

EXHIBIT A



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

To: Board of Trustees
From: Office of the President
Date: November 30, 2011

The following Finance Committee items are recommended to the Ocean County College Board of Trustees for approval at its meeting on **December 5, 2011**:

1. Recommend acceptance of the statement of income and expenditures as of October 31, 2011 (**Exhibit A-1**)
2. Recommend acceptance of the Ocean County College Report of Audit for the fiscal year ended June 30, 2011 (**Exhibit A-2**)
3. Recommend that the following contracts be awarded:
 - a. For office renovations in the Arts and Community Center at Ocean County College (**Exhibit A-3**)
4. Recommend adoption of resolutions to award the following contracts:
 - a. For the services of a tour operator for the "World of the Maya" travel seminar to Mexico offered by Ocean County College (**Exhibit A-4**)
 - b. For asbestos abatement services at Ocean County College (**Exhibit A-5**)
 - c. For professional computer management consulting services for distance learning, data warehouse, and information technology at Ocean County College (**Exhibit A-6**)

5. Recommend adoption of a resolution to authorize and direct the President to enter into and execute a lease agreement, pending occupancy costs, for office space for the Barnegat Bay Partnership Program at the Brown House Parcel in Toms River, New Jersey (**Exhibit A-7**)
6. Recommend that the following contracts be amended:
 - a. An additional \$37,018, for a maximum total of \$5,635,880, to Santorini Construction Company, Neptune, New Jersey, for change orders for side walk repairs between the Instructional Building and the Russell Building and additional hot water piping between the Administration Building and the Russell Building as part of the construction of a combined Heat and Power Plant at Ocean County College (contract originally awarded at the March 28, 2011, Board meeting) (**Exhibit A-8**)
 - b. An additional \$31,070, for a maximum total of \$304,486, to Datatel, Inc., Fairfax, Virginia, for the synoptix software license and maintenance fee through June 30, 2012, as part of the annual software maintenance agreement and e-learning Library three-year subscription at Ocean County College (contract originally awarded at the June 27, 2011, Board meeting) (**Exhibit A-9**)
 - c. An additional \$4,100, for a maximum total of \$197,219, to Timecruiser Computing Corporation, Fairfield, New Jersey, for a My Classes Channel Link to the Pearson Learning Studio Project as part of the second year of a five-year agreement for the annual subscription of CampusCruiser at Ocean County College (contract originally awarded at the June 27, 2011, Board meeting) (**Exhibit A-10**)
7. Recommend adoption of a resolution to accept a \$70,170 grant award from the New Jersey Department of Community Affairs, 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, 2011, through June 30, 2012. 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 2011-2012

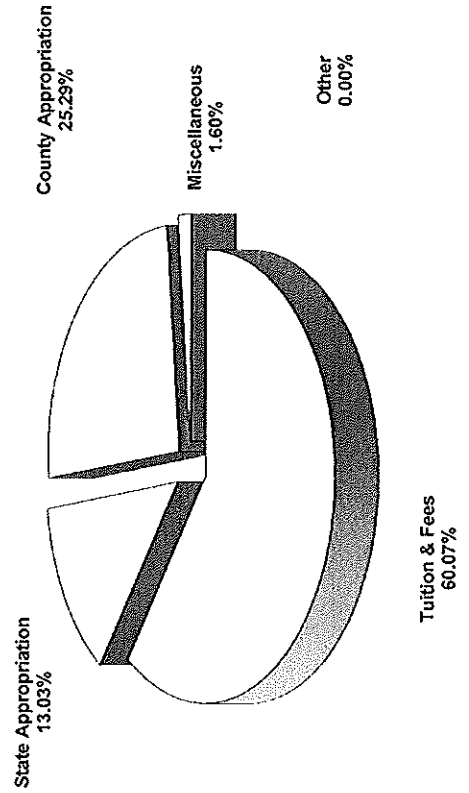
For the Period Ending October 31, 2011 (not audited)

	ACTUAL	ENCUMBRANCES	TOTAL	AMENDED FY 11-12 March 28, 2011 BUDGET	(OVER) UNDER BUDGET	% BUDGET
REVENUE:						
Tuition & Fees	17,828,562		17,828,562	34,915,834	17,087,272	51.06%
State Appropriation	2,525,196		2,525,196	7,575,585	5,050,389	33.33%
County Appropriation	3,675,065		3,675,065	14,700,259	11,025,194	25.00%
Miscellaneous	136,535		136,535	929,273	792,738	14.69%
Other	0		0	0	0	0.00%
Total Revenue:	24,165,358		24,165,358	58,120,951	33,955,593	41.58%

EXPENDITURES:

Instruction	4,531,294	509,629	5,040,923	16,523,576	11,482,653	30.51%
Academic Support	2,970,514	349,989	3,320,503	8,357,222	5,036,719	39.73%
Student Services	1,466,233	100,194	1,566,427	4,327,940	2,761,513	36.19%
Institutional Support	4,873,269	1,606,999	6,480,268	17,386,977	10,906,709	37.27%
Plant Maint-Opr.	2,309,424	2,065,170	4,374,594	8,942,833	4,568,239	48.92%
Scholarships	247,826	0	247,826	582,403	334,577	42.55%
Debt Service	416,130	0	416,130	2,000,000	1,583,870	20.81%
Total Expenditures:	16,814,690	4,631,981	21,446,671	58,120,951	36,674,280	36.90%

FY 2012 BUDGET REVENUE SOURCES



10/31/11 YTD EXPENDITURES BY FUNCTION

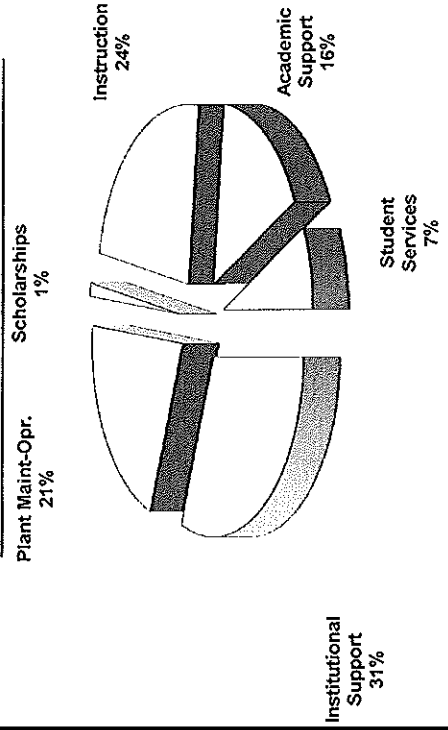
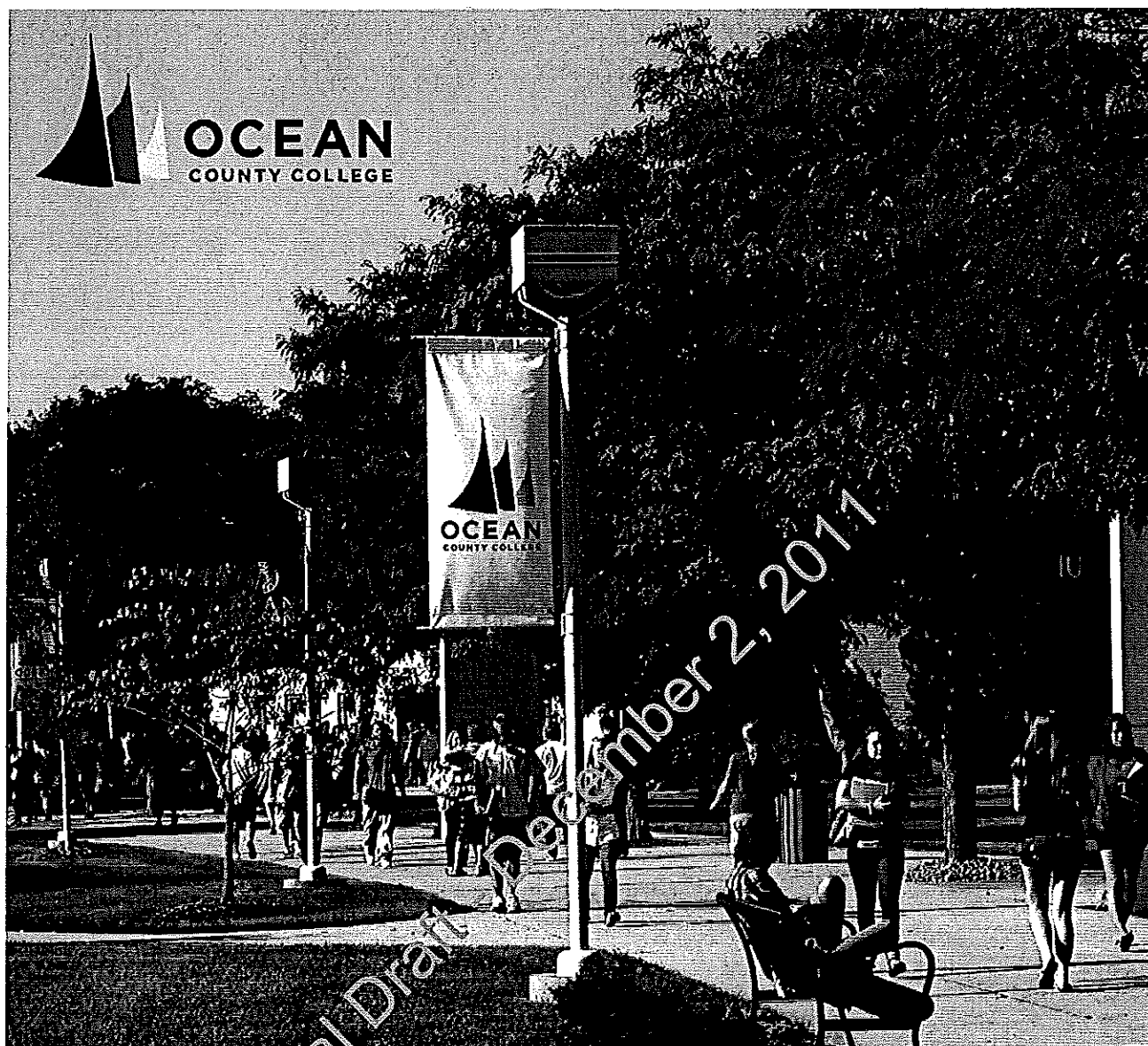


EXHIBIT A-2



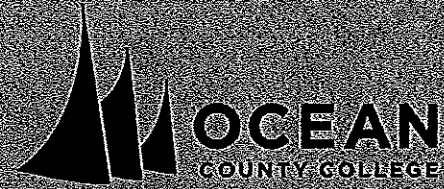
2011

Report of Audit

Fiscal Year Ended June 30, 2011
Toms River/ Manahawkin, New Jersey

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Introductory Section

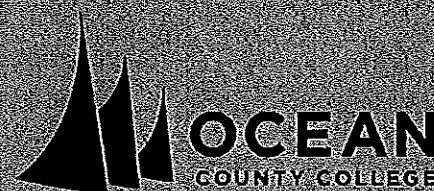
**For the Fiscal Year Ending
June 30, 2011**

OCEAN COUNTY COLLEGE
MEMBERS OF THE BOARD OF TRUSTEES
AS OF JUNE 30, 2011

<u>Name</u>	<u>Term Expires</u>
Mr. Carl V. Thulin, Jr., Chair	2012
Mrs. Linda L. Novak, Vice Chair	2014
Mr. Jerry Dasti, Treasurer	2014
Mr. Stephan R. Leone, Secretary	2012
Mr. Thomas E. Monahan	2014
Mrs. Joanne Pehlivanian	2013
Dr. Wilda Smithers	2013
Mr. Warren H. Wolf	2012
Mr. Harvey L. York	2010
Steven Spino, Alumni Representative	2011
County Superintendent of Schools	Ex-Officio Member

College Officials

Dr. Jon H. Larson, President
 Ms. Sara Winchester, Vice President of Finance
 Mr. Richard Strada, Executive Vice President, Instruction and Interim Vice President of Academic Affairs
 Mr. Donald Doran, Vice President of Student Affairs
 Dr. Richard Parrish, Vice President of Planning and Administration
 Dr. James McGinty, Executive Vice President, Operational
 Ms. Tara Kelly, Vice President of College Advancement
 John C. Sahradnik, Esq., College Attorney



Financial Section

For the Fiscal Year Ending
June 30, 2011

Independent Auditor's Report

The Honorable Chairman
Members of the Board of Trustees
Ocean County College
Toms River, New Jersey 08754

We have audited the accompanying financial statements of the business type activities of Ocean County College, State of New Jersey (the College), a component unit of the County of Ocean, State of New Jersey, as of and for the year ended June 30, 2011, which collectively comprise the College's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express our opinion on these financial statements based on our audit. We did not audit the financial statements of the Ocean County College Foundation (the Foundation), a discretely presented component unit, which statements reflect 100% of the total assets (\$7,548,882) as of June 30, 2011, and 100% of the operating revenues (\$1,032,454) of the discretely presented component unit for the year then ended. Those financial statements were audited by another auditor whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Ocean County College Foundation, is based on the report of the other auditor. We did not audit the College's basic financial statements as of and for the year ended June 30, 2010. Those financial statements were audited by other auditors whose report thereon, dated October 27, 2010, expressed an unqualified opinion. Those other auditors did not audit the financial statements of the Ocean County College Foundation, a discretely presented component unit, which statements reflect 100% of the total assets (\$7,045,543) as of June 30, 2010, and 100% of the operating revenues (\$723,061) of the discretely presented component unit for the year then ended. The Foundation's 2010 financial statements were audited by another auditor whose report thereon was furnished to the College's 2010 auditors, and their opinion, insofar as it relates to the 2010 amounts included for the Foundation, is based on the report of the other auditor.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Department of Treasury, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of Ocean County College Foundation (a discretely presented component unit) were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditor provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Ocean County College, State of New Jersey, and the discretely presented component unit, as of June 30, 2011, and the respective changes in net assets and cash flows, where applicable, for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

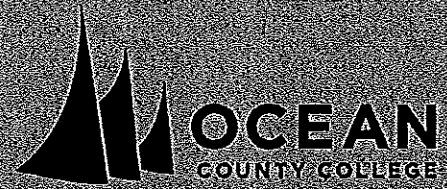
The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and State of New Jersey Circular 04-04-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and is not a required part of the basic financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December____, 2011 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 results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, as listed in the table of contents, is not a required part of the component unit financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurements and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Final Draft - December 2, 2011



Required Supplementary Information

**For the Fiscal Year Ending
June 30, 2011**

**OCEAN COUNTY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2011**

EXHIBIT A - 2

This report presents management's review and analysis of Ocean County College's (The College) financial performance during the fiscal years ended June 30, 2011, 2010 and 2009. 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 Assets combines and consolidates current financial resources with capital assets. The Statement of Revenues, Expenses, and Changes in Net Assets 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.

ENROLLMENT

A change in the State aid distribution formula that excludes noncredit courses was agreed upon by all nineteen County Colleges and implemented in FY2008. Consequently, audited enrollments were limited to credit courses only. Total state-funded credit hour enrollments were as follows:

	FY 2011	FY 2010	FY 2009	Change 2010-2011	Change 2009-2010
Credit Hours	237,727	242,418	222,975	(4,691)	19,443

The millennial student demographic is expected to decline in the coming years. In an effort to increase yield rates from the high schools, recruitment efforts have focused on quality and substance of education and support services at the college. New recruitment campaigns have been designed to speak directly to parents and high school classroom faculty with the message to "Get Smart, Save Money". This campaign demonstrates the financial benefit of attending OCC for the first two years rather than a State University. In addition, the College has begun using social networking to communicate with potential students.

OCC maintains a focus on retention. In 2009 the first semester retention rate was 89.1% while second semester retention rate was 72.6% and the third semester retention rate was 64.8%. Ocean County College was listed number 87 of the nation's 2011 Top 100 Associate Degree Producers in the United States. These rates of retention and graduation are among the highest in New Jersey for community colleges and 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 and the NJ Stars program.

OCEAN COUNTY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2011

EXHIBIT A - 2

ENROLLMENT (Continued)

Several new grants have been awarded to the college with a focus on the returning adult student. These grants provide support services specialized for returning adults that encourage persistence in academic programs. Additionally, the Veterans Services program at the college has been redesigned and is now centrally located in the Academic Advising/Planning department. Veterans are typically in need of high levels of support and the College is positioned to provide both advising/counseling as well as financial aid resources in a user-friendly environment.

