	532,403	331,450	37.74%
Debt Services	0	0	0	1,500,000	1,500,000	0.00%
Total Expenditures:	21,275,081	5,328,276	26,603,358	59,750,886	33,147,528	44.52%

FY 2016 BUDGET REVENUE SOURCES

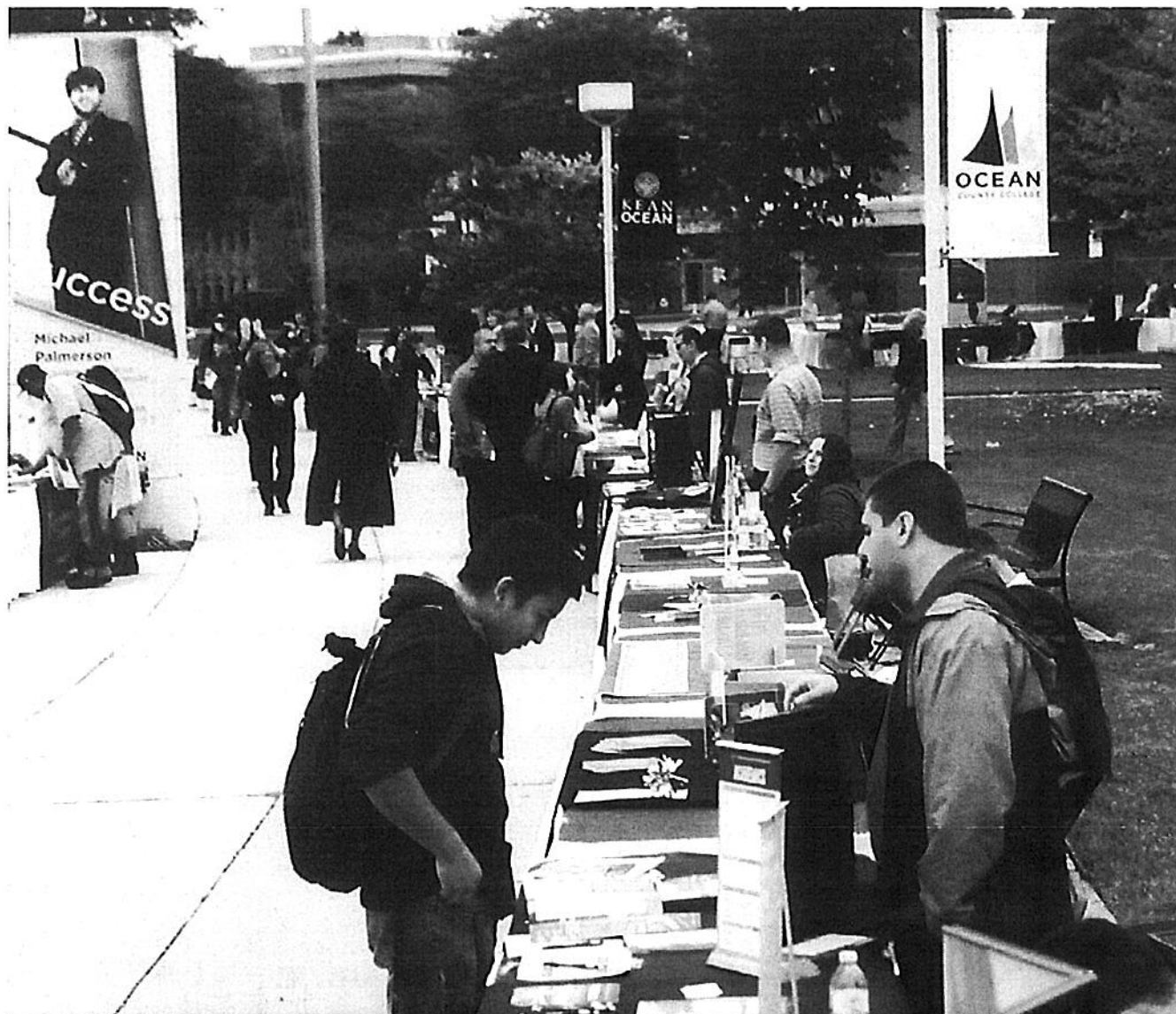


11/30/15 YTD EXPENDITURES BY FUNCTION



* Includes Gateway Operating expenditures reimbursable from Kean

EXHIBIT A-2



2015

Report of Audit

Fiscal Year Ended June 30, 2015
Toms River/Manahawkin, New Jersey



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Introductory Section

**Fiscal Year Ended
June 30, 2015**

**OCEAN COUNTY COLLEGE
MEMBERS OF THE BOARD OF TRUSTEES
AS OF JUNE 30, 2015**

<u>Name</u>	<u>Term Expires</u>
Mr. Carl V. Thulin, Jr., Chair	2016
Mrs. Linda L. Novak, Vice Chair	2018
Mr. Jerry Dasti, Treasurer	2018
Mr. Stephan R. Leone, Secretary	2012
Mr. Frank J. Dupignac, Jr.	2016
Mr. Emil A. Kaunitz, Jr.	2014
Mr. Thomas E. Monahan	2018
Mrs. Joanne Pehlivanian	2017
Dr. Wilda Smithers	2017
Mr. Nicholas Devlin, Alumni Representative	2015
Mr. Todd C. Flora, Interim County Superintendent of Schools	Ex-Officio Member

College Officials

Dr. Jon H. Larson, President
Dr. Norma Betz, Vice President of Student Affairs
Ms. Sara Winchester, Executive Vice President of Finance and Administration
Dr. Jianping Wang, Vice President of Academic Affairs
Mr. John C. Sahradek, Esq., College Attorney

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Ocean County College
Toms River, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Ocean County College (the College), a component unit of the County of Ocean, State of New Jersey, as of and for the years ended June 30, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of Ocean County College Foundation, which represent 100 percent, 100 percent, and 100 percent, respectively, of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Ocean County College Foundation, is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Ocean County College Foundation, the discretely presented component unit, were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College as of June 30, 2015 and 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the College implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68 – *Accounting and Financial Reporting for Pensions* and related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* for the year ended June 30, 2015. As a result of the implementation of GASB Statements No. 68 and 71, the College reported a restatement for the change in accounting principle and a summary of the restatement is presented in Note 1. Our auditors' opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 7-23 and the Schedule of Proportionate Share of PERS Net Pension Liability and PERS Schedule of Contributions on page 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey's OMB Circular 04-04-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated REPORT DATE, on our consideration of the College's internal control over financial reporting and on 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 result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
REPORT DATE



Required Supplementary Information

**Fiscal Year Ended
June 30, 2015**

**OCEAN COUNTY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED 2015
(Unaudited)**

This report presents management's review and analysis of Ocean County College's (the College/OCC) financial performance during the fiscal years ended June 30, 2015, 2014 and 2013. Its intent is to provide financial analyses and management's discussion comparing the three fiscal years. Combined with the financial statements and accompanying notes that follow, this explains and clarifies College-wide financial performance, as well as the direction envisioned for the future.

General Financial Information

The financial statements focus on the College as a whole and are designed to emulate corporate presentation models whereby all College activities are consolidated into one total. The Statement of Net Position combines and consolidates current financial resources with capital assets. The Statement of Revenues, Expenses, and Changes in Net Position focuses on the gross and net costs of College activities and how they are supported through State and County appropriations, tuition and other revenues. The financial statements for the Ocean County College Foundation (The Foundation) are also included in the reports as a component unit, pursuant to GASB statement 39. The Foundation is a non-profit organization housed on campus whose mission is fund-raising to support the College through scholarships, awards, education loans and special projects. The following analysis focuses on the College only.

In FY2015 the College continued developing a new strategic plan via a college-wide process entitled Charting our New Course. The process was based on the resilience/performance excellence framework designed to develop the internal capacity to make OCC a national leader in community college education. The framework was used to identify the following major strategic goals:

- Reorganize academic structure to promote reinvention of existing programs and discovery of new programs
- Restructure Senior Leadership Team
- Develop a deeper and more comprehensive understanding of stakeholders
- Revamp Human Resources functions – invest in talent development
- Develop Key Performance Indicators to become a data/performance-driven organization
- Leverage partnerships to do what OCC cannot do alone

The College then launched a participative process to create a five-year strategic plan. The process was steered by a Guiding Coalition and seven strategy teams for a total of more than one hundred and fifty participants in the process. The teams developed a wide range of initiatives to implement the strategies. The President's Leadership Team (PLT) merged these initiatives with ongoing efforts and distilled them into strategy maps to guide implementation over the next five years. The goal is to double enrollment by the year 2020, thereby dramatically changing the College's fiscal position and establishing Ocean County College as a national leader in higher education.

Enrollment

Audited enrollments were limited to credit courses only. Total state-funded credit hour enrollments were as follows:

	FY 2015	FY 2014	FY2013	Change 2014-2015	Change 2013-2014
Total Credit Hours	208,240	217,723	224,117	(9,483)	(6,394)

**OCEAN COUNTY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED 2015
(Unaudited)**

Within the strategic plan mentioned above, many initiatives are underway to increase enrollment. A new student academic planning tool called Ellucian Student Planning was piloted in FY2015. This system assists students with degree-tracking, course planning and scheduling. Research shows that allowing students to map out their academic journey from the beginning helps ensure they stay on track toward their goal. The Student Planning system also interacts with the recently implemented Student Finance system. The Student Finance system provides real time account information to students in an easy to understand format. With both Student Planning and Student Finance systems in place, students will be able to set up and track tuition payment plans on line.

The customer relations management system (CRM), Ellucian Recruiter that was implemented last year, has been used to identify and communicate with potential students in a more personalized fashion. In addition, the system is being used to communicate with currently enrolled students to encourage them to register for upcoming semesters and take advantage of various College services.

The Commit to Complete Tuition Discount Program continued in FY2015. The program provides one three credit summer course tuition-free to any full time student who successfully completes 30 credits between the Fall and Spring semesters during one academic year. Any part time student who successfully completes twenty-four credits over two consecutive academic years will be eligible for one three credit summer course tuition-free. The program proved popular in summer 2014 with 173 students registering for a tuition-free course. A total of 93 students took advantage of this offer in summer 2015 and the hope is that it will continue to incentivize students to complete their degrees without interruption.

National on-line marketing initiatives continue in an effort to increase out-of-county student enrollment in on-line courses. The marketing efforts have produced a 20.4% increase in out-of-county students over the past three years.

	FY 2015	FY 2014	FY2013	Change 2014-2015	Change 2013-2014
Online Credit Hours (included in total credit hours above)	42,527	40,501	40,124	2,026	377
	Actual FY15	Actual FY14	Actual FY13	3 Year Increase	
Online Only					
In County	34,907	33,318	33,793	3.3%	
Out of County	7,620	7,183	6,331	20.4%	
Total E-Learning	42,527	40,501	40,124	6.0%	

The College continues to expand e-learning programming and we now offer fourteen fully online associate degree programs and nine certificate programs. In FY2015 approximately 20% of total college credits were delivered via the online learning format. The program emphasizes quality and retention and is designed to allow the College to grow without expanding the physical campus. The Continuing & Professional Education Department also offers on-line programs to update and enhance your professional skills. The most popular non-credit programs focus on health care fields and computer training. On-site/online courses are also offered which combine face-to-face instruction and online learning in a single course. This learning format allows greater flexibility for students as they schedule classes to balance home life, work and school.

**OCEAN COUNTY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED 2015
(Unaudited)**

In September 2014 OCC was awarded a three-year Undergraduate International Studies and Foreign Language grant from the U.S. Department of Education. The grant provides approximately \$500,000 over the three-year period in support of creating a Middle East Studies Center and developing learning partnerships in that region of the world. In May 2015 sixteen students participated in a study-abroad program in Rabat, Morocco to study the fundamentals of the Arabic language and complexities of Moroccan culture. Approval was also received for OCC to offer a thirty-four credit Certificate of Proficiency in Middle Eastern Studies. E-Learning is partnering with Rosetta Stone foreign language learning solution for integration into OCC's new Foreign Language Institute. We are planning to offer twenty foreign languages on-line at beginner, intermediate and advanced levels.

The College continues to maintain a focus on retention, producing stronger than national averages in retention, graduation and transfer rates. Based upon recent data OCC is ranked among all county colleges in the state as having the highest three-year graduation rate. These rates of retention and graduation illustrate the success of several programs and initiatives designed to encourage persistence, including the Foundations of Excellence in the First Year, a mandatory new student Orientation/Advising program for first-time/full-time students, the Student Success class, the NJ Stars program, and the new Step by Step to Academic Success Program. In addition a new Student Success initiative is planned which will engage a large cross-section of members of the College faculty and staff from various organizational units; Student Affairs and Services, Academic Affairs, and Financial Services. This initiative will further the development of a common sense of purpose and a community of practice for student success that transcend the traditional organizational divisions of the College. It will also serve as a proving ground for an approach to transformative change at OCC that will become the standard for all such efforts in the future.

In addition to the main campus in Toms River, classes are held at a variety of Ocean County education facilities during their non-peak times. In FY2015, 17,927 credit-hours (almost 9% of the total) were delivered at off-site locations throughout the county, continuing to provide residents greater access to higher education. The Southern Education Center (SEC) in Manahawkin has been operating at near full capacity for the past several years, hosting 13,048 credits in FY2015. Additionally, the College uses the Ocean County Vocational School's 50,000 square foot Marine Academy for Technology and Environmental Science (MATES) on the SEC campus in the late afternoons, evenings, and on weekends. The collaborative use of the building has allowed the College to expand its offerings in the southern end of the county with no additional capital outlay and minimal overhead costs.

The NJ STARS program provides tuition funding from the state for NJ high school students who rank in the top 15% of their class at the end of either junior or senior year, and are attending one of the 19 NJ community colleges. The College maintains the highest NJ STARS enrollment in the state with 243 students in FY2015, compared to 378 students in FY2014 and 364 students in FY2013.

**OCEAN COUNTY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED 2015
(Unaudited)**

The College has stepped up efforts to meet the needs of today's students by updating existing programs and developing a variety of new programs. The following programs have been recently implemented or are under development:

Completed and Approved:

- Fine Arts
- Global Studies
- Performing Arts
- Theater Technician

In Revision:

- Alcohol & Drug Counseling
- Electronic Media
- Fire Science
- Game Development
- Health & Human Performance
- Information Technology
- Visual Communications Technology

Pending Approval:

- Holistic Health and Wellness
- Hospitality and Tourism
- Nursing: BSN Joint Degree
- Web Marketing

Under Development:

- Arts Management
- Cyber Security
- Exercise Science
- Geographic Information Systems (GIS)
- Global Business
- Hospital/Health Administration
- Mechatronics Engineering Technology
- Survey Engineering Technology

Several of these programs will connect with those offered by the Ocean County Vocational Technical School and will provide a seamless pathway from high school to college for this previously underserved population.

Another significant factor in enrollment is the College's partnership with Kean University which provides residents of Ocean County the opportunity to graduate from OCC and remain on campus to obtain baccalaureate and master's degrees from a public institution. Improvements to the upper campus in support of the joint Kean/OCC Gateway Building continued in FY2015. A new highly anticipated third entrance to the campus leading up to the Gateway Building was completed and a new parking lot with energy-saving LED lighting was also placed in service.

**OCEAN COUNTY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED 2015
(Unaudited)**

The Kean@Ocean collaboration currently includes fully articulated programs leading to a bachelor's degree in Accounting, Management, Marketing, Criminal Justice, Elementary Education, English, History, Nursing, Biology, Physical Education, Sociology, Public Administration, Special Education, Finance, Psychology and Graphic Design. In addition, graduate programs in Counselor Education and Nursing are offered. In FY2015 3,014 students enrolled as part of the Kean@Ocean option, a 1% increase over FY2014's 2,987 which had reflected a 3.7% decrease from the 3,102 students in FY2013. We believe enrollment will increase as OCC students become familiar with the Gateway Building and Kean University programs.

Statement of Net Position

The Statement of Net Position presents all assets, deferred outflows of resources, liabilities, deferred inflows of resources and net assets for the College. Both assets and liabilities are classified as either current (available or due within one year) or non-current. Deferred outflows of resources represent a consumption of net position that applies to a future period which will not be recognized as an outflow of resources until that time. Deferred inflows of resources represent an acquisition of net position that applies to a future period which will not be recognized as an inflow of resources until that time. Net assets are categorized into (a) the amount invested in capital assets (b) restricted assets (expendable or non-expendable) which are designated by an outside funding source and (c) unrestricted net assets.

Assets and liabilities as of June 30th were as follows:

	FY 2015	FY 2014	FY 2013	1 Yr Change 2014-2015	1 Yr Change 2013-2014
Current Assets	\$ 37,974,101	\$ 41,671,253	\$ 39,418,813	\$ (3,697,152)	\$ 2,252,440
Capital Assets	93,315,851	81,759,797	78,781,706	11,556,054	2,978,091
Non-Current Assets	3,953,310	5,711,617	2,697,471	(1,758,307)	3,014,146
Deferred Outflows of Resources	1,814,731	-	-	1,814,731	-
Total Assets & Deferred Outflows of Resources	137,057,993	129,142,667	120,897,990	7,915,326	8,244,677
Current Liabilities	9,821,300	11,862,573	8,884,164	(2,041,273)	2,978,409
Non-Current Liabilities	41,241,897	16,738,046	17,105,570	24,503,851	(367,524)
Total Liabilities	51,063,197	28,600,619	25,989,734	22,462,578	2,610,885
Deferred Inflows of Resources	2,338,574	-	-	2,338,574	-
Net Position	83,656,222	100,542,048	94,908,256	(14,547,252)	5,633,792
Total Liabilities, Deferred Inflows of Resources, & Net Position	\$ 137,057,993	\$ 129,142,667	\$ 120,897,990	\$ 10,253,900	\$ 8,244,677

Both Current and Non-Current assets decreased in FY2015 primarily due to the drawdown of capital receivables for Chapter 12 funding for construction of the Jon and Judith Larson Student Center, and several state-backed bond issues and grants. In FY2014 a non-current receivable was also recognized for the present value of a \$3.5 million dollar pledge from the Jay and Linda Grunin Foundation to support Performing Arts programming. The increase to capital assets is mainly related to construction in progress on the new Student Center and various campus infrastructure improvements.

