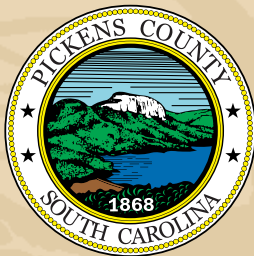


TRI-COUNTY TECHNICAL COLLEGE

Comprehensive Annual Financial Report



Fiscal Year Ended June 30, 2012

Included in the Higher Education Funds of
The State of South Carolina

TRI-COUNTY TECHNICAL COLLEGE

Comprehensive Annual Financial Report

Included in the Higher Education Funds of
The State of South Carolina

Prepared by
The Division of Business Affairs



Fiscal Year Ended June 30, 2012

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
TRI-COUNTY TECHNICAL COLLEGE
For the Fiscal Year ended June 30, 2012

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Introduction

Anderson-Oconee-Pickens Technical Education Center Original Commission Members

ANDERSON COUNTY

Aubrey Marshall- Chairman
Charles M. Forrest
Frank W. Mohney

OCONEE COUNTY

T.V. Derrick
J.A. Gallimore
Floyd Wyman

PICKENS COUNTY

G. Alex Gettys
Everett Laitala
Ellison McKissick

1st meeting of the commission was Monday May 7 1962

In the first year the Commission directed the construction of the first building for the center, supervised operational activity and signed the checks for construction and operations. The Commission also hired the first director for center, Mr. William T. Yarborough

Source of information: Area Commission Minutes Archives

COMMISSION MEMBERS – ADMINISTRATIVE STAFF – SERVICE AREA
TRI-COUNTY TECHNICAL COLLEGE
 For the Year Ended June 30, 2012

<i>AREA COMMISSION MEMBERS</i>	<i>COUNTY</i>	<i>TERM*</i>
Mr. William H. Hudson, Chair	Oconee	04/01-
Ms. Helen Rosemond–Saunders	Oconee	04/97-
Mr. John Powell	Oconee	01/10-
Mr. George N. Acker	Pickens	04/09-04/12
Mr. Thomas F. Strange	Pickens	04/11-04/14
Mr. Milton Ponder, II	Pickens	04/10-04/13
Mr. Leon Harris, III	Anderson	05/11-05/14
Mr. J. Allard Young	Anderson	04/11-04/13
Mr. Pruitt Martin	Anderson	04/12-04/15

*Ending term is to be determined by legislature.

KEY ADMINISTRATIVE STAFF

Dr. Ronnie Booth	President
Mr. Galen Dehay	Director of Planning and Institutional Effectiveness, and Interim Provost/Vice President for Academic Affairs
Mr. Gregg Stapleton	Vice President for Business Affairs
Mr. John Lummus	Vice President for Economic and Institutional Advancement
Ms. Rebecca Eidson	Director of Public Relations and Communications
Ms. Sharon Colcolough	Director of Personnel
Ms. Faye Allen	Director of Fiscal Affairs

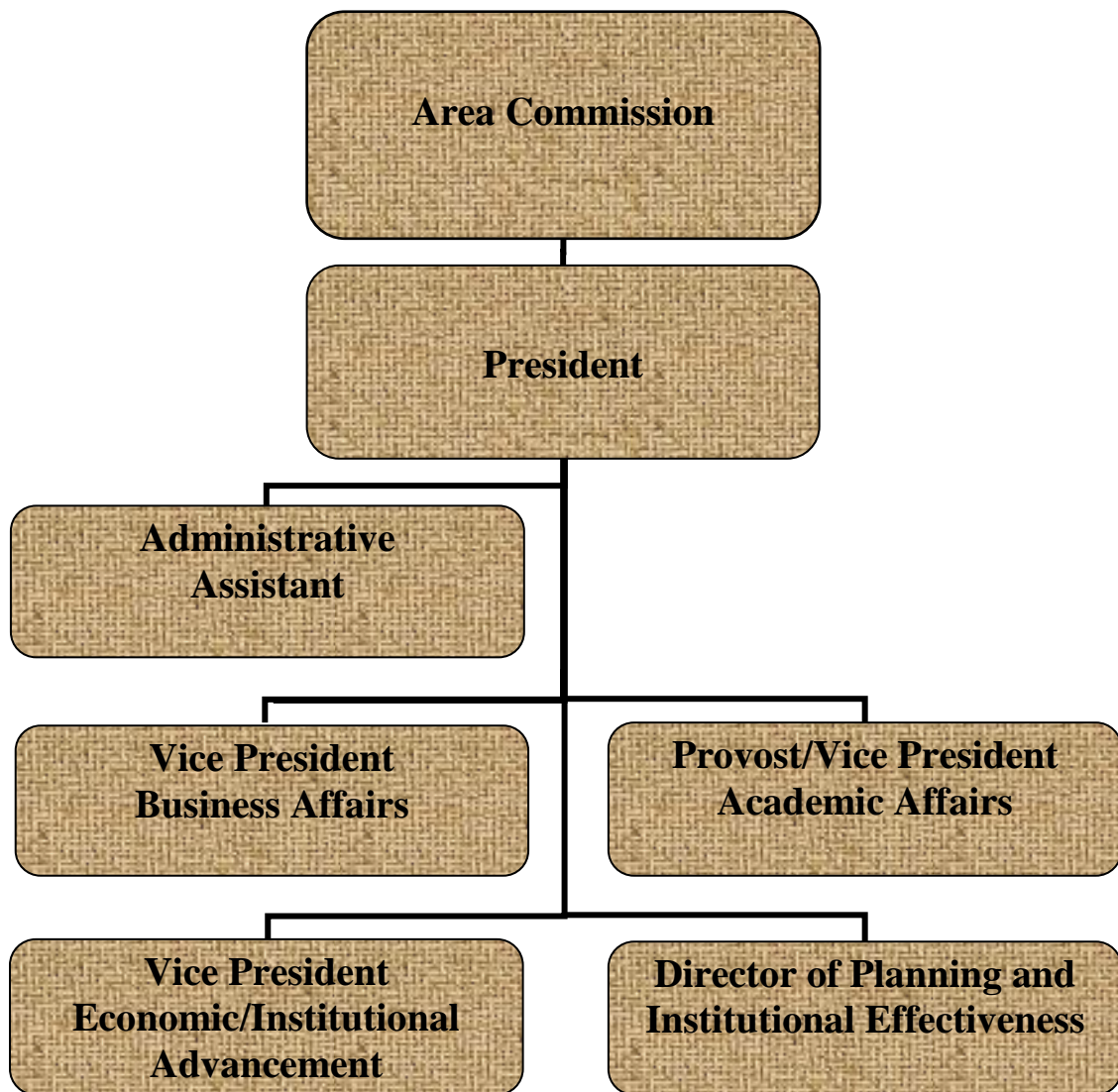
AREA SERVED BY THE COMMISSION

Anderson County
 Oconee County
 Pickens County

COUNTIES PROVIDING FINANCIAL SUPPORT

Anderson County
 Oconee County
 Pickens County

TRI-COUNTY TECHNICAL COLLEGE
SUMMARY ORGANIZATIONAL CHART





September 30, 2012

To the Members of the Area Commission for Tri-County Technical College:

It is our pleasure to present the Comprehensive Annual Financial Report of Tri-County Technical College for the year ended June 30, 2012. The report of our independent public accountants, Cline, Brandt, Kochenower Co. P.A., expresses an unqualified opinion on the basic financial statements. The management of the College assumes responsibility the accuracy, completeness, and fairness of the data presented, including all disclosures. To the best of our knowledge and belief, the information presented is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the College at the end of that fiscal year.

This Comprehensive Annual Financial Report is presented in four sections:

The **Introductory Section** includes: the transmittal letter, the Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended June 30, 2011, a listing of the members of the College's governing board and principal officials, and an organizational chart that outlines the structure of the College.

The **Financial Section** includes the independent auditors' report, the Management's Discussion and Analysis (MD&A) section, the basic financial statements, notes to the financial statements, and additional financial schedules. The MD&A provides a narrative overview and analysis of financial activities of the College for fiscal year ended June 30, 2012 with comparison to fiscal years ended June 30, 2011 and 2010. Basic financial statements are prepared in accordance with generally accepted accounting principles for public colleges and universities, as defined by GASB, and the National Association of College and University Business Officers in *College and University Business Administration*. These statements allow for reasonable comparisons of the College's financial position as well as revenues, expenses, transfers and other changes in net assets with peer institutions.

The **Statistical Section** provides financial, economic, and demographic information relating to the College on a multi-year basis. This information is intended to present to readers a broad overview of trends in the financial affairs of the College.

The **Single Audit Section** includes the Schedule of Expenditures of Federal Awards, the independent auditors' report on compliance and internal control over financial reporting performed in accordance with *Government Auditing Standards* and the independent auditors' report on compliance with requirements applicable to each major program in accordance with *OMB Circular A-133*.

Entity

Tri-County Technical College is one of sixteen technical colleges in South Carolina governed by the State Board for Technical and Comprehensive Education (SBTCE). Tri-County is a comprehensive, public two-year college serving the citizens of Anderson, Oconee and Pickens counties. The College is considered as a part of the State of South Carolina reporting entity and is included in the comprehensive annual financial report of the State. The College is not legally separate, and therefore not considered a component unit of the State of South Carolina.

Entity-continued

The College complies with Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations are Component Units*. This Statement amends GASB Statement No. 14, *The Financial Reporting Entity*, to provide additional guidance to determine whether certain organizations for which the College is not financially accountable should be reported as component units based on the nature and significance of their relationship with the College.

The financial reporting entity, as defined by the Governmental Accounting Standards Board (GASB) consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete. Accordingly, the financial statements include the accounts of Tri-County Technical College, as the primary government, and the accounts of Tri-County Technical College Foundation (the “Foundation”), its component unit. The College is part of the primary government of the State of South Carolina. Based on the nature and significance of the Foundation’s relationship with the State of South Carolina, the Foundation is not a component unit of the State of South Carolina.

History-Tri-County Technical College Celebrating 50th Anniversary

Fifty years ago Tri-County Technical College became the first multi-county technical institute in South Carolina.

In early 1960, former Governor Ernest F. Hollings initiated a State Educational System, motivated by the idea that if South Carolina could offer a well-trained work force, then the State would attract more business and industry. This training was to be provided by a system of thirteen (currently sixteen) technical colleges. In 1961, the South Carolina General Assembly passed Act 323, providing for the appointment of an advisory committee to study the feasibility of establishing a network of centers for technical training in strategic locations throughout the State. The purpose of these centers was “to prepare individuals for entry into or progressing in employment in industrial and technical pursuits or designed to improve conditions which result in improved citizenship.” These centers would be located at points readily accessible to a large majority of the State’s population.

The Anderson-Oconee-Pickens Technical Education and Training Commission was created April 7, 1962, when Governor Hollings approved the enabling legislation, Act 905. The Commission was created to control and manage the Anderson-Oconee-Pickens Technical Education and Training District. The Act further provided that the local operating costs would be borne by the College’s service area as follows: Anderson County, fifty percent; Oconee County, twenty-five percent; and Pickens County, twenty-five percent.

In the fall of 1963, Tri-County Technical College opened as a Technical Education Center. The 42,000 square foot classroom/laboratory/administration building was located on a twenty-three acre tract of land, donated by Clemson University, four miles from Clemson on Highway 76, near Pendleton, SC. Clemson University has donated a total of fifty-seven acres to the College.

On April 10, 1974, the S.C. Board for Technical and Comprehensive Education approved the request of the Anderson-Oconee-Pickens Technical Education and Training Commission (The Area Commission) to change the name of the institution from Tri-County Technical Education Center to Tri-County Technical College. This change allowed the addition of the two-year associate degree programs in the Arts and Sciences to complement the technical and vocational training, developmental programs in adult

History-continued

education, manpower developmental training act programs, and more than 2,300 non-credit courses, seminars and workshops in continuing education.