The rate of participation of students in student life organizations and intercollegiate athletic programs remains very high. Student clubs and intercollegiate athletic teams continue to distinguish themselves on a regional and national level. Satisfied and engaged students are one of the most critical components of our recruitment and retention efforts. In a recent survey of First Year students, more than 95% indicated they were satisfied or highly satisfied with the Freshmen Orientation/Advising program. This is a critical component of Ocean County College's high persistence (retention) rate from second semester to third semester, which is one of the highest of all community colleges in the state.

A major initiative is underway to increase enrollment in e-learning courses where students participate in courses via the Internet rather than in the classroom. The number of distance learning courses offered by the College increased from 422 sections to 451 sections or 6.9% from FY2010 to FY2011, added to a similar 6.9% increase from the 386 sections offered in FY2009. The College has entered into a partnership agreement with Pearson E-College and with the start of the fall 2011 semester five full degree programs were offered 100% on line. E-learning courses are being marketed nationally with the expectation that enrollment will expand rapidly. Emphasis on e-learning will allow the College to grow in a period when county high school graduation population is stagnant and funding from governmental sources is scarce.

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 FY2011 a total of 2,778 students were served at 13 active off-site locations (primarily high schools) 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. A duplicated count indicates that 4,402 students took classes at the SEC in FY2011. Additionally, the Ocean County Vocational School's 50,000 square foot Marine Academy for Technology and Environmental Science (MATES) on the SEC campus hosted 635 students in FY2011. The College is able to use the building 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.

Despite the reduction in eligibility mandated by the State from the top 20% to the top 15% of high school graduates, the NJ STARS program continued to bolster enrollment. The NJ STARS program provides tuition funding from the state for NJ high school students graduating in the top 15% of their class and attending one of the 19 NJ community colleges. The College maintains the highest NJ STARS enrollment in the state with 695 students in FY2011, compared to 642 students in FY2010 and 865 students in FY2009. The success of recruiting NJ STARS students has a positive impact not only on enrollment numbers, but also as testimony that the College is a viable choice for the best and brightest students in Ocean County.

OCEAN COUNTY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2011

ENROLLMENT (Continued)

Another significant factor in enrollment growth is the College's partnership with Kean University which provides residents of Ocean County the opportunity to take their classes at OCC and obtain baccalaureate and master's degrees from a public institution without leaving the county. The articulation agreement with Kean University requires new freshman students applying for the Kean@Ocean option to earn their OCC Associate's degree before matriculating to the Kean University program. Students who graduate from OCC who did not follow the Kean@Ocean curriculum but later wish to earn their baccalaureate degree through Kean@Ocean are encouraged to take additional OCC courses before transferring to Kean University.

The Kean@Ocean program currently includes fully articulated programs leading to a bachelor's degree in accounting, management, marketing, computer science, criminal justice, elementary education, English, history, nursing, biology, physical education, sociology, public administration, special education, finance, psychology and graphic design. In addition, Kean@Ocean has received branch campus status approval from the State for their graduate degree offerings which include Educational Leadership, Counselor Education, Nursing, Public Administration, Accounting and Executive Masters of Business Administration. In FY2011, students enrolled in 30,189 credits as part of the Kean@Ocean option, a 23% increase over FY2010's 24,622 credits which had reflected a 44% increase from the 17,132 credits in FY2009. Enrollment is expected to continue to grow as we begin construction of the Gateway Building which will be jointly funded and operated by Kean and OCC.

Enrollment for the fall of 2011 (FY2012) was 0.9% lower than enrollment in the fall of 2010. The College anticipated flat enrollment for FY2012 and developed the annual budget accordingly. The impact of this minor enrollment decrease will be accommodated through identified cost-cutting measures. The e-learning initiative is expected to pay enrollment dividends beginning in the spring of 2011 and the College will monitor enrollment trends closely during this period of change.

STATEMENT OF NET ASSETS

The Statement of Net Assets presents all assets, liabilities and net assets for the College. Both assets and liabilities are classified as either current (available or due within one year) or non-current. Net assets are categorized into (a) the amount invested in capital assets, net of related debt (b) restricted assets (expendable or non-expendable) which are designated by an outside funding source and (c) unrestricted net assets.

**OCEAN COUNTY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2011**

STATEMENT OF NET ASSETS (Continued)

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

	<u>FY 2011</u>	<u>FY 2010</u>	<u>FY 2009</u>	<u>1 Yr Change 2010-2011</u>	<u>1 Yr Change 2009-2010</u>
Current Assets	\$ 30,997,467	\$ 27,495,657	\$ 28,330,980	\$ 3,501,810	\$ (835,323)
Capital Assets	64,248,644	55,786,722	44,710,352	8,461,922	11,076,370
Non-Current Assets	11,517,510	7,077,841	1,252,511	4,439,669	5,825,330
Total Assets	106,763,621	90,360,220	74,293,843	16,403,401	16,066,377
Current Liabilities	10,970,952	9,978,309	10,485,140	992,643	(506,831)
Non-Current Liabilities	15,752,159	8,827,159	97,158	6,925,000	8,730,001
Total Liabilities	26,723,111	18,805,468	10,582,298	7,917,643	8,223,170
Net Assets	\$ 80,040,510	\$ 71,554,752	\$ 63,711,545	\$ 8,485,758	\$ 7,843,207

Non-current assets increased primarily to account for the receivable for the College share of the Gateway Bond in FY2011 and the Arts and Community Center/Green Power Project Bond in FY2010 (reduced by the billings for construction in progress). The increase to capital assets was due to the completion of several major projects that were capitalized in FY2011: the Planetarium project for a total amount of \$4.1 million, the Theater/Cultural Center project for a total amount of \$4.7 million and the Ocean County Stadium for \$1.8 million and FY2010: John C. Bartlett Jr., Hall \$11 million, Facilities Warehouse/Parking Additions \$985k, and Parking Lot #2 Expansion \$950k.

SUMMARY OF NET ASSETS

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

	<u>FY 2011</u>	<u>FY 2010</u>	<u>FY 2009</u>	<u>1 Yr Change 2010-2011</u>	<u>1 Yr Change 2009-2010</u>
Net Assets:					
Unrestricted	\$ 20,312,936	\$ 18,240,883	\$ 18,323,428	\$ 2,072,053	\$ (82,545)
Restricted Expendable	709,614	718,255	677,765	(8,641)	40,490
Investment in Capital Assets, net	59,017,960	52,595,614	44,710,352	6,422,346	7,885,262
Total Net Assets	\$ 80,040,510	\$ 71,554,752	\$ 63,711,545	\$ 8,485,758	\$ 7,843,207

**OCEAN COUNTY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2011**

SUMMARY OF NET ASSETS (Continued)

Restricted Expendable Net Assets primarily include funds received from a private donation that is earmarked for the development of a Community Sailing Center. Unrestricted Net Assets have 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. Historically, capital funds have been provided through the Chapter 12 program which is funded jointly by the State and the County. It is clear that the Chapter 12 program will not provide the capital funds needed to support our growing student population and aging campus in the foreseeable future. No Chapter 12 funds were available in FY2009 and in FY2010 the College was allotted \$2,353,000 which was allocated to fund the expansion of athletic fields and facilities.

The approved allocation of \$8,500,000 FY2011 Chapter 12 has been dedicated to the construction of a new College Center. The current facility was built for 3,000 students and is woefully inadequate to accommodate our student body of over 10,000 credit students plus Kean students, plus non-credit students. The Chapter 12 funds will be supplemented by a major allocation of college funds plus a bond to be floated by Ocean County. Unrestricted net assets have also been earmarked to fund infrastructure improvements needed to support the growth of the campus to the upper mall.

Other projects to be funded by unrestricted net assets include green initiatives such as fuel cell maintenance and supplemental funds for the construction of a combined heat and power plant. Deferred maintenance projects include the replacement of the unit ventilators in both the Instructional and Russell Buildings, renovations to the Health & Human Performance and Administration Buildings, and replacement of selected underground piping. Total renovation of the Information Technology Building was completed during FY2011. This project was necessary to protect the College's investment in technology. Funds will also be used for expenses not covered by outside sources for both the Arts & Community Center Theater and the Planetarium projects which are in the final close-out stages. A detailed explanation of the project is provided below in the project summary section of this MD&A and the list of funding commitments can be found in Note 9 to the following financial statements.

The College's long term financial plan calls for several bonded projects to take place over the next ten years and funding has been set aside for future debt service. The debt service fund balance is needed to relieve the operating budget in years when multiple bonds are in place at the same time. 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 outside the Chapter 12 program on behalf of the College and in turn the College has committed to repaying varying portions of the debt service. 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.

**OCEAN COUNTY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2011**

SUMMARY OF NET ASSETS (Continued)

This cooperative arrangement began in August of 2009 when the first bond in the amount of \$9 million was sold. Three million was used for Phase II of the Arts and Community Center project which included a major renewal of the theater and the addition of a Cultural Center. Six million is being used for the construction of a combined heat and power plant which is called the College Green Power Project. This project will support the electrical needs of the anticipated Gateway Building as well as provide an efficient and environmentally friendly power alternative for many of the existing buildings on campus. The \$15,000,000 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. The debt service for both these bonds has been budgeted and the long term plan ensures that the College's operating budget will be prepared to fund the debt service over the entire repayment term.

CAPITAL ASSETS

The FY2011 ending Construction in Progress balance primarily represents construction on the Gateway Building and combined heat & power plant. The increase in the Building and Improvements balance is a result of construction completed on the Arts & Community Center Theater, plus the renovations to the Planetarium and Information Technology Building. The donation of the new Planetarium equipment funded by the Ocean County College Foundation accounted for a large portion of the Equipment & Furniture increase. The \$1.9 million addition to Land Improvements is for the new Ocean County Stadium funded with FY2010 Chapter 12 monies. This first-class sports facility includes an athletic field and tennis courts.

An outline of Capital Asset activity for the year ended June 30, 2011 follows:

	Balance June 30, 2010	Increases	Decreases	Adjustments	Balance June 30, 2011
Capital Assets, Non-Depreciable:					
Land	\$ 589,257				\$ 589,257
Construction in Progress	7,749,804	\$ 8,993,852	\$ (787,743)	\$ (12,063,966)	3,891,947
	8,339,061	8,993,852	(787,743)	(12,063,966)	4,481,204
Capital Assets, Depreciable:					
Land Improvements	3,493,928			1,923,350	5,417,278
Buildings & Improvements	52,349,061			9,427,431	61,776,492
Equipment & Furniture	9,210,830	2,566,473	(342,201)	670,784	12,105,886
Infrastructure	863,119			42,401	905,520
	65,916,938	2,566,473	(342,201)	12,063,966	80,205,176
Total Asset Cost	74,255,999	11,560,325	(1,129,944)	-	84,686,380
Less Accumulated Depreciation	(18,469,277)	(2,167,003)	198,544	-	(20,437,736)
Capital Assets, Net	\$ 55,786,722	\$ 9,393,322	\$ (931,400)	\$ -	\$ 64,248,644

The FY2010 Construction in Progress balance primarily represents construction on the Planetarium and Arts and Community Center Theater, and the increase in the Building and Improvements balance is a result of construction completed on Bartlett Hall.

**OCEAN COUNTY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2011**

CAPITAL ASSETS (Continued)

An outline of Capital Asset activity for the year ended June 30, 2010 follows:

	<u>Balance June 30, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Balance June 30, 2010</u>
Capital Assets, Non-Depreciable:					
Land	\$ 589,257				\$ 589,257
Construction in Progress	11,166,726	\$ 13,013,383	\$ (577,539)	\$ (15,852,766)	7,749,804
	11,755,983	13,013,383	(577,539)	(15,852,766)	8,339,061
Capital Assets, Depreciable:					
Land Improvements	1,114,998	11,500		2,367,429	3,493,927
Buildings & Improvements	39,671,574	43,025		12,634,462	52,349,061
Equipment & Furniture	8,413,919	508,984	(562,947)	850,875	9,210,831
Infrastructure	863,119				863,119
	50,063,610	563,509	(562,947)	15,852,766	65,916,938
Total Asset Cost	61,819,593	13,576,892	(1,140,486)	-	74,255,999
Less Accumulated Depreciation	(17,109,241)	(1,868,950)	508,914	-	(18,469,277)
Capital Assets, Net	\$ 44,710,352	\$ 11,707,942	\$ (631,572)	\$ -	\$ 55,786,722

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

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 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 increased \$226,015 or 0.4% from \$52,054,726 in FY2010 to \$52,280,741 in FY2011 compared to a \$6,146,194 or 13.4% increase from FY2009 to FY2010.

Auxiliary revenue, primarily bookstore sales, grew over 5% from FY2009 to FY2010, and continued to grow in FY2011 despite the enrollment downturn. Some of the many Bookstore improvements that have contributed to this growth are: the implementation of an online textbook sales system and the implementation of college-wide text book guidelines and procedures. Increased efforts to buy back books from students and procuring used books from wholesalers rather than buying new from publishers resulted in dramatic increases in used book sales. This strategy keeps prices low for students and creates customer loyalty. The Bookstore also experimented with textbook rental options for students during FY2011 and plans to expand its offering in FY2012.

**OCEAN COUNTY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2011**

Revenues (Continued)

The Planetarium re-opened during FY2011 after an extensive facility and equipment overhaul. Physical renovations to the building were funded by a generous \$2 million contribution from the County of Ocean, and after a successful fundraising campaign the Ocean County College Foundation contributed over \$1.5 million in equipment. This new state of the art technology has distinguished the venue as a premier attraction in the community, while a long-list of programming provides wide appeal to a variety of audiences. Another benefit of the new equipment is that it is now being used for class instruction in Arts and other credit courses whereby the students view images projected on the dome ceiling.

The Arts & Community Center opened a second production space in the Cultural Center. The Cultural Center is used for Dance classes as well as theater productions. This more intimate setting accommodates smaller-scale shows and allows the College to offer boutique performances that would be cost prohibitive in the large theater. A recent partnership with The Garden State Philharmonic, the orchestra-in-residence, has resulted in several well-received productions during FY2011 and more are planned for FY2012.

County and State Appropriations

The County of Ocean continued its outstanding support of the College and provided an FY2011 operating appropriation consistent with FY2010 of \$15,200,259, which had included a \$510,637 increase compared to FY2009. The College anticipates a 2.5% or \$500,000 decrease in funding for FY2012. Compared to other institutions in the NJ county college sector, the College is fortunate to have benefited from the steady funding support it has received from Ocean County.

The allocation from the State of New Jersey decreased \$104,558 from FY2009 to FY2010 and was reduced by another \$714,178 in FY2011 due to a reduction in aid to the sector attributable to the unfavorable state-wide economic climate. The total allocation from the State to New Jersey community colleges is expected to remain flat in FY2012. The level of State funding is likely to remain an issue for New Jersey community colleges in the foreseeable future and the College is determined to develop alternative revenue streams such as e-learning to offset future funding decreases.

Tuition & Fees

Tuition and fee revenues from all sources comprise more than half of the College's total operating revenue. Total Tuition and Fee Revenue decreased \$1,105,707 or 4.1% between FY2010 and FY2011, compared to a 3% increase from FY2009 to FY2010. The FY2011 variance is attributed to credit-hour enrollment of 1.9% less compared to FY2010, as well as an enrollment drop in non-credit continuing & professional education. 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
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2011**

Tuition & Fees (Continued)

OCC was the only community college in NJ that elected not to implement a tuition rate increase in FY2010. The tuition rate increased by \$2.00 at the start of FY2011 to \$94 per credit from the spring 2009 rate of \$92 per credit. This very moderate increase was made possible by continued cost containment efforts and enrollment growth. College/student fees remained at the FY2009 level of \$17. Technology fees remained at the FY2007 level of \$11 per student credit. Course fees also remained at FY2007 levels.

For FY2012, the College again did not increase tuition or fees in recognition of the economic constraints experienced within the community. At the same time, the College implemented a Financial Restructuring Plan that included a reduction in force. This allowed the College to increase efficiency and continue to operate without program cuts or tuition increase. It is expected, however, that moderate tuition increases will be necessary over the next few years.

Grants

Total aid (includes grants, loans and work study) disbursed to students in FY2011 totaled \$28,369,441 in FY2010 \$28,898,977 and in FY2009 \$21,425,708. Financial aid awards have increased 127% over the past five years and during the same time frame the number of recipients has increased by 57.5%. The growth in aid disbursed is indicative of the downturn in the national and local economy. The growth also indicates that the College's financial aid services are a crucial component in sustaining student enrollment. 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.