**OCEAN COUNTY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED 2015
(Unaudited)**

Current Liabilities decreased from the prior year as FY2014 included recognition of the Separation Incentive Program offered during the Spring, as well as Deferred Grant Revenue for multiple state-funded capital grants.

Effective with the close of fiscal year 2015, the College has adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. For the first time Statements No. 68 and 71 require the College to report its share of the defined benefit pension liabilities and expense, as well as the related deferred outflows of resources and deferred inflows of resources, allocated to it by the Public Employees' Retirement System (PERS). The July 1, 2014, balance of the net pension liability and related deferred outflows of resources and deferred inflows of resources is reported in the Statement of Revenues, Expenses, and Changes in Net Position as a restatement to the 2015 Net position—beginning of year. The June 30, 2014, financial statements are not restated.

Summary of Net Position

The College held the following net assets as of June 30th:

	FY 2015	FY 2014	FY 2013	1 Yr Change 2014-2015	1 Yr Change 2013-2014
Net Position:					
Unrestricted	\$ 2,801,870	\$ 31,479,170	\$ 31,052,165	\$ (28,677,300)	\$ 427,005
Restricted Expendable	3,224,731	3,362,440	774,020	(137,709)	2,588,420
Capital Assets, net	77,629,621	65,700,438	63,082,071	11,929,183	2,618,367
Total Net Position	<u>\$ 83,656,222</u>	<u>\$ 100,542,048</u>	<u>\$ 94,908,256</u>	<u>\$ (16,885,826)</u>	<u>\$ 5,633,792</u>

Restricted Expendable Net Assets primarily include the value of the Grunin Foundation pledge and funds received from a private donation that is earmarked for further development of the Citta Sailing Center.

The adoption of GASB No. 68 and No. 71 dramatically reduced the FY2015 unrestricted net position in the financial statements. This decrease in net position reflects the College's long term liability for pensions but it does not impact the designations allocated in Note 10 to the financial statements

Unrestricted Net Position has been designated to support necessary capital renewal/improvement and deferred maintenance projects. Many of these projects are already underway and funds have been allocated to support major capital projects that cannot be funded solely by Chapter 12. In FY2015 \$2 million was utilized to fund construction in progress on the new Student Center, and a significant commitment remains in place for this project.

Other projects to be funded by unrestricted net position include renovations to the Administration Building to provide a one-stop-shop for students, utility and infrastructure upgrades to the upper campus, required college contributions to state capital grants and support for the construction of a new Health Sciences building. Funding is also reserved to convert classrooms to labs in the Hiering Science Building and to connect more buildings to the central heating and cooling plant. A detailed explanation of the projects is provided below in the project summary section of this report, and the list of funding commitments can be found in Note 10 to the following financial statements.

**OCEAN COUNTY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED 2015
(Unaudited)**

Historically, capital funds have been provided through the Chapter 12 program which is funded jointly by the State and the County. The Chapter 12 program alone cannot provide the funds required to support the capital needs of the campus, therefore the College has developed a multi-year capital program in partnership with the County of Ocean to ensure funds are available for campus expansion, renovation, and necessary deferred maintenance/renewal projects. The County has committed to issuing bonds on behalf of the College, and in turn, the College has committed to repaying varying portions of the debt service. The debt service fund balance sets aside funding specifically for this purpose. This cooperative agreement will allow the College to take advantage of Ocean County's excellent bond rating and avoid the time and expense associated with selling bonds through a third party agency.

This cooperative arrangement began in August of 2009 when the first bond in the amount of nine (9) million was sold. Three (3) million was used for Phase II of the Arts and Community Center project and six (6) million was used for the construction of a Combined Heat and Power Plant. The Fifteen (15) million dollar bond for the College's share of the Gateway Building was sold in December 2010. The College is responsible for repaying 50% of the debt service on this bond to the County of Ocean. In July 2012, a third bond was issued representing the County's share of the 2012 and 2013 Chapter 12 allocations. The College is responsible for \$1,897,500 of the principal. The debt service for these bonds has been budgeted and the long term capital plan ensures that the College's operating budget will be prepared to fund the costs over the entire repayment term. Future plans include another bond issue for the new Health Sciences building, with the College and County sharing responsibility for the debt service obligation.

Last fiscal year Ocean County College was awarded over \$12.4 million from state-backed bonds to fund capital construction projects and instructional technology. The total, including matching amounts from Ocean County and the College, comes to \$15,961,904. The technology and instructional equipment improvements as well as the Nursing Building renovations have been completed, but the renovation of the Instructional Building continues into FY2016. The building has been completely redesigned and is currently closed for renovation and modernization.

Capital Assets

The FY2015 ending Construction in Progress balance primarily represents work on the new Jon and Judith Larson Student Center. The increase in Land Improvements consists of storm water drainage upgrades and lighting and site work in Parking Lots 5 and 6. Technology and instructional equipment additions resulting from the state capital bonds described above encompass the bulk of new capitalized equipment.

An outline of Capital Asset activity for the year ended June 30, 2015 follows:

**OCEAN COUNTY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED 2015
(Unaudited)**

	Balance June 30, 2014	Increases	Decreases	Adjustments	Balance June 30, 2015
Capital Assets, Non-Depreciable:					
Land	\$ 589,258	\$ -	\$ -	\$ -	\$ 589,258
Construction in Progress	4,210,430	14,029,372	(299,817)	(2,649,789)	15,290,196
	4,799,688	14,029,372	(299,817)	(2,649,789)	15,879,454
Capital Assets, Depreciable:					
Land Improvements	5,720,233	294,866	-	431,378	6,446,477
Buildings and Improvements	84,419,160	-	-	226,557	84,645,717
Equipment and Furniture	13,609,396	240,560	(154,169)	1,991,854	15,687,641
Vehicles	39,477	-	-	-	39,477
Infrastructure	914,119	-	-	-	914,119
	104,702,385	535,426	(154,169)	2,649,789	107,733,431
Total Asset Cost	109,502,073	14,564,798	(453,986)	-	123,612,885
Less Accumulated Depreciation	(27,742,276)	(2,687,844)	133,086	-	(30,297,034)
Capital Assets, Net	\$ 81,759,797	\$ 11,876,954	\$ (320,900)	\$ -	\$ 93,315,851

The FY2014 increase in Building and Improvements is a result of completed construction on the Gateway Building and Combined Heat and Power project.

An outline of Capital Asset activity for the year ended June 30, 2014 follows:

	Balance June 30, 2013	Increases	Decreases	Adjustments	Balance June 30, 2014
Capital Assets, Non-Depreciable:					
Land	\$ 589,258	\$ -	\$ -	\$ -	\$ 589,258
Construction in Progress	14,518,917	5,795,792	(365,533)	(15,738,746)	4,210,430
	15,108,175	5,795,792	(365,533)	(15,738,746)	4,799,688
Capital Assets, Depreciable:					
Land Improvements	5,669,553	-	-	50,680	5,720,233
Buildings and Improvements	68,793,559	-	-	15,625,601	84,419,160
Equipment and Furniture	13,339,310	373,089	(165,468)	62,465	13,609,396
Vehicles	39,477	-	-	-	39,477
Infrastructure	914,119	-	-	-	914,119
	88,756,018	373,089	(165,468)	15,738,746	104,702,385
Total Asset Cost	103,864,193	6,168,881	(531,001)	-	109,502,073
Less Accumulated Depreciation	(25,082,487)	(2,799,602)	139,813	-	(27,742,276)
Capital Assets, Net	\$ 78,781,706	\$ 3,369,279	\$ (391,188)	\$ -	\$ 81,759,797

Adjustments represent transfers of completed construction projects from Construction in Progress.

**OCEAN COUNTY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED 2015
(Unaudited)**

Statement of Revenues, Expenses and Changes in Net Position

This report illustrates the results of college-wide operations. The main components of operating revenue are tuition and fees (net of financial aid), Federal and State of New Jersey grants, and auxiliary enterprises. State and local appropriations, capital appropriations and grants, as well as investment income and gifts are classified as non-operating revenue. Operating expenses are presented by functional classification.

Revenues

Revenue was received from three main sources: County Support, State Operating Aid, and Tuition and Fees. The balance of revenue was received from miscellaneous sources including investment income, miscellaneous fees, and income from various programs. Total Operating Revenues decreased \$2,852,582 or 7.0% from \$40,947,111 in FY2014 to \$38,094,529 in FY2015, compared to the \$2,530,327 or 6.6% increase from FY2013 to FY2014.

The FY2014 gain was largely attributed to the present-value recognition of a \$3.75 million long-term restricted pledge from the Jay and Linda Grunin Foundation to support fine arts programming. The performing arts have been revitalized at OCC through this generous donation. The Grunin Spotlight Series ran throughout FY2015 and included the following outstanding artists: Bernie Williams, Neil Berg, Sutton Foster, Anthony McGill, Chanticleer, Rhythm in the Night, Emerson String Quartet and Branford Marsalis.

During FY2015 OCC students had the opportunity to attend the performances at no charge and also participate in master classes with the artists. Beginning in FY2016, students are able to take advantage of a 50% discount on all performances. In February of 2015 the facility was officially renamed, The Jay and Linda Grunin Center for the Arts.

The College is building connections between the Grunin Center, academic programs in the Fine Arts and the Ocean County Vocational Technical School's Performing Arts Academy in order to make OCC a cultural destination for Ocean County students and residents.

County and State Appropriations

The County of Ocean continued its outstanding support of the College and provided a FY2015 operating appropriation of \$14,700,259 equal to the prior three years. Level funding is anticipated for FY2016.

The allocation from the State of New Jersey increased \$10,132 from FY2014 to FY2015, after a decrease of \$132,374 from FY2013. The total allocation from the State to New Jersey community colleges is expected to remain the same for FY2016. The level of State funding is likely to remain an issue for New Jersey community colleges in the foreseeable future due to the unfavorable state-wide economic climate. The College is continuing to develop alternative revenue streams such as increasing out-of-county e-Learning students and the Kean@Ocean partnership to offset future funding uncertainties.

OCEAN COUNTY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED 2015
(Unaudited)

Tuition & Fees

Tuition and fee revenues from all sources comprise more than half of the College's total operating revenue. Net Tuition and Fee Revenue decreased \$469,963 or 1.2% between FY2014 and FY2015, compared to a 0.5% decrease from FY2013 to FY2014. The minor variances are attributed to increases in the per credit tuition and fee rates which offset the enrollment declines. Tuition & fee revenues are reported *net of discounts and allowances*. This ensures revenues received from student aid grants are not double counted as both Tuition revenue and Grant revenue. Students' growing reliance on state and federal aid indicates that the College must continue to devote resources to support the Financial Aid operation as it grows.

Ocean County College continues to charge one of the lowest tuition rates in the State. In FY2013 tuition increased \$4.00 to \$98 per credit and \$3.00 in FY2014 to \$101. The rate increased by \$3.00 again in FY2015 to \$104. OCC anticipates continuing the practice of implementing moderate annual tuition increases, thereby avoiding substantial increases that would create a financial burden for current students.

Grants

Total aid (includes grants, loans and work study) disbursed to students in FY2015 equaled \$26,681,818 in FY2014 \$26,802,681 and in FY2013 \$28,297,977. In fiscal year 2015, the Ocean County College Office of Financial Aid distributed aid to 5,366 students. This is a 2.4% decrease in headcount from FY2014, commensurate with the overall enrollment decrease. In total, close to 40% of the student population (13,916 unduplicated headcount) received aid in FY2015. It is notable that the number of verifications required by the funding agencies has been growing at a more rapid pace than aid disbursed and additional staff has been necessary to ensure that verification processing does not delay student attendance.

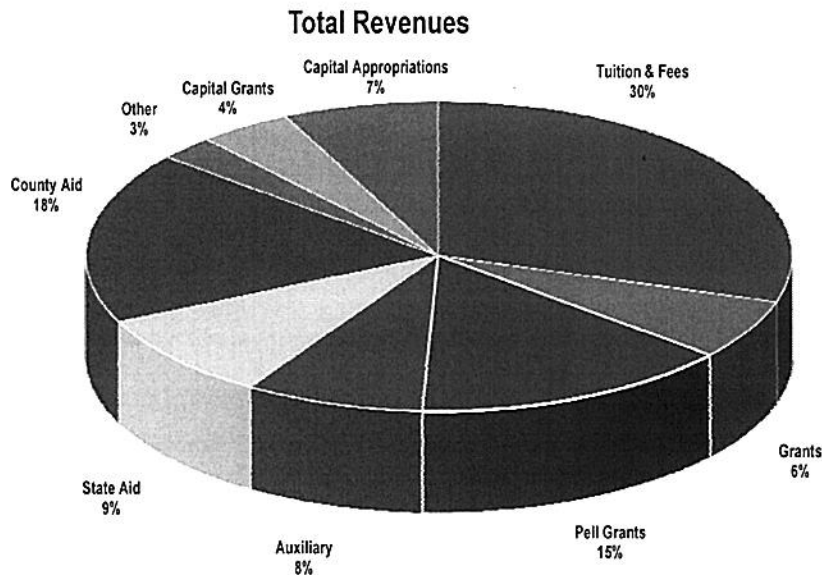
The \$220,000 per year grant for five years originally awarded in FY2011 for Student Support Services Program (TRIO) by the federal US Department of Education finished its final year in FY2015. In July 2015 the notice of renewal was received for an additional five years of funding support. The SSS program provides academic support to OCC students who are first generation, low-income, and/or disabled who also have academic need. SSS is a comprehensive program dedicated to increasing the academic success rate of students by providing supportive services including tutoring, advising, cultural trips and success seminars.

In FY2015 the College received the second payment of a three year \$50,000 per year grant from Santander University. Ocean County College is the first community college to participate in Santander University which is a charitable arm of Santander Bank. Under the grant OCC is offering Lakewood High School students academic support and guidance to help them prepare to be the first in their family to attend college. The program seeks to increase college access and positive educational outcomes for this under-served and underrepresented population. Participants receive academic support services that emphasize high school completion, assist with navigating the college application process, and help retain those students by focusing on completion in three years. OCC will continue to offer support services to these students to help ensure their success as first generation college students.

In October 2015 OCC along with eleven other NJ community colleges was awarded funding from the US Department of Labor for a consortium grant submitted under the Trade Adjustment Assistance Community College and Career Training grants program. Over the course of the grant's four year term, OCC's share of the funding totals close to \$825,000. The grant's focus is providing career coaching and other academic support services to students in order to prepare them for employment in the healthcare field. OCC's role is unique as it is the only community college partner that plans to develop a holistic health program.

OCEAN COUNTY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED 2015
(Unaudited)

The following is a graphical illustration of Total Revenues for the year ending June 30, 2015:



Expenses

Notably, College operating expenses decreased in FY2015. Expenses totaled \$72,115,849 in FY2015 compared with \$73,334,228 in FY2014 and \$68,217,280 in FY2013. The decrease of 8% in Instructional expenditures was in part a result of the separation incentive plan offered in the Spring of FY2014. A total of 15 full-time faculty chose to retire under the program, and a liability was recognized in FY2014 for their incentive payments. Bargaining unit negotiations continued with the full-time faculty, therefore no annual salary increases were awarded to these unionized employees during FY2015. Annual salary increases for non-represented employees and Support Staff Association members were below 2% for FY2015 which was commensurate with the low rate of inflation.

Operations & Maintenance of Plant saw higher than typical expenditures due to deferred maintenance outlays and consulting services related to the creation of a new Facilities Master Plan.

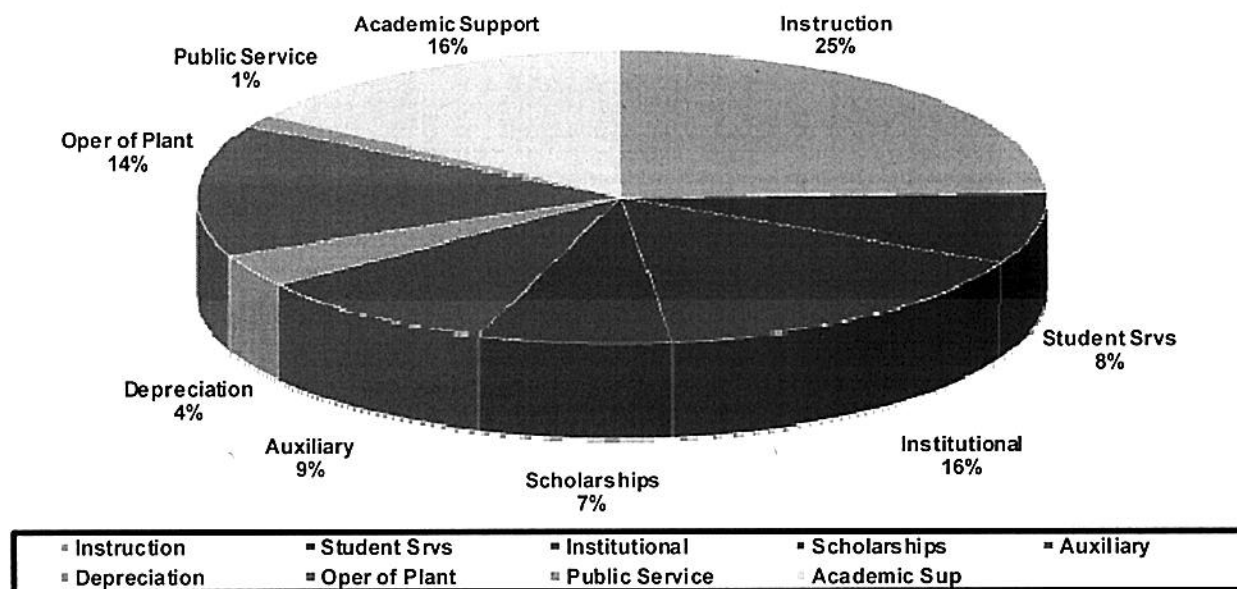
A non-operating expenditure of \$590,596 was incurred by the College for the interest portion of the debt-service payments to the County of Ocean during FY2015. The College is fortunate to benefit from the high bond rating established by the County of Ocean. The principal portion of these payments is reflected in the statements as a reduction of the liability which was established upon the bond issuances. A portion of Unrestricted Net Position has been set-aside to cover future payments in order to minimize the impact on current operating activity.