In the past five decades enrollment has increased from 918 in credit and non-credit programs to over 20,000 students. The College has expanded its teaching methods from the traditional classroom and lab setting to on-line distance learning credit and non-credit courses. The main campus at Pendleton has grown from one building to fourteen buildings and has gained a national reputation for excellence.

The College experienced another “first” in March 2007 when the first branch campus opened in Anderson County offering both credit and non-credit courses. In September 2007, the College opened a new Oconee Campus at the Hamilton Career Center in Seneca and in spring 2009 the Watkins Community Center in Honea Path was renovated to include 4 classrooms used for community and corporate education. Land was purchased in Pickens County in preparation for a new campus in Easley. A new “QuickJobs” center was opened in Seneca, SC in May of 2010. The center is owned by Oconee County and operated by the college. It delivers targeted skills training for unemployed and underemployed workers.

During fiscal year 2011, the Easley campus was completed and classes began in January 2011. In addition, the Pickens County Quickjobs Center opened in October 2010. It is located beside the Easley campus. The center is owned by Pickens county and operated by the college.

On March 9 2012, a groundbreaking ceremony was held for the Anderson QuickJobs Development Center. The 5,720 square-foot facility will include three classrooms, offices, and a lab/shop area.

Economic Condition and Outlook

A primary mission of the South Carolina technical colleges is to support economic development through education and training for the citizens of South Carolina. Tri-County Technical College’s financial health is closely linked to the economic conditions of the State and the local communities served by the College. One challenge for the College is that State funding continues to decline. Current operations experienced a 2.1% (\$132,637) reduction in state operational funding. On the other hand, the State funded some much needed deferred maintenance money out of the State Capital Reserve Fund.

Local government support provided funding for ongoing maintenance and plant operations even though the tax base remained relatively flat. Although the unemployment rates improved slightly from June 2011, unemployment in the College’s service area still remains at unhealthy levels at June 30 2012; 9.8% for Anderson county, 10.2% for Oconee county, and 9.3% for Pickens county.

Another challenge during fiscal year 2012 was a drop in student enrollment. Between FY08 and FY11 the College experienced a tremendous enrollment growth that averaged a 27.5% increase in headcount and a 40.4% increase in FTEs. Currently a downward trend in enrollment is occurring, not only at TCTC, but at most of the technical colleges in South Carolina.

Enrollment declined during academic/fiscal year 2012for TCTC:

	Headcount	FTE (Full-time equivalent/credit hours taken)
Fall term	(2.0%)	(4.7%)
Spring term	(5.7%)	(7.7%)
Summer term	(6.0%)	(12.8%)
Annualized	(2.9%)	(7.0%)

Economic Condition and Outlook-continued

The FTE decline is especially significant now that the students pay for each credit hour taken. The decline in enrollment was caused by a myriad of reasons; Federal regulations make it harder for students to receive and keep Pell grants, the number of high school graduates has plateaued, and the economy is beginning to recover, creating less demand from many non-traditional students seeking training and credentials to retool their skills or to change career fields. The College has also renewed its focus on student success. One of the fundamental changes made to better position students for success was to revamp the college's admission deadlines to be able to better advise students and provide them better preparation for the start of college. This change may have also impacted enrollment statistics, but analysis has shown that most students who enrolled at the last minute were not able to successfully complete their first semester of school.

The administration of the College forecasted this decline in enrollment and budgeted conservatively. As a result of sound fiscal planning and budget management, the College continues to operate on a fiscally sound basis despite of the reduction in State funding and the decline in enrollment.

Major Initiatives/Achievements Fiscal Year 2012

Academics:

Clemson and Tri-County Launch Joint Program in Medical Laboratory Science: Thanks to a new articulation agreement, Tri-County graduates with an associate in applied science degree in Medical Laboratory Technology, who meet specific criteria, can enroll as juniors at Clemson University in its Bachelor of Science in Microbiology degree program.

Tri-County, Clemson Jointly Teach Calculus via the Internet: During Fall 2011, Dr. Mohammad Ghobadi, mathematics instructor at of Tri-County, and Allen Guest, an instructor in Clemson University's Department of Mathematical Sciences, participated in a pilot study involving the joint teaching of calculus using ICOM software technology that allowed live streaming in a web conferencing format that was tailored to classroom instruction.

TCTC and Community Lead Efforts in Workforce Readiness: A "Work-Ready Community" training fair focusing on how individuals can obtain the skills needed for area jobs was held in November at the Watkins Community Center in Honea Path. Being a "Work-Ready Community" means the workforce has the skills necessary to fill the needs of existing and potential employers. By becoming work ready, the community is asserting that individuals understand what skills are required by employers and they know how to gain access to the training that is necessary to obtain those skills.

Tri-County Takes First Place at Speech Festival: For the first time ever, Tri-County took overall first-place honors at the 2012 South Carolina Speech and Theatre Association's Annual College Festival Competition.

MLT Grads Report Perfect Pass Rate on ASCP Exam: The nine May 2011 graduates of the Medical Laboratory Technology program who took the national certification exam earned a perfect pass rate.

Major Initiatives/Achievements Fiscal Year 2012-continued

Academics continued:

Welders Take Six Awards at Competition: Tri-County welding students took home three first-place and three second-place awards at the annual State welding competition on April 26-27. Tri-County students competed against students from seven other technical colleges.

Vet Tech Grads Excel on Licensure Exam: Tri-County's Veterinary Technology program reported a 90 percent pass rate on the Veterinary Technician National Examination (VTNE). The 2011 graduates who elected to take the exam are now licensed veterinary technicians, a title held by individuals who earn an associate degree in Veterinary Technology from an American Veterinary Medical Association (AVMA)-accredited program like Tri-County's and have passed national and state credentialing exams.

BMW Chooses Scholars: BMW's Greer plant chose seven Tri-County students to participate in its new BMW Scholars Program, a workforce development program that allows selected students to attend class full-time while working part-time at BMW. The seven students graduated in May and were officially hired as full-time BMW production and equipment service associates.

Tri-County Student Receives Patent: Tanya Mikkelson, a Tri-County practical nursing student, recently received a provisional patent for a portable nursing kit that contains low fidelity simulators that she conceptualized and designed.

Connect to College Graduates Largest Class to Date: Connect to College (formerly Gateway to College) graduated seven students in December 2011, the largest group to graduate at any one time through the initiative that serves high school dropouts age 17-20 who qualify for this unique program and live in Anderson, Oconee, and Pickens Counties.

Bridge to Clemson Admits Largest Class to Date: The Bridge to Clemson program admitted 600 students for fall 2012, the largest class since the program began seven years ago. Bridge students are outstanding students who narrowly miss admission to Clemson because of limited space in the freshman class.

Enrollment Jumps at Easley Campus: Enrollment at the Easley Campus for spring 2012 increased 26 percent compared with last spring. In addition, new and expanded services are being offered at the Oconee Campus, including the addition of a new campus coordinator.

World Class Training Center Changes Name: Since 1990 the College's World Class Training Center has been providing relevant training to industries in the tri-county area. The Center recently changed its name to Center for Workforce Excellence to better reflect the higher level of training the College is able to offer industries whose associates require demanding technical skills.

Capital Projects:

College Unveils Pendleton Master Plan: A new master plan for the Pendleton Campus provides a vision and roadmap for the next twenty years. The first phase of improvements will include safety enhancements to the two campus entrances.

Major Initiatives/Achievements Fiscal Year 2012-continued

Capital Projects continued:

Renovations Begin on Industrial Technology Center: Renovation work began on the 42,000-square-foot Industrial Technology Center in Sandy Springs. The Center, slated to open during the 2012-13 academic year, will house a state-of-the-art training facility for welding and heating, ventilation, and air conditioning students.

College Breaks Ground for Anderson QuickJobs Center: A groundbreaking ceremony for the Anderson QuickJobs Development Center was held March 9. The 5,720 square-foot facility will include three classrooms, offices, and a lab/shop area.

Information Technology: Pendleton, Anderson and Easley campuses now have wireless internet connections. Major upgrades to server hardware, storage and firewall were completed. The help-desk office was re-located and refurbished to better serve students and employees.

Advising and Tutoring Centers: As part of the College's focus on student success, areas of the student center were renovated and converted to a centralized tutoring center and a centralized advising center for students.

Deferred Maintenance: Using funds appropriated by Anderson, Oconee and Pickens counties and State deferred maintenance funds, the College was able to complete several major replacement and renovation projects as noted below;

- Oconee Hall Elevator refurbishment
- Fulp and IBDC fire alarm system upgrade
- IBDC, Halbert Hall, Wilson Hall, Anderson Hall HVAC replacements
- Halbert Hall and Cleveland Hall roof replacements
- Clarke-McKissick building HVAC upgrade and refurbished for additional classrooms

Recognitions:

Business Affairs Receives National Recognition: For the 12th consecutive year, the Government Finance Officers Association of the United States and Canada awarded the College's Business Affairs Division a Certificate of Achievement for Excellence in Reporting for its comprehensive annual financial report.

Booth Receives Honorary Doctorate from Clemson: President Ronnie Booth received an honorary doctorate during Clemson University's graduation ceremony on August 13. Booth was recognized for his achievements in higher education and economic development.

Hall Receives Presidential Medallion for Staff: Denise Hall received the highest award presented to College staff, the Presidential Medallion for Staff Excellence, in August. Denise manages the College's printing and postal services in addition to shipping and receiving.

Shannon Receives Presidential Medallion for Faculty: Donna Shannon, department head for allied health and program coordinator for expanded duty dental assisting, received the highest award presented to the faculty, the Presidential Medallion for Instructional Excellence, at the College's Spring Commencement ceremony held May 7. Senator Lindsey Graham delivered the commencement address to 624 students.

Major Initiatives/Achievements Fiscal Year 2012-continued

Recognitions continued:

Walker Receives Adjunct Award: Jimmy Walker, an adjunct instructor in the Comprehensive Studies Department of the Arts & Sciences Division, was honored with the Adjunct Presidential Award at the Faculty/Staff Spring Convocation held May 3.

Simpson Wins Regional Award: Doris Simpson, executive assistant for the president and the Commission, was the Southern regional winner and among the five nominees across the United States for the prestigious Association of Community College Trustees Professional Board Staff Member award.

Hammond Wins State Award: Barbara Hammond, director of the Office Skills Center for Corporate and Community Education, was awarded the Outstanding Continuing Education Non-Credit Instructor Award by the South Carolina Association for Higher Continuing Education (SCAHCE).

Three Named Educators of the Year: Three faculty/staff members were chosen as the College's 2012 Educators of the Year and were recognized at the South Carolina Technical Educators Association meeting in February. Dr. Phil Buckhiester, provost, was selected as outstanding administrator; Dr. Hariette Dudley, early childhood development instructor, was chosen outstanding instructor; and Kevin Steele, manager of administrative services, was the outstanding staff nominee.

Stathakis Is Honored with Order of Merit: Kleo Stathakis, Anderson resident and former Foundation Board member, was given the Order of Merit, the highest award presented by Tri-County's Commission, at the College's annual report luncheon on October 20.

Strange Is Named to Commission: Thomas Strange, senior director of research and development for St. Jude Medical in Liberty, was appointed to the Tri-County Technical College Commission, which is the governing body of the College. His appointment is through April, 2014.

DeHay Named Director of Planning and Institutional Effectiveness: In December 2011, long-time instructor and science department head, Galen DeHay, accepted the position of Director of Planning and Institutional Effectiveness. This new position is responsible for developing and implementing a robust institutional effectiveness program at the College.