In FY2011 a \$75,000 federal grant for Disengaged Adults Returning to College (Adults Back @ College) College Access passed through the NJ Commission on Higher Education was awarded to OCC. The purpose of the program is to identify, contact, re-enroll and graduate adults who have left NJ colleges in good standing but without earning the intended associate's degree. The grant has been renewed for FY2012.

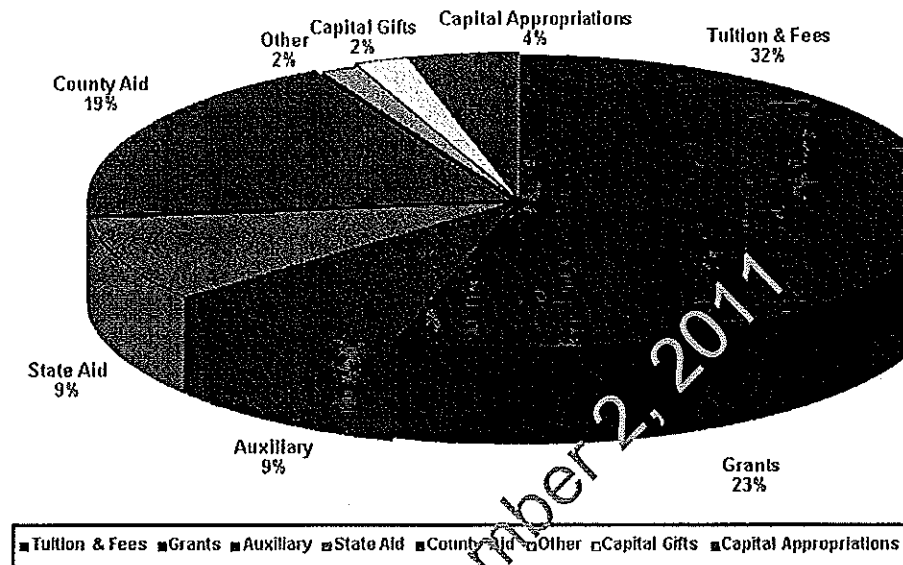
The \$220,000 per year grant for five years originally awarded in FY2011 for Student Support Services Program (TRIO) by the federal US Department of Education continues. The goal is to increase persistence, academic standing, and transfer and graduation rates through intensive/intrusive advising models. Resources include tutoring, workshops on financial aid and developing financial literacy, modified Student Success courses, facilitation with transfer, cultural activities and peer mentoring.

A \$420,593 two-year grant for Information Technology Professionals in Health Care, a federal US Dept of Health & Human Services sub-award pass through from Tidewater Community College, was awarded to OCC for FY2011 & 2012. The purpose of the program is to provide training for individuals to work in the proposed national electronic medical records system. The grant provides funds to recruit students with a background in IT or healthcare and provide training and assist in finding job opportunities.

**OCEAN COUNTY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2011**

Revenues (Continued)

The following is a graphical illustration of Total Revenues for the year ending June 30, 2011:



Expenses

College operating expenses totaled \$71,695,397 in FY2011 compared with \$73,459,297 in FY2010 and \$65,208,150 in FY2009. The FY2011 decrease of \$1,763,900 or 2.4% compared to FY2010 illustrates the College's dedicated efforts to reduce expenses in a period of economic difficulty. The largest decrease of over 16% was reflected in the Operation and Maintenance of Plant category. Expenses were higher in FY2010 due to investments in energy savings initiatives designed to significantly reduce future energy costs. This initial outlay is expected to provide relief to the operating budget over many years to come. These infrastructure improvements are durable, dependable and widely accessible to faculty for instructional opportunities as well as Facilities staff for assessment.

Another important component of the cost containment realized in FY2011 was the application of moderate salary increases for non-represented and adjunct employees. Annual salary increases were below 2% for both FY2011 and FY2012 which was commensurate with the low national rate of inflation. With the exception of the adjunct union, negotiations continued with the full time faculty, represented administrators, and support staff employees. No annual salary increases were awarded to these unionized employees during FY2011 which contributed to the overall decrease in expenses.

Institutional Support also decreased 8.9% due to the capitalization of a larger percentage of minor capital purchases and the higher expenses than usual in FY2010 due to the campus-wide multi-function copier/printer upgrade. An additional non-operating expenditure of \$411,204 was incurred by the College for the interest portion of the debt-service payments to the County of Ocean during FY2011. 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 the Unrestricted Fund Balance has been set-aside to cover future payments in order to minimize the impact on current operating activity.

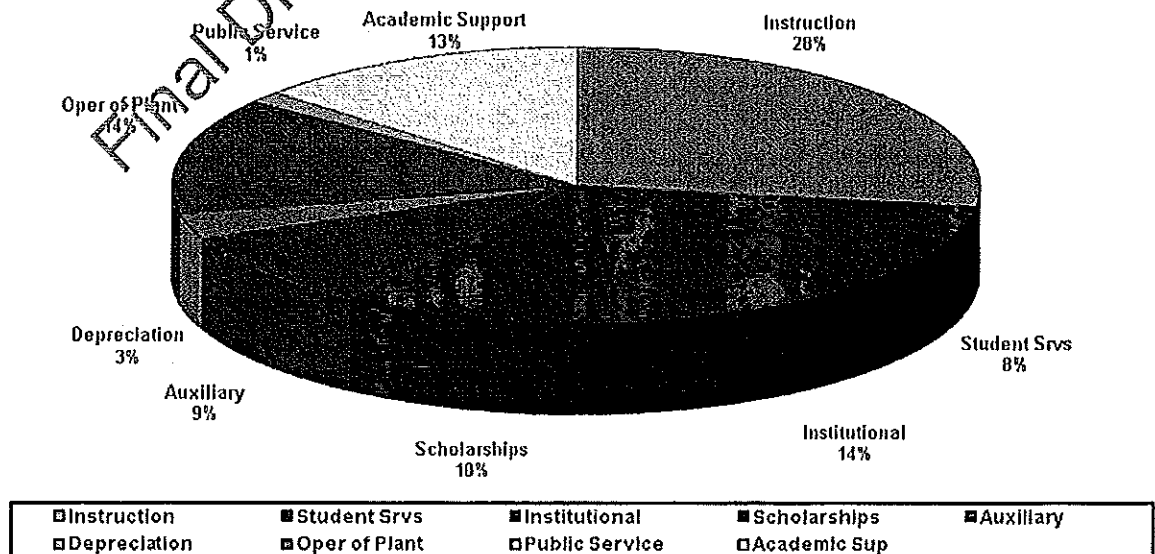
**OCEAN COUNTY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2011**

Expenses (Continued)

Comparing FY2010 to FY2009, the largest increase of over 80% was reflected in the Scholarship & Other Student Aid Category. This was a result of an increase in the number of students eligible for financial aid and the number of grants that provide cost of living stipends to students. The increased expenses in Instruction were due to negotiated salary increases and increased adjunct staffing. Institutional Support increased due to minor capital renewals and investment in a telephone/wireless network upgrade. The completion of deferred maintenance projects, addition of Security personnel and the replacement of equipment and vehicles that had exceeded their useful life, accounted for the increase in Plant Operation and Maintenance costs.

	<u>FY 2011</u>	<u>FY 2010</u>	<u>FY 2009</u>	<u>FY 2010-2011 1 Yr Change</u>	<u>FY 2009-2010 1 Yr Change</u>
Operating Expenses:					
Instruction	\$ 19,618,935	\$ 19,566,116	\$ 18,405,399	\$ 52,819	\$ 1,160,777
Public Service	963,461	699,024	493,671	264,437	205,353
Academic Support	9,522,997	9,477,511	9,255,853	45,486	221,658
Student Services	5,412,955	5,392,017	5,146,679	20,938	245,338
Institutional Support	10,193,723	11,189,046	9,399,114	(995,317)	1,789,926
Operation & Maintenance of Plant	9,732,225	11,663,031	10,591,492	(1,930,806)	1,071,539
Scholarships & Fellowships	7,374,729	7,138,363	3,915,852	236,566	3,222,311
Depreciation	2,167,003	1,868,950	1,672,923	298,053	196,027
Total	64,986,028	65,993,852	58,880,923	(2,007,824)	8,112,929
Auxiliary Expenses	6,611,399	6,411,412	6,153,028	199,981	258,384
Other Non-Operating Expenses	47,970	54,033	174,199	43,943	(228,232)
Total Operating Expenses	\$ 71,695,397	\$ 73,459,297	\$ 65,208,150	\$ (1,763,900)	\$ 8,143,081

Following is a graphical illustration of Expenses for the year ended June 30, 2011:



**OCEAN COUNTY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2011**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (Continued)

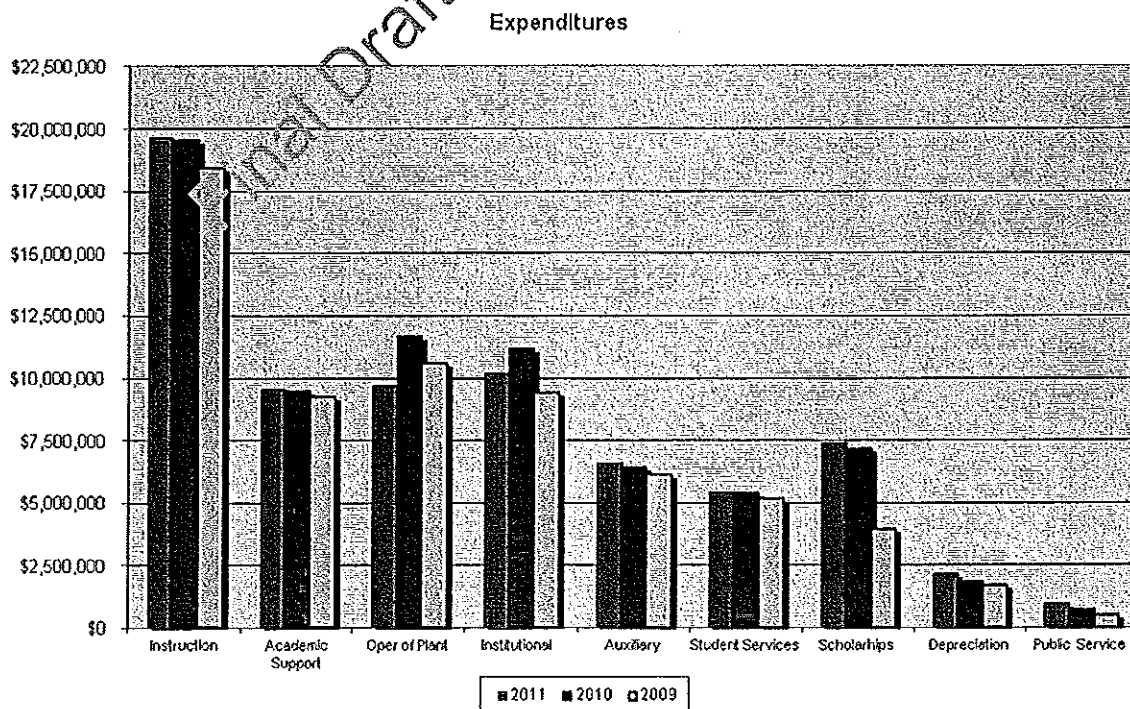
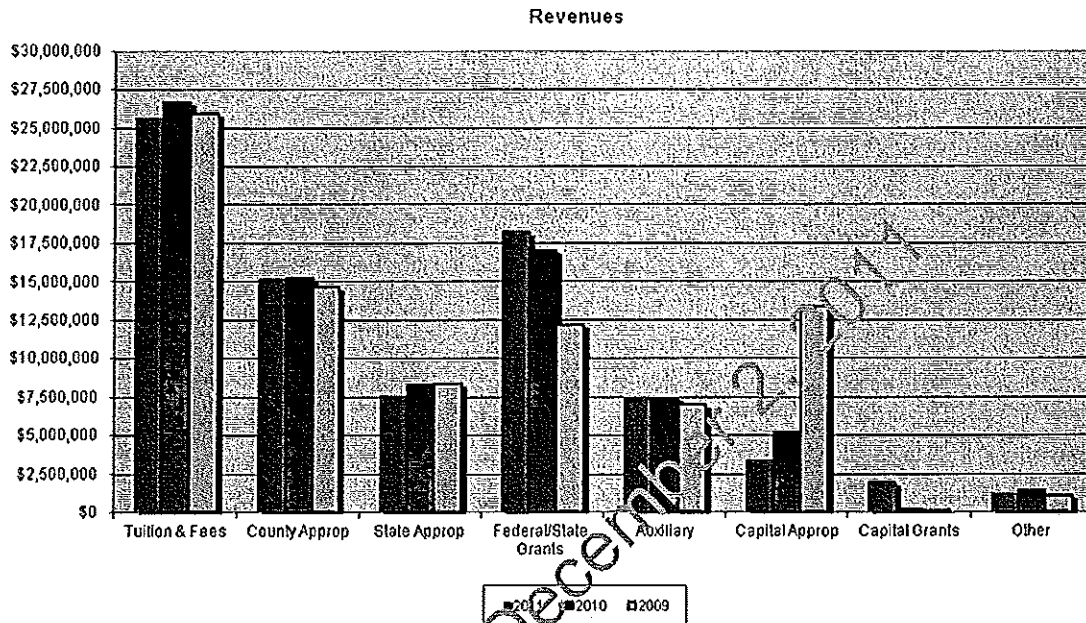
Following is a summary of the entire report for the periods ending June 30, 2011, 2010 and 2009.

	<u>FY 2011</u>	<u>FY 2010</u>	<u>FY 2009</u>	<u>FY 2010-2011 1 Yr Change</u>	<u>FY 2009-2010 1 Yr Change</u>
Operating Revenue:					
Tuition, Net	13,379,372	13,882,366	13,994,610	(502,994)	(112,244)
Fees	10,114,899	10,189,584	9,480,765	(74,685)	708,819
Chargeback to Other Counties	16,085	28,698	6,799	(12,613)	21,899
Continuing Prof Education	2,084,312	2,599,726	2,432,351	(515,414)	167,375
Federal, State and Local Grants	18,252,538	16,987,948	12,182,866	1,264,590	4,805,082
Auxiliary Enterprises	7,445,072	7,408,129	7,028,366	36,943	379,763
Other Operating Revenues	988,464	958,275	882,775	30,189	175,500
Total Operating Revenues	52,280,742	52,054,726	45,998,532	226,016	6,146,194
Operating Expenses	64,986,028	66,993,852	58,880,923	(2,007,824)	8,112,929
Auxiliary Expenses	6,611,393	6,411,412	6,153,028	199,981	258,384
Other Expenses	97,976	54,083	174,199	43,943	(120,166)
Total Expenses	71,695,397	73,459,297	65,208,150	(1,763,900)	8,251,147
Operating Loss	(19,414,655)	(21,404,571)	(19,299,618)	1,989,916	(2,104,953)
Non-Operating Rev/(Exp):					
State Appropriations	7,575,555	8,289,763	8,394,321	(714,178)	(104,558)
County Appropriations	15,200,259	15,200,259	14,689,622	-	510,637
Investment Income	169,459	375,437	176,404	(205,978)	199,033
Interest Expense	(411,204)	(122,927)	-	(288,277)	(122,927)
Capital Appropriations	3,355,619	5,253,654	13,406,830	(1,898,035)	(8,153,176)
Capital Grants & Gifts	1,961,493	202,000	47,500	1,759,493	154,500
Other Non-Operating Revenue	49,203	49,592	65,432	(389)	(15,840)
	27,900,414	29,247,778	36,780,109	(1,347,364)	(7,532,331)
Increase in Net Assets	8,485,759	7,843,207	17,480,491	642,552	(9,637,284)
Net Assets Beginning of Year	71,554,752	63,711,545	46,231,054	7,843,207	17,480,491
Net Assets End of Year	\$ 80,040,511	\$ 71,554,752	\$ 63,711,545	\$ 8,485,759	\$ 7,843,207

**OCEAN COUNTY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2011**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (Continued)

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 June 30, 2011**

PROJECTS COMPLETED AND IN PROCESS

Arts and Community Center

Phase I of the Arts and Community Center (formerly the Fine Arts Building) renovation and addition was completed in FY2009. The second phase of this project, a major theater upgrade which includes new lighting and sound systems, acoustical treatments, theatrical rigging replacement, new dressing rooms, and storage rooms as well as the addition of a Cultural Center, was completed in early FY2011. The County of Ocean issued a bond in August of 2009 for \$3,000,000 that will be repaid by the College. The total project cost is estimated at \$5,000,000 with \$1,500,000 funded by the original Chapter 12 allocation and the remaining \$500k by College fund balance.