OCEAN COUNTY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED 2015
(Unaudited)

Comparing FY2015 to FY2014:

	FY 2015	FY 2014	FY 2013	1 Yr Change 2014-2015	1 Yr Change 2013-2014
Operating Expenses:					
Instruction	\$ 17,776,604	\$ 19,361,592	18,599,023	\$ (1,584,988)	\$ 762,569
Public Service	1,053,457	1,223,958	1,120,558	(170,501)	103,400
Academic Support	11,258,116	11,394,864	10,444,178	(136,748)	950,686
Student Services	5,640,430	5,760,099	5,651,481	(119,669)	108,618
Institutional Support	11,223,214	10,963,755	9,531,263	259,459	1,432,492
Operation & Maintenance of Plant	10,369,078	9,720,028	8,135,330	649,050	1,584,698
Scholarships & Fellowships	5,332,150	5,672,101	6,141,186	(339,951)	(469,085)
Depreciation	2,687,844	2,799,602	2,510,031	(111,758)	289,571
Total	65,340,893	66,895,999	62,133,050	(1,555,106)	4,762,949
Auxiliary Expenses	6,774,956	6,438,229	6,084,230	336,727	353,999
Total Operating Expenses	\$ 72,115,849	\$ 73,334,228	\$ 68,217,280	\$ (1,218,379)	\$ 5,116,948

Following is a graphical illustration of Expenses for the year ended June 30, 2015:



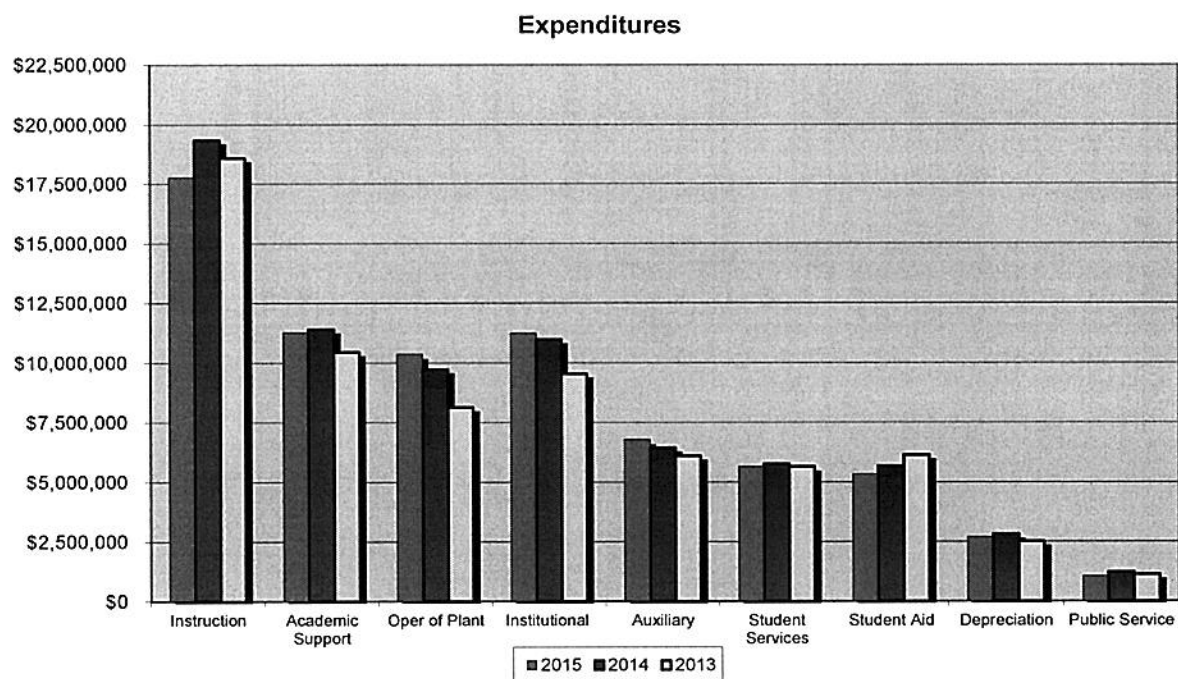
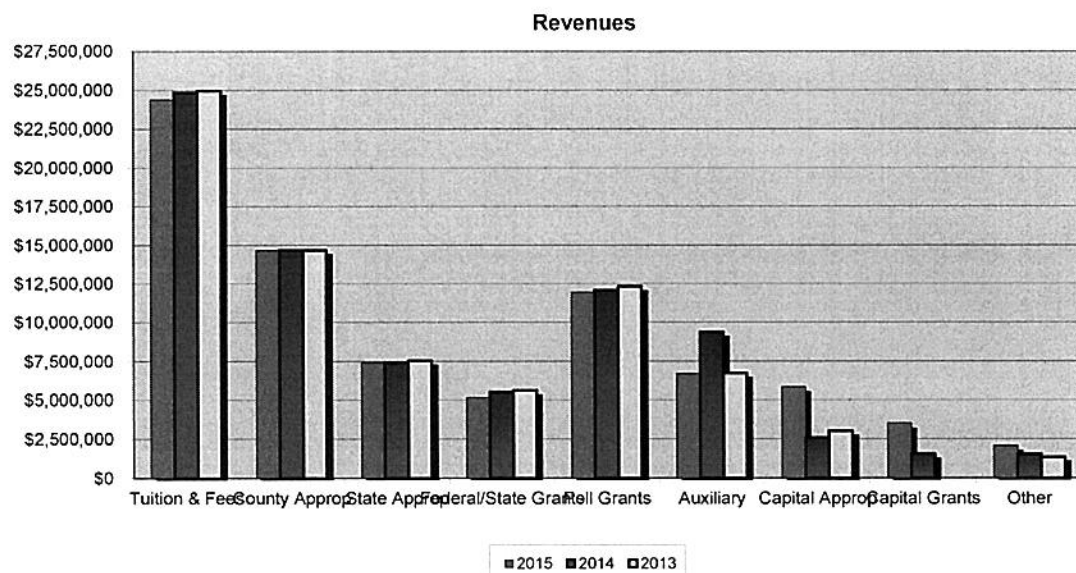
**OCEAN COUNTY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED 2015
(Unaudited)**

Following is a summary of the entire report for the periods ending June 30, 2015, 2014 and 2013.

	FY 2015	FY 2014	FY 2013	1 Yr Change 2014-2015	1 Yr Change 2013-2014
Operating Revenue:					
Tuition, Net	\$ 12,348,519	\$ 12,633,013	\$ 12,640,765	\$ (284,494)	\$ (7,752)
Fees	10,314,809	10,306,368	10,304,012	8,441	2,356
Chargeback to Other Counties	21,981	10,547	5,805	11,434	4,742
Continuing Prof Education	1,692,064	1,897,408	2,011,894	(205,344)	(114,486)
Federal, State and Local Grants	5,147,540	5,502,013	5,616,805	(354,473)	(114,792)
Auxiliary Enterprises	6,701,207	9,372,139	6,725,277	(2,670,932)	2,646,862
Other Operating Revenues	1,868,409	1,225,623	1,112,226	642,786	113,397
Total Operating Revenues	38,094,529	40,947,111	38,416,784	(2,852,582)	2,530,327
Operating Expenses	65,340,893	66,895,999	62,133,050	(1,555,106)	4,762,949
Auxiliary Expenses	6,774,956	6,438,229	6,084,230	336,727	353,999
Total Expenses	72,115,849	73,334,228	68,217,280	(1,218,379)	5,116,948
Operating Loss	(34,021,320)	(32,387,117)	(29,800,496)	(1,634,203)	(2,586,621)
Non-Operating Rev/(Exp):					
State Appropriations	7,426,489	7,416,357	7,548,731	10,132	(132,374)
County Appropriations	14,700,259	14,700,259	14,700,259	-	-
Federal Pell Grant Revenue	11,953,355	12,086,990	12,316,083	(133,635)	(229,093)
Investment Income	134,186	217,240	176,029	(83,054)	41,211
Interest Expense	(590,596)	(610,450)	(621,841)	19,854	11,391
Capital Appropriations	5,834,023	2,564,564	3,014,343	3,269,459	(449,779)
Capital Grants & Gifts	3,515,911	1,557,892	-	1,958,019	1,557,892
Other Non-Operating Revenue	91,625	88,057	62,208	3,568	25,849
	43,065,252	38,020,909	37,195,812	5,044,343	825,097
Increase in Net Position	9,043,932	5,633,792	7,395,316	3,410,140	(1,761,524)
Net Position - Beginning of Year	100,542,048	94,908,256	87,512,940	5,633,792	7,395,316
GASB68 Adjustment	(25,929,758)	-	-	(25,929,758)	-
Net Position - End of Year	\$ 83,656,222	\$ 100,542,048	\$ 94,908,256	\$ 9,043,932	\$ 5,633,792

**OCEAN COUNTY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED 2015
(Unaudited)**

The following are graphical illustrations of revenues and expenses of the College over the last three fiscal years:



**OCEAN COUNTY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED 2015
(Unaudited)**

Projects Completed and in Process

Combined Heat & Power Plant/Green Power Project

The Combined Heat and Power Plant (CHP) is up and running on the College campus. CHP is the generation of two useful types of energy from a single fuel source. CHP is a highly reliable and efficient form of power generation with low emissions. The CHP will decrease energy costs, reduce the impact of utility power outages, and drastically reduce greenhouse gas and other pollutant emissions. The initial Combined Heat & Power Plant (CHP) was funded by a \$6,000,000 bond and various grants that total close to \$3,000,000. This unique funding plan allows the College to take advantage of grant opportunities available for energy saving projects through the State of New Jersey. The CHP will provide power to the new Gateway Building and Student Center as well as most of the existing buildings on campus. The CHP began operations near the end of FY2014.

Central Heating & Cooling Plant

Related to the CHP project, a central heating and cooling plant is under development. A central plant will eliminate the need for separate chillers and boilers in each building. This will reduce both capital costs and operating costs. An example of capital cost reduction is the Instructional Building renovation. The inefficient, very large boilers that were over twenty years old were removed and will not be replaced. Instead, the building will be connected to the central plant. This project is expected to be completed in the summer of 2017.

J. Philip Citta Community Sailing Center

As noted previously in the explanation of restricted funds, the College received private donations of over \$500,000 to fund the development of a sailing center. With the cooperative support of the Ocean County Freeholders and Parks Department, the College constructed an ADA accessible T-dock which will be used by the College sailing team as well as the public. Future plans include an air conditioned building and a connected boat storage facility.

Gateway Building

Improvements to the upper campus surrounding the Gateway Building continued in FY2015. Parking lots were expanded and a third entrance and driveway from North Bay Avenue leading up to the Gateway Building was installed. A loop road called West College Drive was also completed. These improvements were implemented and funded by the County of Ocean and their cooperation and support has been invaluable.

The Gateway Building opened in the Fall of 2014 and is the result of a highly successful collaboration between Ocean County College, the County of Ocean and Kean University. This partnership achieved the long-awaited goal of expanding access to baccalaureate and master degree programs for Ocean County residents. The Gateway Building features a 200-seat lecture hall, 26 classrooms, administrative and faculty offices, coffee kiosk, conference room, student lounge, and a fifth-floor meeting and event area.

**OCEAN COUNTY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED 2015
(Unaudited)**

Jon & Judith Larson Student Center

Construction of the new Jon & Judith Larson Student Center continued in FY2015 and is targeted for completion in the Spring of FY2016. It will replace the existing College Center which was built in 1970 to serve 3,000 students. The new Student Center will include student dining space, bookstore, club and organization space, study space as well as general student lounge space. An allocation of \$8.5 million in Chapter 12 funds was made available in FY2012 to support this major initiative, with an additional \$1.5 million in FY2013. College funds have been allocated to cover the remaining balance. It is anticipated that a portion of Kean University student fees will be provided to the College to contribute to operating costs.

Instructional Building Renovation

As noted above, a complete overhaul and upgrade of the College's largest classroom building is underway. Originally constructed in 1967, the building is a three-story structure of approximately 60,000 sq. ft. The project will upgrade structural and mechanical systems as well as reconfigure the entrance and improve building aesthetics. Several classrooms will be converted to laboratories and all classrooms and labs will be equipped with state-of-the art instructional equipment. One floor will house a centralized tutoring center that will allow for the consolidation of resources and better service to students. This project is funded by the State Building Our Futures Bond (GO) Bond and matching County funds.

Proposed New Health Sciences Building

The proposed three story, 50,000-square-foot state-of-the-art building was designed in FY2015. It will provide ample space and advanced learning technologies to support the development of health care professionals for the 21st century. The new facilities will contain Health Assessment Rooms to afford students with a comprehensive training center that provides a wide range of realistic practical experiences. The training rooms will be used primarily as a lab and classroom for students. The simulation labs will contain care units that include exam tables and related equipment, and hospital beds. Cameras and microphones will be located above the patient care areas to allow recording of the students as they learn basic nursing skills. The building will be funded with a mix of Chapter 12 funding, County bonds and College fund balance.

The College is in discussions with a university partner to offer Baccalaureate and Master's level Health Science programs in the new facility. The building is expected to be placed in service in FY2017.

Master Plan

A less visible but vitally important project is the new Facilities Master Plan which will guide the physical development and revitalization of the campus over the next ten years. Architects have been working with various constituency groups including faculty, staff, students and the Board of Trustees. The new Facilities Master Plan will include new buildings that are already in the planning stages such as the new Health Sciences Building as well as potential facilities that may be needed based on future enrollment and partnerships. The Master Plan will also guide infrastructure improvements and deferred maintenance projects. The new Facilities Master Plan will ensure that the campus facilities are kept up to date and meet the needs and expectations of the future student body.

OCEAN COUNTY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED 2015
(Unaudited)

Economic Factors That Affect the Future

The College is actively seeking ways to moderate operating expenses. Custodial services were outsourced in FY2014 and the College continues to be pleased with the performance of the contractor. Savings were realized in FY15 when the contract with Course Cruiser expired and the College converted to using Pearson's eCompanion for all our traditional classes. There is no cost for the use of eCompanion under the terms of the contract with Pearson. In addition, savings were realized when the IT staff converted the campus intra-net portal to an in-house option. The in-house portal was developed using internal resources and monthly portal maintenance fees no longer apply.

The cost of employee health benefits has been moderated by the implementation of legislation that requires employees to contribute a percentage of premiums based on salary, but costs still continue to escalate. State Health Benefits Plan (SHBP) premiums increased by 14.7% in calendar year 2013, 5.9% in 2014 and 9.6% in 2015.

In FY2015 the Facilities Management Department was reorganized to better utilize the talents of existing staff and rely on outside contractors for routine work that can be done inexpensively. Procedures were also implemented to oversee the outside contractors and critique their performance in a professional manner to ensure that OCC's dollars are not wasted. In addition, a decision was been made to close the OCC swimming pool. The pool is not ADA compliant and requires significant investment in order to maintain it for competitive or recreational use. This will result in annual budgetary savings for both materials and staff time.

The College realizes that expense containment alone will not sustain it in the long term. As mentioned earlier, OCC continued the process of developing a new strategic plan throughout FY2015. The planning process has resulted in new initiatives to increase revenue, many of which are designed to leverage institutional partnerships to attract large numbers of new students. The College is seeking to develop international partnerships that will allow countless new students to take OCC courses on-line and increase tuition revenue without subsidies from the State or County. We are also redoubling efforts to recruit students within Ocean County by focusing on the affordability of an OCC education. We believe that the efforts underway will propel the College into a future of growth and continued financial sustainability.



Basic Financial Statements

**Fiscal Year Ended
June 30, 2015**

OCEAN COUNTY COLLEGE
STATEMENTS OF NET POSITION
JUNE 30, 2015 AND 2014

	2015		2014	
	College	Component Unit OCC Foundation	College	Component Unit OCC Foundation
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 17,896,402	\$ 484,875	\$ 21,455,267	\$ 476,670
Investments	13,975,406	2,173,468	11,024,915	2,384,494
Accounts Receivable, Net of Allowance of \$955,567 and \$674,197 at June 30, 2015 and 2014, Respectively	3,862,084	-	4,801,153	-
Inventories	1,335,738	-	1,085,735	-
Prepaid Items	193,026	250	467,877	1,868
Contribution Receivable, Current Portion	238,063	-	238,063	-
Other Assets	298,901	186,327	300,913	113,138
Intergovernmental Accounts Receivable: County of Ocean Capital Appropriation	174,481	-	2,297,330	-
Total Current Assets	37,974,101	2,844,920	41,671,253	2,976,170
NON-CURRENT ASSETS				
Restricted Cash and Cash Equivalents	1,687,783	-	2,331,894	-
Endowment Investments	-	7,970,950	-	8,041,662
Student Loans Receivable, Net of Allowance of \$217,922 and \$173,563 at June 30, 2015 and 2014, Respectively, (Foundation)	29,269	173,399	29,269	213,582
Intergovernmental Accounts Receivable: County of Ocean Capital Appropriation	-	-	1,259,196	-
Contribution Receivable, Net of Current Portion	2,236,258	-	2,091,258	-
Capital Assets, Net	93,315,851	-	81,759,797	-
Total Non-Current Assets	97,269,161	8,144,349	87,471,414	8,255,244
Total Assets	135,243,262	10,989,269	129,142,667	11,231,414
DEFERRED OUTFLOWS OF RESOURCES	1,814,731	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 137,057,993	\$ 10,989,269	\$ 129,142,667	\$ 11,231,414

See accompanying Notes to Financial Statements.