Special Events:

Governor Visits Easley Campus: SC Governor Nikki Haley met with community and college leaders and elected officials at the Easley Campus August 3. During her visit, Governor Haley signed into law the SC Higher Education Efficiency and Administrative Policies Act of 2011.

Fall Classic Raises Funds for Industrial Technology Center: The 7th annual Fall Classic golf tournament raised more than \$25,000 for the Industrial Technology Center, which is set to open during the 2012-13 academic year. The state-of-the-art welding and heating ventilation and air conditioning training facility is located on five acres of land in Sandy Springs.

College Kicks Off Golden Anniversary: Tri-County held a golden anniversary kick-off community reception on January 26 on the Pendleton Campus. During the program, leaders from the three-county area talked about Tri-County's important role in the community and in education.

Major Initiatives/Achievements Fiscal Year 2012-continued

Special Events continued:

Faces of the Decades: As part of its golden anniversary celebration, the College recognized five graduates at spring commencement as the Faces of the Decades: Walter McGee – 1960s; Carl Anderson – 1970s; Ethel Pettigrew – 1980s; Wanda Johnson – 1990s; and Tracy Whitten Bowie – 2000s.

CBS National News Visits Easley Campus: CBS National News visited the Easley Campus on January 20 as part of a story reporters were doing on the changing economy in the Pickens County area. The story discussed the benefits of training and featured students in our Industrial Electronics credit program and our Manufacturing Skills Standards Council in Corporate and Community Education.

Easley Campus Hosts Town Hall Meeting: The Easley Campus hosted a town hall meeting in February in which more than 100 people tuned out to speak to Congressional representatives.

Bluegrass under the Stars Draws Record Crowd: The 7th annual Bluegrass under the Stars concert was held April 7 on the Pendleton Campus. A record number of concert goers attended the free concert and fireworks event that is held in conjunction with Pendleton's annual Spring Jubilee.

Spring Open Raises Money for Alumni and Athletics: The Alumni Association and the Athletics Department co-hosted the Spring Open Golf Tournament on April 27. The event raised \$10,219.

Runners, Walkers Enjoy Third Annual 5K Road Race: 188 runners and walkers competed in Tri-County's third annual road race on May 19 at the College's Anderson Campus.

Camp Xceleration Focuses on Robots: Robert Bosch again funded a four-day Camp Xceleration, which was attended by 19 participants ages 10-12. The camp focused on robots and included a trip to the Children's Museum of the Upstate and a friendly robot competition.

Anderson Campus Hosts Community Awareness Day: On June 25, Anderson Campus was the site for Anderson Area Community Awareness Day where residents had an opportunity to observe interactive activities by emergency responders.

Major Priorities and Critical Initiatives Fiscal Year 2013

(Excerpt from FY 2013 – 2015 Three Year Strategic Plan)

- Strategically grow enrollment at community campuses, filling existing capacity and maximizing use of community campus resources.
- Develop and pilot an academic program review process.
- Complete a retention plan using the strategic retention framework and begin implementing activities.
- Complete a pre-design study for a Student Success Center.
- Implement changes in the matriculation process using results from the matriculation project team.
- Design and implement an Academic Advising Resource Center.
- Implement enhanced advising process to include a pre-advising module and DegreeWorks educational plans.
- Establish essential student services and academic support services/resources at the Oconee Campus.

Major Priorities and Critical Initiatives Fiscal Year 2013-continued

- Implement the plan developed in FY12 for significantly increasing the number of student credit hours generated by full-time faculty.
- Explore options for providing professional counseling services for students.
- Create processes to help students take advantage of 2+2 articulation agreements.
- Implement Small Business/Entrepreneurial Program to help support small business and new business start-ups.
- Create a college-wide diversity program
- Create a recruiting strategy for growing enrollment at community campuses.
- Develop an IT roadmap for current and future technology needs.

Internal Control Structure and Budgetary Control

The management of the College is responsible for establishing and maintaining an effective system of internal control. The system of internal control is designed to ensure that certain organizational objectives are met. Accordingly, organizational structure, policies, and procedures have been established to safeguard assets, ensure the reliability of accounting data, promote efficient operations, and ensure compliance with established governmental laws, regulations and policies, College policies, and other requirements of sponsors to whom the College is accountable. The internal accounting control structure is designed to provide reasonable but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that:

- 1) the cost of a control should not exceed the benefits likely to be derived and,
- 2) the evaluation of costs and benefits requires estimates and judgments by management.

As a recipient of federal financial awards, the College is responsible for ensuring compliance with all applicable laws and regulations relating to such assistance. A combination of State and College policies and procedures, integrated with the College's system of internal controls, provides for this compliance. The College undergoes an annual examination of its federal financial assistance programs in accordance with U.S. Office of Management and Budget Circular A-133.

The College maintains budgetary controls in the form of line-item budgets and budget transfer restrictions. The objective of these budgetary controls is to ensure compliance with the annual budget adopted by the Area Commission. The College maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Open encumbrances are reported as appropriated fund balance at year-end. As demonstrated by the financial statements and schedules included in the financial section of this report, management of the College continues to meet its responsibility for sound financial management.

Independent Audit

Cline, Brandt, Kochenower & Co. P.A. has audited the financial statements. The Independent Auditors' Report is included in the financial section of this report and reflects an unqualified opinion on the basic financial statements. The College complies with the requirements of the Single Audit Act for which separate reports are issued.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Tri-County Technical College for its *Comprehensive Annual Financial Report* (CAFR) for the fiscal year ended June 30, 2011. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

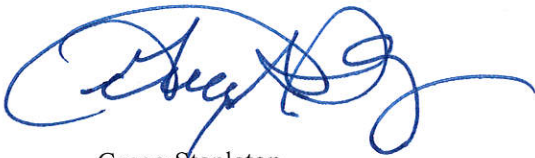
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized *Comprehensive Annual Financial Report* whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments

The preparation of the *Comprehensive Annual Financial Report* is a coordinated effort by various units in the College. We would like to express appreciation to all who contributed to the preparation of this report.

Sincerely,



Gregg Stapleton
Vice President Business Affairs



Faye O. Allen, CGFO
Director of Fiscal Affairs

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Tri-County Technical College
South Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Sanison

President

Jeffrey R. Enen

Executive Director

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Financial

Cost of first building and equipment:

42,000 sq ft building cost approximately \$495,000

Equipment cost approximately \$1 million

The operating budget and the funding sources grew quickly as the center became operational.

OPERATING BUDGET:

	Partial year FY1962-63	First full yr FY1963-64	FY1964-65	FY1965-66
State of SC			\$ 98,455	\$213,175
Anderson, Oconee, Pickens	\$11,825	\$ 26,600	\$ 26,000	\$ 28,150
Federal Grant				\$ 75,954
Student Fees			\$ 19,536	\$ 26,124
Total Budget	\$11,825	\$ 26,600	\$143,991	\$343,403

CLINE BRANDT KOCHENOWER
& Co., P.A.
Certified Public Accountants
Established 1950

Independent Auditors' Report

Tri-County Technical College
Pendleton, South Carolina

We have audited the accompanying financial statements of the business-type activities of Tri-County Technical College as of and for the years ended June 30, 2012 and 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 an opinion on these basic financial statements based on our audit. We did not audit the financial statements of the Tri-County Technical College Foundation, Inc. and Subsidiary. Tri-County Technical College Foundation, Inc. and Subsidiary reflects 100% of total assets, 100% of net assets, and 100% of total revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Tri-County Technical College Foundation, Inc. and Subsidiary, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *State Board for Technical and Comprehensive Education Audit Guide*. 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 the Tri-County Technical College Foundation, Inc. and Subsidiary 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 provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Tri-County Technical College and its discretely presented component unit, as of June 30, 2012 and June 30, 2011 and the changes in financial position, and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

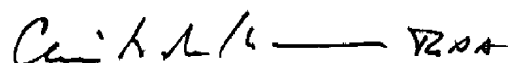
As described in Note 1 to the financial statements, the College adopted, effective for the fiscal year ended June 30, 2012, a monthly depreciation convention for the straight-line method consistent with the policy of the State of South Carolina.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2012 on our consideration of Tri-County Technical College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants and 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.

We have also issued our report dated September 13, 2012 on our consideration of Tri-County Technical College's administration of the State Lottery Assistance Program and on our test of its compliance with certain provisions of State law and policy 3-2-307 and Procedure 3-2-307.1 of the State Board for Technical and Comprehensive Education.

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

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Tri-County Technical College's financial statements as a whole. The introductory section, the supplemental financial statements and the statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the US Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements of the College. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



September 13, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
TRI-COUNTY TECHNICAL COLLEGE
June 30, 2012

As management of Tri-County Technical College, (*"the College"*) we offer readers of the College's financial statements this narrative overview and analysis of the financial activities of the College for the fiscal year ended June 30, 2012. This discussion should be read in conjunction with the financial statements and the notes thereto, which follow this section.

Financial Highlights

- The assets of Tri-County Technical College exceeded its liabilities at June 30, 2012 by \$60,708,721 (net assets). Of this amount, \$5,629,404 (unrestricted net assets) may be used to meet the College's ongoing obligations.
- The College's net assets increased by \$4,980,949 or 8.9%, primarily in the category of current assets and a reduction of current liabilities.
- The College experienced an operating loss of \$20,009,879 as reported in the Statement of Revenues, Expenses, and Changes in Net Assets. The operating loss decreased by \$5,499,553 from fiscal year 2011 due to decrease in; scholarships awarded to students, supplies and other services, auxiliary resale costs and depreciation. The operating loss was offset by non-operating revenues from State appropriations of \$6,213,658, local appropriations of \$2,889,507, State grants and contracts of \$444,749, Federal grants and contracts of \$12,605,758, other non-operating revenues of \$1,199,622, and capital appropriations of \$1,895,684 for total non-operating revenues of \$25,248,978.

Overview of the Financial Statements

The College is engaged only in Business-Type Activities (BTA) that are financed in part by fees charged to students for educational services. Accordingly, its activities are reported using the three financial statements required for proprietary funds: Statement of Net Assets; Statement of Revenues, Expenses, and Changes in Net Assets; and Statement of Cash Flows.

The Statement of Net Assets presents the financial position of the College at the end of the fiscal year and classifies assets and liabilities into current and non-current. The difference between total assets and total liabilities is net assets, which are displayed in three broad categories: invested in capital assets (net of related debt), restricted, and unrestricted. Net assets are one indicator of the current financial condition of the College, while the change in net assets is an indicator of whether the overall financial condition has improved or worsened during the year.

The Statement of Revenues, Expenses, and Changes in Net Assets is basically a statement of net income that replaces the fund perspective with the entity-wide perspective. Revenues and expenses are categorized by operating and non-operating, and expenses are reported by object type.

The Statement of Cash Flows will aid readers in identifying the sources and uses of cash by the major categories of operating, capital and related financing, non-capital financing, and investing activities. This statement also emphasizes the College's dependence on State and county appropriations by separating them from operating cash flows.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) - Continued
TRI-COUNTY TECHNICAL COLLEGE

Financial Analysis

Statement of Net Assets:

Net assets may serve over time as a useful indicator of an entity's financial position. In the case of the College, assets exceeded liabilities by \$60,708,721 at the close of fiscal year 2012, by \$55,727,772 at the close of fiscal year 2011, and by \$52,150,196 at the close of fiscal year 2010.

By far the largest portion of the College's net assets (53.5%) reflects its *investment in capital assets* (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The College uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the College's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Unrestricted net assets of \$5,629,404 (9.3%) may be used to meet the College's ongoing obligations.

Restricted net assets of \$22,619,728 (37.3%) will be used to meet the College's capital project needs to provide academic space and long-term maintenance of physical plant.