Planetarium

The renovation and equipment replacement in the Planetarium was accomplished through a unique combination of efforts. More than 1 million dollars was raised by the Ocean County College Foundation to fund the replacement of obsolete equipment. The County committed \$2 million to fund the required building renovations and approximately \$500k in College funding was used to complete the project. Construction was completed in early FY2011 and the building opened to the public in October, 2010.

Completed Projects

A number of self-funded projects were completed in FY2011. The College continues to dedicate funds to the upkeep and expansion of our forty year old campus and many similar projects are underway in FY2012. Projects completed in FY2011 include:

- Upgrades to the electronic welcome sign
- Track & drape system for gym in Health & Human Performance Building
- Portable flooring for event space
- HVAC upgrades in Health & Human Performance Building
- Ric-Wil piping
- Health Science Building Renovation
- Information Technology Building Renovation

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 anticipates the construction of a T-dock, an air conditioned building and a connected boat storage facility. The Center will be used by the College sailing team for its fleet of sailboats.

**OCEAN COUNTY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2011**

PROJECTS COMPLETED AND IN PROCESS (Continued)

Joint Ocean County College/Kean University (Gateway) Building

The partnership between Ocean County College and Kean University has continued to flourish. Consequently, a joint Ocean County College/Kean University building (the Gateway Building) is under construction on the OCC campus. Kean University, Ocean County and the College have formed a unique collaboration to jointly plan and fund this project that will provide expanded access to baccalaureate and master degree programs to Ocean County residents. The agreement between Kean University and Ocean County College to jointly operate the soon to be constructed Gateway Building was finalized in late FY2010. The agreement provides that the responsibility for operating expenses will be shared evenly between Ocean County College and Kean University. The County of Ocean is funding the infrastructure and Kean University has committed to funding half the cost of the building through its Foundation. The bond for the Kean portion of the cost has been issued by the Bergen County Improvement Authority. OCC will fund its half of the building through a bond that was issued by Ocean County in December 2010. The debt service will be funded 50% by the County and 50% by the College. OCC is controlling the building construction and issuing the necessary contracts. The Gateway Building will allow for the expansion of Kean offerings on the OCC campus as well provide additional instructional space for OCC students. Occupancy of the Gateway Building is planned for the fall semester of 2012.

Student Center Renovation and Addition

The design of a new Student Center has been drafted. It includes student dining space, bookstore, club and organization space, study space as well as general student lounge space. The current Student Center was built in 1970 to serve 3,000 students. The same structure is currently serving over 10,000 and fails to meet the needs of the student body. A related goal has been established to house all student service functions (including registration, payment, financial aid, etc) in one place to provide more convenient service to students. A total of \$8.5 million in Chapter 12 funds will be available in FY2012 to support this major initiative. Plans are in place to self-fund a portion of the balance via accumulated fund balance, and the remainder will be bonded through Ocean County which will be repaid jointly by the College and Ocean County. It is anticipated that a portion of Kean University student fees will be provided to the College as well to contribute to repayment of the debt. The inadequacy of the Student Center has been a problem on campus for several years and it serves as a deterrent to increased enrollment. Completion of the project is a very high priority for the College over the next few years.

ECONOMIC FACTORS THAT AFFECT THE FUTURE

The many energy conserving initiatives implemented by the College have begun to moderate utility cost increases campus-wide. Past initiatives included the fuel cell and the procurement of natural gas and electricity through the NJ community college purchasing consortium. More recently the College partnered with Concord Engineering and Tozour Energy Systems in a guaranteed energy savings program. Accumulated fund balance was used to invest in systems and materials designed to significantly reduce energy costs. This effort along with the College Green Power Project will provide relief to the operating budget over many years to come.

**OCEAN COUNTY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2011**

ECONOMIC FACTORS THAT AFFECT THE FUTURE (Continued)

The cost of employee health benefits has escalated at an alarming rate over the past few years. The State Health Benefits Plan (SHBP) increased premiums 7% in calendar year 2009 and 23% in calendar year 2010 and another 6% for calendar year 2011. The increases were partially offset by the implementation of a 1.5% of salary contribution by all employees in May of 2010. Recent legislation will change the required employee contribution to a percentage of premium based on annual salary ranges. The financial impact of this most recent change is not yet known but over time we expect these changes to help curtail future increases in health care costs.

The College has faced difficult financial circumstances in the recent past. In FY2011, enrollment decreased for the first time in several years. The decrease was not dramatic but the original FY2011 budget called for a moderate enrollment increase. The enrollment decline combined with a reduction to the State aid projection, resulted in a budget decrease of approximately \$1 million. The College implemented cost saving measures and the revised FY2011 budget was balanced by decreasing expense by \$1 million.

Due to the difficult economic circumstances facing students today, no tuition increase was implemented in FY2012. Under these circumstances, balancing the FY2012 budget was difficult. Flat enrollment coupled with a decrease in County operating aid and a moderate decrease in State aid required commensurate cuts to the expense. This resulted in the implementation of college-wide Restructuring Plan to close a projected \$1.5 million dollar budget gap. Many benefits were derived from the Restructuring Plan which redistributed a number of employees to different areas/staffs in order to better meet the needs of the organization. Sixteen positions were eliminated and of the sixteen, six employees were ultimately placed in other positions. The implementation of this plan was necessary to create greater efficiency of College operations with significant cost savings but with no reduction in services to students.

The College realizes that expense containment alone will not sustain the College in the long term. New e-learning programs have been developed and implemented through a partnership with NCS Pearson. These new programs are being marketed to attract students from all over the country. At the same time, the College is in negotiations with TimeCruiser Computing Corporation and Nanjin Radio & TV University to develop a partnership to offer courses to students in China. The international program will be accounted for as an auxiliary enterprise and will be funded entirely by new revenue. This venture has the potential to bring countless new students to OCC and increase tuition revenue without subsidies from the State or County.

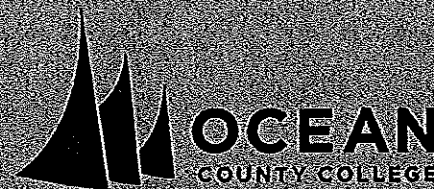
The College is committed to a proactive approach in financial matters and long term goals will not be compromised in order to alleviate short term problems. The focus on e-learning is intended to permit the College to grow in a time when the County population has stabilized and government sources of revenue are dwindling. We are taking steps now to ensure that Ocean County College operates in the most efficient manner possible while making appropriate investments in plant and technology that will allow the College to continue to thrive in the future.

OCEAN COUNTY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2011

ECONOMIC FACTORS THAT AFFECT THE FUTURE (Continued)

The College is focused on controlling expenses while providing resources necessary to support rising enrollment as State funding remains unstable. Expense controls include joint purchasing with other NJ community colleges and various consortiums, implementation of technology such as document imaging and PC virtualization and hiring controls. Ocean County's financial support has been essential in helping moderate tuition. Ocean County College has demonstrated its' commitment to keeping tuition and fees low while providing a first class education. The College is committed to providing the appropriate technology and campus environment to support outstanding educational services while keeping tuition affordable. Ocean County College looks forward to attracting e-learning students both domestically and internationally while continuing to provide the students of Ocean County with an outstanding education in a top notch campus environment.

Final Draft - December 2, 2011



Basic Financial Statements

For the Fiscal Year Ending
June 30, 2011

**OCEAN COUNTY COLLEGE
STATEMENTS OF NET ASSETS
Years Ended June 30, 2011 and 2010**

	2011		2010	
	College	Component Unit OCC Foundation	College	Component Unit OCC Foundation
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	14,893,200	\$ 308,037	\$ 17,934,251	\$ 399,331
Investments	8,030,420	1,979,013	2,049,153	2,064,062
Accounts receivable, net of allowance of \$1,960,591 and \$1,886,611 at June 30, 2011 and 2010, respectively	4,814,820	-	2,709,301	-
Inventories	899,232	-	1,072,187	-
Prepaid items	244,038	1,864	1,089,411	814
Other assets	87,668	196,769	90,036	218,086
Intergovernmental accounts receivable: County of Ocean capital appropriation	2,028,089	-	2,551,318	-
Total current assets	30,997,467	2,485,683	27,495,657	2,682,293
NON-CURRENT ASSETS				
Restricted cash and cash equivalents	423,611	-	442,218	-
Endowment investments	-	4,880,128	-	4,212,603
Loans receivable	94,583	183,071	97,418	150,647
Intergovernmental accounts receivable: County of Ocean capital appropriation	10,999,316	-	6,538,205	-
Capital assets, net	64,248,644	-	55,786,722	-
Total non-current assets	75,766,154	5,063,199	62,864,563	4,363,250
Total assets	106,763,621	7,548,882	90,360,220	7,045,543
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	8,950,383	59,005	2,883,276	65,936
Accrued expenses	2,941,670	-	2,976,565	-
Deferred revenue:				
Student tuition and fees	3,406,297	-	3,821,393	-
Federal and state grants	97,602	-	27,075	-
Other	-	23,650	-	2,500
County of Ocean - debt service agreement	575,000	-	270,000	-
Total current liabilities	10,970,952	82,655	9,978,309	68,436
NON-CURRENT LIABILITIES				
U.S. Government grants refundable	97,159	-	97,159	-
County of Ocean - debt service agreement	15,655,000	-	8,730,000	-
Total non-current liabilities	15,752,159	-	8,827,159	-
Total liabilities	26,723,111	82,655	18,805,468	68,436
NET ASSETS				
Investment in capital assets, net of related debt	59,017,960	-	52,595,614	-
Restricted for:				
Non-expendable:				
Program	-	250,977	-	215,958
Scholarships	-	3,639,733	-	3,145,284
Other	-	989,418	-	851,361
Expendable:				
Instructional department uses	126,313	-	110,105	-
Loans	21,535	-	19,785	-
Capital projects	561,766	-	588,365	-
Program	-	708,898	-	508,541
Scholarships	-	184,928	-	511,439
Other	-	198,711	-	193,554
Unrestricted	20,312,936	1,493,562	18,240,883	1,550,970
TOTAL NET ASSETS	\$ 80,040,510	\$ 7,466,227	\$ 71,554,752	\$ 6,977,107

OCEAN COUNTY COLLEGE
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Years Ended June 30, 2011 and 2010

	2011		2010	
	College	Component Unit OCC Foundation	College	Component Unit OCC Foundation
REVENUES				
Operating revenues:				
Student tuition and fees	\$ 35,077,712	\$ -	\$ 35,663,791	\$ -
Scholarship discounts and allowances	(9,483,045)	-	(8,963,417)	-
Federal and State grants	18,252,537	-	16,987,948	-
Gifts and contributions	-	1,025,700	-	716,677
Other	988,463	6,754	958,275	6,384
Auxiliary enterprises	7,445,072	-	7,408,129	-
Total revenues	52,280,739	1,032,454	52,054,726	723,061
EXPENSES				
Operating expenses:				
Educational and general:				
Instructional	19,618,935	-	19,566,116	-
Public service	963,461	-	699,024	-
Academic support	9,522,997	-	9,477,511	-
Student services	5,412,954	-	5,392,017	-
Institutional support	10,193,722	281,890	11,189,040	264,547
Operations and maintenance of plant	9,732,225	-	11,663,031	-
Scholarship and other student aid	7,374,729	436,061	7,138,163	376,244
Depreciation	2,167,003	-	1,868,950	-
Other expenditures	97,976	914,666	54,033	731,931
Auxiliary enterprises	6,617,393	-	6,411,412	-
Total expenses	71,695,395	1,632,617	73,459,297	1,372,722
Operating income (loss)	(19,414,656)	(600,163)	(21,404,571)	(649,661)
NON-OPERATING REVENUES (EXPENSES)				
State appropriations	7,575,585	-	8,289,763	-
County appropriations:				
County aid	15,200,259	-	15,200,259	-
Capital appropriations	3,355,619	-	5,253,654	-
Investment income (loss)	169,459	1,089,283	375,437	700,550
Gifts - capital	1,961,493	-	202,000	-
Gifts - other	49,203	-	49,592	-
Additions to permanent endowments	-	-	-	14,048
Interest expense	(411,204)	-	(122,927)	-
On-behalf payments - Alternative Benefit Program:				
Teachers Insurance Annuity Association (TIAA):				
Revenues	726,201	-	771,714	-
Expenses	(726,201)	-	(771,714)	-
Total non-operating revenues (expenses)	27,900,414	1,089,283	29,247,778	714,598
INCREASE (DECREASE) IN NET ASSETS	8,485,758	489,120	7,843,207	64,937
NET ASSETS, BEGINNING OF YEAR	71,554,752	6,977,107	63,711,545	6,912,170
NET ASSETS, END OF YEAR	\$ 80,040,510	\$ 7,466,227	\$ 71,554,752	\$ 6,977,107

**OCEAN COUNTY COLLEGE
STATEMENT OF CASH FLOW
Years Ended June 30, 2011 and 2010**

	2011 College	2010 College
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 34,577,207	\$ 34,780,549
Grants and contracts	18,311,655	16,296,679
Grant payments	(952,468)	(1,074,576)
Payments to suppliers	(16,831,465)	(19,828,926)
Payments to employees	(29,967,731)	(30,933,802)
Payments for benefits	(8,831,612)	(8,088,935)
Payments to students	(14,296,662)	(13,170,821)
Collection of loans to students	2,835	892
Auxiliary enterprises charges	6,876,050	6,738,036
Auxiliary enterprises payments	(6,443,431)	(6,574,477)
Other receipts	869,852	584,227
Net cash used operating activities	(16,685,771)	(21,271,154)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	7,575,585	8,001,763
County appropriations	15,200,259	15,200,259
Gifts and grants for other than capital purposes	70,765	86,746
Net cash provided by noncapital financing activities	22,846,609	23,288,768
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital appropriations	1,964,993	9,421,198
Capital grants - local	5,681,637	877,942
Interest paid on capital debt	(681,204)	(122,927)
Purchase of capital assets	(10,374,114)	(13,040,504)
Net cash used in capital and related financing activities	(3,408,688)	(2,864,291)
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemption (purchase) of investments	(5,950,846)	4,554,009
Interest and dividends on investments	139,038	197,898
Net cash provided by (used in) investing activities	(5,811,808)	4,751,907
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,059,658)	3,905,230
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	18,376,469	14,471,238
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 15,316,811	\$ 18,376,469
RECONCILIATION TO STATEMENT OF NET ASSETS		
Unrestricted cash and cash equivalents	\$ 14,893,200	\$ 17,934,251
Restricted cash and cash equivalents	423,611	442,218
TOTAL RECONCILIATION TO STATEMENT OF NET ASSETS	\$ 15,316,811	\$ 18,376,469

OCEAN COUNTY COLLEGE
STATEMENT OF CASH FLOW
Years Ended June 30, 2011 and 2010

RECONCILIATION OF NET OPERATING REVENUES (EXPENSES)

TO NET CASH USED IN OPERATING ACTIVITIES

Operating loss	\$	(19,414,656)	\$	(21,404,571)
Adjustment to reconcile net loss to net cash used in operating activities:				
Depreciation expense		2,167,003		1,868,950
Loss on disposal of plant facilities		87,656		54,032
Changes in operating assets and liabilities:				
Accounts receivable, net		141,675		(112,792)
Inventories		172,955		(32,120)
Prepaid items		845,373		(760,125)
Other assets		2,366		(9,924)
Loans receivable		2,835		892
Accounts payable		(311,514)		(212,340)
Accrued expenses		(34,895)		65,613
Deferred revenue:				
Student tuition and fees		(4,509)		(671,613)
Federal and state grants		70,527		(57,156)
NET CASH USED IN OPERATING ACTIVITIES	\$	<u>(18,885,771)</u>	\$	<u>(21,271,154)</u>

Final Draft - December 2, 2011

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENT
June 30, 2011 and 2010

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*. The financial statements of the College would be either blended or discreetly presented as part of the County's financial statements if the County prepared its financial statements in accordance with GASB Statement No. 34 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. The County of 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.