**OCEAN COUNTY COLLEGE
STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2015 AND 2014**

	2015		2014	
	College	Component Unit OCC Foundation	College	Component Unit OCC Foundation
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION				
CURRENT LIABILITIES				
Accounts Payable	\$ 3,187,834	\$ 36,319	\$ 3,319,498	\$ 68,739
Accrued Expenses	551,175	-	1,825,836	-
Compensated Absences, Current Portion	1,013,050	-	1,168,244	-
Unearned Revenue:				
Student Tuition and Fees	2,922,036	-	2,966,549	-
Federal and State Grants	1,283,021	-	1,751,142	-
Other	-	-	-	45,500
County of Ocean - Debt Service Agreements	797,647	-	773,435	-
Other Short-Term Debt	66,537	-	57,869	-
Total Current Liabilities	<u>9,821,300</u>	<u>36,319</u>	<u>11,862,573</u>	<u>114,239</u>
NON-CURRENT LIABILITIES				
Compensated Absences	934,365	-	1,137,835	-
U.S. Government Grants Refundable	31,896	-	31,911	-
County of Ocean - Debt Service Agreement	14,483,715	-	15,281,362	-
Other Long-Term Debt	220,399	-	286,938	-
Net Pension Liability	25,571,522	-	-	-
Total Non-Current Liabilities	<u>41,241,897</u>	<u>-</u>	<u>16,738,046</u>	<u>-</u>
Total Liabilities	51,063,197	36,319	28,600,619	114,239
DEFERRED INFLOWS OF RESOURCES	2,338,574	-	-	-
NET POSITION				
Net Investment in Capital Assets	77,629,621	-	65,700,438	-
Restricted for:				
Non-Expendable:				
Program	-	2,293,952	-	2,296,384
Scholarships	-	4,509,567	-	4,535,016
Other	-	1,167,431	-	1,210,262
Expendable:				
Instructional Department Uses	2,551,021	-	2,691,547	-
Loans	21,561	-	21,561	-
Capital Projects	652,149	-	649,332	-
Program	-	206,600	-	230,850
Scholarships	-	894,114	-	868,443
Other	-	205,241	-	212,148
Unrestricted	2,801,870	1,676,045	31,479,170	1,764,072
Total Net Position	<u>83,656,222</u>	<u>10,952,950</u>	<u>100,542,048</u>	<u>11,117,175</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 137,057,993</u>	<u>\$ 10,989,269</u>	<u>\$ 129,142,667</u>	<u>\$ 11,231,414</u>

See accompanying Notes to Financial Statements.

OCEAN COUNTY COLLEGE
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2015 AND 2014

	2015		2014	
	College	Component Unit OCC Foundation	College	Component Unit OCC Foundation
REVENUES				
Operating Revenues:				
Student Tuition and Fees	\$ 34,629,479	\$ -	\$ 35,031,840	\$ -
Scholarship Discounts and Allowances	(10,252,106)	-	(10,184,504)	-
Federal and State Grants	5,147,540	-	5,502,013	-
Gifts and Contributions	-	993,639	-	2,867,560
Other	1,868,409	5,994	1,225,623	4,839
Auxiliary Enterprises	6,701,207	-	9,372,139	-
Total Revenues	38,094,529	999,633	40,947,111	2,872,399
EXPENSES				
Operating Expenses:				
Educational and General:				
Instructional	17,776,604	-	19,361,592	-
Public Service	1,053,457	-	1,223,958	-
Academic Support	11,258,116	-	11,394,864	-
Student Services	5,640,430	-	5,760,099	-
Institutional Support	11,223,214	364,500	10,963,755	343,329
Operations and Maintenance of Plant	10,369,078	-	9,720,028	-
Scholarship and Other Student Aid	5,332,150	559,591	5,672,101	533,101
Depreciation	2,687,844	-	2,799,602	-
Other Expenditures	-	280,192	-	143,664
Auxiliary Enterprises	6,774,956	-	6,438,229	-
Total Expenses	72,115,849	1,204,283	73,334,228	1,020,094
Operating Income (Loss)	(34,021,320)	(204,650)	(32,387,117)	1,852,305
NON-OPERATING REVENUES (EXPENSES)				
State Appropriations	7,426,489	-	7,416,357	-
County Appropriations	14,700,259	-	14,700,259	-
Pell Grants	11,953,355	-	12,086,990	-
Investment Income	134,186	40,425	217,240	1,171,356
Gifts - Other	91,625	-	88,057	-
Capital Grants	3,515,911	-	1,557,892	-
Interest Expense	(590,596)	-	(610,450)	-
On-Behalf Payments - Alternative Benefit Program:				
Revenues	817,186	-	836,127	-
Expenses	(817,186)	-	(836,127)	-
Total Non-Operating Revenues, Net	37,231,229	40,425	35,456,345	1,171,356
OTHER REVENUES				
Capital Appropriations	5,834,023	-	2,564,564	-
INCREASE (DECREASE) IN NET POSITION	9,043,932	(164,225)	5,633,792	3,023,661
NET POSITION - BEGINNING OF YEAR	100,542,048	11,117,175	94,908,256	8,093,514
GASB68 ADJUSTMENT	(25,929,758)	-	-	-
NET POSITION - BEGINNING OF YEAR, As Restated	74,612,290	11,117,175	94,908,256	8,093,514
NET POSITION - END OF YEAR	\$ 83,656,222	\$ 10,952,950	\$ 100,542,048	\$ 11,117,175

See accompanying Notes to Financial Statements.

**OCEAN COUNTY COLLEGE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2015 AND 2014**

	2015 College	2014 College
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and Fees	\$ 24,200,710	\$ 24,602,836
Grants and Contracts	5,032,631	5,406,916
Grant Payments	(2,046,712)	(1,662,731)
Payments to Suppliers	(18,759,057)	(17,588,120)
Payments to Employees/Benefits	(38,095,662)	(37,158,235)
Payments to Students	(5,332,150)	(5,672,101)
Auxiliary Enterprise Revenue	6,576,230	7,132,657
Auxiliary Service Payments	(7,103,407)	(6,562,978)
Other Revenue	1,868,409	1,225,623
Net Cash Used by Operating Activities	(33,659,008)	(30,276,133)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations	7,426,489	7,416,357
County Appropriations	14,700,259	14,700,259
Pell Grant	11,971,467	12,086,990
Gifts and Grants for Other Than Capital Purposes	71,226	88,057
Net Cash Provided by Noncapital Financing Activities	34,169,441	34,291,663
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Appropriations	10,775,460	2,334,070
Capital Grants	3,433,527	4,930,660
Interest Paid on Capital Debt	(1,364,031)	(1,368,929)
Purchase of Capital Assets	(14,742,061)	(7,744,104)
Net Cash Used by Capital and Related Financing Activities	(1,897,105)	(1,848,303)
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemption of Investments	9,000,000	10,000,000
Purchase of Investments	(12,000,000)	(11,000,000)
Interest and Dividends on Investments	183,696	220,311
Net Cash Used by Investing Activities	(2,816,304)	(779,689)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,202,976)	1,387,538
Cash and Cash Equivalents - Beginning of Year	23,787,161	22,399,623
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 19,584,185</u>	<u>\$ 23,787,161</u>
RECONCILIATION TO STATEMENT OF NET POSITION		
Unrestricted Cash and Cash Equivalents	\$ 17,896,402	\$ 21,455,267
Restricted Cash and Cash Equivalents	1,687,783	2,331,894
	<u>\$ 19,584,185</u>	<u>\$ 23,787,161</u>

See accompanying Notes to Financial Statements.

**OCEAN COUNTY COLLEGE
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2015 AND 2014**

	2015 College	2014 College
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating Loss	\$ (34,021,320)	\$ (32,387,117)
Adjustment to Reconcile Net Loss to Net Cash		
Used by Operating Activities:		
Depreciation Expense	2,687,844	2,799,602
Loss on Disposal of Plant Facilities	-	25,656
Changes in Operating Assets and Liabilities:		
Accounts Receivable, Net	(802,037)	(2,287,378)
Inventories	(250,003)	(150,124)
Prepaid Items	315,868	(251,279)
Other Assets	17,038	37,155
Accounts Payable	(125,502)	942,750
Accrued Expenses	(1,619,030)	1,289,631
Other Liabilities	165,607	-
Unearned Revenue:		
Student Tuition and Fees	(44,511)	(366,583)
Federal and State Grants	17,038	71,554
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ (33,659,008)</u>	<u>\$ (30,276,133)</u>

See accompanying Notes to Financial Statements.

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Reporting Entity

Ocean County College (the College) is a two year publicly supported community college operating under the provisions of N.J.S.A. 18A:64A1 et.seq. The College was established in 1964 in Toms River, New Jersey and is a component unit of the County of Ocean.

The Board of Trustees of Ocean County College consists of the County Superintendent of Schools and eleven persons, eight of whom are appointed by the Ocean County Board of Chosen Freeholders, two by the Governor of the State of New Jersey, and one by the Student Body of Ocean County College. The term of office of appointed members is four years. The Board is responsible for the fiscal control of the College. A chairman is appointed by the Board and is responsible for the policy control of the College.

The College offers a wide range of academic programs, including associates degree in arts, science and applied science.

In addition to its main campus, the College also has a Southern Education Center, which is located in Manahawkin, New Jersey. This center has five classrooms, a conference room, a computer classroom, offices and a student lounge. It offers credit classes, Continuing & Professional Education courses and special events. The College also sponsors off-campus credit courses at various public school sites throughout the county.

Component Units

Ocean County College is a component unit of the County of Ocean as described in Governmental Accounting Standards Board (GASB) Statement No. 14 – *The Financial Reporting Entity* and GASB Statement No. 39 – *Determining Whether Certain Organizations Are Component Units*. The financial statements of the College 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 Ocean currently follows a basis of accounting and reporting model that is prescribed by the Department of Community Affairs, Division of Local Government Services, State of New Jersey. Therefore, the financial statements of the College are not presented with the County of Ocean's financial statements.

Ocean County College Foundation (the Foundation) is a New Jersey nonprofit corporation organized in October 1965. Its purpose is to support Ocean County College by providing scholarships, awards and loans to qualifying students, and conducting certain fundraising activities on behalf of the College. The Foundation solicits public and private contributions to carry out its objectives. The Foundation is governed by a board of directors, which includes representation by the College President and several Board Members. College employees and facilities are used to support some activities of the Foundation. During the fiscal years ended June 30, 2015 and 2014, the Foundation distributed \$640,746 and \$586,944, respectively, to the College for both restricted and unrestricted purposes. 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.

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Component Units (Continued)

The audit reports of the Foundation for the fiscal years ended June 30, 2015 and 2014 can be obtained at the Foundation offices at the following address during normal business hours:

Ocean County College Foundation
College Drive, PO Box 2001
Toms River, New Jersey 08754

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 No. 35 provides a comprehensive, entity-wide perspective of the College's assets, liabilities, net position, revenues, expenses, changes in net position, cash flows and replaces the fund-group perspective previously required.

Basis of Accounting and Measurement Focus

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

Cash and Cash Equivalents 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 at the time of purchase to be cash and cash equivalents. Funds invested through the State of New Jersey Cash Management Fund are 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 position.

Additionally, the College deposits funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). The Act was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents and Investments (Continued)

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 Act. Public depositories include State or federally chartered banks, savings banks or associations located in the State of New Jersey or state or federally chartered banks, savings banks or associations located in another state with 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 full amount of their deposits to the Governmental Units.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable, students, and other, are reported at net realizable value. Accounts are written off when they are determined to be uncollectible based upon management's assessment of individual accounts. The allowance for doubtful accounts is estimated based on the College's historical losses and periodic review of individual accounts. Student accounts receivable are deemed uncollectible if payment is not received within two years. The College will write-off each individual student receivable deemed uncollectible by the end of the next fiscal year. The allowance for doubtful accounts as of June 30, 2015 and 2014 was \$955,567 and \$674,197, respectively. Approximately \$144,000 in aged student accounts receivable were deemed uncollectible and were written off during fiscal year 2015.

Prepaid Expenses

Prepaid expenses represent payments made to vendors for services that will benefit periods beyond fiscal year end.

Inventories

Inventories, consisting of merchandise available for sale at the College bookstore, are determined on a first-in, first-out (FIFO) method and are stated at the lower of cost or market.

Tuition

Each year the Board of Trustees sets tuition rates on a per credit hour basis. Rates vary based upon residence within Ocean County, out of county or out of state. Tuition revenue is earned in the fiscal year the classes are taken.

State Aid

The New Jersey Department of Treasury, Office of Management and Budget (OMB), allocates the annual appropriation for community college operating aid according to credit hour enrollments as prescribed by N.J.S.A.18A:64A-22.

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 expenses in the base State Fiscal year.

Unearned Revenue

Unearned revenue includes amounts received for tuition and fees, grants, corporate sponsorship payments and certain activities prior to the end of the fiscal year, but related to the subsequent accounting period.

Capital Assets

Capital assets include property, plant equipment and infrastructure assets, such as roads and sidewalks. Capital assets are defined by the College as assets with an initial unit cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The College capitalizes expenditures to construction in progress only if the cost enhances or changes the functionality of the space or significantly extends the life of an existing asset, if it does not; it is considered repairs or maintenance and expensed. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the College are depreciated using the straight-line method over the following useful lives:

Assets	Years
Land Improvements	20
Infrastructure	40
Buildings and Building Improvements	45 - 50
Equipment and Furnishings	5 - 20

Depreciation expense for the fiscal years ending June 30, 2015 and 2014 was \$2,687,844 and \$2,799,602, respectively.

Financial Dependency

Among the College's largest revenue sources are appropriations from the State of New Jersey and County of Ocean, 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 on its operations.

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the College and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the College and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

Use of Estimates

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

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 Direct Loan Programs. 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, *Audits of States, Local Governments and Non-Profit Organizations*, and the OMB A-133 Compliance Supplement.

Scholarship Discounts and Allowances

Student tuition and fee revenues are reported net of scholarship discount and allowances in the statement of revenues, expenses and changes in net position. Scholarship discount and allowances are the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain government grants, such as Pell grants, as well as other federal grants and state grants, are recorded as either operating or non-operating revenue in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees, the College has recorded a scholarship discount and allowance. The amount of scholarship discount and allowances for the fiscal years ending June 30, 2015 and 2014 was \$10,252,106 and \$10,184,504, respectively.

On-Behalf Payments for Pension Contributions

The College accounts for its on-behalf payments for pension contributions in accordance with GASB Statement No. 24 – *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*. GASB No. 24 requires that revenue and expenditures be recorded in the financial statements for the State of New Jersey On-Behalf Payments for the Alternative Benefit Program.

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

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

Classification of Revenue

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

Operating Revenues - Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances; (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances; and (3) most federal and state 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 Statement No. 9 – *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting* and GASB No. 35, such as state appropriations and investment income.

Net Position

The College's net position is classified as follows:

Net Investment in Capital Assets – This represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted for Non-Expendable Net Position – Restricted non-expendable net position includes resources in which the College is prohibited from expending the principal portion of the funds and is legally or contractually obligated to spend the investment earnings in accordance with restrictions imposed by external third parties.

Restricted for Expendable Net Position – Restricted expendable net position includes resources in which the College is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Unrestricted Net Position – Unrestricted net position represents resources derived from student tuition and fees, state and county appropriations and sales and services of educational departments or auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College and may be used at the discretion of the Board to meet current expenses for any purposes. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows and Outflows of Resources

In addition to assets and liabilities, the statements of net position report separate sections of deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period which will not be recognized as an outflow of resources until that time. Deferred inflows of resources represent an acquisition of net position that applies to a future period which will not be recognized as an inflow of resources until that time.

Deferred charges for defined benefit plans result from the difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the State's proportion of expenses and liabilities to the pension as a whole, differences between the College's pension contributions and its proportionate share of contributions, and the College's pension contributions subsequent to the pension valuation measurement date.

New Accounting Standards

The College has adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Statements No. 68 and 71 require the College to report its share of the defined benefit pension liabilities and expense, as well as the related deferred outflows of resources and deferred inflows of resources, allocated to it by the Public Employees' Retirement System (PERS). The July 1, 2014, balance of the net pension liability and related deferred outflows of resources and deferred inflows of resources is reported in the Statement of Revenues, Expenses, and Changes in Net Position as a restatement to the 2015 *Net position—beginning of year*. PERS was not able to provide sufficient information to restate the June 30, 2014, financial statements.

	<u>2015</u>
Net Position, beginning of year, as previously stated	\$ 100,542,048
July 1, 2014, Balance of the net pension liability and related deferred outflows of resources and deferred inflows of resources	<u>(25,929,758)</u>
Net Position, beginning of year, as restated	<u>\$ 74,612,290</u>

In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application* ("GASB 72"). The objective of this Statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and for enhancing disclosures around fair value measurements. The provisions of this Statement are effective for financial statements in periods beginning after June 15, 2015. The College has not yet completed the process of evaluating the impact of GASB 72 on its financial statements.

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Standards (Continued)

In June 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This statement establishes requirements for defined contribution pensions and defined benefit pensions that are not within the scope of Statement No. 68 and amends certain provisions of Statements No. 67 and 68. Statement No. 73 is effective for fiscal years beginning after June 15, 2016. The College has determined that Statement No. 73 will have no effect on its financial statements.

In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* ("GASB 74"). This statement establishes financial reporting for state and local governmental OPEB plans and defined contribution OPEB plans that are administered through trusts or equivalent arrangements. This Statement also establishes financial reporting standards for governments that hold assets accumulated for purposes of providing OPEB through defined benefit OPEB plans that are not administered through trusts or equivalent arrangements. The provisions of this Statement are effective for financial statements in periods beginning after June 15, 2016. This Statement will become effective for the June 30, 2017 year-end. The College has not yet completed the process of evaluating the impact of GASB 74 on its financial statements.