The following schedule is prepared from the College's statement of net assets which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated. Note that assets substantially exceed liabilities denoting a sound financial condition for the College.

Net Assets
As of June 30, 2012, June 30, 2011 and June 30, 2010
(In millions)

	30-Jun 2012	30-Jun 2011	Increase (Decrease) 2011 to 2012	30-Jun 2010	Increase (Decrease) 2010 to 2011
ASSETS					
Current Assets	\$34.18	\$29.53	\$4.65	\$26.86	\$2.67
Non-current Assets	\$0.00	\$0.05	(\$0.05)	\$0.05	\$-0-
Capital Assets, Net of Depreciation	\$38.57	\$38.09	\$0.48	\$37.83	\$0.26
TOTAL ASSETS	\$72.75	\$67.67	\$5.08	\$64.74	\$2.93
LIABILITIES					
Current Liabilities	\$5.12	\$4.72	\$0.40	\$4.87	(\$0.15)
Non-current Liabilities	\$6.92	\$7.22	(\$0.30)	\$7.72	(\$0.50)
TOTAL LIABILITIES	\$12.04	\$11.94	\$0.10	\$12.59	(\$0.65)
NET ASSETS					
Investment in Capital Assets	\$32.46	\$31.63	\$0.83	\$30.88	\$0.75
Restricted	\$22.62	\$18.59	\$4.03	\$15.91	\$2.68
Unrestricted	\$5.63	\$5.51	\$0.12	\$5.36	\$0.15
TOTAL NET ASSETS	<u>\$60.71</u>	<u>\$55.73</u>	<u>\$4.98</u>	<u>\$52.15</u>	<u>\$3.58</u>

Highlights of changes:

Total assets increased by 7.5%, the result of:

Increase in cash and investments needed to fund FY2013 projects including progress payments on the Industrial Technology Center being constructed.

Total liabilities increased slightly by .84%, the result of:

Current accounts payable obligations increase due in large part to several capital renovation projects.

Total Net Assets increased by 8.9%, the result of:

Restricted net assets increased due to reserving funds to meet the College's deferred maintenance needs and providing appropriate academic space.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) - Continued
 TRI-COUNTY TECHNICAL COLLEGE

Statement of Revenues, Expenses, and Changes in Net Assets:

The "Statement of Revenues, Expenses and Changes in Net Assets" presents and categorizes revenues earned and expenses incurred during the year into operating and non-operating. Generally, operating revenues and expenses are those received for services rendered and used to carry out the mission of the College; however, the College depends heavily on financial support from the state and counties for which it provides services. This support is categorized as non-operating revenue based on governmental accounting standards; therefore, the College will always reflect an operating deficit and its dependence on state and local funding. Non-operating revenues net of expenses offset the operating deficit and result in an overall increase in net assets for the year. State and local capital appropriations and capital grants and gifts are considered neither operating nor non-operating revenues and are reported below "Net Revenues over Expenses before Capital Contributions".

Summary of Revenue
As of June 30, 2012, June 30, 2011 and June 30, 2010
 (In millions)

	30-Jun 2012	30-Jun 2011	Incr(Decr) 2011 To 2012	30-Jun 2010	Incr(Decr) 2010 To 2011
Operating Revenue					
Tuition and Fees(net of scholarship allow)	\$18.89	\$19.56	(\$0.67)	\$14.45	\$5.11
Grants, Contracts and other	\$12.21	\$11.18	\$1.03	\$13.37	(\$2.19)
Auxiliary(net of book allowance)	\$2.54	\$2.82	(\$0.28)	\$2.44	\$0.38
Total Operating Revenue	\$33.64	\$33.56	\$0.08	\$30.26	\$3.30
Less Operating Expenses	\$53.65	\$59.07	(\$5.42)	\$54.00	\$5.07
Net Operating Loss	(\$20.01)	(\$25.51)	\$5.50	(\$23.74)	(\$1.77)
Non-Operating Revenue					
State Appropriations	\$6.21	\$6.35	(\$0.14)	\$7.20	(\$0.85)
Local Appropriations	\$2.89	\$3.91	(\$1.02)	\$3.60	\$0.31
Other Grants and Contracts	\$14.04	\$18.08	(\$4.04)	\$16.20	\$1.89
Investment Income	\$0.21	\$0.14	\$0.07	\$0.05	\$0.09
Total Non-Operating Revenue	\$23.35	\$28.48	(\$5.13)	\$27.05	\$1.44
Less Interest on Capital Debt	\$0.26	\$0.27	(\$0.01)	\$0.44	(\$0.17)
Net Revenues over Expenses before	\$3.08	\$2.71	\$0.37	\$2.87	(\$0.16)
Capital Contributions					
Capital Appropriations, Grants and Contracts, Gains/Losses	\$1.90	\$0.87	\$1.03	\$1.27	(\$0.40)
Increase in Net Assets	\$4.98	\$3.58	\$1.40	\$4.14	(\$0.56)
Net Assets, Beginning of Year	\$55.73	\$52.15	\$3.58	\$48.01	\$4.14
Net Assets, End of Year	\$60.71	\$55.73	\$4.98	\$52.15	\$3.58
Total Revenues	\$58.89	\$62.92	(\$4.03)	\$58.58	\$4.34

Highlights of changes:

-The major contribution to the 3% decrease in Tuition and Fees was a decline in enrollment from FY2011 record levels by 266 students during the course of the year.

-Operating grants and contracts increased by 9.2% due to increases in the Life and Lottery financial aid programs and in TCTC Foundation scholarships.

-State appropriations decreased 2.2%.

-Local Appropriations were reduced due to paying off bonds on which debt service was funded by local county tax millage.

-Other Grants and Contracts declined by 22.3% due in large part to the one time ARRA funds received in FY11. Pell grant funds also declined due to reduction in enrollment.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) - Continued
TRI-COUNTY TECHNICAL COLLEGE

Summary of Expenses

As of June 30, 2012, June 30, 2011 and June 30, 2010

(In millions)

	30-Jun 2012	30-Jun 2011	Incr(Decr) 2011 To 2012	30-Jun 2010	Incr(Decr) 2010 To 2011
Operating Expenses					
Instruction	\$20.38	\$20.65	(\$0.27)	\$18.59	\$2.06
Academic Support	\$2.92	\$2.91	(\$0.01)	\$2.93	(\$0.02)
Student Services	\$5.52	\$5.01	\$0.51	\$6.75	(\$1.74)
Operations and Maintenance of Plant	\$4.57	\$6.27	(\$1.70)	\$3.99	\$2.28
General Administration	\$3.39	\$3.24	\$0.15	\$3.34	(\$0.10)
Scholarships	\$9.34	\$12.79	(\$3.45)	\$10.50	\$2.29
Auxiliary	\$5.08	\$5.47	(\$0.39)	\$5.28	\$0.19
Depreciation	\$2.45	\$2.72	(\$0.27)	\$2.63	\$0.09
Total Operating Expenses	\$53.65	\$59.06	(\$5.41)	\$54.00	\$5.06
Total all Expenses	\$53.91	\$59.34	(\$5.43)	\$54.44	\$4.90

Highlights of changes:

Operating expenses include deferred maintenance and other non-capitalized refurbishment projects.

Instruction expenses decreased by 1.3% because with lower enrollment, fewer adjunct faculty were needed.

Student service expenses increased 10.2% because of projects focused on improving student success.

The Operation and Maintenance of Plant expenses decreased due to improved cost control and higher than usual FY11 expenses for grant funded projects.

Scholarship expense, mainly for federal Pell grants, decreased due to a decline in enrollment.

Statement of Cash Flows:

The "Statement of Cash Flows" is concerned solely with the flows of cash in and out of the College. Consequently, only transactions that affect the College's cash account is reported in this statement.

Summary of Cash Flows

As of June 30, 2012, June 30, 2011 and June 30, 2010

(In millions)

	30-Jun 2012	30-Jun 2011	Difference 2011 To 2012	30-Jun 2010	Difference 2010 To 2011
Net cash used by operating activities	(\$14.97)	(\$25.92)	\$10.95	(\$21.31)	(\$4.61)
Net cash flows from non-capital financing activities	\$23.14	\$28.35	(\$5.21)	\$27.01	\$1.34
Net cash flows used by capital and related financing activities	(\$0.42)	(\$0.59)	\$0.17	(\$2.69)	\$2.10
Net cash flows from investing activities	\$0.21	\$0.14	\$0.07	\$0.05	\$0.09
Net increase(decrease) in cash	\$7.96	\$1.99	\$5.97	\$3.06	(\$1.07)

Highlights of changes:

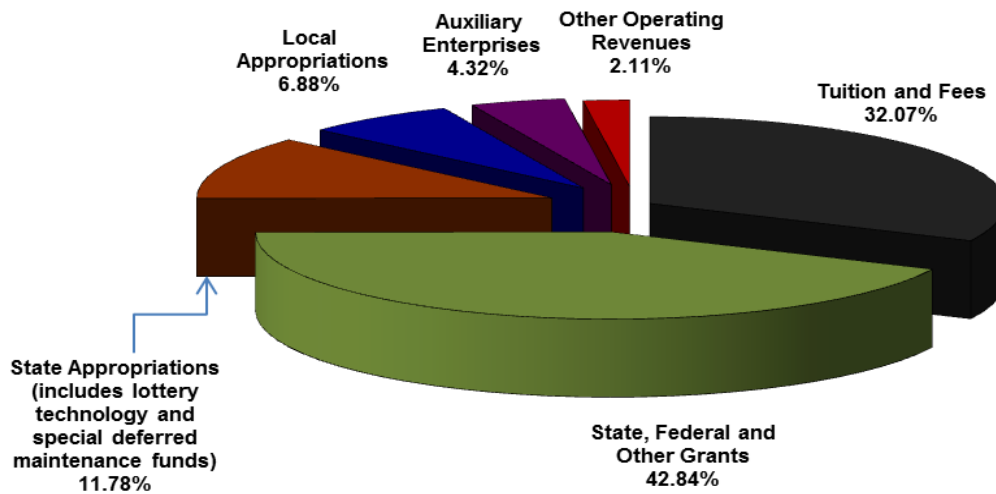
Cash used (outflow) by operating activities decreased due to fewer scholarships awarded to students and reduction in purchases of supplies.

Cash inflow from non-capital financing activities decreased due to a corresponding decrease of scholarship funds for students and a reduction in the amount of county funding.

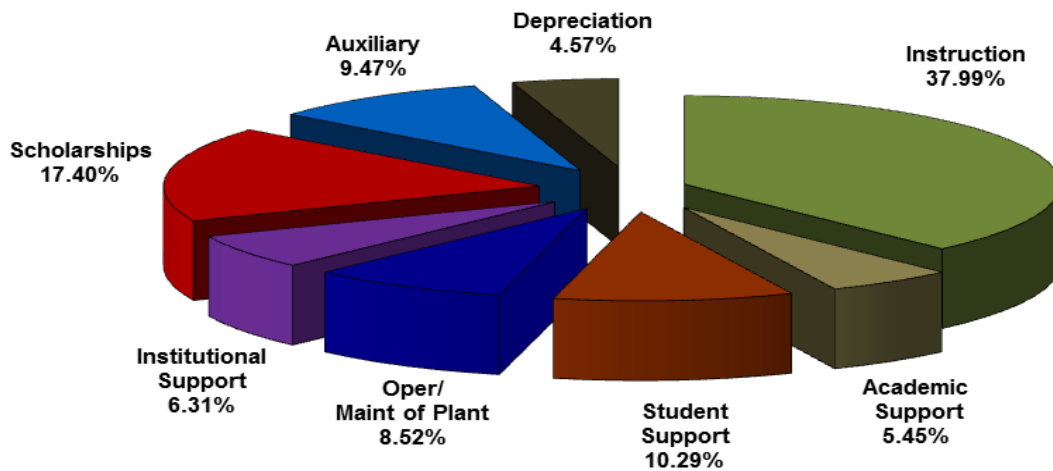
Net cash flows used by capital and related financing activities decreased due ARRA funds received in FY11 were non-recurring.