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, 2011 and 2010, the Foundation distributed \$499,509 and \$611,889 respectively, to the College for both restricted and unrestricted purposes. In addition, the Foundation donated \$1.5 million dollars in Planetarium equipment to the College during the fiscal year 2011. In accordance with GASB Statement No. 39 – *Determining Whether Certain Organizations Are Component Units* the Foundation is discreetly presented in the financial statements of the College.

This information is an integral part of the accompanying financial statements.

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENT
June 30, 2011 and 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Component Units (continued)

The individual reports of audit of the Foundation for the fiscal years ended June 30, 2011 and 2010 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 assets, revenues, expenses, changes in net assets, cash flows and replaces the fund-group perspective previously required.

Basis of Accounting and Measurement Focus

For financial reporting purposes, the College is considered a special-purpose government engaged 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 assets.

Additionally, the College deposits funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. 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 STATEMENT
June 30, 2011 and 2010

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.

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.

County Aid

N.J.S.A. 18A:64A-22 states that each county which operates a county college shall continue to provide moneys for the support of college in an amount no less than 25% of the operational expense in the base State Fiscal year.

Deferred Revenue

Deferred revenue 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.

This information is an integral part of the accompanying financial statements.

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENT
June 30, 2011 and 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

<u>Assets</u>	<u>Years</u>
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, 2011 and 2010 was \$2,167,003 and \$1,868,950 respectively.

Financial Dependency

Among the College's largest revenue sources include 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.

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.

Accounts Receivable

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.

This information is an integral part of the accompanying financial statements.

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENT
June 30, 2011 and 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Doubtful Accounts

The allowance for doubtful accounts of student accounts receivable is 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 June 30, 2011 and 2010 was \$1,960,591 and \$1,886,611 respectively.

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 certain reported amounts and disclosures. Accordingly, 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, Federal Direct Loan Programs and Federal Family Education Loan Program (FFELP). Federal programs are audited in accordance with the Single Audit Act Amendments of 1996, the U.S. Office of Management and Budget Revised Circular A-133, *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 assets. 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, 2011 and 2010 was \$9,483,045 and \$8,963,417 respectively.

On-Behalf Payments for Pension Contributions

In fiscal year 1997 the College adopted the requirements of Governmental Accounting Standards Board (GASB) Statement No. 24 – *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*. GASB 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 STATEMENT
June 30, 2011 and 2010

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.

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENT
June 30, 2011 and 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

The College's net assets are classified as follows:

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

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

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

Unrestricted Net Assets – Unrestricted net assets represent resources derived from student tuition and fees, state and county appropriations and sales and services of educational departments 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.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements. The reclassifications did not affect total net assets or changes in net assets.

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENT
June 30, 2011 and 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

OCEAN COUNTY COLLEGE FOUNDATION, INC.

Nature of Activities

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

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 donor-imposed stipulations. Also included are cumulative losses on endowment investments in excess of undistributed income.

Temporarily restricted net assets

Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Foundation and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Permanently restricted net assets

Net assets subject to donor-imposed stipulations that will be maintained permanently by the Foundation. The donors of these assets generally permit the Foundation to use the income earned on the related investments for general or specific purposes.

Expenditures which meet the specific purposes of the temporarily restricted net assets are expensed from temporary net assets prior to unrestricted net assets.

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENT
June 30, 2011 and 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

OCEAN COUNTY COLLEGE FOUNDATION, INC. (CONTINUED)

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.

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, 2011 and 2010, the allowance for uncollectible student loans was \$125,000. 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.

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENT
June 30, 2011 and 2010

NOTE 2 – CASH AND CASH EQUIVALENTS**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the College's deposits may not be returned to it. Although the College does not have a formal policy regarding custodial credit risk, as described in Note 1, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). As of June 30, 2011 and 2010 the College's bank balances were exposed to custodial credit risk as follows:

	2011	2010
Insured	\$ 1,027,685	\$ 1,027,585
Uninsured	30,272	27,332
Collateralized under GUDPA	15,312,526	17,344,851
Total	\$ 16,370,463	\$ 18,399,768

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, 2011 and 2010, the College had \$167,933 and \$212,872 invested in the Fund, respectively.

NOTE 3 – INVESTMENTS**Custodial Credit Risk**

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.

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENT
June 30, 2011 and 2010

NOTE 3 – INVESTMENTS (Continued)**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.

Concentration of Credit Risk

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

As of June 30, 2011 and 2010, the College had the following investments:

Investment	Credit Rating	Fair Value	
		2011	2010
Certificates of Deposit	N/A	\$ 8,030,420	\$ 2,049,153
Total		<u>\$ 8,030,420</u>	<u>\$ 2,049,153</u>

Interest earnings were \$47,104 and \$108,029 for June 30, 2011 and 2010, respectively.

NOTE 4 – INVESTMENTS – FOUNDATION

Investments, carried at fair value, at June 30, 2011 and 2010 are as follows:

	2011	2010
Equity Securities	\$ 4,255,480	\$ 3,851,635
Corporate Bonds	1,838,941	1,723,082
U.S. Government Obligations	453,872	425,110
Preferred Stock	310,848	276,838
Total	<u>\$ 6,859,141</u>	<u>\$ 6,276,665</u>

Net unrealized holding gains in the amount of \$644,508 and \$377,208 for the years ended June 30, 2011 and 2010, respectively, are included as increases in net assets.

Certain investments are subject to subsequent market fluctuations and concentrations of future risk. The fair value measurements authoritative literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Foundation considers all investments to be Level 1.

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENT
June 30, 2011 and 2010

NOTE 5 – PROMISES TO GIVE – FOUNDATION

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

<u>For the Year</u> <u>Ending June 30,</u>	<u>2011</u>	<u>2010</u>
2011	\$ 20,924	\$ 70,710
2012	101,020	107,981
2013	14,109	4,743
2014	12,789	3,869
2015	3,685	3,685
2016	3,510	3,510
Thereafter	<u>3,343</u>	<u>3,350</u>
Total	\$ <u>159,380</u>	\$ <u>197,848</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 \$26,061 and \$32,630 for the years ended June 30, 2011 and 2010, respectively.

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OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENT
June 30, 2011 and 2010

EXHIBIT A - 2

NOTE 6 – CAPITAL ASSETS

The following schedule is a summarization of the changes in capital assets by source at June 30, 2011 and 2010:

	Balance June 30, 2010	Increases	Decreases	Balance June 30, 2011
Capital assets, non-depreciable:				
Land	\$ 589,258	\$ -	\$ -	\$ 589,258
Construction in progress	7,749,803	8,993,853	(12,851,710)	3,891,946
Total capital assets, non-depreciable	8,339,061	8,993,853	(12,851,710)	4,481,204
Capital assets, depreciable:				
Land improvements	3,493,927	1,923,350	-	5,417,277
Buildings and improvements	52,349,061	9,427,431	-	61,776,492
Equipment and furniture	9,171,353	3,237,257	(342,201)	12,066,409
Vehicles	39,477	-	-	39,477
Infrastructure	863,119	42,401	-	905,520
Total capital assets, depreciable	65,916,937	14,630,439	(342,201)	80,205,175
Less accumulated depreciation for:				
Land improvements	(351,983)	(114,909)	-	(466,892)
Buildings and improvements	(12,681,147)	(1,194,509)	-	(13,875,663)
Equipment and furniture	(4,845,739)	(838,968)	198,545	(5,490,162)
Vehicles	(39,477)	-	-	(39,477)
Infrastructure	(346,923)	(18,618)	-	(565,541)
Total depreciation	(18,469,276)	(2,167,004)	198,545	(20,437,735)
Total capital assets, depreciable net	47,447,661	12,463,435	(143,656)	59,767,440
Capital assets, net	\$ 55,786,722	\$ 21,457,288	\$ (12,995,366)	\$ 64,248,644

This information is an integral part of the accompanying financial statements.

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENT
June 30, 2011 and 2010

NOTE 6 – CAPITAL ASSETS (CONTINUED)

	Balance June 30, 2009	Increases	Decreases	Balance June 30, 2010
Capital assets, non-depreciable:				
Land	\$ 589,258	\$ -	\$ -	\$ 589,258
Construction in progress	11,166,726	13,013,383	(16,430,306)	7,749,803
Total capital assets, non-depreciable	11,755,984	13,013,383	(16,430,306)	8,339,061
Capital assets, depreciable:				
Land improvements	1,114,998	2,378,929	-	3,493,927
Buildings and improvements	39,671,574	12,677,487	-	52,349,061
Equipment and furniture	8,374,442	1,359,858	(562,947)	9,171,353
Vehicles	39,477	-	-	39,477
Infrastructure	863,119	-	-	863,119
Total capital assets, depreciable	50,063,610	16,416,274	(562,947)	65,916,937
Less accumulated depreciation for:				
Land improvements	(286,676)	(65,307)	-	(351,983)
Buildings and improvements	(11,691,992)	(899,162)	-	(12,681,154)
Equipment and furniture	(4,571,376)	(787,277)	508,914	(4,849,739)
Vehicles	(39,477)	-	-	(39,477)
Infrastructure	(519,719)	(27,204)	-	(546,923)
Total depreciation	(17,099,240)	(1,868,950)	508,914	(18,469,276)
Total capital assets, depreciable net	32,954,370	14,547,324	(54,033)	47,447,661
Capital assets, net	\$ 44,710,354	\$ 27,560,707	\$ (16,484,339)	\$ 55,786,722

NOTE 7 – ACCRUED COMPENSATED ABSENCES

Accrued compensated absences represents the College's liability for the cost of unused employee vacation time payable in the event of employee termination. College employees are granted vacation time in varying amounts under the college personnel policies and labor negotiated contracts. Regular sick leave benefits provide for ordinary sick pay and begin vesting after a predetermined number of years of service, with a maximum payout of \$15,000. As of June 30, 2011 and 2010, the liabilities for accrued expenses consist of the following:

	2011	2010
Sick	\$ 1,565,518	\$ 1,543,574
Vacation	578,771	570,055
Total	\$ 2,144,289	\$ 2,113,629

This information is an integral part of the accompanying financial statements.

**OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENT
June 30, 2011 and 2010**

NOTE 8 – PENSION PLANS

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

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

Public Employees' Retirement System

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

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

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

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

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Funded by State</u>	<u>Paid by College</u>
Public Employees Retirement System					
2011	\$ 482,905	\$ 642,855	\$ 1,125,760		\$ 1,125,760
2010	426,943	416,576	843,519		843,519
2009	365,266	333,164	698,430		698,430
Alternative Benefit Program					
2011	\$ 1,114,019	\$ -	\$ 1,114,019	\$ 726,201	\$ 387,818
2010	1,080,496	-	1,080,496	771,714	308,782
2009	941,500	-	941,500	749,480	192,020

This information is an integral part of the accompanying financial statements.

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENT
June 30, 2011 and 2010

NOTE 8 – PENSION PLANS (CONTINUED)

New Jersey Alternative Benefit Program

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

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

Under N.J.S.A. 18A:66-174, employer contributions for identified full-time academic positions are made by the State of New Jersey on behalf of the College. The College is responsible for the employer contribution for non-academic employees, as well as academic employees who are not considered full-time members of the faculty.

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

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

Met Life/Citistreet (Travelers)
Equitable
The Hartford
ING
Teacher's Insurance and Annuity Association (TIAA)
The Variable Annuity Life Insurance Company (VALIC)

The 2011 Employer's share was 8.0% of annualized wages. The College pays the employer's share and is reimbursed by the State of New Jersey for full-time academic participants as identified in N.J.S.A. 18A:66-170. During fiscal years 2011 and 2010, the State reimbursed \$726,201 and \$771,714 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 the State reimbursement was \$387,818 for FY 2011 and \$308,782 for FY 2010.

**OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENT
June 30, 2011 and 2010**

NOTE 9 – HEALTH BENEFITS PROGRAM

Plan Description

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

Funding Policy

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

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a school district or county college with 25 years of service.

NOTE 10 – 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.

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENT
June 30, 2011 and 2010

NOTE 10 – RISK MANAGEMENT (CONTINUED)

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 June 30, 2010, the most recent available report, the fund balance was \$2,361,501.

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 \$220,168 and \$213,405, respectively for fiscal years ended 2011 and 2010.

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 STATEMENT
June 30, 2011 and 2010

NOTE 11 – DESIGNATION OF UNRESTRICTED NET ASSETS

The following is a summary of the designations of unrestricted net assets at June 30, 2011 and 2010:

	2011	2010
Operating		
Auxiliary Enterprises	\$ 1,000,000	\$ 1,400,000
Student Life Funding	892,445	684,307
GED & PASS Funds	30,450	80,484
United Water	150,000	155,000
Debt Service Set Aside	5,195,869	3,877,073
	<u>\$ 7,268,764</u>	<u>\$ 6,196,864</u>
Capital		
Campus Construction Projects:		
IT Building Upgrade	\$ 195,360	\$ 1,385,670
Physical Plant Expansion/Admin. Renovation	-	55,284
Russell Building Unit Ventilators	170,000	-
Russell Building Window Replacement	-	12,959
College Center Addition Architect	614,800	658,945
Security Best Practices Implementation	-	150,000
Administrative Building HVAC, Elevator and Vestibules	126,000	196,000
Mill Creek Sailing Center	512,455	301,995
Facilities Assessment Immediate Needs Project	-	138,000
College-wide Waste Recycling Initiative	-	70,000
Automatic Chlorination System for Natatorium	-	14,818
Guaranteed Energy Savings Program	-	42,000
Tennis Courts Relocation/Athletic Fields Replacement	-	74,974
Health & Human Performance Building Renovations	28,000	300,656
Athletic Field Complex	-	125,000
Planetarium	98,170	214,891
Arts & Community Center	166,500	410,696
Wind Turbine	-	30,000
Ric Wil Piping	-	230,175
Nursing Renovations	-	475,000
Instructional Building Ventilators	270,000	270,000
Instructional Building Chiller	-	92,252
Gateway Water Main, Electric, Mall Landscaping	1,600,000	1,670,487
Deferred Maintenance Audit List	-	250,000
Fuel Cell	258,887	258,887
Student Center Reserve	8,000,000	3,615,330
CHP Reserve	1,000,000	1,000,000
	<u>13,044,172</u>	<u>12,044,019</u>
Total	<u>\$ 20,312,936</u>	<u>\$ 18,240,883</u>

This information is an integral part of the accompanying financial statements.

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENT
June 30, 2011 and 2010

NOTE 12 – UNRESTRICTED NET ASSETS – FOUNDATION

The unrestricted net assets at June 30, 2011 and 2010 consisted of the following:

	<u>2011</u>	<u>2010</u>
Quasi -Endowment Fun	\$ 1,049,197	\$ 1,153,021
Loan Fund - Citta/Maimone	<u>444,578</u>	<u>397,949</u>
	<u>\$ 1,493,775</u>	<u>\$ 1,550,970</u>

NOTE 13 – TEMPORARILY RESTRICTED NET ASSETS – FOUNDATION

Temporarily restricted net assets at June 30, 2011 and 2010 consisted of the following:

	<u>2011</u>	<u>2010</u>
Quasi - Endowment Fund Support	860,206	\$ 647,338
Endowment Fund Pledge	7,535	8,135
Current Funds	<u>229,512</u>	<u>558,061</u>
	<u>\$ 1,097,253</u>	<u>\$ 1,213,534</u>

NOTE 14 – PERMANENTLY RESTRICTED NET ASSETS – FOUNDATION

Permanently restricted net assets consist of approximately 47 endowments funds established primarily to provide scholarships to students of Ocean County College. The endowments include both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, 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.

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

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENT
June 30, 2011 and 2010

NOTE 14 – PERMANENTLY RESTRICTED NET ASSETS – FOUNDATION (CONTINUED)

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, 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, 2011 and 2010 consisted of the following:

	<u>2011</u>	<u>2010</u>
Endowment Funds	\$ 4,875,199	\$ 4,212,603

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENT
June 30, 2011 and 2010

NOTE 15 – COMMITMENTS**Computer Center Operations**

The College entered into an agreement with Sungard Collegis Inc., to provide support of the management and operation of its computer center totaling \$19,681,682. The agreement commenced January 1, 2009 and will terminate December 31, 2013. There is a termination clause within the contract that allows each party to terminate the contract for the failure by a party to timely perform any material obligation under the agreement.