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"). This statement establishes standards of accounting and financial reporting for defined benefit OPEB and defined contribution OPEB that are provided to the employees of state and local government employers through OPEB plans that are administered through trusts or equivalent arrangements. This Statement also establishes standards of accounting and financial reporting for defined benefit OPEB and defined contribution OPEB that are provided to the employees of state and local governmental employees through OPEB plans that are not administered through trusts or equivalent arrangements. The provisions of this Statement are effective for financial statements in periods beginning after June 15, 2017. This Statement will become effective for June 30, 2018 year-end. The College has not yet completed the process of evaluating the impact of GASB 75 on its financial statements.

In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Statement No. 76 modifies the GAAP hierarchy, which are the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP. The provisions in Statement No. 76 are effective for reporting periods beginning after June 15, 2015. The College has determined that Statement No. 76 will have no effect on its financial statements.

In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*. Statement No. 77 requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The provisions in Statement No. 77 are effective for reporting periods beginning after December 15, 2015. The College has determined that Statement No. 77 will have no effect on its financial statements.

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

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 GUDPA. As of June 30, 2015 and 2014 the College's carrying amount of deposits was \$19,584,185 and \$23,787,161, respectively, and the bank balance was \$19,779,018 and \$27,237,287, respectively. Of the above amounts, \$250,000 of the total deposits was insured by the Federal Deposit Insurance Corporation (FDIC) per banking institution as of June 30, 2015 and 2014, and the remainder was covered by a collateral pool maintained by the bank as required by New Jersey statutes in accordance with the GUDPA.

New Jersey Cash Management Fund

During the year, the College participated in the State of 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 the 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, 2015 and 2014, the College had \$161,359 and \$122,645, respectively, invested in the Fund.

NOTE 3 INVESTMENTS

Credit Risk and Custodial Credit Risk

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. N.J.S.A. does not limit the investment types that County Colleges may purchase and the investment policy adopted by the College has no restrictions that would limit its investment choices.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the College, and are held by either the counterparty or the counterparty's trust department or agent but not in the College's name.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The College does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk

The College does not place a limit on the amount that may be invested in any one issuer.

**OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

NOTE 3 INVESTMENTS (CONTINUED)

As of June 30, 2015 and 2014, the College had the following investments:

Investment	Credit Rating	Fair Value	
		2015	2014
Cash and Cash Equivalents	N/A	\$ 1,262,636	\$ -
Certificates of Deposit	N/A	7,051,020	11,024,915
Equities	N/A	3,688,962	-
Fixed Income	N/A	1,972,788	-
Total		<u>\$ 13,975,406</u>	<u>\$ 11,024,915</u>

Interest earnings were \$35,869 and \$69,413 for June 30, 2015 and 2014, respectively.

NOTE 4 CAPITAL ASSETS

The following schedule is a summarization of the changes in capital assets by source at June 30, 2015 and 2014:

	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015
Capital Assets, Non-Depreciable:				
Land	\$ 589,258	\$ -	\$ -	\$ 589,258
Construction in Progress	4,210,430	14,029,372	(2,949,606)	15,290,196
Total Capital Assets, Non-Depreciable	4,799,688	14,029,372	(2,949,606)	15,879,454
Capital Assets, Depreciable:				
Land Improvements	5,720,233	1,021,111	(294,867)	6,446,477
Buildings and Improvements	84,419,160	226,557	-	84,645,717
Equipment and Furniture	13,609,396	2,232,416	(154,171)	15,687,641
Vehicles	39,477	-	-	39,477
Infrastructure	914,119	-	-	914,119
Total Capital Assets, Depreciable	104,702,385	3,480,084	(449,038)	107,733,431
Less Accumulated Depreciation for:				
Land Improvements	(904,550)	(167,212)	-	(1,071,762)
Buildings and Improvements	(18,163,373)	(1,543,270)	-	(19,706,643)
Equipment and Furniture	(8,007,236)	(956,758)	133,086	(8,830,908)
Vehicles	(39,477)	-	-	(39,477)
Infrastructure	(627,640)	(20,604)	-	(648,244)
Total Accumulated Depreciation	(27,742,276)	(2,687,844)	133,086	(30,297,034)
Total Capital Assets, Depreciable Net	76,960,109	792,240	(315,952)	77,436,397
Capital Assets, Net	<u>\$ 81,759,797</u>	<u>\$ 14,821,612</u>	<u>\$ (3,265,558)</u>	<u>\$ 93,315,851</u>

**OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

NOTE 4 CAPITAL ASSETS (CONTINUED)

	Balance June 30, 2013	Increases	Decreases	Balance June 30, 2014
Capital Assets, Non-Depreciable:				
Land	\$ 589,258	\$ -	\$ -	\$ 589,258
Construction in Progress	14,518,917	5,795,792	(16,104,279)	4,210,430
Total Capital Assets, Non-Depreciable	15,108,175	5,795,792	(16,104,279)	4,799,688
Capital Assets, Depreciable:				
Land Improvements	5,669,553	50,680	-	5,720,233
Buildings and Improvements	68,793,559	15,625,601	-	84,419,160
Equipment and Furniture	13,339,310	435,554	(165,468)	13,609,396
Vehicles	39,477	-	-	39,477
Infrastructure	914,119	-	-	914,119
Total Capital Assets, Depreciable	88,756,018	16,111,835	(165,468)	104,702,385
Less Accumulated Depreciation for:				
Land Improvements	(758,027)	(146,523)	-	(904,550)
Buildings and Improvements	(16,460,811)	(1,702,562)	-	(18,163,373)
Equipment and Furniture	(7,217,136)	(929,913)	139,813	(8,007,236)
Vehicles	(39,477)	-	-	(39,477)
Infrastructure	(607,036)	(20,604)	-	(627,640)
Total Accumulated Depreciation	(25,082,487)	(2,799,602)	139,813	(27,742,276)
Total Capital Assets, Depreciable Net	63,673,531	13,312,233	(25,655)	76,960,109
Capital Assets, Net	<u>\$ 78,781,706</u>	<u>\$ 19,108,025</u>	<u>\$ (16,129,934)</u>	<u>\$ 81,759,797</u>

NOTE 5 CONTRIBUTIONS RECEIVABLE

Contributions receivable represent unconditional promises to give from donors collectible in future years. Contributions receivable are recorded after discounting to the present value of the expected future cash flows. Significant fluctuation in the discount rates utilized in this calculation could result in a material change. The discount is computed using an estimated market interest rate that approximates the expected return of an intermediate term bond portfolio, which rate was 5% at June 30, 2015.

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 5 CONTRIBUTION RECEIVABLE (CONTINUED)

Contributions receivable at June 30 are expected to be realized and have been recorded as follows:

	2015	2014
Unconditional Promises Expected to be Collected:		
Within One Year	\$ 500,000	\$ 250,000
Between One and Five Years	1,250,000	1,250,000
After Five Years	1,750,000	2,000,000
	<u>3,500,000</u>	<u>3,500,000</u>
Less:		
Present Value Discount	(1,025,679)	(1,170,679)
	<u>\$ 2,474,321</u>	<u>\$ 2,329,321</u>

NOTE 6 ACCRUED COMPENSATED ABSENCES

Accrued compensated absences represent the College's liability for the cost of unused employee vacation time payable in the event of an employee's separation of employment. Vacation time is granted in varying amounts under college personnel policies and labor negotiated contracts. Vacation time in all cases has a defined expiration date. Regular sick leave benefits provide for ordinary sick pay and begin vesting after a predetermined number of years of service depending on employment unit, with a maximum payout of \$16,500.

In order to determine the value of the current portion of the unused sick leave liability, the College considered all employees who have the required number of years of continuous service and are within one year of reaching or exceeding the estimated retirement age. As of June 30, 2015 and 2014, the liabilities for accrued expenses consist of the following:

2015						
	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion	Long-term Portion
Compensated Absences:						
Vacation Leave	\$ 637,214	\$ 15,618	\$ (7,554)	\$ 645,278	\$ 645,278	\$ -
Sick Leave	1,668,865	-	(366,728)	1,302,137	367,772	934,365
Total	<u>\$ 2,306,079</u>	<u>\$ 15,618</u>	<u>\$ (374,282)</u>	<u>\$ 1,947,415</u>	<u>\$ 1,013,050</u>	<u>\$ 934,365</u>
2014						
	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion	Long-term Portion
Compensated Absences:						
Vacation Leave	\$ 624,722	\$ 12,492	\$ -	\$ 637,214	\$ 637,214	\$ -
Sick Leave	1,694,008	80,700	(105,843)	1,668,865	531,030	1,137,835
Total	<u>\$ 2,318,730</u>	<u>\$ 93,192</u>	<u>\$ (105,843)</u>	<u>\$ 2,306,079</u>	<u>\$ 1,168,244</u>	<u>\$ 1,137,835</u>

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 7 PENSION PLANS

Substantially all of the College's employees participate in one of the following defined benefit or defined contribution pension plans: (1) the Public Employees' Retirement System, (2) the New Jersey Alternative Benefit Program, or (3) the Defined Contribution Retirement Plan, all of which are administered and/or regulated by the State of New Jersey, Division of Pensions and Benefits. The Division issues a publicly available financial report that includes financial statements and required supplementary information. The 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. The PERS provides retirement, death and disability benefits to qualified members. Membership is open to most state, county, municipal, authority, school board employees and elected officials who are not required to become members of any other NJ state retirement system and is mandatory in most cases given the requirements for eligibility are met. Vesting and benefit provisions are established by N.J.S.A. 43:15A. All benefits vest after ten years of service, except for medical benefits which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 7 PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

The PERS is maintained on an actuarial reserve basis with contribution requirements of plan members determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members enrolled in the Public Employees' Retirement System were required to contribute 5.5% of their annual base salary. Effective October 1, 2011, in accordance with Chapter 78, P.L. 2011, employee contributions to the PERS were increased to 6.5% of base salary. For employees enrolled in the retirement system prior to October 1, 2011, the increase was effective with the first payroll amount to be paid on or immediately after October 1, 2011. Subsequent increases are scheduled to be phased in on July 1st of each year over a seven year period bringing the total pension contribution rate to 7.5% of base salary as of July 1, 2018. 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.

Annually, employer contributions to the PERS are actuarially determined and include the College's normal contribution plus any accrued liability, which ensures adequate funding for future pension system liability. The College's contribution, equal to the required contribution for each fiscal year, was as follows:

Fiscal Year	Normal Contribution	Accrued Liability	Total Liability	Funded by State	Paid by College
2015	\$ 258,862	\$ 867,059	\$ 1,125,921	\$ -	\$ 1,125,921
2014	332,498	852,522	1,185,020	-	1,185,020
2013	371,787	739,670	1,111,457	-	1,111,457

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

- Actuarial cost method is entry age normal, level percent of pay.
- Straight-line amortization of investments over five years and amortization of assumption changes and noninvestment gains/losses over the average expected remaining service lives of all employees that are provided benefits.
- Inflation of 3.01%.
- Investment return of 7.90%, including inflation.
- Salary increases of 2.15 – 4.40% based on age for years 2012-2021, and 3.15 – 5.50% based on ages subsequent years.
- Asset Valuation using fair (market) value.
- Mortality rates based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 base on Projection Scale AA.

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 7 PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

In accordance with State statute, the long-term expected rate of return on pension plan investments was determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table below.

PERS' policy in regard to the allocation of invested plan assets is established and may be amended by the PERS Board of Trustees. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension. Following is the PERS Board of Trustees' adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2014.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	6.00%	80.00%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds / Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
	<u>100.00%</u>	

The discount rate used to measure the total PERS pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date to determine the total pension liability.

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 7 PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

The following presents the College's proportionate share of the PERS net pension liability calculated using the discount rate of 5.39%, as well as what the collective net pension liability would be if it were calculated using a discount rate that is one percentage point lower (4.39%) or one percentage point higher (6.39%) than the current rate.

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

	1% Decrease 4.39%	Current Rate 5.39%	1% Increase 6.39%
2014	\$32,169,123	\$25,570,948	\$20,030,160
<hr/>			
	1% Decrease 4.55%	Current Rate 5.55%	1% Increase 6.55%
2013	\$33,603,954	\$26,993,985	\$21,455,705

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions and pension expense, the fiduciary net position of PERS and additions to or deductions from PERS's fiduciary net position have been determined on the same basis as they are reported in the PERS's financial statements. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Detailed information about PERS' fiduciary net position is available in the PERS Comprehensive Annual Financial Report, which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

PERS measured the net pension liability as of June 30, 2014. The total PERS pension liability used to calculate the net pension liability was determined by rolling forward the total pension liability calculated as of June 30, 2013, to June 30, 2014. PERS calculated the employer's proportion of the net pension liability using the ratio of each employer's one-year contributions to total participating employers' contributions for the group. At June 30, 2014, the College's proportion was .1366%, a decrease of .0046% from its proportion calculated as of June 30, 2013.

**OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

NOTE 7 PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

For the year ended June 30, 2015, the College recognized PERS' pension expense of \$1,291,529. At June 30, 2015, deferred outflows of resources and deferred inflows of resources related to the PERS pension are as follows.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual		
Investment Earnings	\$ -	\$ 1,523,890
Net Changes in Proportions	-	814,684
Changes in Assumptions	679,230	
Difference Between Employer Contributions and Proportionate Share of Total Contributions	9,580	-
Contributions After the Measurement Date	1,125,921	-
	<u>\$ 1,814,731</u>	<u>\$ 2,338,574</u>

The College will recognize the \$1,125,921 reported as deferred outflows of resources resulting from pension contributions after the measurement date as a reduction of the PERS net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as PERS pension expense as follows.

Year Ending June 30,	Amortization
2016	\$ (404,111)
2017	(404,111)
2018	(404,111)
2019	(404,111)
2020	(33,320)
Total	<u>\$ (1,649,764)</u>

New Jersey Alternative Benefit Program

The New Jersey Alternate Benefit Program (ABP) is a tax-sheltered, defined contribution retirement program for higher education faculty and certain administrators, 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 benefits to qualified members. Membership is open to full-time and adjunct faculty, officers, part-time instructors, visiting professors, and certain professional administrative staff required to possess a college degree or its equivalent. "Full-time" has been defined to include anyone receiving 50% or more of base salary and may include anyone on sabbatical or paid leave of absence for a period not to exceed one year.

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 7 PENSION PLANS (CONTINUED)

New Jersey Alternative Benefit Program (Continued)

The contribution requirements of plan members are determined by State statute. In accordance with N.J.S.A. 18A:66-173, ABP members contribute 5% of base or contractual salary matched by an 8% employer contribution to a tax-deferred investment account. Plan members establish account(s) with 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. Plan members may also make additional voluntary contributions subject to section 403(b) of the Internal Revenue Code.

Amounts deferred under the mandatory and voluntary plans are not available to employees until termination, retirement, death or an unforeseeable emergency. The plan carriers are as follows.

Met Life (Travelers/CitiStreet)
AXA Financial (Equitable)
MassMutual Retirement Services (The Hartford)
Voya Financial Services
Prudential Retirement Services
Teacher's Insurance and Annuity Association/College Retirement Equities Fund (TIAA/CREF)
The Variable Annuity Life Insurance Company (VALIC)

Under N.J.S.A. 18A:66-174, employer contributions for identified academic positions are made by the State of New Jersey on behalf of the College meaning that the State reimburses the employer contribution for employees whose jobs are determined to be directly related to instruction, which includes the employer contributions for full-time faculty and, most recently, adjuncts. Employer contributions for any positions that are determined to be primarily non-instructional are funded by the College. During fiscal years 2015 and 2014, the State reimbursed \$817,186 and \$836,127, respectively, to the College for the employer share. This amount is reflected in the accompanying financial statements as both revenues and expenditures. The College's share of the employer contribution for participants not eligible for State reimbursement was \$264,224 for FY2015 and \$265,333 for FY2014. The College's contribution, equal to the required contribution for each fiscal year, was as follows:

Fiscal Year	Normal Contribution	Accrued Liability	Total Liability	Funded by State	Paid by College
2015	\$ 1,081,410	\$ -	\$ 1,081,410	\$ 817,186	\$ 264,224
2014	1,101,460	-	1,101,460	836,127	265,333
2013	1,087,418	-	1,087,418	840,522	246,896

**OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

NOTE 7 PENSION PLANS (CONTINUED)

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) is a defined contribution pension fund established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and expanded under the provisions of Chapter 89, P.L. 2008, and Chapter 1, P.L. 2010. The DCRP provides retirement, death and disability benefits to eligible members.

As with the PERS and the ABP, the contribution requirements of plan members are determined by State statute. In accordance with the provisions set forth by Chapter 92, P.L. 2007; Chapter 103, P.L. 2007; Chapter 89, P.L. 2008; and Chapter 1, P.L. 2010, members of the DCRP are required to contribute 5.5% of the annual base salary to be matched by a 3% employer contribution to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments along with the New Jersey Division of Pensions and Benefits. The College's contribution, equal to the required contribution for each fiscal year, was as follows:

Fiscal Year	Total Liability	Funded by State	Paid by College
2015	\$ 12,226	\$ -	\$ 12,226
2014	6,919	-	6,919
2013	6,327	-	6,327

NOTE 8 HEALTH BENEFITS PROGRAM

Plan Description

The College participates in the New Jersey State Health Benefits Program (SHBP), a cost-sharing multiple-employer defined benefit healthcare plan administered by the State of New Jersey Division of Pensions and Benefits with oversight responsibility by the State Health Benefits Commission. The SHBP provides medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to current employees, retirees and their covered dependents. The State Health Benefits Program Act is found in the New Jersey Statutes Annotated, Title 52, Article 14-17.25 et. seq. while 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 Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. The report may be obtained by writing to the following:

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

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 8 HEALTH BENEFITS PROGRAM (CONTINUED)

Funding Policy

Prior to May 2010, employees who participated in the SHBP were not required to contribute to the cost of medical premiums. However, with the passing of Chapter 2, P.L. 2010 and upon the expiration of any labor agreement after May 21, 2010, employees enrolled in the SHBP were required to contribute a minimum of 1.5 percent of annual base salary towards the cost of their medical and/or prescription drug coverage. The minimum contribution was in addition to any premium paid for dental, vision or other health benefit.