Cash inflow from investing activities increased due to earning a greater amount of interest income in FY12.

**All Sources of Revenue
As of June 30, 2012**



**Operating Expenses by Function
As of June 30, 2012**



MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) - Continued
TRI-COUNTY TECHNICAL COLLEGE

Capital Asset and Debt Administration

The College's capital assets total \$38,574,589, a 1.26% increase over fiscal year 2011. More detailed information on capital asset activity can be found in notes 2, 6, and 12 following the basic financial statements.

As of June 30, 2012 the only long term debt for the College is capital lease payable of \$6,115,000. More detailed information on long-term debt activity can be found in notes 2, 6, and 12 following the basic financial statements.

Economic Factors

The College is dependent on tuition revenues, ideally from a stable enrollment over time. While the decline in enrollment from FY11's record levels resulted in slight decrease in this revenue source, this likely was not a reflection of changes in local practices or markets. Many two-year institutions across the State and the country experienced enrollment declines. It appears in the Upstate of South Carolina lower enrollments correlate with a slowly improving economy as more potential students were able to find or keep jobs instead of returning to college to enhance their skills or seek a credential in support of a career change.

The economic condition of the College is also dependent to a large degree on that of the state and local governments. The state of South Carolina was forced to cut funding to higher education in the wake of state revenue shortfalls. Current operations experienced a 2.1% (\$132,637) reduction in state operational funding.

Local government support provided funding for ongoing maintenance and plant operations even though the tax base remained relatively flat. Although the unemployment rates improved slightly from June 2011, unemployment in the College's service area still remains at unhealthy levels at June 30, 2012; 9.8% for Anderson county, 10.2% for Oconee county, and 9.3% for Pickens county.

The college continues to operate on a fiscally sound basis due to modest tuition increases and sound fiscal planning and budget management that offset reductions in FY 2012 state funding and pressures from declining enrollment.

TRI-COUNTY TECHNICAL COLLEGE

Basic Financial Statements

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Statement of Net Assets
Tri-County Technical College
June 30, 2012 and June 30, 2011

ASSETS	FY12	FY11
Current assets:		
Cash and cash equivalents--Note 3	\$ 29,865,141	\$ 21,855,383
Accounts receivable, net of allowance--Note 4	2,979,811	6,237,831
Inventories	544,524	696,011
Prepaid expenses - other assets	786,774	743,107
Total Current Assets	34,176,250	29,532,332
Noncurrent assets:		
Restricted cash and cash equivalents--Note 3	376	48,581
Capital assets, net of accumulated depreciation--Note 6	38,574,589	38,094,320
Total Noncurrent Assets	38,574,965	38,142,901
TOTAL ASSETS	\$ 72,751,215	\$ 67,675,233
LIABILITIES		
Current liabilities		
Accounts payable--Note 5	\$ 2,197,854	\$ 1,153,392
Accrued liabilities	44,090	61,883
Accrued annual leave-current portion--Note 12	130,580	123,401
Unearned Revenue	2,379,749	3,007,232
Loan payable--Note 11	0	25,939
Capital lease payable-current portion--Note 10	365,000	350,000
Total Current Liabilities	\$ 5,117,273	\$ 4,721,847
Noncurrent Liabilities		
Accrued annual leave--Note 12	\$ 1,175,221	\$ 1,110,614
Capital lease payable--Note 10 and 12	5,750,000	6,115,000
Total Noncurrent Liabilities	6,925,221	7,225,614
TOTAL LIABILITIES	\$ 12,042,494	\$ 11,947,461
NET ASSETS		
Invested in capital assets, net of related debt	\$ 32,459,589	\$ 31,629,320
Restricted for:		
Expendable:		
State Capital Project fund	376	48,581
Capital Projects	22,619,352	18,252,239
Reserved for Encumbrance-Capital Projects	-	288,717
Unrestricted	5,629,404	5,508,915
Total Net Assets	60,708,721	55,727,772
TOTAL LIABILITIES AND NET ASSETS	\$ 72,751,215	\$ 67,675,233

See accompanying notes to financial statements.

Statement of Revenues, Expenses, and Changes in Net Assets
Tri-County Technical College
For the years ended June 30, 2012 and June 30, 2011

REVENUES	FY12	FY11
Operating Revenues:		
Student tuition and fees (net of \$9,634,727 scholarship allowances)	\$ 18,885,413	\$ 19,555,685
Federal grants and contracts	1,939,199	2,067,514
State grants and contracts	9,122,875	8,176,987
Non-governmental contracts	1,110,084	898,654
Auxiliary enterprises (net of \$2,941,501 scholarship book allowance)	2,543,011	2,817,497
Other operating revenues	40,292	40,975
TOTAL OPERATING REVENUES	33,640,874	33,557,312
EXPENSES		
Operating Expenses		
Salaries	20,572,973	20,088,380
Benefits	6,022,664	5,394,587
Scholarships	9,335,395	12,794,016
Utilities	935,422	884,250
Supplies and other services	10,055,348	12,594,696
Auxiliary resale costs	4,278,232	4,592,902
Depreciation	2,450,719	2,717,913
TOTAL OPERATING EXPENSES	53,650,753	59,066,744
OPERATING LOSS	(20,009,879)	(25,509,432)
NONOPERATING REVENUES (EXPENSES)		
State appropriations	6,210,945	6,343,689
State appropriations-CHE	2,713	2,606
Local appropriations	2,889,507	3,909,984
Federal grants and contracts	12,605,758	16,763,431
State grants and contracts	444,749	500,435
Other nonoperating revenues	991,665	814,457
Interest income	207,957	142,176
Gain(Loss) on disposal of assets	(1,518)	13,549
Interest on capital asset-related debt	(256,632)	(272,702)
NET NONOPERATING REVENUES	23,095,144	28,217,625
INCOME BEFORE OTHER REVENUE,EXPENSES AND GAINS OR LOSSES	3,085,265	2,708,193
NSF-CORD	8,308	10,228
State appropriations-Lottery Technology	193,453	38,894
State capital reserve-Deferred Maintenance	532,968	-
Foundation Technology	-	25,000
Local capital appropriations	1,160,955	795,261
TOTAL OTHER	1,895,684	869,383
INCREASE IN NET ASSETS	4,980,949	3,577,576
NET ASSETS		
NET ASSETS - BEGINNING OF THE YEAR	55,727,772	52,150,196
NET ASSETS - END OF THE YEAR	\$ 60,708,721	\$ 55,727,772
See accompanying notes to financial statements.		

Statement of Cash Flows
Tri-County Technical College
For the years ended June 30, 2012 and June 30, 2011

	<u>FY12</u>	<u>FY11</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 18,686,659	\$ 20,140,819
Federal grants & contracts	(5,696,136)	(12,159,300)
State grants & contracts	9,930,903	7,460,915
Non governmental grants & contracts	1,226,855	(49,479)
Auxiliary Enterprise	(1,583,734)	(1,873,679)
Payments to suppliers	(11,034,437)	(14,018,079)
Payments to employees	(26,541,644)	(25,458,050)
Other receipts	40,292	40,975
NET CASH USED BY OPERATING ACTIVITIES	<u>(14,971,242)</u>	<u>(25,915,878)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	6,213,658	6,361,944
Local appropriations	2,889,507	3,909,984
Federal grants and contracts	12,605,758	16,763,431
State grants and contracts	444,749	500,435
Other grants and contracts	991,665	814,467
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>23,145,337</u>	<u>28,350,261</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
County appropriations for capital	1,160,955	795,261
Federal grants for capital	8,308	10,228
Local grants for capital	0	25,000
State lottery technology	193,453	38,894
State capital reserve - deferred maintenance	532,968	-
Purchases of capital assets	(1,719,572)	(2,948,164)
Proceeds from capital assets	35,960	2,229,671
Principle paid on capital debt	(375,939)	(466,815)
Interest paid on capital debt	(256,632)	(272,702)
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>\$ (420,499)</u>	<u>\$ (588,627)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	207,957	142,331
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>\$ 207,957</u>	<u>\$ 142,331</u>
NET INCREASE IN CASH	7,961,553	1,988,087
CASH - BEGINNING OF THE YEAR	<u>21,903,964</u>	<u>19,915,877</u>
CASH - END OF YEAR	<u><u>\$ 29,865,517</u></u>	<u><u>\$ 21,903,964</u></u>

See accompanying notes to financial statements.

Statement of Cash Flows
Tri-County Technical College
For the years ended June 30, 2012 and June 30, 2011

	<u>FY12</u>	<u>FY11</u>
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating expenses over revenues	\$ (20,009,879)	\$ (25,509,432)
Depreciation expense	2,450,719	2,717,913
 CHANGES IN ASSETS AND LIABILITIES		
Accounts receivable	3,188,847	(2,340,807)
Inventory	151,487	(98,274)
Prepaid expenses	(43,667)	(539,133)
Accounts payable	(135,260)	(387,386)
Unearned revenue	(627,482)	216,324
Accrued liabilities	(17,793)	20,094
Compensated absences	71,786	4,823
 NET CASH (USED) BY OPERATING ACTIVITIES	<u><u>\$ (14,971,242)</u></u>	<u><u>\$ (25,915,878)</u></u>

See accompanying notes to financial statements.

Component Unit of
Tri-County Technical College

TRI-COUNTY TECHNICAL COLLEGE FOUNDATION, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		JUNE 30,	
		2012	2011
ASSETS			
Cash and Cash Equivalents	\$	566,010	\$ 377,418
Board-designated Cash		11,452	11,471
Pledges Receivable, Net		630,218	694,341
Accrued Interest Receivable		76,432	77,596
Student Loans Receivable		6,757	4,255
Investments		16,303,710	16,562,580
Property, Plant and Equipment, Net		7,831,374	7,993,209
Bond Issue Costs, Net		41,701	44,851
TOTAL ASSETS	\$	25,467,654	\$ 25,765,721
LIABILITIES AND NET ASSETS			
Accounts Payable	\$	24,047	\$ 46,063
Bonds Payable		6,115,000	6,465,000
Total Liabilities		6,139,047	6,511,063
Net Assets			
Unrestricted		1,736,596	1,867,597
Unrestricted, Board-designated		1,355,682	1,157,819
Temporarily Restricted		3,950,759	4,187,557
Permanently Restricted		12,285,570	12,041,685
Total Net Assets		19,328,607	19,254,658
TOTAL LIABILITIES AND NET ASSETS	\$	25,467,654	\$ 25,765,721