Remaining annual payments under this contract are as follows:

Year ending June 30,	<u>Annual Payment</u>
2012	\$ 3,976,332
2013	1,988,166
Total	<u>\$ 5,964,498</u>

NOTE 16 - LONG-TERM OBLIGATIONS

Long-term obligation activity for the year ended June 30, 2011, was as follows:

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2011</u>	<u>Current</u> <u>Portion</u>
Bonds Payable	\$ 9,000,000	\$ 7,500,000	\$ 270,000	\$ 16,230,000	\$ 575,000

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.

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

<u>Fiscal Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest Payable</u>	<u>Total</u>
2012	\$ 270,000	\$ 288,886	\$ 558,886
2013	\$ 350,000	\$ 281,136	\$ 631,136
2014	\$ 365,000	\$ 271,286	\$ 636,286
2015	\$ 375,000	\$ 260,186	\$ 635,186
2016	\$ 390,000	\$ 246,760	\$ 636,760
2017-2021	\$ 2,205,000	\$ 983,469	\$ 3,188,469
2022-2027	\$ 2,615,000	\$ 572,534	\$ 3,187,534
2027-2030	\$ 2,160,000	\$ 149,876	\$ 2,309,876
Total	<u>\$ 8,730,000</u>	<u>\$ 3,054,133</u>	<u>\$ 11,784,133</u>

This information is an integral part of the accompanying financial statements.

**OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENT
June 30, 2011 and 2010**

NOTE 16 - LONG-TERM OBLIGATIONS (CONTINUED)

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.

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest Payable</u>	<u>Total</u>	<u>50% Share due from College</u>
2012	\$ 610,000.00	\$ 544,956.26	\$ 1,154,956.26	\$ 577,478.13
2013	610,000.00	532,756.26	1,142,756.26	571,378.13
2014	615,000.00	520,506.26	1,135,506.26	567,753.13
2015	620,000.00	508,156.26	1,128,156.26	564,078.13
2016	630,000.00	495,656.26	1,125,656.26	562,828.13
2017-2021	3,365,000.00	2,160,481.30	5,525,481.30	2,762,740.65
2022-2026	3,905,000.00	1,440,637.55	5,345,637.55	2,672,818.78
2027-2031	4,645,000.00	538,190.64	5,183,190.64	2,591,595.32
Total	\$ 15,000,000.00	\$ 6,741,349.79	\$ 21,741,349.79	\$ 10,870,670.40

NOTE 17 – 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 \$233,000 in 2011 and \$215,000 in 2010. In addition, the Foundation received gifts that were sold at auction which are recorded as fund and support and increased fundraising revenue and expense in these financial statements by approximately \$33,000 in 2011 and \$22,000 in 2010. 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 18 – LITIGATION

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

**OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENT
June 30, 2011 and 2010**

NOTE 19 – 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. The building will house both Ocean County College and Kean University academic programs.

The College will undertake all contractual obligations and commitments to construct the Gateway Building, with KUF contributing 50% of the funding on a reimbursement basis. Each party will have an equal undivided fifty percent (50%) interest in the building upon completion. Once the building is operational, the College and KUF will 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, 2011, Kean's portion of the construction costs were \$2,547,937.

NOTE 20 – EDUCATION AND GENERAL EXPENSES BY FUNCTION

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

	2011					
	<u>Salaries & Benefits</u>	<u>Supplies & Materials</u>	<u>Services</u>	<u>Scholarships</u>	<u>Utilities</u>	<u>Depreciation</u>
Educational and general expenditures:						
Instruction	16,492,190	687,429	2,499,316	\$ -	\$ -	\$ -
Public service	127,440	27,973	518,348	-	-	-
Academic support	7,77,039	713,261	1,638,707	-	-	-
Student services	4,248,199	235,321	929,434	-	-	-
Institutional support	5,688,936	1,591,213	2,913,673	-	-	-
Operation and maintenance of plant	4,312,166	1,594,775	1,793,827	-	2,031,457	-
Student aid	-	-	-	7,374,729	-	-
Depreciation	-	-	-	-	-	2,167,003
Total education and general expenditures	\$ 38,269,670	\$ 4,849,962	\$ 10,293,205	\$ 7,374,729	\$ 2,031,457	\$ 2,167,003
Other expenses						97,976
Auxiliary expenses						6,611,393
Total						\$ 71,695,395

This information is an integral part of the accompanying financial statements.

OCEAN COUNTY COLLEGE
NOTES TO FINANCIAL STATEMENT
June 30, 2011 and 2010

NOTE 20 – EDUCATION AND GENERAL EXPENSES BY FUNCTION (CONTINUED)

	2010					
	Salaries & Benefits	Supplies & Materials	Services	Scholarships	Utilities	Depreciation
Educational and general expenditures:						
Instruction	\$ 16,474,526	\$ 719,890	\$ 2,371,700	\$ -	\$ -	\$ -
Public service	405,726	13,028	280,270	-	-	-
Academic support	7,346,864	782,120	1,348,527	-	-	-
Student services	4,248,118	288,424	875,475	-	-	-
Institutional support	5,363,651	1,809,718	4,015,671	-	-	-
Operation and maintenance of plant	4,251,133	3,279,081	1,937,226	-	2,195,591	-
Student aid	-	-	-	7,138,163	-	-
Depreciation	-	-	-	-	-	1,868,950
Total education and general expenditures	<u>\$ 38,090,018</u>	<u>\$ 6,872,261</u>	<u>\$ 10,828,889</u>	<u>\$ 7,138,163</u>	<u>\$ 2,195,591</u>	<u>\$ 1,868,950</u>
Other expenses						54,033
Auxiliary expenses						6,411,412
Total						<u>\$ 73,459,297</u>

This information is an integral part of the accompanying financial statements.

**Report on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

The Honorable Chairman and
Members of the Board of Trustees
Ocean County College
Toms River, New Jersey 08754

We have audited the accompanying financial statements of the business-type activities of Ocean County College, State of New Jersey, a component unit of the County of Ocean, State of New Jersey, as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated December ____, 2011. We did not audit the financial statements of the Ocean County College Foundation, a discretely presented component unit. Those financial statements were audited by another auditor whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Ocean County College Foundation, is based on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Department of Treasury, State of New Jersey. The financial statements of Ocean County College Foundation (a discretely presented component unit) were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. However, discussed as item 2011-1 within the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting 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 College's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described as item 2011-1 within the accompanying schedule of findings and questioned costs to be a material weakness in internal control over financial reporting.

Compliance and Other Matters

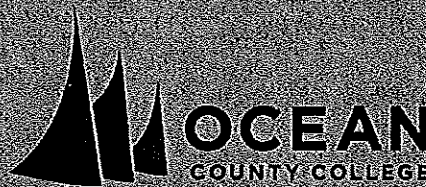
As part of obtaining reasonable assurance about whether the College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

We noted certain matters that we reported to management and the audit committee in a separate letter dated December ____, 2011.

This report is intended solely for the information and use of the audit committee, management, others within the entity and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mt. Laurel, New Jersey
December ____, 2011

Final Draft - December 2, 2011



Single Audit Section

For the Fiscal Year Ending
June 30, 2011

**Report on Compliance with Requirements Applicable that Could
Have a Direct and Material Effect on Each Major Program and on
Internal Control Over Compliance in Accordance with OMB Circular A-133
and State of New Jersey Circular 04-04-OMB**

The Honorable Chairman and
Members of the Board of Trustees
Ocean County College
Toms River, New Jersey

Compliance

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 fiscal year ended June 30, 2011. The College's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the College's management. Our responsibility is to express an opinion on the College's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Department of Treasury, State of New Jersey; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and State of New Jersey Circular 04-04-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133, and State of New Jersey Circular 04-04-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the College's compliance with those requirements.

In our opinion, Ocean County College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 11-04 and 11-05.

Internal Control Over Compliance

The management of the College is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the

College's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey Circular 04-04-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 11-02, 11-03, 11-04, and 11-05. *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.

Management's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Management's responses and, accordingly, we express no opinion on them.

Mt. Laurel, New Jersey
December XX, 2011

OCEAN COUNTY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grant Number	Program or Award Amount	Program Funds Received	Grant Period		FY 2011 Expenditures	Cumulative Expenditures
					From	To		
U.S. Department of Education								
Student Financial Aid (Direct Funding)								
Federal Direct Loan Program:								
Unsubsidized	84.268	N/A	5,635,763	243,639	7/1/2009	6/30/2010	\$ 233,037	\$ 5,635,763
Unsubsidized	84.268	N/A	5,816,885	5,811,035	7/1/2010	6/30/2011	5,816,885	5,816,885
Subsidized	84.268	N/A	6,364,273	116,106	7/1/2009	6/30/2010	108,431	6,364,273
Subsidized	84.268	N/A	5,173,890	5,169,349	7/1/2010	6/30/2011	5,173,890	5,173,890
Plus	84.268	N/A	117,086	62,066	7/1/2010	6/30/2011	62,066	62,066
Federal Pell	84.063	P063P091816	10,498,232	740,221	7/1/2009	6/30/2010	365,865	10,498,232
Federal Pell	84.063	P063P091816	12,030,853	11,576,872	7/1/2010	6/30/2011	11,591,377	11,591,377
Academic Competitiveness Grant	84.375	P375A091816	194,238	30,045	7/1/2009	6/30/2010	2,222	194,238
Academic Competitiveness Grant	85.375	P375A091816	245,479	245,254	7/1/2010	6/30/2011	246,379	246,379
Federal College Work Study	84.033	P033A082591	250,000	70,365	7/1/2009	6/30/2010	27,666	250,000
Federal College Work Study	84.033	P033A082591	164,797	155,173	7/1/2010	6/30/2011	161,532	161,532
Federal Supplemental Educational Opportunity	84.007	P007A092591	150,044	85,340	7/1/2009	6/30/2010	42,863	150,044
Federal Supplemental Educational Opportunity	84.007	P007A092591	117,290	91,033	7/1/2010	6/30/2011	91,033	91,033
Total Student Financial Aid							23,923,246	46,235,712
TRIO Student Support Services (Direct Funding)								
Passed Through New Jersey Commission on Higher Education	84.042A	P042A100615	220,000	22,400	9/1/2010	8/31/2011	56,511	56,511
College Access Challenge - Dual Enrollment	84.378	GO 074 24000000748 01	20,000	13,000	7/1/2010	6/30/2011	11,856	11,856
College Access Challenge - Tools for College Access	84.378	GO 074 24000000733 01	10,000	2,000	7/1/2009	6/30/2010	-	10,000
College Access Challenge - Disengaged Adults Returning to College	84.378A	2-367P0300007	75,000	60,000	7/1/2010	6/30/2011	66,695	66,695
Total Passed Through New Jersey Commission on Higher Education							78,551	88,551
Passed Through New Jersey Department of Education								
Perkins Career & Tech Ed Career Academy (Lakewood) sub-grantee	84.048	Sub-grantee	11,933	517	7/1/2009	6/30/2010	-	1,718
Perkins Career and Technology Ed Improvement	84.048A	PSF5716010	369,719	169,766	7/1/2009	6/30/2010	1,208	369,325
Perkins Career and Technology Ed Improvement	84.048A	PSF5716011	386,868	209,462	7/1/2010	6/30/2011	386,868	386,868
Total Passed Through New Jersey Department of Education							388,076	738,911
Passed through New Jersey Higher Education Student Assistance Authority								
College Access Challenge - Tools for College Access	84.378	GO 074 24000000819 01	7,500	3,750	2/1/2011	8/31/2011	7,500	7,500
Total US Department of Education							24,453,884	47,127,185
Passed Through Tidewater Community College								
ARRA - Health Information Technology Professionals in Healthcare	93.721	90CC0080/01	420,593	29,829	4/20/2010	4/1/2012	298,345	298,345
U.S. Environmental Protection Agency (Direct Funding)								
Barnegat Bay Partnership	66.456	CE982123-06	511,966	46,250	10/1/2005	9/30/2010	31,606	511,966
Barnegat Bay Partnership	66.456	CE982123-07	497,600	69,962	10/1/2006	9/30/2011	81,229	403,102
Barnegat Bay Partnership	66.456	CE982123-08	418,000	27,854	10/1/2007	9/30/2010	25,862	418,000
Barnegat Bay Partnership	66.456	CE982123-09	606,750	102,191	10/1/2008	9/30/2011	90,944	588,060
Barnegat Bay Partnership	66.456	CE982123-10	650,000	356,622	10/1/2009	9/30/2012	173,325	599,387
Barnegat Bay Partnership	66.456	CE982123-11	800,000	276,130	7/1/2010	6/30/2013	396,798	396,798
Wetlands Program Development	66.461	CD972259-09	392,400	3,374	1/1/2010	12/31/2013	59,170	59,170
Total U.S. Environmental Protection Agency							858,934	2,886,483
Passed Through New Jersey Department of Environmental Protection								
Section 319H Non-Point Source Implementation	66.46	RP10-105	150,000	1,115	6/1/2010	6/16/2013	21,060	21,060
Passed Through New Jersey Economic Development Authority								
ARRA - Clean Energy Solutions CHP Program	81.041	P33803	475,200	95,040	12/14/2010	4/30/2012	95,040	95,040
Total Federal Assistance							\$ 25,727,263	\$ 50,428,173

OCEAN COUNTY COLLEGE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
Year Ended June 30, 2011

State Grantor/Program Title	State G.M.I.S. Number	Program or Award Amount	Program Funds Received	Grant Period		FY 2011 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	\$ 129,438	\$ -	7/1/2009	6/30/2010	\$ (481)	\$ 129,438
Equal Opportunity Fund- Article IV	100-074-2401-002	130,543	130,543	7/1/2010	6/30/2011	113,623	113,623
Educational Opportunity Fund - Article III	100-074-2401-001	154,942	-	7/1/2009	6/30/2010	(525)	154,942
Educational Opportunity Fund - Article III	100-074-2401-001	152,708	142,265	7/1/2010	6/30/2011	142,265	142,265
Educational Opportunity Fund - Article III, Summer	100-074-2401-001	10,984	-	7/1/2009	6/30/2010	-	10,984
Educational Opportunity Fund - Article III, Summer	100-074-2401-001	10,365	5,365	7/1/2010	6/30/2011	10,365	10,365
Educational Opportunity Fund - Article III, Summer	100-074-2401-001	10,365	7,774	7/1/2011	6/30/2012	-	-
Educational Opportunity Fund - Article III, Summer	100-074-2405-313	1,550,879	(8,818)	7/1/2009	6/30/2010	(13,704)	1,550,879
NJ Stars	100-074-2405-313	984,621	1,031,163	7/1/2010	6/30/2011	983,993	983,993
NJ Stars	N/A	168,934	7,056	7/1/2009	6/30/2010	7,056	168,934
NJ Class Loan	N/A	103,679	103,679	7/1/2010	6/30/2011	103,679	103,679
Department of the Treasury - Office of Student Assistance							
Edward J. Bloustein Distinguished Scholars Program	100-074-2405-278	30,690	-	7/1/2009	6/30/2010	465	30,690
Edward J. Bloustein Distinguished Scholars Program	100-074-2405-278	14,415	17,670	7/1/2010	6/30/2011	14,415	14,415
Tuition Aid Grant	100-074-2405-007	2,974,092	99,311	7/1/2009	6/30/2010	(7,016)	2,975,850
Tuition Aid Grant	100-074-2405-007	2,406,962	2,423,183	7/1/2010	6/30/2011	2,423,183	2,423,183
Total Student Financial Aid Programs							
						3,777,318	8,813,220
NJ Board of Public Utilities							
Anemometer	100-082-2014-124	26,250	3,988	8/1/2008	7/31/2010	2,179	15,296
NJ Special Needs Grant Program							
Project Academic Skills Support	100-074-2400-014	162,000	32,400	7/1/2009	6/30/2010	39,708	162,000
Department of the Treasury							
Operational Costs - County Colleges	100-082-2155-015	7,575,585	7,575,585	7/1/2010	6/30/2011	7,575,585	7,575,585
Employer Contributions - Alternative Benefit Program	100-082-2155-017	726,201	630,776	7/1/2010	6/30/2011	726,201	726,201
P.O.L. 1971, Chapter 12 Debt Service	100-082-2155-016	14,313,786	1,538,755	7/1/2010	6/30/2011	1,944,471	13,716,470
Total Treasury							
						10,246,257	22,018,256

OCEAN COUNTY COLLEGE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
Year Ended June 30, 2011

State Grantor/Program Title	State G.M.I.S. Number	Program or Award		Program Funds Received	Grant Period		FY 2011 Expenditures	Cumulative Expenditures
		Amount			From	To		
Department of Environmental Protection								
Bey Lea Golf Course Project	06-48018000710	\$ 290,490	\$	31,898	4/12/2007	4/11/2012	\$ 31,231	\$ 97,254
Ocean County Vo-tech Project	06-48018000709	144,843		24,487	4/12/2007	4/11/2012	19,369	73,846
Climate Change Revenue	N/A	38,225		22,000	7/1/2010	6/30/2011	22	822
Wetland Monitoring Revenue	N/A	18,800		-	7/1/2010	6/30/2011	6,000	6,000
Barnegat Bay Festival	N/A	10,000		10,000	7/1/2010	6/30/2011	3,468	3,468
State of the Bay	N/A	10,000		10,000	7/1/2010	6/30/2011	2,345	2,345
Total Environmental Protection							62,435	183,735
NJ Department of Community Affairs								
Displaced Homemaker Grant	2010-15883-0115-01	66,785		33,104	7/1/2009	6/30/2010	3,054	66,785
Displaced Homemaker Grant	2011-15863-0828-01	69,913		30,619	7/1/2010	6/30/2011	69,913	69,913
Total Community Affairs							72,967	136,698
NJ Department of Labor and Workforce Development								
GED Testing Center	08-650-C001-903	23,902		23,400	7/1/2009	6/30/2010	-	108,111
GED Testing Center	08-650-C001-903	85,118		66,524	7/1/2010	6/30/2011	83,819	83,819
Total Labor and Workforce Development							83,819	191,930
Other State Programs								
Child Assault Prevention	N/A	N/A		64,556	7/1/2010	6/30/2011	67,106	67,106
Total State Financial Assistance							\$ 14,351,789	\$ 31,588,241

Final Draft December 2, 2011

**OCEAN COUNTY COLLEGE
NOTES TO SCHEDULES OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
Year Ended June 30, 2011**

NOTE 1 – GENERAL

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

NOTE 2 – BASIS OF ACCOUNTING

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

NOTE 3 – RELATIONSHIP TO FINANCIAL STATEMENTS

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

NOTE 4 - STUDENT LOAN PROGRAMS

The College is responsible only for the performance of certain administrative duties with respect to the Federal 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, 2011.