Further health benefits legislation reform under Chapter 78, P.L. 2011 stipulated that employee contributions for health benefits are required at a specified percentage of the health benefits/prescription drug premiums based on the employee's salary range. However, the calculated contribution is not to be less than the 1.5% of base salary as required by Chapter 2, P.L. 2010. Effective July 28, 2011, the percentage of premium requirement was to be implemented over a four-year phase-in at contribution levels of $\frac{1}{4}$, $\frac{1}{2}$, $\frac{3}{4}$ and the full contribution rate during the phase-in years. According to the provisions set forth in the legislation, the College began the first year phase-in upon the expiration of collective bargaining agreements. Newly hired employees employed on or after June 28, 2011, and not part of a collective bargaining unit, contribute at the full contribution rate without any phase-in. Calculation charts and worksheets reflecting the contribution levels and phase-in years are available on the Division of Pensions and Benefits' Website.

The State is responsible for funding the health benefits of qualified retirees who have accumulated 25 years of service credit or qualify for disability retirement.

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

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 a broad range of insurance coverage with the exception of Workman's Compensation Insurance.

Joint Insurance Pool

Ocean County College is a member of the New Jersey Community College Insurance Pool for Workman's Compensation Insurance. The Insurance Pool is generally self-insured for losses and liabilities arising from workers' compensation claims. Losses are accrued based upon estimates of the aggregate liability for claims incurred using certain actuarial assumptions followed in the insurance industry and on the historical experience of the Insurance Pool. The Insurance Pool maintains cash balances in financial institutions that may exceed federally insured limits. It historically has not experienced any credit-related losses.

In any Insurance Pool fiscal year the revenue that is in excess of expense, including amounts recoverable from reinsurance or other insurance, subject to a reasonable reserve, and after deductions of incurred claims and other Insurance Pool expenses, results in a surplus, a claims fund balance is created. This balance is available for allocation by the Board. As of December 31, 2014, the most recent available report, the fund deficit was \$1,644,919.

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 totaled \$243,723 and \$293,890, respectively, for fiscal years ended 2015 and 2014.

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The College is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 10 DESIGNATION OF UNRESTRICTED NET POSITION

The following is a summary of the designations of unrestricted net position at June 30, 2015 and 2014:

	2015	2014
Operating		
Auxiliary Enterprises	\$ -	\$ 1,400,000
FY16 Operating Budget	1,726,577	-
Student Life Funding	578,112	739,305
Debt Service Set Aside	6,407,611	6,329,511
	<u>8,712,300</u>	<u>8,468,816</u>
Capital		
Campus Construction Projects:		
Student Center Reserve	8,000,000	10,000,000
College Center Reuse Modifications	170,000	-
College Center Demolition	-	1,000,000
Blackboard Analytics	330,000	-
Instructional Building Renovation	1,400,000	-
Gateway & Upper Campus Improvements	500,000	2,150,000
Administration Building Renovations	1,100,000	2,500,000
New Health Sciences Building	1,000,000	1,000,000
HETI Technology Infrastructure - Match	198,000	488,844
ELF Classroom Technology - Debt Service Share	286,935	406,510
Facilities Master Plan	-	300,000
Combined Heat & Power Plant	-	360,000
CHP Connection Expansion	4,200,000	2,000,000
Branding Signage	-	-
Library Cooling Tower	-	-
Parking Lot #2 Relight and Paving Program	1,125,000	250,000
Building Renumbering/Signage, Roadway Signs	-	55,000
Stormwater Management/Drainage	200,000	650,000
Mill Creek Sailing Center	400,000	400,000
Hiering Science Labs	650,000	250,000
Library Masonry Repairs	625,000	-
Energy Management	-	200,000
FY14 Addition to Debt Service Reserve	-	1,000,000
	<u>20,184,935</u>	<u>23,010,354</u>
GASB 68 Adjustments	<u>(26,095,365)</u>	<u>-</u>
Total	<u>\$ 2,801,870</u>	<u>\$ 31,479,170</u>

**OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

NOTE 11 COMMITMENTS

Management Information Services

The College entered into an agreement with Ellucian Company L.P. to provide support of the management and operation of its computer center totaling \$8,299,835. The agreement commenced January 1, 2013 and will terminate December 31, 2015. The agreement was amended on October 1, 2013 to include additional services to be provided totaling \$318,290. The amendment will also terminate December 31, 2015. The agreement was amended a second time on June 30, 2015, extending the termination date to December 31, 2018 and modifying the level of services. This amendment reduces the annual fees to \$1,498,848 per year and includes an option to renew for two additional years through December 31, 2020.

NOTE 12 LONG-TERM OBLIGATIONS

Long-term obligation activity for the year ended June 30, 2015, was as follows:

	Balance June 30, 2014	Additions	Payments	Balance June 30, 2015	Current Portion
Bonds Payable	\$ 16,054,797	\$ -	\$ 773,435	\$ 15,281,362	\$ 797,647
Lease Payable	\$ 344,807	\$ -	\$ 57,871	\$ 286,936	\$ 66,537

Long-term obligation activity for the year ended June 30, 2014, was as follows:

	Balance June 30, 2013	Additions	Payments	Balance June 30, 2014	Current Portion
Bonds Payable	\$ 16,813,276	\$ -	\$ 758,479	\$ 16,054,797	\$ 773,435
Lease Payable	\$ -	\$ 344,807	\$ -	\$ 344,807	\$ 57,869

During Fiscal Year 2010, the County of Ocean issued \$9,000,000 in general obligation bonds for various construction and renovation projects at Ocean County College. They have a variable interest rate ranging from 2.5% - 5.5% and the final maturity of these bonds is August 1, 2029. The College has entered into a debt service agreement to reimburse the County of Ocean for the principal and interest payments on these bonds.

**OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

NOTE 12 LONG-TERM OBLIGATIONS (CONTINUED)

Principal and interest payable to the County of Ocean due on bonds outstanding is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest Payable</u>	<u>Total</u>
2016	\$ 390,000	\$ 246,761	\$ 636,761
2017	405,000	230,861	635,861
2018	425,000	214,261	639,261
2019	440,000	196,961	636,961
2020	460,000	178,961	638,961
2021-2025	2,555,000	653,870	3,208,870
2026-2030	2,695,000	230,967	2,925,967
Total	<u>\$ 7,370,000</u>	<u>\$ 1,952,642</u>	<u>\$ 9,322,642</u>

During Fiscal Year 2011, the County of Ocean issued \$15,000,000 in general improvement bonds for the College's share of construction costs for the Gateway Building, which will be jointly owned by Ocean County College and Kean University Foundation. The final maturity of these bonds is December 1, 2030. The College has entered into a debt service agreement to reimburse the County of Ocean for 50% of the principal and interest payment on these bonds.

Principal and interest payable to the County of Ocean due on bonds outstanding is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest Payable</u>	<u>Total</u>	<u>50% Share due from College</u>
2016	\$ 630,000	\$ 495,656	\$ 1,125,656	\$ 562,828
2017	640,000	481,356	1,121,356	560,678
2018	655,000	460,256	1,115,256	557,628
2019	670,000	433,756	1,103,756	551,878
2020	690,000	406,556	1,096,556	548,278
2021-2025	3,780,000	1,595,381	5,375,381	2,687,691
2026-2030	4,480,000	738,878	5,218,878	2,609,439
Thereafter	1,000,000	23,125	1,023,125	511,563
Total	<u>\$ 12,545,000</u>	<u>\$ 4,634,964</u>	<u>\$ 17,179,964</u>	<u>\$ 8,589,982</u>

During Fiscal Year 2013, the County of Ocean issued \$1,897,500 in general improvement bonds representing the College's share of the County's bonds issued for the County's 2012 and 2013 Chapter 12 allocations. The final maturity of these bonds is June 1, 2028.

**OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

NOTE 12 LONG-TERM OBLIGATIONS (CONTINUED)

Principal and interest payable to the County of Ocean due on bonds outstanding is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest Payable</u>	<u>Total</u>
2016	\$ 92,647	\$ 72,795	\$ 165,442
2017	97,209	68,162	165,371
2018	102,473	63,302	165,775
2019	107,386	58,178	165,564
2020	113,001	52,809	165,810
2021-2025	658,703	173,223	831,926
2026-2029	467,443	28,922	496,365
Total	<u>\$ 1,638,862</u>	<u>\$ 517,391</u>	<u>\$ 2,156,253</u>

NOTE 13 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 or would be covered by insurance coverage less the deductible.

NOTE 14 KEAN UNIVERSITY AGREEMENT

In September 2010, the College entered into an Ownership & Operating Agreement with Kean University Foundation (KUF) for the joint construction and operation of a 75,000 square foot academic building named the Gateway Building. The project is in response to the expanding presence of the Kean@Ocean program which provides local residents with the opportunity to obtain baccalaureate and master's degrees from a public institution without leaving Ocean County. Completed in September 2013, the building houses both Ocean County College and Kean University academic programs.

The College issued all contractual obligations and commitments to construct the Gateway Building, with KUF contributing 50% of the funding on a reimbursement basis. Each party has an equal undivided fifty percent (50%) interest in the building. The College and KUF continue to share equally in the operating costs associated with the structure.

In conjunction with this Agreement, the College and KUF also entered into a Ground Lease whereby the College shall lease an area that is approximately 50% of the acreage underneath the Gateway Building to KUF with an annual rent of \$1.00. The initial term of the lease is 30 years, with 2 additional renewal terms of 34 and 35 years each. As of June 30, 2015, Kean's portion of the construction costs is \$15,957,494.

**OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

NOTE 15 EDUCATION AND GENERAL EXPENSES BY FUNCTION

The College's operating expenses by functional classification are presented as follows:

		2015						
		Salaries & Benefits	Supplies & Materials	Services	Scholarships	Utilities	Depreciation	Total
Educational and General Expenditures:								
Instruction	\$	15,335,872	\$ 656,415	\$ 1,784,317	\$ -	\$ -	\$ -	\$ 17,776,604
Public Service		707,390	45,020	301,047	-	-	-	1,053,457
Academic Support		6,777,690	798,091	3,682,335	-	-	-	11,258,116
Student Services		4,781,166	247,451	611,813	-	-	-	5,640,430
Institutional Support		6,683,452	1,574,376	2,965,386	-	-	-	11,223,214
Operation and								
Maintenance of Plant		3,519,356	1,159,737	3,671,413	-	2,018,572	-	10,369,078
Student Aid		-	-	-	5,332,150	-	-	5,332,150
Depreciation		-	-	-	-	-	2,687,844	2,687,844
Total Education and General Expenditures	\$	37,804,926	\$ 4,481,090	\$ 13,016,311	\$ 5,332,150	\$ 2,018,572	\$ 2,687,844	\$ 65,340,893
Auxiliary Expenses								
								6,774,956
Total								\$ 72,115,849

		2014						
		Salaries & Benefits	Supplies & Materials	Services	Scholarships	Utilities	Depreciation	Total
Educational and General Expenditures:								
Instruction	\$	16,723,027	\$ 794,960	\$ 1,843,605	\$ -	\$ -	\$ -	\$ 19,361,592
Public Service		673,592	32,918	517,448	-	-	-	1,223,958
Academic Support		7,121,301	640,232	3,633,331	-	-	-	11,394,864
Student Services		4,892,510	240,651	626,938	-	-	-	5,760,099
Institutional Support		6,705,990	1,517,641	2,740,124	-	-	-	10,963,755
Operation and								
Maintenance of Plant		3,547,060	758,866	3,125,364	-	2,263,082	-	9,694,372
Student Aid		-	-	-	5,672,101	-	-	5,672,101
Depreciation		-	-	-	-	-	2,799,602	2,799,602
Total Education and General Expenditures	\$	39,663,480	\$ 3,985,268	\$ 12,486,810	\$ 5,672,101	\$ 2,263,082	\$ 2,799,602	\$ 66,870,343
Other Expenses								
								25,656
Auxiliary Expenses								
								6,438,229
Total								\$ 73,334,228

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 16 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - FOUNDATION

Organization

The Ocean County College Foundation, Inc. (the "Foundation") conducts certain fundraising activities on behalf of the Ocean County College (the "College"), a two year publicly supported community college. The Foundation also provides financial assistance through scholarships, awards and loans to qualifying students.

Basis of Accounting and Presentation

The financial statements of the Foundation have been prepared on the accrual basis of accounting. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted net assets

Net assets that are not subject to a donor imposed stipulation. These assets may, however, be subject to Board designation.

Temporarily restricted net assets

Net assets subject to a donor imposed stipulation that will be met either by the completion of a stipulated action and/or the passage of time.

Permanently restricted net assets

Net assets are subject to a donor imposed stipulation that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for general or specific purposes.

Use of Estimates

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

Cash and Cash Equivalents

For purposes of the statements of financial position and statements of cash flows, the Foundation considers all unrestricted, highly liquid investments with an initial maturity date of three months or less to be cash equivalents.

The Foundation maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts. The Foundation believes it is not exposed to any significant credit risk on cash and cash equivalents.

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 16 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – FOUNDATION (CONTINUED)

Investment and Investment Income

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 18 for discussion of fair value measurements.

Interest income is recognized when earned. Dividends are recorded on the ex-dividend date. Realized gains and losses on investments are recognized upon the sale of the related investments and unrealized appreciation or depreciation is recognized at period end when the carrying values of the realized investments are adjusted to their estimated fair market value. Purchases and sales of securities are recorded on a trade-date basis.

Student Loans Receivable

Student loans receivable are shown at principal balance outstanding less allowance for uncollectible loans. Interest is recorded as received. For the years ended June 30, 2015 and 2014 the allowance for uncollectible student loans was \$217,922 and \$173,563, respectively. Periodically, management reviews outstanding accounts and determines the allowance necessary.

Fixed Assets

The Foundation does not capitalize fixed assets, which consist primarily of office furniture and equipment; instead they are expensed as incurred. Accounting principles generally accepted in the United States of America requires that all fixed assets be capitalized and depreciated over their useful life. Management believes any difference between the direct expense method and capitalization with depreciation method would be immaterial.

Promises to Give

Contributions are recognized when the donor makes a promise to the Foundation that is, in substance, unconditional. Conditional promises to give are recognized only when conditions on which they depend are substantially met and the promises become unconditional.

Income Taxes

The Foundation is a non-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from state and federal taxes.

The Foundation is required to file Form 990, Return of Organization Exempt from Income Tax, with the Internal Revenue Service and the New Jersey Charities Registration & Investigation Form (CRI) with the State of New Jersey.

**OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

NOTE 17 INVESTMENTS – FOUNDATION

Investments, carried at fair value, at June 30, 2015 and 2014 are as follows:

	2015	2014
Equity Securities	\$ 7,274,252	\$ 7,755,962
Corporate Bonds	1,797,908	1,665,558
U.S. Government Obligations	637,103	582,188
Preferred Stock	435,155	422,448
Total	<u>\$ 10,144,418</u>	<u>\$ 10,426,156</u>

Net unrealized holding gain in the amounts of \$424,994 and \$221,515 for the years ended June 30, 2015 and 2014, respectively, are included as increases in net assets.

NOTE 18 FAIR VALUE MEASUREMENT – FOUNDATION

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurement and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measures) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Foundation considers all investments to be Level 1.

**OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

NOTE 19 UNCONDITIONAL PROMISES TO GIVE, NET – FOUNDATION

Unconditional promises to give consisted of the following at June 30:

<u>Year Ending June 30,</u>	<u>2015</u>	<u>2014</u>
Overdue	\$ -	\$ 31,383
2016	25,569	22,718
2017	24,233	21,636
2018	13,377	20,606
2019	4,573	8,450
Total	<u>\$ 67,752</u>	<u>\$ 104,793</u>

The above amounts reflect the present value of estimated future cash flows using a discount rate of 5%. The amounts are net of a total unamortized discount of \$11,373 and \$13,763 for the years ended June 30, 2015 and 2014, respectively.

NOTE 20 UNRESTRICTED NET ASSETS – FOUNDATION

The Foundation Board has designated a portion of the unrestricted net assets for student loan purposes, which is included in unrestricted net assets and totaled \$389,876 and \$438,781 at June 30, 2015 and 2014, respectively.

NOTE 21 TEMPORARILY RESTRICTED NET ASSETS – FOUNDATION

Temporarily restricted net assets at June 30, 2015 and 2014 consisted of the following:

	<u>2015</u>	<u>2014</u>
Scholarships	\$ 1,072,215	\$ 1,170,060
Capital Projects	1,095	1,095
Academic Programs	232,645	140,286
Total Temporarily Restricted Net Assets	<u>\$ 1,305,955</u>	<u>\$ 1,311,441</u>

NOTE 22 PERMANENTLY RESTRICTED NET ASSETS – FOUNDATION

Permanently restricted net assets consist of approximately 50 endowment funds established primarily to provide scholarships to students of Ocean County College. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

In 2009, the State of New Jersey adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA provides uniform and fundamental rules for the prudent investment of funds held by charitable institutions and the expenditure of funds donated as endowments to those institutions.

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 22 PERMANENTLY RESTRICTED NET ASSETS – FOUNDATION (CONTINUED)

Interpretation of Relevant Law - For donor-restricted endowment funds, the Board of Trustees has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard prudence prescribed by SPMIFA. In accordance with SPMIFA, the College and Foundation consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Return objectives and risk parameters - The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as Board-designated funds. Under the Foundation's policies, as approved by the Board of Trustees, the endowment assets are invested in a manner to achieve a positive rate of return over the long-term, to diversify assets to reduce risk of loss from market swings and concentrated positions, and to achieve investment results over the long and short-term that compare favorably with the appropriate market indexes.

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

Endowment funds composition and changes in composition are detailed in the supplementary information. Permanently restricted net assets at June 30, 2015 and 2014 consisted of the following:

	2015	2014
Endowment Funds	<u>\$ 7,970,950</u>	<u>\$ 8,041,662</u>

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 23 DONATED PROPERTY AND SERVICES – FOUNDATION

The Foundation records donated property and services in the financial statements. Accounting principles generally accepted in the United States of America require that non-profit organizations record donated property and services as contributions at its fair market value at the date of donation if there is an objective measurable basis for determining fair value. The Foundation received office space and indirect support from Ocean County College which increased administrative expenses in these financial statements by approximately \$225,000 in both 2015 and 2014. In addition, the Foundation received gifts that were sold at auction which are recorded as in-kind and support and increased fundraising revenue and expense in these financial statements by approximately \$43,000 in 2015 and \$22,500 in 2014.