Component Unit of
Tri-County Technical College

TRI-COUNTY TECHNICAL COLLEGE FOUNDATION, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES

		YEAR ENDED JUNE 30,			
		2012			2011
		TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	COMBINED TOTAL	COMBINED TOTAL
UNRESTRICTED					
REVENUES, GAINS, AND OTHER SUPPORT					
Contributions	\$ 31,955	\$ 216,470	\$ 243,885	\$ 492,310	\$ 1,320,038
Investment Income	-	300,665	-	300,665	299,274
Net Realized Gains on Investments	-	104,702	-	104,702	282,802
Net Unrealized Gains (Losses) on Investments	-	(171,138)	-	(171,138)	2,071,061
Partnership Income (Loss)	-	(29,937)	-	(29,937)	(1,216)
Rental Income	642,706	-	-	642,706	641,680
Interest Income	1,246	4,587	-	5,833	4,383
Other Income	-	50,343	-	50,343	36,839
Total Revenues, Gains, and Other Support	675,907	475,692	243,885	1,395,484	4,654,861
Net Assets Released from Restrictions	712,490	(712,490)	-	-	-
EXPENSES					
Program Services					
Scholarships	389,689	-	-	389,689	363,457
Educational Support	246,590	-	-	246,590	238,129
Pledge Discount	(29,469)	-	-	(29,469)	18,758
Depreciation and Amortization	164,984	-	-	164,984	164,985
Management and General	177,204	-	-	177,204	170,805
Interest Expense	279,859	-	-	279,859	288,469
Fundraising	92,678	-	-	92,678	92,814
Total Expenses	1,321,535	-	-	1,321,535	1,337,417
Change in Net Assets from Operations	66,862	(236,798)	243,885	73,949	3,317,444
NET ASSETS, BEGINNING OF YEAR	3,025,416	4,187,557	12,041,685	19,254,658	15,937,214
Non-Operating Reclassifications of Net Assets	-	-	-	-	-
NET ASSETS, END OF YEAR	\$ 3,092,278	\$ 3,950,759	\$ 12,285,570	\$ 19,328,607	\$ 19,254,658

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE
June 30, 2012 and June 30, 2011

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: Tri-County Technical College (“*the College*”), a member institution of the South Carolina Technical College System, provides a range of educational programs to meet the needs of the adult population of Anderson, Oconee, and Pickens counties. Included in this range of programs are technical and occupational associate degree, diploma and certificate curricula that are consistent with the needs of employers in the College’s service area. As an integral part of this mission, the College provides a program of continuing education designed to satisfy the occupational demands of employers through retraining and upgrading the skills of individual employees. The College also provides a variety of developmental education programs, support services and offerings to assist students in meeting their personal and professional educational objectives.

Reporting Entity: The financial reporting entity, as defined by the Governmental Accounting Standards Board (GASB) consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete. Accordingly, the financial statements include the accounts of Tri-County Technical College, as the primary government, and the accounts of Tri-County Technical College Foundation (the “Foundation”), its component unit. The College is part of the primary government of the State of South Carolina. However, based on the nature and significance of the Foundation’s relationship with the State of South Carolina, the Foundation is not a component unit of the State of South Carolina.

The Foundation is a legally separate, tax-exempt component unit of the College. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the College in support of its programs. The 45-member board of the Foundation is self-perpetuating and consists of graduates and friends of the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

The Foundation is a private not-for-profit organization that reports its financial results under Financial Accounting Standards Board (FASB) Statements. Most significant to the Foundation’s operations and reporting model are FASB Statement No. 116, *Accounting for Contributions Received and Contributions Made*, and FASB Statement No. 117, *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. Because it is considered impractical to reformat the nongovernmental data into the governmental format, no modifications have been made to the Foundation’s financial information in the College’s financial reporting entity for these differences.

However, significant note disclosures to the Foundation’s financial statements have been incorporated into the College’s notes to the financial statements. (See the Component Unit Section within this Summary of Significant Accounting Policies and Notes 13 and 18.)

Financial statements for the Foundation can be obtained by mailing a request to Tri-County Technical College Foundation, P.O. Box 587, Pendleton, SC 29670.

NOTES TO THE FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Financial Statements: The financial statement presentation for the College meets the requirements of Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. The financial statement presentation provides a comprehensive, entity-wide perspective of the College's net assets, revenues, expenses and changes in net assets and cash flows that replaces the fund-group perspective previously required.

The financial statements are presented within the College's Comprehensive Annual Financial Report (CAFR). The CAFR also includes an introductory section and statistical section. The College's CAFR meets the requirements of the new GASB Statement No. 44 on the Statistical Section.

Basis of Accounting: For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. Student tuition and fees are presented net of scholarships and fellowships applied to student accounts, while stipends and other payments made directly are presented as scholarship expenses. All significant intra-institutional transactions have been eliminated. The College has elected not to apply Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989.

Cash and Cash Equivalents: For purposes of the statement of cash flows, the College considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Funds invested through the State of South Carolina State Treasurer's Office are considered cash equivalents.

Investments: Deposits and investments for the College are governed by the South Carolina Code of Laws, Section 11-9-660, "Investments of Funds". During the year ended June 30, 2005, the College implemented GASB Statement No. 40, *Deposits and Investment Risk Disclosures – an amendment to GASB Statement No. 3*. This statement requires disclosures related to deposit risks, such as custodial credit risk, and investment risks, such as credit risk (including custodial credit risk and concentrations of credit risks) and interest rate risk. 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 fair value of investments are reported as a component of investment income in the statement of revenues, expenses and changes in net assets.

Accounts Receivable: Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff. Accounts receivable also include amounts due from the Federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts. Details for accounts receivable are discussed in Note 3.

Allowances for losses for student accounts receivable are established based upon actual losses experienced in prior years and evaluations of the current account portfolio. At June 30, 2012, the allowance for uncollectible student accounts is \$510,000. At June 30, 2011, the allowance for uncollectible student accounts is \$482,441.

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Inventories: Inventories for internal use are valued at cost. Inventories for resale are carried at the lower of cost or market on the first-in, first-out ("FIFO") basis.

Capital Assets: Capital assets are recorded at cost at the date of acquisition or fair market value at the date of donation in the case of gifts. The College follows capitalization guidelines established by the State of South Carolina. All land is capitalized, regardless of cost. Qualifying improvements that rest in or on the land itself are recorded as depreciable land improvements. Major additions and renovations and other improvements that add to the usable space, prepare existing buildings for new uses, or extend the useful life of an existing building are capitalized. The College capitalizes movable personal property with a unit value in excess of \$5,000 and a useful life in excess of two years and depreciable land improvements, buildings and improvements, and intangible assets costing in excess of \$100,000. Routine repairs and maintenance and library materials, except individual items costing in excess of \$5,000, are charged to operating expenses in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 15 to 50 years for buildings and improvements and land improvements and 2 to 25 years for machinery, equipment, and vehicles. Until fiscal year 2012 a full year of depreciation was taken the year the asset was placed in service and no depreciation was taken in the year of disposition. However, a memorandum from the South Carolina Office of Comptroller General was received on April 5, 2012 issuing a depreciation method change. *"Effective July 1, 2011 (FY12), all new purchases for capital assets should utilize a monthly depreciation convention for the straight-line method."*

Unearned Revenues and Deposits: Unearned revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Unearned revenues also include amounts received from grant and contract sponsors that have not yet been earned. At June 30, 2012, unearned revenue for tuition and fees totaled \$1,224,595 and other unearned revenue totaled \$1,155,154. At June 30, 2011, unearned revenue for tuition and fees totaled \$1,176,683 and other unearned revenue totaled \$1,830,548.

Compensated Absences: Employee vacation pay expense is accrued at year-end for financial statement purposes. The liability and expense incurred are recorded at year-end as a component of long-term liabilities in the statement of net assets and as a component of benefit expenses in the statement of revenues, expenses, and changes in net assets. At June 30, 2012, accumulated unpaid vacation time amounted to \$1,305,801. At June 30, 2011, accumulated unpaid vacation time amounted to \$1,234,015.

GASB 54: GASB 54 fund balance classification terminology changes pertain to *Governmental Fund Types*. The Colleges and Universities operate under *Business Type Activity* and are exempt from GASB 54.

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

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

Restricted net assets - expendable: Restricted expendable net assets include resources in which the College is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Unrestricted net assets: Unrestricted net assets represent resources derived from student tuition and fees, appropriations, and sales and services of educational departments and 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 governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

The College policy for applying expenses that can use both restricted and unrestricted resources is delegated to the departmental administrative level. General practice is to first apply the expense to restricted resources and then to unrestricted resources.

Income Taxes: The College is exempt from income taxes under the Internal Revenue Code.

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

Operating Revenues and Expenses: Operating revenues generally result from exchange transactions to provide goods or services related to the College's principal ongoing operations. These revenues include (1) student tuition and fees received in exchange for providing educational services, housing, and other related services to students; (2) fees received by College hospitals in exchange for providing health-related services; (3) receipts for scholarships where the provider has identified the student recipients; (4) fees received from organizations and individuals in exchange for miscellaneous goods and services provided by the College; and (5) grants and contracts that are essentially the same as contracts for services that finance programs the College would not otherwise undertake.

Non-operating Revenues and Expenses: Non-operating revenues include activities that have the characteristics of non-exchange transactions. These revenues include gifts and contributions, appropriations, investment income, and any grants and contracts that are not classified as operating revenue or restricted by the grantor to be used exclusively for capital purposes. Beginning fiscal year 2010, the SC Comptroller General's office mandated that Pell grants be re-classified as non-operating revenues from operating revenues; therefore, the FY09 and FY08 financial statements were restated in order to standardize comparisons between FY08, FY09, FY10 and FY11. State Fiscal Stabilization Funds are reported as Federal non-operating revenues in the financial statements, with a portion reported as capital grants if appropriate.

Auxiliary Enterprises and Internal Service Activities: Auxiliary enterprise revenues primarily represent revenues generated by bookstore and printing services. Revenues of internal service and auxiliary enterprise activities and the related expenses of college departments have been eliminated.

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

Scholarship Discounts and Allowances Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statement of revenues, expenses and changes in net assets. Scholarship discounts and 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 governmental grants, and other federal, state or non-governmental programs, are recorded as operating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship discount and allowance.

NOTE 2 -- STATE APPROPRIATIONS

State funds for operations for the South Carolina Technical College System are appropriated to the State Board for Technical and Comprehensive Education (the Board), and the Board allocates funds budgeted for the technical colleges in a uniform and equitable manner.

The following is a detail schedule of State appropriations revenue reported in the financial statements for the **fiscal year ended June 30, 2012:**

NON-CAPITAL APPROPRIATIONS

Appropriations per Annual Appropriations Act	\$ 6,210,945
From Commission on Higher Education:	
Academic Endowment	<u>2,713</u>
Total Non-Capital Appropriations Recorded as Current Year Revenue	<u>\$ 6,213,658</u>

CAPITAL APPROPRIATIONS

State Lottery Technology Appropriations	193,453
Capital Reserve Fund-Deferred Maintenance	<u>532,968</u>
Total Capital Appropriations Recorded as Current Year Revenue	<u>\$ 726,421</u>

The following is a detail schedule of State appropriations revenue reported in the financial statements for the **fiscal year ended June 30, 2011:**

NON-CAPITAL APPROPRIATIONS

Appropriations per Annual Appropriations Act	\$ 6,343,689
From Commission on Higher Education:	
Academic Endowment	<u>2,606</u>
Total Non-Capital Appropriations Recorded as Current Year Revenue	<u>\$ 6,346,295</u>

CAPITAL APPROPRIATIONS

State Lottery Technology Appropriations	<u>38,894</u>
Total Capital Appropriations Recorded as Current Year Revenue	<u>\$ 38,894</u>

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 3 – CASH, DEPOSITS AND INVESTMENTS

Deposits: The College complies with Section 11-13-30 of the South Carolina Code of Laws and Attorney General's opinion, which permit only the State Treasurer to invest funds of State agencies. It is permitted to place cash reserves (fund balances) of the College in a bank with insured deposits under FDIC. A cash management plan of the bank that includes overnight purchase of U. S. Treasury notes is used to maximize earnings that become available on deposits. Under State statute, all deposits in excess of FDIC limits must be backed by the bank with satisfactory collateral assigned to the College and placed in escrow.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that a government will not be able to recover deposits if the depository financial institution fails to recover the value of collateral securities that are in the possession of an outside party if the counterparty to the deposit transaction fails.