NOTE 5 – MAJOR PROGRAMS

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

**OCEAN COUNTY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2011**

I. Summary of Independent Auditor's Results**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- | | | | | |
|--|---------------|-----|---------------|---------------|
| • Material weakness(es) identified? | <u> X </u> | Yes | <u> </u> | No |
| • Significant deficiencies identified that are not considered to be material weaknesses? | <u> </u> | Yes | <u> X </u> | None reported |

Noncompliance material to financial statements noted?

 Yes X No

Federal Awards

Internal control over major programs:

- | | | | | |
|--|---------------|-----|---------------|---------------|
| • Material weakness(es) identified? | <u> </u> | Yes | <u> X </u> | No |
| • Significant deficiencies identified that are not considered to be material weaknesses? | <u> X </u> | Yes | <u> </u> | None reported |

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

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

Name of Federal Program	CFDA Number
Student Financial Assistance Cluster:	
Federal Direct Loan Program	84.268
Federal Pell Grant Program	84.063
Academic Competitiveness Grant	84.375
Federal Supplemental Educational Opportunity Grant	84.007
Federal Work Study Program	84.033
Perkins Career and Technology Ed Improvement Grant	84.048A
National Estuary Program	66.456

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

Auditee qualified as low-risk auditee? X Yes No

OCEAN COUNTY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2011
(Continued)

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 auditor's report issued on compliance for major programs: Unqualified

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

Name of State Program	GMIS Number
New Jersey Stars Program	100-074-2405-313
Tuition Aid Grant (TAG)	100-074-2405-007
Operational Costs – County Colleges	100-082-2155-015
P.L. 1971, Chapter 12 Debt Service	100-082-2155-016
Employer Contributions – Alternative Benefit Program	100-082-2155-017

Dollar threshold used to distinguish between type A and type B programs: \$ 430,554

Auditee qualified as low-risk auditee? _____ X Yes _____ No

OCEAN COUNTY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2011
(Continued)

II. Findings Relating to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards and with Audit Requirements as Prescribed by the Department of Treasury, State of New Jersey

1. Material Weakness in Internal Control

Yes

Finding Reference: 11-01 – Reclassification of investment of capital assets, net of related debt and accounts receivable/deferred revenue

Finding: Ocean County College (the "College") did not properly include construction in progress as part of the calculation of the "invested in capital assets, net of related debt" net asset category on the statement of financial position.

Also, the College improperly included student tuition bills for the next fiscal year's summer and fall semesters within their accounts receivable and deferred revenue balances as of the end of the year, effectively overstating both the current asset and current liability categories on the statement of net assets.

The College was unaware that these financial statement presentation practices were not in accordance with GAAP until they were pointed out during the audit process. When these issues were brought to management's attention they immediately corrected the financial statement presentation for fiscal year 2011. For the corresponding prior fiscal year amounts presented, the appropriate reclassifications were made to the financial statements.

Cause: Due to improper classification of construction in progress in of investment of capital assets, net of related debt and accounts receivable/deferred revenue.

Effect: The "invested in capital assets, net of related debt" net asset category was materially understated due to construction in progress not being included as part of the calculation. The total net assets were not impacted as the "restricted" and "unrestricted" net asset categories together were overstated by an equal amount.

Prior year financial statements had the accounts receivable and deferred revenue balances materially overstated by the amount of outstanding tuition bills that related to semesters in the next fiscal year. There was no impact on net assets as a result of this situation.

Context: The College utilizes departmental fund accounting as a management tool to monitor its capital asset activity, including construction in progress, capital grants and appropriations, and capital debt. Under this accounting structure, construction in progress was accounted for separately from capital assets placed in service. As such, the net assets associated with the construction in progress were not recognized as being "invested in capital assets", which is inconsistent with the definition of this net asset category under GAAP.

The College begins registration for its summer and fall semesters before the end of the previous fiscal year. As students complete the registration process, the College records an accounts receivable in the student's account for the related tuition charges. If the registration is for a semester that falls within the next fiscal year, the College records a deferred revenue liability equal to the tuition receivable. While this is an acceptable practice to monitor accounts

OCEAN COUNTY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2011
 (Continued)

receivable, management did not evaluate these balances as the end of the fiscal year to determine the appropriate accounting treatment under GAAP. As a result of this practice, the College has been overstating both the assets and liabilities on the statement of net assets at the end of its fiscal year, by recording both the student accounts receivable and the deferred revenue liability for this future semester activity, rather than offsetting those amounts to reflect only accounts receivable for semesters that occurred in the current fiscal year and deferred revenue related to tuition charges for future semesters that have been collected prior to the end of the current fiscal year.

Criteria: The Committee of Sponsoring Organizations (COSO) Internal control framework requires effective internal controls to ensure that transactions are properly recorded and classified in accordance with generally accepted accounting principles (GAAP).

Questioned Costs: None

Recommendation: When calculating the "invested in capital assets, net of related debt" net asset category, the College should include all capital assets including construction in progress. In addition, as the College is embarking on a significant capital expansion program that will be funded by a combination of sources, including debt, capital grants and other College resources, it should review the accounting rules for defining this net asset category and modify its calculations to address the impact of the following items: 1) accumulated depreciation; 2) outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of capital assets; and 3) significant unspent debt proceeds at year-end. We recommend that the College evaluate the year end balances of tuition accounts receivable and related deferred revenue and make the appropriate adjustments so that only cash received as of the end of the fiscal year for tuition that relates to the next fiscal year is recognized as deferred revenue and the accounts receivable balance only include amounts that relate to the current fiscal year semesters.

Corrective Action Plan: Construction in Progress is used to account for all incomplete projects. The internal handling of this account is correct but the statement presentation was not accurate. Depending on the funding source, we had accounted for all incomplete projects on the Statement of Net Assets as either Restricted for Capital Projects or Unrestricted. The previous audit firm did not indicate that this handling was incorrect. We now understand the paid portion of Construction in Progress must be moved to Invested in Capital Assets, Net of Related Debt on the financial statements. This has been done in the FY2011 statements and will be handled properly going forward.

When a student registers but does not pay the system records a receivable. Because the fiscal year ends on June 30th and Fall registration begins in April, students have been registering for three months when the fiscal year ends. These registrations were recorded as receivables and shown as Deferred Revenue on the financial statements. We have been advised that only registrations that have been paid may be shown as deferred revenue. We have prepared reports that separate the paid from the unpaid on 6/30 for each year and the unpaid receivable balance was consistent from year to year. The unpaid receivables have been backed out of the financial statements. The previous audit firm did not indicate that the handling of student receivables was incorrect on the financial statements. We have been advised that our internal handling of the receivables is correct and may continue unchanged. Going forward, unpaid

OCEAN COUNTY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2011
(Continued)

receivables will not be recorded as deferred revenue.

2. Compliance and Other Matters

None.

III. Findings and Questioned Costs for Federal Awards – Internal Control & Compliance

Finding Reference: 11-02 – Financial Aid Drawdown's
Federal Agency: U.S. Department of Education
Federal Program: Student Financial Assistance Cluster
Compliance Requirement: Cash Management
Type of Finding: Significant Deficiency in Internal Control over Compliance

Finding: The College does not document the performance of its supervisory review in order to ensure that cash drawdowns are proper, do not exceed authorized amounts, and do not exceed federal expenditures that have been made to date, less prior drawdown's for the applicable award year.

Cause: Journal entries made by the Directors were not reviewed.

Effect: Failure to do this could result in errors not being detected in a timely manner. Although we did not note any issues with the drawdown's the chance of errors not being detected in the future increases without supervisory review.

Context: Our review of 14 drawdown journal entries revealed that 10 of the journal entries to support the drawdowns did not contain evidence of supervisory review.

Criteria: The Committee of Sponsoring Organizations (COSO) Internal control framework requires effective internal controls to ensure that transactions are properly recorded and accounted for to ensure the proper amounts are being drawdown based on authorized amounts, expenditures to date, and prior drawdown's.

Questioned Costs: None

Recommendation: We recommend that a supervisory review of all drawdown journal entries be performed. Documentation of this review should be maintained as verification that the review was performed.

Corrective Action Plan: The drawdown and supporting calculation are performed by the Director of Accounting. Going forward the drawdown calculations will be reviewed by another Accounting Director prior to the execution of the drawdown. The reviewing Director will sign off on the journal entry to document the review.

OCEAN COUNTY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2011
(Continued)

EXHIBIT A - 2

Finding Reference: 11-03 – Student Status Change
Federal Agency: U.S. Department of Education
Federal Program: Student Financial Assistance Cluster
Compliance Requirement: Special Test and Provisions (Enrollment Reporting)
Type of Finding: Significant Deficiency in Internal Control over Compliance

Finding: The College does not document the performance of its supervisory review in the Records and Registration Office in order to ensure that student status changes that are included on enrollment reporting to the National Student Clearinghouse is proper.

Cause: The enrollment reports were not reviewed by an individual other than the preparer.

Effect: Failure to do this could result in errors not being detected in a timely manner. Although we did not note any issues with the student status changes, the chance of errors not being detected in the future increases without supervisory review.

Context: Our review of 40 student status changes revealed that there was no evidence of supervisory review in the Registration and Records Office for any of the students.

Criteria: The Committee of Sponsoring Organizations (COSO) Internal control framework requires effective internal controls to ensure that transactions are properly recorded and accounted for to ensure the proper status for students is reported.

Questioned Costs: None

Recommendation: We recommend that a supervisory review of all enrollment reports that are submitted to the National Student Clearinghouse be performed. Documentation of this review should be maintained as verification that the review was performed.

Corrective Action Plan: A supervisory review procedure will be put in place within the Records and Registration Office. The staff will continue to generate the report and the supervisor will review and sign off on the report before it is submitted to the Clearinghouse. The signed report will be maintained in the office.

OCEAN COUNTY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2011
(Continued)

Finding Reference: 11-04 – Direct Loan Reconciliations

Federal Agency: U.S. Department of Education

Federal Program: Student Financial Assistance Cluster – Federal Direct Loan Program

Compliance Requirement: Special Test and Provisions (Borrower Data Transmission)

Type of Finding: Significant Deficiency in Internal Control and Noncompliance

Finding: The College did not maintain adequate supporting documentation to show that the monthly School Account Statement (SAS) data file provided from the Common Origination and Disbursement (COD) system reconciled to the College's financial records, and supervisory review thereof, for the entire year.

Cause: Monthly reconciliations were not maintained prior to May 2011.

Effect: Direct loan funds reported as disbursed could be inaccurate due to the lack of appropriate supporting documentation and documented supervisory review of the reconciliations.

Context: Our review of 4 monthly reconciliations revealed that none of the reconciliations contained adequate supporting documentation or evidence of supervisory review.

Criteria: Institutions must report all loan disbursements and submit required records to the Direct Loan Servicing System (DLSS) via the Common Origination and Disbursement (COD) system within 30 days of disbursement (OMB No. 1845-0021). Each month, the COD provides institutions with a SAS data file which consists of a cash summary, cash detail, and (optional, at the request of the school) loan detail records. The school is required to reconcile these files to the institution's financial records. Since up to three direct loan program years may be open at any given time, schools may receive three SAS files each month (34 CFR sections 685.102(b), 685.301, and 303).

Questioned Costs: None

Recommendation: We recommend that management review and revise its current procedures to ensure that the documentation of the reconciliation is maintained monthly to ensure all direct loan funds that the College has recorded in its financial system agree to the Common Origination and Disbursement system, and vice versa. We also recommend that a documented supervisory review of the reconciliation be performed on a monthly basis.

Corrective Action Plan: Reconciliations were done for the entire year but the paper records of the reconciliations were shredded after supervisor review on a routine basis. All monthly reconciliations are reviewed and signed by the supervisor. In July of 2011 the auditors asked to see the reconciliations year to date but they had been shredded. The reconciliations have been retained since May. Therefore this Corrective Action Plan has been in place since May of 2011.

OCEAN COUNTY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2011
(Continued)

Finding Reference: 11-05 – Return of Title IV Date of Determination
Federal Agency: U.S. Department of Education
Federal Program: Student Financial Assistance Cluster
Compliance Requirement: Special Test and Provisions (Return of Title IV Funds)
Type of Finding: Significant Deficiency in Internal Control and Noncompliance

Finding: The date of determination for one financial aid recipient was not completed within the required timeframe.

Cause: Late entry of withdrawal dates by the Registrar's office.

Effect: Return of Title IV funds were not returned timely.

Context: Our review of 28 students' Return of Title IV calculations revealed that the date of determination for 1 student exceeded the required timeframe.

Criteria: An institution must determine the withdrawal date for a student who withdrawals no later than 30 days after the end of the payment period or period of enrollment (34 CFR 668.22(j)(2)).

Questioned Costs: None

Recommendation: We recommend that management review and revise its current procedures to ensure that all Return of Title IV calculations are completed within the required timeframe.

Corrective Action Plan: Research indicated that the student record in question was backdated in the Records and Registration Office. This can occur when student paperwork is not processed in a timely manner. Beginning with the start of the spring 2012 semester, the College will put an electronic restriction in place that will not allow late entry of withdrawal dates into the system. By placing this restriction, the Financial Aid Office can ensure that all Return of Funds calculations will be done in a timely manner.

OCEAN COUNTY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2011
(Continued)

IV. Findings and Questioned Costs for State Financial Assistance –
Internal Control & Compliance

None

Final Draft - December 2, 2011

OCEAN COUNTY COLLEGE
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2011

No prior year findings.

Final Draft - December 2, 2017

EXHIBIT A-3

RECOMMENDATION: Recommend that a contract be awarded to Trinity Construction, Inc. 2290 West County Line Road, Jackson, N.J. 08527 in the amount not to exceed: **\$13,100.00** for the "Office Renovations for the Human Resources move to the Arts and Community Center" at Ocean County College.