A portion of the Foundation's functions are conducted by unpaid volunteer officers and committees. The value of this contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the criteria for recognition.

NOTE 24 RELATED PARTY TRANSACTIONS – FOUNDATION

The accompanying financial statements exclude the Ocean County College, a separate legal entity that shares the same facilities and accounting department with the Foundation. The College provides office space and other direct supporting services to the Foundation. The Foundation paid Ocean County College \$132,505 and \$91,084 for administrative expenses to reimburse salaries and other direct office expenses for the fiscal years ending June 30, 2015 and 2014, respectively. The Foundation also paid Ocean County College \$14,000 for the fiscal years ending June 30, 2015 and 2014, respectively, in to support the College's fine arts programs. Accounts payable includes \$36,259 and \$67,521 payable to Ocean County College as of June 30, 2015 and 2014, respectively.

NOTE 25 SUBSEQUENT EVENTS – DATE OF MANAGEMENT EVALUATION – FOUNDATION

Management has evaluated events occurring after June 30, 2015 for possible adjustment to or disclosure in the financial statements through October 29, 2015, the date on which the financial statements were available to be issued.

No subsequent events requiring recognition or disclosure in the financial statements were identified by management.

OCEAN COUNTY COLLEGE
SCHEDULE OF PROPORTIONATE SHARES OF PERS NET PENSION LIABILITY AND CONTRIBUTIONS
JUNE 30, 2015 AND 2014
(UNAUDITED)

Schedule of Proportionate Share of PERS Net Pension Liability (NPL)
Determined as of June 30, 2014, PERS Measurement Date
(in Thousands)

<u>Fiscal Year</u>	<u>College's Proportion</u>	<u>College's Proportion Share</u>	<u>College's Covered Employee Payroll</u>	<u>College's Proportionate Share of NPL as a % of Covered-Employee Payroll</u>	<u>PERS Fiduciary Net Position as a % of Total Pension Liability</u>
2014/15	0.1365769891%	\$ 25,572	\$ 9,912	257.99%	52.08%

PERS Schedule of Contributions
(in thousands)

<u>Fiscal Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions Recognized by PERS in FY 2014/15</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered-Employee Payroll</u>	<u>Contributions as a % of Covered-Employee Payroll</u>
2014/15	\$ 1,126	\$ 1,126	\$ -	\$ 9,912	11.36%



Single Audit Section

**Fiscal Year Ended
June 30, 2015**

**OCEAN COUNTY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	FY 2015 Expenditures
U.S. Department of Education		
Student Financial Assistance (Direct Funding)		
Federal Direct Loans	84.268	\$ 10,371,426
Pell Grant Program	84.063	11,953,355
College Work Study Program	84.033	158,661
Supplemental Educational Opportunity Grant	84.007	142,077
Total Student Financial Assistance		22,625,519
TRIO Student Support Services (Direct Funding)		
TRIO Student Support Services	84.042A	191,780
Undergraduate International Studies and Foreign Language Programs	84.016A	73,866
Passed Through New Jersey Department of Education		
Perkins Career and Technology Ed Improvement: 29-7160-27	84.048A	378,143
Total U.S. Department of Education		23,269,308
U.S. Department of Health and Human Services		
Passed Through N.J. Department of Children & Families		
SSBG - Sandy Displaced Homemakers Program: 14AQQZ	93.095	67,331
U.S. Environmental Protection Agency (Direct Funding)		
Barneget Bay Partnership	66.456	548,987
Wetlands Program Development	66.461	175,474
Total U.S. Environmental Protection Agency		724,461
U.S. Department of Commerce - National Oceanic and Atmospheric Administration		
Climate and Atmospheric Research	11.431	5,874
NOAA Programs for Disaster Relief (passed thru The Nature Conservancy)	11.483	5,627
Congressionally Identified Awards and Projects (passed through Atlantic State Marine Fisheries Commission)	11.469	38,312
Total U.S. Department of Commerce		49,813
U.S. Department of the Interior - U.S. Fish and Wildlife Service		
Partners for Fish and Wildlife	15.631	2,845
Hurricane Sandy Disaster Relief Activities	15.677	6,245
Total U.S. Department of the Interior		9,090
U.S. Department of Labor		
Recovery New Jersey Talent Network (passed through NJ Department of Labor)	17.278	66,559
Trade Adjustment Assistance Community College & Career Training (passed through Bergen Community College)	17.282	85,034
Total U.S. Department of Labor		151,593
Passed Through New Jersey Department of Environmental Protection		
Section 319H Non-Point Source Implementation: RP13-007 & RP-10-105	66.46	12,695
Total Federal Assistance		\$ 24,284,291

See Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

**OCEAN COUNTY COLLEGE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2015**

State Grantor/Program Title	G.M.I.S. Number	or Award Amount	Funds Received	Grant Period		FY 2015 Expenditures	Cumulative Expenditures
				From	To		
Student Financial Aid Programs							
Department of State - Commission on Higher Education							
Opportunities Program Grants:							
Equal Opportunity Fund- Article IV	100-074-2401-002	\$ 137,409	\$ 132,312	7/1/2014	6/30/2015	\$ 126,108	\$ 126,108
Educational Opportunity Fund - Article III	100-074-2401-001	116,790	116,621	7/1/2014	6/30/2015	116,790	116,790
Educational Opportunity Fund - Article III, Summer	100-074-2401-001	13,273	10,273	7/1/2014	6/30/2015	13,273	13,273
NJ Stars	100-074-2405-313	697,347	3,074	7/1/2013		1,695	697,347
NJ Stars	100-074-2405-313	606,473	600,817		6/30/2015	606,473	606,473
NJ Class Loan	N/A	39,043	39,043	7/1/2014	6/30/2015	39,043	39,043
Department of the Treasury - Office of Student Assistance							
Governors Urban Scholarship	N/A	3,000	3,000	7/1/2014	6/30/2015	3,000	3,000
Tuition Aid Grant	100-074-2405-007	2,296,412	1,053	7/1/2013	6/30/2014	(1,047)	2,296,412
Tuition Aid Grant	100-074-2405-007	2,143,374	2,143,229	7/1/2014	6/30/2015	2,143,374	2,143,374
Total Student Financial Aid Programs						3,048,709	6,041,820
Department of the Treasury							
Operational Costs - County Colleges	100-082-2155-015	7,426,489	7,426,489	7/1/2014	6/30/2015	7,426,489	7,426,489
Employer Contributions - Alternative Benefit Program	100-082-2155-017	817,186	525,151	7/1/2014	6/30/2015	817,186	817,186
P.L. 1971, Chapter 12 Debt Service	100-082-2155-016	31,704,037	8,046,736	7/1/2014	6/30/2015	6,823,226	24,049,822
Total Treasury						15,066,901	32,293,497

See Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

(65)

OCEAN COUNTY COLLEGE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	G.M.I.S. Number	or Award Amount	Funds Received	Grant Period		FY 2015 Expenditures	Cumulative Expenditures
				From	To		
Higher Education Capital Facilities Programs							
Higher Education Technology Infrastructure Fund	036-01	659,766	391,767			290,777	520,133
Higher Education Facilities Trust Fund	036-02	1,692,769	722,966			530,556	752,547
Building Our Future Bond Act	036-03	8,550,000	332,852			809,976	943,851
Higher Education Equipment Leasing Fund	036-04	1,204,816	1,126,891			1,133,822	1,155,926
Total Capital Facilities Programs						2,765,131	3,372,457
Department of Environmental Protection							
Passed thru Institute of Marine & Coastal Sciences, Rutgers University							
Multi-trophic Level Modeling of Barnegat Bay	5010	33,710	18,844	1/1/2013	11/16/2014	1,195	33,710
Multi-trophic Level Modeling of Barnegat Bay	5334	35,272	8,223	5/19/2014	11/18/2015	17,330	17,330
Passed thru Partnership for the Delaware Estuary							
Building Ecological Solutions to Coastal Comm. Hazards	254-01	105,000	-			1,492	1,492
Total Environmental Protection						20,017	52,532
NJ Department of Community Affairs							
Displaced Homemaker Grant	2011-15863-0028-01	70,170	64,883	7/1/2014	6/30/2015	69,689	69,689
Total Community Affairs						69,689	69,689
NJ Department of Labor and Workforce Development							
GED Testing Center	08-650-C001-903	42,020	38,368	7/1/2014	6/30/2015	42,020	42,020
Recovery New Jersey Talent Network	N/A	50,000	27,524	4/1/2013	12/31/2014	16,640	46,409
Total Labor and Workforce Development						58,660	88,429
Other State Programs							
NJ Clean Energy Program		1,000,000	750,000			-	750,000
NJ College Access Challenge Grant - College Readiness Now		34,932	21,008	2/7/2014	8/31/2014	27,995	34,932
NJASFAA/HESSA - College Goal Sunday	N/A	2,000	2,000	11/8/2013	3/31/2014	2,000	2,000
Child Assault Prevention	N/A	N/A	791	7/1/2014	6/30/2015	10,034	10,034
Total State Financial Assistance						\$ 21,069,136	\$ 42,715,390

See Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

(66)

**OCEAN COUNTY COLLEGE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2015**

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 Ocean County College (the 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 Direct Loan Program. 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, 2015.

NOTE 5 MAJOR PROGRAMS

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

**INDEPENDENT AUDITORS' 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**

Board of Trustees
Ocean County College
Toms River, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component unit of Ocean County College (the College), a component unit of the County of Ocean, State of New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated REPORT DATE. Our report includes a reference to other auditors who audited the financial statements of the Ocean County College Foundation, as described in our report on the College's financial statements. The financial statements of the Ocean County College Foundation were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control that we consider to be a material weakness.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness (2015-001).

Compliance and Other Matters

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

Ocean County College's Response to Findings

Ocean County College's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Ocean County College's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
REPORT DATE

**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**

Board of Trustees
Ocean County College
Toms River, New Jersey

Report on Compliance for Each Major Federal Program

We have audited Ocean 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 year ended June 30, 2015. The College's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of the College's compliance.

Opinion on Each Major Federal Program

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and the State of New Jersey Circular 04-04 and which are described in the accompanying schedule of findings and questioned costs as item 2015-002 through 2015-003. Our opinion on the major federal and state programs is not modified with respect to this matter.

The College's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program 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 and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2015-002 through 2015-003, that we consider to be significant deficiencies.

The College's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of OMB Circular A-133 and State of New Jersey Circular 04-04-OMB. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
REPORT DATE

OCEAN COUNTY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

I. Summary of Independent Auditors' Results

Financial Statements

Type of Auditors' Report Issued: Unmodified

Internal Control over Financial Reporting:

- Material Weakness(es) Identified? X Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal Control over Major Programs:

- Material weakness(es) identified? Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? X Yes None reported

Type of Auditors' Report Issued on Compliance for Major Programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? X Yes No

Identification of Major Programs

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Student Financial Aid Cluster:	
Federal Direct Loan Program	84.268
Federal Pell Grant Program	84.063
Federal Supplemental Educational Opportunity Grant	84.007
Federal Work Study Program	84.033

**OCEAN COUNTY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015
(CONTINUED)**

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? X Yes No

State Financial Assistance

Internal Control over Major Programs:

- Material weakness(es) identified? Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes X None reported

Type of Auditors' Report Issued on Compliance for Major Programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133 or New Jersey Circular 04-04-OMB? Yes X No

Identification of Major Programs

<u>Name of State Program</u>	<u>GMIS Number</u>
Operational Costs – County Colleges	100-082-2155-015
P.L. 1971, Chapter 12 Debt Service	100-082-2155-016
Higher Education Equipment Leasing Fund	036-04
Building Our Future Bond Act	036-03

Dollar threshold used to distinguish between type A and type B programs: \$ 632,074

Auditee qualified as low-risk auditee? X Yes No

OCEAN COUNTY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015
(CONTINUED)

Section II – Financial Statement Finding

Finding Reference: 2015-001 – Accounting for Capital Assets

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Criteria:

Management is responsible for the accuracy and completeness of balances in the financial statements and related disclosures in accordance with Generally Accepted Accounting Principles (GAAP).

Condition:

During our testing of capital assets, it was noted that the College expensed certain assets that should have been capitalized.

Effect:

The impact of the two items identified in our testing overstated expenses and understated capital assets of approximately \$1 million, respectively. The College corrected this error once it was identified.

Recommendation:

We recommend that the College to closely analyze capital asset expenditures to determine if any of those items provide benefits to future periods and thus should be capitalized and depreciated.

Corrective Action Plan:

Management has incorporated additional review procedures to ensure they are properly classifying and accounting for their capital assets. Regular meetings will be scheduled with Finance and Facilities leadership staff to identify potential capital improvements. At fiscal year-end, a final review of all material repair and maintenance improvements will be made, and the appropriate accounting will be determined.

OCEAN COUNTY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015
(CONTINUED)

Section III – Federal Award and State Financial Assistance Findings and Questioned Costs

Current Year

2015-002: NSLDS Reporting

Federal Agency: U.S. Department of Education

Federal Program: Student Financial Assistance Cluster

Type of Finding: Significant Deficiency in Internal Control, Noncompliance

Condition:

During student financial aid testing, we noted that the National Student Loan Data Systems (NSLDS) rosters returned to the College yielded error reports that were not corrected and resubmitted within the required 10 days.

This issue occurred at many colleges and universities in the United States during Fall 2014, attributable to a processing error on the NSLDS website. However, it is possible for the College to create an Enrollment Reporting Summary Report after reporting student status changes on NSLDS, which would have detected these types of errors.

Criteria:

Federal regulation requires enrollment status for each student be reported accurately to NSLDS. In addition, regulations require that an institution make necessary corrections and return the records within 10 days for any roster files that do not pass the NSLDS enrollment reporting edits.

Questioned Costs:

None.

Cause:

Records were not returned within 10 days for roster files that did not pass the NSLDS enrollment reporting edits.

Effect:

The College did not update student enrollment statuses correctly or timely to NSLDS.

Auditor's Recommendation:

We recommend that the College put a process in place to ensure determination of all students who withdrew, graduate, or have a change in status are accurately and timely reported to NSLDS.

Management Response and Corrective Action Plan:

Ocean County College utilizes the National Student Clearinghouse on which it relies to provide notice to the College when errors in reporting occur. Since error files were not reported upon transmission, the College believed the transmission of enrollment records took place accurately and were accepted by the NSLDS. This was not the case. In order to prevent a future occurrence of this finding, the Financial Aid office will receive a copy of the College's enrollment reporting schedule to the National Student Clearinghouse. Within 24 hours of the College transmitting the enrollment data through the National Student Clearinghouse, the Financial Aid office will request the Enrollment Reporting Summary Report (SCHER1) from the NSLDS. A copy of this report will be forwarded to the Registration and Records department to reconcile errors as may appear on the report within the 10 day required time frame.

OCEAN COUNTY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015
(CONTINUED)

2015-003: Return to Title IV Reporting (R2T4)

Federal Agency: U.S. Department of Education

Federal Program: Student Financial Assistance Cluster

Type of Finding: Significant Deficiency in Internal Control, Noncompliance

Condition:

During student financial aid testing, out of a sample of 40 R2T4 calculations tested, CLA determined that all calculations related to the Fall 2014 term were calculated incorrectly due to the Student Financial Aid (SFA) Department excluding the 5 day Thanksgiving Day Break from the total number of calendar days in the semester.

Criteria:

When a student receiving Title IV aid is determined to withdraw or have ceased attendance, the school must calculate the amount of aid the student earned and the amount that must be returned to the awarding agency based on the calculation guidelines in the SFA handbook.

Questioned Costs:

None.

Cause:

The SFA Department was under the impression that classes were being held on November 26th, 2014, thus, not including the Thanksgiving Break as a 5 day break in the calculations. This break should have been excluded into the calculations, and as a result, all Fall 2014 related R2T4 calculations were performed incorrectly.

Effect:

Errors in the federal funding amounts returned to the government, with the errors more likely being on the understated side.

Auditor's Recommendation:

We recommend that the SFA Department ensure with the scheduling department when the scheduled breaks are, and determine their length before R2T4 calculations are performed for a specific term.

Management Response and Corrective Action Plan:

The scheduling responsibilities were previously under the duties of the Academic Affairs department; however, this has been transitioned to the Registrar's Office going forward. The Registrar's Office is currently creating a policy for class scheduling, which will include formal notification to the Financial Aid office on an annual basis of scheduled days off in excess of four days.

Section IV – Summary of Prior Year Findings

None to report.

EXHIBIT A-3

OCEAN COUNTY COLLEGE**RESOLUTION AUTHORIZING A PILOT e-LEARNING PROGRAM BETWEEN
OCEAN COUNTY COLLEGE AND EASTWICK COLLEGE**

WHEREAS, the Board of Trustees of Ocean County College has deemed it beneficial to partner with Eastwick College (Eastwick) to allow the use of previously developed OCC e-learning courses by Eastwick students; and

WHEREAS, the pilot period will commence on January 1, 2016 and end on December 31, 2016; and

WHEREAS, the terms of the pilot program are defined in the attached "Agreement to provide for an e-learning program between Ocean County College and Eastwick College" dated November 9, 2015; and

WHEREAS, Ocean County College will provide various services related to the e-Learning pilot program and Ocean County College be compensated by Eastwick for services rendered in accordance with said Agreement; and

WHEREAS, both parties agree to negotiate successor terms and conditions as the outcomes from the pilot period become known. It is the intent of both parties to enter into a long-term mutually beneficial partnership; and

NOW THEREFORE, BE IT RESOLVED BY THE OCEAN COUNTY COLLEGE BOARD OF TRUSTEES as follows:

The President of Ocean County College is hereby authorized and directed to enter into a pilot e-Learning program with Eastwick College for the period January 1, 2016 through December 31, 2016.