Each night the College's deposits are transferred to an over-night repurchase agreement leaving a minimal amount in the actual bank account. The over-night repurchase investments include total amount of cash in the bank prior to application of outstanding checks.

As a result of this cash management policy, the College's deposits at **June 30, 2012** were (\$689,557) which represents checks written by the College that had not cleared the payment process. Bank deposits are entirely covered by federal depository insurance or by collateral held by the College's custodial bank in the College's name.

Deposits include cash and cash equivalents on deposits in banks and held by the State Treasurer. At **June 30, 2012**, the State Treasurer held \$376 in its pooled cash in accounting funds in the College's name. State law requires full collateralization of all State Treasurer bank balances. The State Treasurer must correct any deficiencies in collateral within seven days. At **June 30, 2012**, all State Treasurer bank balances were fully insured or collateralized with securities held by the State or by agents in the State's name.

Fiscal year 2012 information:

Statement of Net Assets:

Cash and cash equivalents	\$ 29,865,141
Restricted cash and cash equivalents:	
<u>Capital Projects</u>	<u>376</u>
<u>Total Statement of Net Assets</u>	<u>\$ 29,865,517</u>

Deposit and Investments Note:

Petty cash on hand	\$ 5,150
Bank accounts	(319,582)
Investments	30,179,573
<u>Held by State Treasurer</u>	<u>376</u>
<u>Total Deposits and Investments Note</u>	<u>\$ 29,865,517</u>

Fiscal year 2011 information:

As a result of this cash management policy, the College's deposits at **June 30, 2011** were (\$628,589) which represents checks written by the College that had not cleared the payment process. Bank deposits are entirely covered by federal depository insurance or by collateral held by the College's custodial bank in the College's name.

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 3 – CASH, DEPOSITS AND INVESTMENTS-continued

Deposits include cash and cash equivalents on deposits in banks and held by the State Treasurer. At June 30, 2011, the State Treasurer held \$48,581 in its pooled cash in accounting funds in the College's name. State law requires full collateralization of all State Treasurer bank balances. The State Treasurer must correct any deficiencies in collateral within seven days. At June 30, 2011, all State Treasurer bank balances were fully insured or collateralized with securities held by the State or by agents in the State's name.

Fiscal year 2011 information:

Statement of Net Assets:

Cash and cash equivalents	\$ 21,855,383
Restricted cash and cash equivalents:	
<u>Capital Projects</u>	<u>48,581</u>
<u>Total Statement of Net Assets</u>	<u>\$ 21,903,964</u>

Deposit and Investments Note:

Petty cash on hand	\$ 3,550
Bank accounts	(273,687)
Investments	22,125,520
<u>Held by State Treasurer</u>	<u>48,581</u>
<u>Total Deposits and Investments Note</u>	<u>\$ 21,903,964</u>

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The College does not maintain deposits that are denominated in a currency other than the United States dollar, therefore, the college is not exposed to this risk.

Investments: The College is authorized, by the South Carolina Code of Laws, Section 11-9-660, to invest in obligations of the United States and its agencies, obligations of the State of South Carolina and its political subdivisions, collateralized or federally insured certificates of deposit, and collateralized repurchase agreements.

The College's investments at June 30, 2012, that are *not* with the State Treasurer's Office are presented below. All investments are presented by investment type and debt securities are presented by maturity.

<u>Investment Type</u>	Fair Value <u>Amount</u>	<u>Investment Maturities (in years)</u>		
		Less <u>Than 1</u>	<u>1 – 5</u>	<u>6 – 10</u>
<u>Debt Securities</u>				
Repurchase agreements.....	\$30,179,573	X		

The College's investments at June 30, 2011, that are *not* with the State Treasurer's Office are presented below. All investments are presented by investment type and debt securities are presented by maturity.

<u>Investment Type</u>	Fair Value <u>Amount</u>	<u>Investment Maturities (in years)</u>		
		Less <u>Than 1</u>	<u>1 – 5</u>	<u>6 – 10</u>
<u>Debt Securities</u>				
Repurchase agreements.....	\$22,125,521	X		

NOTES TO FINANCIAL STATEMENTS
 TRI-COUNTY TECHNICAL COLLEGE

NOTE 4 -- ACCOUNTS RECEIVABLE

Receivables at **June 30, 2012:**

Student Accounts	\$ 1,962,952
Other Accounts	209,646
Due from Federal and Other Grantors	<u>1,317,213</u>
Gross Receivables	\$ 3,489,811
Less: Allowance for Uncollectible Accounts:	
Student Accounts	<u>\$ 510,000</u>
Net Receivables	<u>\$ 2,979,811</u>

Receivables at **June 30, 2011:**

Student Accounts	\$ 1,914,849
Other Accounts	60,704
Due from Federal and Other Grantors	<u>4,744,719</u>
Gross Receivables	\$ 6,720,272
Less: Allowance for Uncollectible Accounts:	
Student Accounts	<u>\$ 482,441</u>
Net Receivables	<u>\$ 6,237,831</u>

NOTE 5 – ACCOUNTS PAYABLE

Accounts payable as of **June 30, 2012**, is summarized as follows:

Operations-Accounts Payable	\$ 865,496
Due to Federal and Other Grantors	104,803
Other	<u>1,227,555</u>
Total Accounts Payable	<u>\$ 2,197,854</u>

Accounts payable as of **June 30, 2011**, is summarized as follows:

Operations-Accounts Payable	\$ 1,091,618
Due to Federal and Other Grantors	13,941
Other	<u>47,833</u>
Total Accounts Payable	<u>\$ 1,153,392</u>

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 6 -- CAPITAL ASSETS

The activity in the College's capital assets for the fiscal year ended June 30, 2012 is as follows:

	Beginning Balance 30-Jun-11	Increases	Decreases	Ending Balance 30-Jun-12
Capital Assets not being depreciated:				
Land	2,317,620	-	36,374	2,281,246
Construction in Progress	176,698	2,100,338	-	2,277,036
Total Capital Assets not being depreciated	2,494,318	2,100,338	36,374	4,558,282
Other Capital Assets:				
Buildings	32,672,187	-	-	32,672,187
Depreciable Building Improvements	8,893,475	-	-	8,893,475
Depreciable Land Improvements	3,603,831	-	-	3,603,831
Machinery, equipment, other	8,084,624	809,907	863,218	8,031,313
Vehicles	479,510	58,223	-	537,733
Capital Lease Assets	8,000,000	-	-	8,000,000
Capital Leasehold Improvement	2,531,661	-	-	2,531,661
Total Other Capital Assets at Historical Costs	64,265,288	868,130	863,218	64,270,200
Less Accumulated Depreciation for:				
Buildings	-13,241,202	-783,180	-	-14,024,382
Depreciable Building Improvements	-3,224,847	-355,739	-	-3,580,586
Depreciable Land Improvements	-1,835,802	-154,796	-	-1,990,598
Machinery, equipment, and other	-7,179,422	-541,736	862,114	-6,859,044
Vehicles	-372,166	-37,394	-	-409,560
Capital Lease Assets	-2,105,260	-421,053	-	-2,526,313
Capital Leasehold Improvements	-706,589	-156,821	-	-863,410
Total Accumulated Depreciation	-28,665,288	-2,450,719	862,114	-30,253,893
Other Capital Assets, net	35,600,000	-1,582,589	1,104	34,016,307
Capital Assets, Net	\$38,094,318	517,749	37,478	\$38,574,589

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 6 -- CAPITAL ASSETS-continued

The activity in the College's capital assets for the fiscal year ended **June 30, 2011** is as follows:

	Beginning Balance 30-Jun-10	Increases	Decreases	Ending Balance 30-Jun-11
Capital Assets not being depreciated:				
Land	2,112,310	205,310	-	2,317,620
Total Capital Assets not being depreciated	2,112,310	205,310	-	2,317,620
Other Capital Assets:				
Buildings	24,860,191	7,811,996	-	32,672,187
Depreciable Building Improvements	8,893,475	-	-	8,893,475
Depreciable Land Improvements	3,603,831	-	-	3,603,831
Construction in Progress	5,638,078	176,698	5,638,078	176,698
Machinery, equipment, other	8,091,439	484,272	491,087	8,084,624
Vehicles	415,125	64,385	-	479,510
Capital Lease Assets	8,377,236	-	377,236	8,000,000
Capital Leasehold Improvement	2,531,661	-	-	2,531,661
Total Other Capital Assets at Historical Costs	62,411,036	8,537,351	6,506,401	64,441,986
Less Accumulated Depreciation for:				
Buildings	-12,458,022	-783,180	-	-13,241,202
Depreciable Building Improvements	-2,869,108	-355,739	-	-3,224,847
Depreciable Land Improvements	-1,720,398	-154,796	39,392	-1,835,802
Machinery, equipment, and other	-6,988,586	-659,605	468,769	-7,179,422
Vehicles	-179,496	-192,670	-	-372,166
Capital Lease Assets	-1,927,677	-454,494	276,911	-2,105,260
Capital Leasehold Improvements	-549,768	-156,821	-	-706,589
Total Accumulated Depreciation	-26,693,055	-2,757,305	785,072	-28,665,288
Other Capital Assets, net	35,717,981	5,780,046	5,721,329	35,776,698
Capital Assets, Net	\$37,830,291	5,985,356	5,721,329	\$38,094,318

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 7 -- PENSION PLAN(S)

The Retirement Division of the State Budget and Control Board maintains four independent defined benefit plans and issues its own publicly available Comprehensive Annual Financial Report (CAFR) which includes financial statements and required supplementary information. A copy of the separately issued CAFR may be obtained by writing to The South Carolina Retirement System, PO Box 11960, Columbia, South Carolina 29211. Furthermore, the Retirement System and the four pension plans are included in the CAFR of the State of South Carolina.

Article X, Section 16, of the South Carolina Constitution requires that all State-operated retirement systems be funded on a sound actuarial basis. Title 9 of the South Carolina Code of Laws of 1976, as amended, prescribes requirements relating to membership, benefits, and employee/employer contributions for each pension plan. Employee and employer contribution rates for the South Carolina Retirement System and the Police Officers Retirement System are actuarially determined. Annual benefits, payable monthly for life, are based on length of service and on average final compensation.

South Carolina Retirement System

The majority of employees of the College are covered by a retirement plan through the South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Retirement Division, a public employee retirement system. Generally all State employees are required to participate in and contribute to the SCRS as a condition of employment unless exempted by law as provided in Section 9-1-480 of the South Carolina Code of Laws. This plan provides retirement annuity benefits as well as disability, cost of living adjustment, death, and group-life insurance benefits to eligible employees and retirees.

South Carolina Retirement System						
Employee Contribution		Employer Contribution				
Fiscal Year	Percentage Rate	Percentage Rate	Insurance Surcharge	Actual Contributions	Group Life Contributions	Group Life Rate
2012	6.50%	9.385% ¹	4.30% ²	1,384,778	22,133	0.15%
2011	6.50%	9.24%	3.90% ²	1,342,951	21,801	0.15%
2010	6.50%	9.24%	3.50%	1,324,221	21,497	0.15%
2009	6.50%	9.24%	3.50%	1,283,977	20,844	0.15%

¹ Increase of .145 % due to rising costs funding South Carolina Retirement System

² Increase of .40% due to rising health and dental costs for retirees

Police Officers Retirement System

The South Carolina Police Officers Retirement System (PORS) is a cost-sharing multiple-employer defined benefit public employee retirement plan administered by the Retirement Division. Generally all full-time employees whose principal duties are the preservation of public order or the protection or prevention and control of property destruction by fire are required to participate in and contribute to the System as a condition of employment. This plan provides annuity benefits as well as disability and group-life insurance

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 7 -- PENSION PLAN(S) – continued

benefits to eligible employees and retirees. In addition, participating employers in the PORS contribute to the accidental death fund which provides annuity benefits to beneficiaries of police officers and firemen killed in the actual performance of their duties. These benefits are independent of any other retirement benefits available to the beneficiary.