Said contract to be in accordance with bid specifications and requirements received on November 23, 2011

Office Renovations for the Human Resources to Arts and Community Center Move

ITEM #1: Base Bid

SOURCE OF FUNDS: College Wide / Service Movers

BID SUMMARY

VENDOR	Trinity Construction* 2290 W. County Line Rd Jackson, NJ 08527	Cypreco Industries Inc 1420 9th Avenue Neptune, NJ 07753	Puente Construction 48-50 Newton Avenue Woodbury, NJ 08096
ITEM #1	\$13,100.00	\$23,823.00	\$41,469.00

* RECOMMENDED VENDOR.

The below vendors were also invited to submit bids:

Gavan General Contracting, Inc.
1500 North Apple Street
Lakewood, N.J. 08701

Martell Construction Company
15 South Miller Avenue
Penns Grove, N.J. 08069

BOARD MEETING: December 05, 2011
Par

EXHIBIT A-4

OCEAN COUNTY COLLEGE

RESOLUTION AUTHORIZING THE AWARD OF A CONTRACT FOR

**Travel Seminar to Mexico
World of the Maya Tour
January 8, 2012 – January 18, 2012**

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 et seq.; and

WHEREAS, Ocean County College will pay the vendor in advance on behalf of the trip participants and the trip participants will pay the full cost of the trip individually to Ocean County College. Cost per participant as well as payment and refund practices have been determined in advance to ensure no cost to the College. Purchase order B0005623 issued to TROPICAL TRAVEL REPRESENTATIVE in the amount of **\$20,930.00**. 30% deposit paid November 12, 2011, Balance due December 08, 2011; and

WHEREAS, the Vice President of Finance 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 Vice President of Finance 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 Vice President of Finance; 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-25.5 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 is hereby authorized and directed to enter into and execute an Agreement with **Tropical Travel Representative, 205 Golden Shadow Circle, Spring, TX. 77381** in the amount not to exceed: **\$20,930.00** for Ocean County College.

BOARD MEETING: December 05, 2011

RESOLUTION

Travel Seminar to Mexico
World of the Maya Tour
January 8, 2012 – January 18, 2012

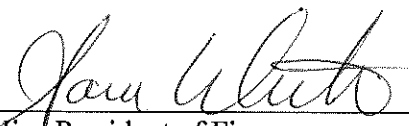
CERTIFICATION OF THE VICE PRESIDENT OF FINANCE AS TO THE AVAILABILITY OF FUNDS FOR THE AWARDING OF A CONTRACT BY THE OCEAN COUNTY COLLEGE BOARD OF TRUSTEES.

VENDOR: Tropical Travel Representative
205 Golden Shadow Circle
Spring, Texas 77381-4114

ACCOUNT: INTERNATIONAL EDUCATION / Program

TOTAL: \$20,930.00

I HEREBY CERTIFY that funds are available in the Ocean County College Board of Trustees budget for 2011/2012, and the appropriation is sufficient to cover this contract and the contract shall be encumbered against such appropriation.



Vice President of Finance

BOARD MEETING: December 05, 2011
par

EXHIBIT A-5

OCEAN COUNTY COLLEGE**RESOLUTION AUTHORIZING THE AWARD OF A CONTRACT FOR****Environmental Services / Asbestos Abatement**

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 et seq.; and

WHEREAS, the Vice President of Finance 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 Vice President of Finance 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 Vice President of Finance; 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 execute an agreement with SYNATECH, 829 Radio Road, Tuckerton, N.J., 08087, to Ocean County College in the amount not to exceed **\$18,800.00**. Purchase order # 5377 in the amount of **\$6,000.00** was issued on July 1, 2011. Purchase order # 5509 in the amount of **\$10,400.00** was issued on July 21, 2011. Contracts were below the **\$17,500.00** threshold and did not require board approval. An additional **\$2,400.00** is needed for additional asbestos abatement for ric-will in-ground pipe outside of the Russell and Administration Buildings.

BOARD MEETING: December 05, 2011

par


RESOLUTION

Environmental Services / Asbestos Abatement

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

VENDOR:	Synatech 829 Radio Road Tuckerton, New Jersey 08087
ACCOUNT:	Service Maintenance / Physical Plant \$ 6,000.00 Green Power Facility / Capital Account \$12,800.00
Purchase order: B5377	\$ 6,000.00
Purchase order: B5509	\$ 10,400.00
Additional amount:	\$ 2,400.00
TOTAL:	\$18,800.00

I HEREBY CERTIFY that funds are available in the Ocean County College Board of Trustees budget for 2011/2012, and the appropriation is sufficient to cover this contract and the contract shall be encumbered against such appropriation.



Vice President of Finance

BOARD MEETING: December 05, 2011
par

EXHIBIT A-6

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 consultant services are required to provide advice and guidance to the newly hired Director of Institutional Research for establishment of data warehouse for the imaging retention program. Assist in establishing a system for analyzing data including software and hardware and access to data warehouse. Assist senior management in establishing agreements and internal processes to substantially expand online courses and degree programs both domestically and internationally. Contract period beginning January 01, 2012 and ending by December 31, 2012 unless earlier terminated or extended.

WHEREAS, the Vice President of Finance 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 Vice President of Finance 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 Vice President of Finance; 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.a(15) 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 Dr. Richard Yankosky, 8199 Honey Clover Court, Frederick, MD 21702. Dr. Richard Yankosky will provide consulting services for an hourly rate of \$90.00 per hour. It is estimated that the consultant will work 15 hours per week, 30 weeks per year with the exception of temporary CIO duties. Should the consultant act as CIO, hours per week would increase to a maximum of 32 hours. Total compensation including expenses will not exceed: \$75,000.00.

BOARD MEETING: December 05, 2011
par

RESOLUTION
CONSULTING SERVICES

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

VENDOR: Dr Richard Yankosky
8199 Honey Clover Court
Frederick, MD 21702

SOURCE OF FUNDS: Distance Learning / Fees Consultants
F/Y 2011/2012

TOTAL: \$75,000.00
=====

I HEREBY CERTIFY that funds are available in the Ocean County College Board of Trustees budget for 2011/2012, and the appropriation is sufficient to cover this contract and the contract shall be encumbered against such appropriation.



Vice President of Finance

BOARD MEETING: December 05, 2011
par

EXHIBIT A-7

OCEAN COUNTY COLLEGE

RESOLUTION

WHEREAS, the Board of Trustees of Ocean County College recognizes the need to enter into a five year lease of office space at the Brown House Parcel, Block 705, Lot 1.01, Lot 1.02 and Lot 1 in Toms River, NJ for the Barnegat Bay Partnership Program commencing on January 1, 2012 and ending on December 31, 2016; and

WHEREAS, N.J.S.A. 18A:64A-12(1) authorizes the Board of Trustees of Ocean County College to enter into lease agreements for space when necessary for college purposes:

WHEREAS, a Certificate has been provided by the 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 Vice President of Business and Financial Affairs; and

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 enter into and execute a lease agreement, pending occupancy costs, for office space at the Brown House Parcel, Block 705, Lot 1.01, Lot 1.02 and Lot 1 in Toms River, NJ for Barnegat Bay Partnership with, **Township of Toms River, 33 Washington Street, Toms River, NJ 08753** in the amount not to exceed: **\$1.00**.

2. A copy of this lease agreement shall be kept on file and made available for public inspection during normal business hours.

3. Specific line item against which this lease agreement is to be charged is as follows:

COLLEGE SUPPORT - BARNEGAT BAY PARTNERSHIP

BOARD MEETING: December 5, 2011
par

RESOLUTION

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

FIRST YEAR OF A FIVE YEAR LEASE OF OFFICE SPACE AT THE BROWN HOUSE PARCEL, BLOCK 705, LOT 1.01, LOT 1.02 AND LOT 1 FOR BARNEGAT BAY PARTNERSHIP COMMENCING ON JANUARY 1, 2012 AND ENDING ON DECEMBER 31, 2016.


VENDOR: Township of Toms River
33 Washington Street
Toms River, NJ 08753

Office space located:

Brown House Parcel
Block 705, Lot 1.01, Lot 1.02 and Lot 1
Toms River, NJ 08753

AMOUNT: \$1.00

I HEREBY CERTIFY that funds are available in the Ocean County College Board of Trustees budget for 2011/2012, and the appropriation is sufficient to cover this contract and the contract shall be encumbered against such appropriation.



Vice President of Finance and Administration

BOARD MEETING: December 5, 2011
amf

EXHIBIT A-8

Combined Heat & Power Plant Project

AMENDMENT: Recommend the contract to Santorini Construction Co. be amended in the additional amount of **\$37,018.00** for a total amount of **\$5,635,880.00**. The monies are needed for change order # 4 (\$27,412.00 sidewalk repairs at Instructional and Russell buildings) and change order # 5 (\$9,606.00 additional hot water piping necessary between administration and Russell buildings). The original contract in the amount of **\$5,550,000.00** was awarded at the March 28, 2011 Board of Trustees Meeting. Alternates E-1, E-2 and E-3 are not being accepted by Ocean County College. An amendment in the amount of **\$24,366.00** was awarded at the July 25, 2011 Board of Trustees meeting and an amendment in the amount of **\$24,496.00** was awarded at the November 07, 2011 Board of Trustees meeting.

Said contract to be in accordance with specifications and requirements dated February 25, 2011 and the proposal of the recommended vendor

NATURE OF BID: CONSRUCTION OF COMBINED HEAT & POWER PLANT

Item 1	Base Bid-Single Prime & Trades
Alt. # C-1	Civil Additional Alternate
Alt. # M-1	Mechanical Additional Alternate
Alt. # E-1	Electrical Additional Alternate*OCC Not Accepting
Alt. # E-2	
A, b, c	Electrical Additional Alternate cost per linear foot*OCC Not Accepting
Alt. # E-3	Electrical Additional Alternate* OCC Not Accepting
Alt. # E-4	Electrical Additional Alternate
Alt. # E-5	Electrical Additional Alternate
Total	FINAL TOTALS WITH Alternate E-2,a,b & c at \$51,000.00

SOURCE OF FUNDS: GREEN POWER FACILITY/ CAPITAL ACCOUNT

BID (B-39) SUMMARY

VENDOR	Santorini Construction Co.* 1 So. Riverside Drive Neptune, NJ 07753	Gingerelli Brothers 2606 Route 37 East Toms River, NJ 08753	Niram Inc 91 Fulton Street Boonton, NJ 07005
Item 1	\$ 5,263,000.00	\$6,050,000.00	\$6,237,000.00
Alt. # C-1	\$ 130,000.00	\$ 80,000.00	\$ 65,000.00
Alt. # M-1	\$ 73,000.00	\$ 104,000.00	\$ 124,000.00
Alt. # E-1	Not Accepting	Not Accepting	Not Accepting
Alt. # E-2	Not Accepting	Not Accepting	Not Accepting
A, b, c			
Alt. # E-3	Not Accepting	Not Accepting	Not accepting
Alt. # E-4	\$ 20,000.00	\$ 13,750.00	\$ 38,000.00
Alt. # E-5	\$ 64,000.00	\$ 60,000.00	\$ 57,000.00
Total	\$5,550,000.00	\$6,307,750.00	\$6,521,000.00

Board Meeting: December 05, 2011
par

VENDOR	Lighton Industries 699 Cross Street Lakewood, NJ 08701	Hall Building Corp 33 Main Street Farmingdale, NJ 07727	Emcor Services/Fluids 9815 Roosevelt Blvd Philadelphia, PA 19114
Item 1	\$6,279,000.00	\$6,625,000.00	\$6,896,997.00
Alt. # C-1	\$ 105,000.00	\$ 168,000.00	\$ 253,000.00
Alt. # M-1	\$ 115,000.00	\$ 50,000.00	\$ 83,000.00
Alt. # E-1	Not Accepting	Not Accepting	Not Accepting
Alt. # E-2 A, b, c	Not Accepting	Not Accepting	Not Accepting
Alt. # E-3	Not Accepting	Not Accepting	Not accepting
Alt. # E-4	\$ 13,000.00	\$ 40,000.00	\$ 36,700.00
Alt. # E-5	\$ 88,000.00	\$ 66,000.00	\$ 38,600.00
Total	\$6,600,000.00	\$6,949,000.00	\$7,308,297.00

***RECOMMENDED VENDOR**

The following vendor submitted a bid late:

Binsky- Snyder Mechanical
281 Centennial Avenue
Piscataway, New Jersey 08854

BOARD MEETING: December 05, 2011
Par

EXHIBIT A-9

OCEAN COUNTY COLLEGE

A M E N D M E N T

WHEREAS, the Board of Trustees of Ocean County College recognizes the need to amend the **\$251,235.00** contract awarded by Resolution on June 27, 2011 to Datatel, Inc., 4375 Fair Lakes Court, Fairfax, VA 22033 for "Synoptix Software License plus prorated maintenance fee through June 30, 2012" at Ocean County College; and

WHEREAS, the contract awarded by Resolution on June 27, 2011 was awarded on exempt from bidding pursuant to 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 hardware; and

WHEREAS, a Certificate has been provided by the Vice President of Finance 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 Vice President of Finance; 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 hereby authorizes and directs the appropriate officials of the college to amend the contract with Datatel, Inc. in the additional amount of **\$31,070.00** for a total amount of **\$304,486.00**. The monies are needed for "synoptix software license plus prorated maintenance fee through June 30, 2012". The original contract in the amount of **\$251,235.00** was awarded at the June 27, 2011 Board of Trustees meeting. An amendment in the amount of **\$17,181.00** was awarded at the September 26, 2011 Board of Trustees meeting and an amendment in the amount of **\$5,000.00** was awarded at the November 07, 2011 Board of Trustees meeting.
2. Specific line item against which this contract is to be charged is as follows:

Information Technology / Software Maintenance
F/Y 2011/2012

BOARD MEETING: December 05, 2011
Par

RESOLUTION

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

VENDOR: Datatel Inc.
4375 Fair Lakes Court
Fairfax, VA 22033

ACCOUNT: Information Technology / Software Maintenance
F/Y 2011/2012

ORIGINAL CONTRACT	\$251,235.00	
AMENDMENT:	17,181.00	approved 09/26/11
AMENDMENT:	5,000.00	approved 11/07/11
AMENDMENT:	31,070.00	
TOTAL CONTRACT:	<u>\$304,486.00</u>	

I HEREBY CERTIFY that funds are available in the Ocean County College Board of Trustees budget for 2011/2012, and the appropriation is sufficient to cover this contract and the contract shall be encumbered against such appropriation.



Vice President of Finance

BOARD MEETING: December 05, 2011
par

EXHIBIT A-10

OCEAN COUNTY COLLEGE

AMENDMENT

CAMPUS CRUISER

My Classes Channel Link to Pearson Learning Studio Project

WHEREAS, the Board of Trustees of Ocean County College recognizes the need to amend the **\$191,036.00** contract awarded by Resolution on June 27, 2011 to **Timecruiser Computing Corp. 9 Law Drive, 3rd Floor, Fairfield, N.J.**; and

WHEREAS, the **\$191,036.00** contract awarded by Resolution on June 27, 2011, was exempt from bidding pursuant to 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, there is a need to amend the contract with Timecruiser Computing Corp. in the additional amount of **\$4,100.00** for a total amount of **\$197,219.00**;

WHEREAS, a Certificate has been provided by the Vice President of Finance 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 Vice President of Finance; 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 inspections.

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

1. The Ocean County College Board of Trustees is hereby authorized and directs the appropriate officials of the College to amend the contract with **Timecruiser Computing Corp.** in the additional amount of **\$4,100.00** for a total amount of **\$197,219.00**. The monies are needed for the My Classes Channel Link to Pearson Learning Studio Project. The original contract in the amount of **\$191,036.00** was awarded at the June 27, 2011 Board of Trustees meeting. An amendment in the amount of **\$2,083.00** was awarded at the November 07, 2011 Board of Trustees meeting.

BOARD MEETING: December 05, 2011
par

RESOLUTION

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

My Classes Channel Link to Pearson Learning Studio Project

VENDOR:	TIMECRUISER COMPUTING CORP. 9 LAW DRIVE FAIRFIELD, NJ 07004
ACCOUNT:	SOFTWARE MAINTENANCE INFORMATION TECHNOLOGY F/Y 2011/2012
ORIGINAL AMOUNT:	\$191,036.00
AMENDMENT:	2,083.00
AMENDMENT:	4,100.00
TOTAL:	<u>\$197,219.00</u>

I HEREBY CERTIFY that funds are available in the Ocean County College Board of Trustees budget for 2011/2012, and the appropriation is sufficient to cover this contract and the contract shall be encumbered against such appropriation.



Vice President of Finance

BOARD MEETING: December 05, 2011
par