Executive Vice President of Finance and Administration

EXHIBIT A-4

OCEAN COUNTY COLLEGE

Central Chiller Plant Site Work

RECOMMENDATION: Recommend that a contract be awarded to **PJM Mechanical Contractors, Inc.** 1688 Fifth Street, Ewing, N.J. 08638 in the amount not to exceed: **\$844,900.00** for "Central Chiller Plant Site Work" at Ocean County College.
Item # 2, alternate will not be considered for the project.

Said contract to be in accordance with bid specifications and requirements received November 25, 2015

NATURE OF BID: Central Chiller Plant Site Work B-44 15/16

ITEM #1: Base Bid Cost

****ITEM #2:** Alternate # 1 (will not be considered for the project)

ITEM #3: Allowance

SOURCE OF FUNDS: HEAT/COOL/ELECTRIC INFRASTRUCTURE / CAPITAL ACCOUNT
F/Y 2015/2016

BID SUMMARY

VENDOR	ITEM # 1	**ITEM #2	ITEM #3	TOTAL
PJM Mechanical Contractors* 1688 Fifth Street Ewing, NJ 08638	\$799,900.00	\$82,000.00	\$45,000.00	\$844,900.00
Santorini Construction 1 South Riverside Drive Neptune, NJ 07753	\$837,000.00	\$117,000.00	\$45,000.00	\$882,000.00
Hall Building Corp. 33 Main Street Farmingdale, NJ 07727	\$876,000.00	\$138,000.00	\$45,000.00	\$921,000.00
Altec Building System 904 Atlantic Avenue Pt. Pleasant, NJ 08742	\$1,260,000.00	\$227,000.00	\$45,000.00	\$1,305,000.00

* RECOMMENDED VENDOR

The following is a list of vendors also invited to submit bids:

Breakaway Electric	breakawayelec@aol.com
Kappa Construction Corp.	kappaconcorp@aol.com
PipeCraft, Inc. Jay Fletcher	jay@pipecraftinc.com
Santorini Construction	Santorini4@optonline.net

BOARD MEETING: December 7, 2015

par

EXHIBIT A-5

OCEAN COUNTY COLLEGE

RESOLUTION AUTHORIZING THE AWARD OF A CONTRACT

WHEREAS, the Board of Trustees of Ocean County College has a need to acquire goods and services which are exempt from bidding pursuant to the provisions of N.J.S.A. 18A:64A-25.5(19), providing goods or services for the use, support or maintenance of proprietary computer hardware, software peripherals and system development for the hardware; and

WHEREAS, the Executive Vice President of Finance and Administration of Ocean County College has determined and certified in writing that the value of the acquisition will exceed \$17,500; and

WHEREAS, a Certificate has been provided by the Executive Vice President of Finance and Administration of Ocean County College, stating that funds are available for this purpose, which certificate is attached to the original of this resolution and is on file in the office of the Executive Vice President of Finance and Administration; and

WHEREAS, the vendor has completed and submitted a Business Entity Disclosure Certification which certifies it has not made any reportable contributions to a political or candidate committee in the County of Ocean the previous one year, and that the contract will prohibit making any reportable contributions through the term of the contract; and

WHEREAS, the County College Contracts Law (Chapter 64A of Title 18A of the New Jersey Statutes) requires that the resolution authorizing an award of contract for this service without public bids, be made available for public inspection,

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of Ocean County College, in the County of Ocean and the State of New Jersey as follows:

1. The Ocean County College Board of Trustees is hereby authorized and directed to enter into and execute an Agreement with **NCS Pearson, Inc.** 5601 Green Valley Drive, Bloomington, MN. 55437-1099 in the amount not to exceed: **\$45,393.50** for "technical support fees, accuplacer student access codes, and eCompanion allied health courses" at Ocean County College.

BOARD MEETING: December 7, 2015

par

CERTIFICATION OF THE EXECUTIVE VICE PRESIDENT OF FINANCE AND ADMINISTRATION
AS TO THE AVAILABILITY OF FUNDS FOR THE AWARDING OF A CONTRACT BY THE OCEAN
COUNTY COLLEGE BOARD OF TRUSTEES.

VENDOR: NCS Pearson, Inc.
5601 Green Valley Drive
Bloomington, MN 55437-1099

ACCOUNT:		
Information Technology / Software Maintenance	9/1/15-3/31/16	\$23,040.00
E-Learning / Contract Payment	9/1/15-6/30/16	\$12,500.00
College Readiness / Testing Material		\$ 7,837.50
CPE Allied Health / Fees consultants	6/1/15-8/31/15	\$ 2,016.00

AMOUNT: \$45,393.50
=====

I HEREBY CERTIFY that funds are available in the Ocean County College Board of Trustees budget for 2015/2016 and the appropriation is sufficient to cover this contract and the contract shall be encumbered against such appropriation.



Executive Vice President of Finance and Administration

BOARD MEETING: December 7, 2015
par

EXHIBIT A-6

OCEAN COUNTY COLLEGE

RESOLUTION

Helpdesk Call Services

August 1, 2015 – December 31, 2015

WHEREAS, the Board of Trustees of Ocean County College has a need to acquire goods and services which are exempt from bidding pursuant to the provisions of N.J.S.A. 18A:64A-25.5(a)(19), providing goods or services for the use, support or maintenance of proprietary computer hardware, software peripherals and system development for the hardware; and

WHEREAS, Executive Vice President of Finance and Administration of Ocean County College has determined and certified in writing that the value of the acquisition will exceed \$17,500.00; and

WHEREAS, a Certificate has been provided by the Executive Vice President of Finance and Administration of Ocean County College, stating that funds are available for this purpose, which certificate is attached to the original of this resolution and is on file in the office of the Executive Vice President of Finance and Administration; and

WHEREAS, the vendor has completed and submitted a Business Entity Disclosure Certification which certifies it has not made any reportable contributions to a political or candidate committee in the County of Ocean the previous one year, and that the contract will prohibit making any reportable contributions through the term of the contract; and

WHEREAS, Ocean County College wishes to award said contract without the need for public bidding in compliance with the provisions of the County College Contracts Law, N.J.S.A. 18A:64A-25.1 et seq., and the provisions of N.J.S.A. 19:44A-20.4 et seq.;

NOW THEREFORE, BE IT RESOLVED BY THE OCEAN COUNTY COLLEGE BOARD OF TRUSTEES as follows:

1. The Ocean County College Board of Trustees hereby authorizes and directs the appropriate officials of the College to enter into and execute an Agreement with **Ellucian Company LP, 4375 Fair Lakes Court, Fairfax, VA., 22033** in the amount not to exceed: **\$25,700.00** for Helpdesk Call Services at Ocean County College. Contract effective: August 1, 2015 – December 31, 2015

BOARD MEETING: December 7, 2015
par

RESOLUTION

CERTIFICATION OF THE EXECUTIVE VICE PRESIDENT OF FINANCE AND ADMINISTRATION AS TO THE AVAILABILITY OF FUNDS FOR THE AWARDING OF A CONTRACT BY THE OCEAN COUNTY COLLEGE BOARD OF TRUSTEES.

VENDOR: Ellucian Company LP
4375 Fair Lakes Court
Fairfax, VA 22033

ACCOUNT: Fees Consultants/Information Technology
F/Y 2015/2016

TOTAL: \$25,700.00

I HEREBY CERTIFY that funds are available in the Ocean County College Board of Trustees budget for 2015/2016, and the appropriation is sufficient to cover this contract and the contract shall be encumbered against such appropriation.



Executive Vice President of Finance and Administration

BOARD MEETING: December 7, 2015
par

EXHIBIT A-7

OCEAN COUNTY COLLEGE

R E S O L U T I O N

First Year of a Three Year Contract for Canvas Learning Management System

WHEREAS, the Board of Trustees of Ocean County College recognizes the need to purchase the first year of a three year contract for "Canvas Learning Management System" through "NJEDGE.net_Consortium" for the fiscal year 2015/2016 at Ocean County College; and

WHEREAS, NJEDGE.net is a non-profit technology consortium of academic and research institutions in New Jersey. NJEDGE.net supports its members in their institutional teaching and learning. Ocean County College is a member of this organization, and

WHEREAS, a Certificate has been provided by the Executive Vice President of Finance and Administration of Ocean County College, stating that funds are available for this purpose, which certificate is attached to the original of this resolution and is on file in the office of the Executive Vice President of Finance and Administration; and

WHEREAS, the County College Contracts Law Chapter 64A of Title 18A of the New Jersey Statutes requires that the resolution authorizing award of contracts for this service without public bids, be made available for public inspection,

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of Ocean County College, in the County of Ocean and the State of New Jersey as follows:

1. The Ocean County College Board of Trustees hereby authorizes and directs the appropriate officials of the College to execute an agreement with **Instructure, Inc.** 6330 South 3000 East, Salt Lake City, UT. 84121-6237, for the purchase of "Canvas Learning Management System" through a CONSORTIUM in the amount not to exceed: **\$251,600.00**
2. This contract is awarded without public bidding in accordance with the provisions of the County College Contracts Law 18A:64A-25.10, joint purchases by County Colleges.
3. NJEDGE.net is serving as the lead agency.
4. Specific line item against which this contract is to be charged is as follows:

Information Technology / Minor Capital
F/Y 2015/2016

RESOLUTION

CERTIFICATION OF THE EXECUTIVE VICE PRESIDENT OF FINANCE AND ADMINISTRATION AS TO THE AVAILABILITY OF FUNDS FOR THE AWARDED OF A CONTRACT BY THE OCEAN COUNTY COLLEGE BOARD OF TRUSTEES.

PURCHASE OF CANVAS LEARNING MANAGEMENT SYSTEM

VENDOR: Instructure, Inc.
6330 South 3000 East
Suite 700
Salt Lake City, UT 84121-6237

ACCOUNT: Information Technology / Capital Account
F/Y 2015/2016

AMOUNT
NOT TO EXCEED: \$251,600.00

I HEREBY CERTIFY that funds are available in the Ocean County College Board of Trustees budget for 2015/2016, and the appropriation is sufficient to cover this contract and the contract shall be encumbered against such appropriation.



Executive Vice President of Finance and Administration

BOARD MEETING: December 7, 2015
par

EXHIBIT A-8

OCEAN COUNTY COLLEGE**RESOLUTION AUTHORIZING THE AWARD OF A CONTRACT FOR
CONSULTING SERVICES**

WHEREAS, the Board of Trustees of Ocean County College has a need to acquire goods and services which are exempt from bidding pursuant to the provisions of N.J.S.A. 18A:64A-25.5a(15) professional consulting services; and

WHEREAS, it has been determined that assistance is needed to further expand e-learning programs and increase enrollment; and

WHEREAS, it has been determined that assistance is needed to pursue e-Learning corporate partnerships, both domestically and internationally; and

WHEREAS, it has been determined that a consulting agreement with EduStrategy Group, LLC is in the best interest of the College; and

WHEREAS, the Executive Vice President of Finance and Administration of Ocean County College has determined and certified in writing that the value of the acquisition will exceed \$17,500; and

WHEREAS, a Certificate has been provided by the Executive Vice President of Finance and Administration of Ocean County College, stating that funds are available for this purpose, which certificate is attached to the original of this resolution and is on file in the office of the Executive Vice President of Finance and Administration; and

WHEREAS, the vendor has completed and submitted a Business Entity Disclosure Certification which certifies it has not made any reportable contributions to a political or candidate committee in the County of Ocean the previous one year, and that the contract will prohibit making any reportable contributions through the term of the contract; and

WHEREAS, Ocean County College wishes to award said contract without the need for public bidding in compliance with the provisions of the County College Contracts Law, N.J.S.A. 18A:64A-25.1 et seq., and the provisions of N.J.S.A. 19:44A-20.4 et seq.;

NOW THEREFORE, BE IT RESOLVED BY THE OCEAN COUNTY COLLEGE BOARD OF TRUSTEES as follows:

Ocean County College is hereby authorized and directed to enter into and execute an Agreement with **Edu Strategy Group, LLC**. 6332 South Malaya Street, Centennial, Colorado 80016 in the amount of \$5,000.00 per month plus reimbursement of approved travel expenses not to exceed \$3,000.00 for a total not to exceed: **\$35,500.00**. Contract period: December 15, 2015 through June 30, 2016.

BOARD MEETING: December 7, 2015
Par

RESOLUTION

CONSULTING SERVICES

CERTIFICATION OF THE EXECUTIVE VICE PRESIDENT OF FINANCE AND ADMINISTRATION AS TO THE AVAILABILITY OF FUNDS FOR THE AWARDED OF A CONTRACT BY THE OCEAN COUNTY COLLEGE BOARD OF TRUSTEES.

VENDOR: EduStrategy Group, LLC
6332 South Malaya Street
Centennial, Colorado 80016

ACCOUNT: Fees/Consultants- e-Learning
F/Y 2015/2016

TOTAL: \$35,500.00

I HEREBY CERTIFY that funds are available in the Ocean County College Board of Trustees budget for 2015/2016 and the appropriation is sufficient to cover this contract and the contract shall be encumbered against such appropriation.



Executive Vice President of Finance and Administration

BOARD MEETING: December 7, 2015
Par

EXHIBIT A-9

OCEAN COUNTY COLLEGE
Architecture & Engineering Services for the Instructional Building Renovations
 AMENDMENT

AMENDMENT: Recommend the contract to **Kimmel Bogrette Architecture + Site**, 151 East 10th Avenue, Conshohocken, PA., 19428 be amended in the additional amount of **\$97,980.00** for a total amount of **\$1,003,286.00**. The monies are necessary for change order # 6 (design of building's addition be revised from a curved to a flat design). The original contract in the amount of **\$595,000.00** was awarded at the September 23, 2013 Board of Trustees meeting. Amendments in the total amount of **\$310,306.00** were previously awarded.

Said contract to be in accordance with proposal specifications and requirements and the proposals received July 10, 2013

Architect & Engineer firms are selected from the Ocean County College Qualified Pool of Professional Architectural Services approved at the March 22, 2013 Board of Trustees meeting.

NATURE OF PROPOSAL: Architecture & Engineering Services for Instructional Building Renovations 13/14 Q-01

ITEM #1: Total Project Fee

SOURCE OF FUNDS: Instructional Building Renovations / Capital Account
 F/Y 2014/2015

PROPOSAL SUMMARY

VENDOR	ITEM # 1	EVALUATION RESULTS TOTAL POINTS
Kimmel Bogrette Architecture + Site* 151 East 10 th Avenue Conshohocken, PA 19428	\$595,000.00	53
Design Resources Group Architects 371 Hoes Lane Piscataway, NJ 08854	\$700,000.00	29
Kimball & Associates 615 West Highway Avenue Ebensburg, PA 15931	\$535,000.00	46
JRS Architects 181 East Jericho Turnpike Mineola, NY 11501	\$806,000.00	30
Vitetta 2 International Plaza Philadelphia, PA 19113	\$561,248.00	28
Settembrino Architects 25 Bridge Avenue Red Bank, NJ 07701	\$525,000.00	39

* RECOMMENDED VENDOR

BOARD MEETING: December 7, 2015
 par

The evaluation committee consists of the following Ocean County College employees, Matthew Kennedy, Mike Bruno, Mark Bowcock, and Ocean County College Member of the Board of Trustees, Linda Novack, Vice Chair

The evaluation results are based on:

1. Price
2. Project Understanding/Approach
3. Relevant Experience

The following is a list of vendors selected from "Qualified Pool of Professional Architectural Services Firms" also invited to submit proposals:

DMR Architects
777 Terrace Avenue
Hasbrouck Heights, NJ 07604

The RBA Group Inc.
7 Campus Drive
Parsippany, NJ 07054

SSP Architectural Group
148 West End Avenue
Somerville, NJ 08876

Gibson Tarquini Group
765 Cuthbert Blvd.
Cherry Hill, NJ 08002

P.S. & S. Architects
67-A Mountain Blvd Ext
Warren, NJ 07059

FVHD Architects Planners
1515 Lower Ferry Road
Trenton, NJ 08628

BOARD MEETING: December 7, 2015
par

EXHIBIT A-10

OCEAN COUNTY COLLEGE

Purchase of Athletic Portable Press Box

AMENDMENT: Recommend that the contract to **Aluminum Athletic Equipment Co.**, 1000 Enterprise Drive, Royersford, PA. 19468 be amended in the additional amount of **\$800.00** for a total amount of **\$30,395.00**. The monies are needed to pay expediting fees. The original contract in the amount of **29,595.00** was awarded at the October 16, 2015 Board of Trustees retreat at Ocean County College.

Said contract to be in accordance with bid specifications and requirements dated September 28, 2015 and the bids received October 14, 2015

NATURE OF BID: Purchase of Athletic Portable Press Box Donkey 2 with Storage Ultimate Media Package, Video Tower with Camera Rail Unipod Accessory Equipment B-50 15/16

ITEM #1: Portable Press Box and Video Tower with Storage

ITEM #2: Camera Rail Unipod Accessory

ITEM #3: Total Cost

SOURCE OF FUNDS: Athletic Complex / Capital Account
F/Y 2015/2016

BID SUMMARY

VENDOR	Aluminum Athletic Equip. Co.* 1000 Enterprise Drive Royersford, PA. 19468	Cypreco Industries Inc 1420 9 th Avenue Neptune, NJ 07753
Item #1	\$28,795.00	\$47,723.00
Item #2	\$ 800.00	\$ 1,100.00
Item #3`	\$29,595.00	\$48,823.00

* RECOMMENDED VENDOR

The following is a list of vendors also invited to submit bids:

AllTech Communications, LLC
Morley Athletic Supply Co. Inc
Degler-Whiting, Inc.
Seating Solutions
JW Industries, Inc
Sportsfield Specialties, Inc

krislangholz@goaltech.com
sales@morleyathletic.com
tim@deglerwhiting.com
csuprina@seatingsolutions.com
jwoffice@jwindustries.com
jnewkerk@sportsfieldspecialities.com

BOARD MEETING: December 7, 2015
par