Police Officers Retirement System							
Employee Contribution		Employer Contribution					
Fiscal Year	Percentage Rate	Percentage Rate	Insurance Surcharge	Actual Contributions	Group Life Contributions	Group Life Rate	Accidental Death Rate
2012	6.50%	11.363% ¹	4.30% ²	16,848	297	0.20%	0.20%
2011	6.50%	11.13%	3.90% ²	17,196	309	0.20%	0.20%
2010	6.50%	10.65%	3.50%	14,636	275	0.20%	0.20%
2009	6.50%	10.65%	3.50%	10,983	206	0.20%	0.20%

¹ Increase of .243% due to rising costs funding South Carolina Retirement System

² Increase of .40% due to rising health and dental costs for retirees

Optional Retirement Program

The State Optional Retirement Program (State ORP) was first established as the Optional Retirement Program for Higher Education in 1987. In its current form, the State ORP is an alternative to the defined benefit SCRS plan offered to certain state, public school and higher education employees of the State. The State ORP, which is administered by the South Carolina Retirement Systems, is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by investment providers. The State assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers and are governed by the terms of the contracts issued by them.

Optional Retirement Program						
Employee Contribution		Employer Contribution				
Fiscal Year	Percentage Rate	Percentage Rate	Insurance Surcharge	Actual Contributions	Group Life Contributions	Group Life Rate
2012	6.50%	4.385% ¹	4.30% ²	126,329	4,321	0.15%
2011	6.50%	4.24%	3.90% ²	113,268	4,007	0.15%
2010	6.50%	4.24%	3.50%	102,200	3,616	0.15%
2009	6.50%	4.24%	3.50%	156,674	3,251	0.15%

¹ Increase of .145 % due to rising costs funding South Carolina Retirement System

² Increase of .40% due to rising health and dental costs for retirees

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

Note 7 – PENSION PLAN(S) - continued

Deferred Compensation Plans

Several optional deferred compensation plans are available to State employees and employers of its political subdivisions. Certain employees of the College have elected to participate. The multiple-employer plans, created under Internal Revenue Code Sections 457, 401(k), and 403(b), are administered by third parties and are not included in the Comprehensive Annual Financial Report of the State of South Carolina. Compensation deferred under the plans is placed in trust for the contributing employee. The State has no liability for losses under the plans. Employees may withdraw the current value of their contributions when they terminate State employment. Employees may also withdraw contributions prior to termination if they meet requirements specified by the applicable plan.

Teacher and Employee Retention Incentive

Effective January 1, 2001, Section 9-1-2210 of the South Carolina Code of Laws allows employees eligible for service retirement to participate in the Teacher and Employee Retention Incentive (TERI) Program. TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost of living adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not make SCRS contributions, do not earn service credit, and are ineligible to receive group life insurance benefits or disability retirement benefits. Effective July 1, 2005, employees who choose to participate in the TERI Program will be required to make SCRS contributions. Due to the South Carolina Supreme Court decision in *Layman et al v. South Carolina Retirement System and the State of South Carolina*, employees who chose to participate in the TERI Program, prior to July 1, 2005 will not be required to make SCRS contributions. SCRS employer contribution increased by .26% effective July 1, 2008.

NOTE 8 – POST-EMPLOYMENT AND OTHER EMPLOYEE BENEFITS

a. Plan Description

In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides post-employment health and dental and long-term disability benefits to retired State and school district employees and their covered dependents. “Agency” contributes to the Retiree Medical Plan (RMP) and the Long-term Disability Plan (LTDP), cost-sharing multiple-employer defined benefit postemployment healthcare and long-term disability plans administered by the Employee Insurance Program (EIP), a part of the State Budget and Control Board (SBCB). Generally, retirees are eligible for the health and dental benefits if they have established at least ten years of retirement service credit. For new hires May 2, 2008 and after, retirees are eligible for benefits if they have established twenty-five years of service for 100% employer funding and fifteen through twenty-four years of service for 50% employer funding. Benefits become effective when the former employee retires under a State retirement system. Basic long-term disability (BLTD) benefits are provided to active state, public school district and participating local government employees approved for disability.

b. Funding Policies

Section 1-11-710 and 1-11-720 of the South Carolina Code of Laws of 1976, as amended, requires these postemployment healthcare and long-term disability benefits be funded through annual appropriations by the General Assembly for active employees to the EIP and participating retirees to the SBCB except the portion funded through the pension surcharge and provided from other applicable sources of the EIP for its active employees who are not funded by State General Fund appropriations.

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 8 – POST-EMPLOYMENT AND OTHER EMPLOYEE BENEFITS-continued

Employers participating in the RMP are mandated by State statute to contribute at a rate assessed each year by the Office of the State Budget:

Employer RMP Rate

<u>Fiscal Year</u>	<u>Percentage Rate</u>
2012	4.30%
2011	3.90%
2010	3.50%
2009	3.50%

The EIP sets the employer contribution rate based on a pay-as-you-go basis. Tri-County Technical College recorded benefit expenses for these insurance benefits (health and dental) for active employees as follows:

Employer Health and Dental Contributions

<u>Fiscal Year</u>	<u>Health/ Dental</u>
2012	1,598,714
2011	1,499,444
2010	1,406,842
2009	1,329,118

As discussed in Note 7, the College paid SCRS, PORS and ORP including the insurance surcharge rates listed in the previous note as follows:

Employer Portion SCRS, PORS, ORP

<u>Fiscal Year</u>	<u>SRCS</u>	<u>PORS</u>	<u>ORP</u>	<u>Total Paid</u>
2012	656,607	6,672	128,202	791,481
2011	566,830	6,025	104,186	677,041
2010	501,599	4,810	84,363	590,772
2009	486,355	3,609	75,868	565,832

These amounts were remitted to the South Carolina Retirement Systems for distribution to the Office of Insurance Services for retiree health and dental insurance benefits.

Effective May 1, 2008 the State established two trust funds through Act 195 for the purpose of funding and accounting for the employer costs of retiree health and dental insurance benefits and long-term disability insurance benefits. The South Carolina Retiree Health Insurance Trust Fund is primarily funded through the payroll surcharge. Other sources of funding include additional State appropriated dollars, accumulated EIP reserves, and income generated from investments. The Long Term Disability Insurance Trust Fund is primarily funded through investment income and employer contributions.

One may obtain complete financial statements for the benefit plans and the trust funds from Employee Insurance Program, 1201 Main Street, Suite 360, Columbia, SC 29201.

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 9 -- CONTINGENCIES, LITIGATION, AND PROJECT COMMITMENTS

In the opinion of College management, there are no material claims or lawsuits against the College that are not covered by insurance or whose settlement would materially affect the College's financial position.

At **June 30, 2012**, the College continued the first phase renovation of the Industrial Technology Center and began phase II. The College also began a traffic flow improvement project that will be capitalized as depreciable land improvements on completion. The costs are recorded in the asset, Construction in Progress until completion of the project.

The College anticipates funding of project H59-6018 out of current resources and Institutional Capital Project funds held by the State Treasurer. The other two projects are being funded out of current resources.

Project Name and Number	Estimated Project Cost	Expenditures Through June 30, 2012
TCTC Welding/HVAC Building Renovation (Industrial Technology Center)H59-6018	\$ 2,987,000	\$ 1,858,556
TCTC Welding/HVAC Building Phase II (no number required)	\$ 990,000	369,057
Traffic Flow Improvement Project (no number required)	\$ 650,000	49,422
<hr/>		
Total Construction in Progress	\$ 4,627,000	\$ 2,277,035

The remaining commitments for signed contracts as of **June 30 2012** total \$2,329,946.

Fiscal year 2011:

The College participates in certain Federal grant programs. These programs are subject to financial and compliance audits by the grantor or its representative. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Management believes disallowances, if any, will not be material. The college had incorrectly interpreted the requirements under 34CFR 600.21(a)(3). The college self-reported the potential oversight to the Federal Department of Education (DOE) and sought clarification of rules concerning notification of new locations. The college has confirmed the proper interpretation of these rules with the Federal DOE and has implemented changes to stay in compliance with 34CFR 600.21(a)(3). The additional locations were submitted to DOE. The DOE has completed their review, approved all new locations and has communicated that the college will not be sanctioned for this oversight. The college is awaiting written verification of the department's determination. **UPDATE:** The College received the determination letter from USDOE on March 6, 2012. See Single Audit section for contents of letter.

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 9 -- CONTINGENCIES, LITIGATION, AND PROJECT COMMITMENTS-continued

Necessary funding has been obtained for the acquisition, construction, renovation, and equipping of certain facilities, which were capitalized in the applicable capital asset categories during fiscal year end 2011. Other capital projects, which are not capitalized when completed, are for replacements, repairs, and/or renovation to existing facilities.

The College completed the construction of the TCTC Easley Occupational Center, thereby reducing Construction in Progress by \$5,638,078 and capitalizing the building for \$7,048,863.

In addition, at its meeting on August 12, 2010, the SC Budget and Control Board approved the purchase of 5.1(+/-) acres with a 43,008 square foot office/warehouse facility in Anderson County for \$975,000 to relocate Industrial and Engineering Technology Welding and HVAC programs to a modern facility.

The Project number is H59-6018. The College used its own funds to pay for the purchase and the closing date was August 26, 2010. The facility (Industrial Technology Center) was capitalized in the amount of \$763,133 and the land capitalized in the amount of \$205,310.

At June 30, 2011, the College began the renovation of the Industrial Technology Center. The costs are recorded in the asset, Construction in Progress until completion of the project.

The College anticipates funding this project out of current resources, Federal ARRA funds, and Institutional Capital Project funds held by the State Treasurer.

<u>Project Name and Number</u>	<u>Estimated Project Cost</u>	<u>Expenditures Through June 30, 2011</u>
TCTC Welding/HVAC Building Renovation (Industrial Technology Center)	\$ 2,987,000	\$ 176,698

The remaining commitments for signed contracts as of June 30 2011 total \$379,954.

NOTE 10 -- LEASE OBLIGATIONS

For fiscal year ending June 30, 2012, Tri-County Technical College has Operating leases and one (1) capital lease obligation. Current year operating lease expenses were \$499,705. The following are the operating lease obligations of the College:

<u>Year Ended June 30,</u>	<u>Operating leases with external parties</u>
2013	\$554,195
2014	\$382,577
2015	\$338,435
2016	\$ 89,905

The College also rents certain office equipment based on usage. The current year expense for these contingent rentals was \$36,613.

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 10 -- LEASE OBLIGATIONS—continued

The College acquired a nineteen-year capital lease from TCTC Foundation during fiscal year 2007. The financing portion was the present value of \$8,000,000 with an implicit interest rate of 4.08%. Maintenance and operational costs for the building are expensed.

The following is the capital lease obligations of the College as of **June 30 2012:**

Year Ended June 30,	Capital leases with external parties
2013	607,046
2014	606,848
2015	606,038
2016	604,616
2017	607,480
2018-2022	3,029,350
2023-2025	<u>1,816,692</u>
TOTAL	\$7,878,070
Less: Interest	<u>1,763,070</u>
Present value of net minimum lease payments	<u>\$6,115,000</u>

Fiscal Year 2012

	Capital lease assets with external parties
Assets acquired under capital lease:	
Anderson Campus building	<u>\$8,000,000</u>
Total assets acquired under capital lease	\$8,000,000
Less: accumulated depreciation	<u>(2,526,313)</u>
Assets acquired under capital leases, net	<u>\$5,473,687</u>

For fiscal year ending **June 30, 2011**, Tri-County Technical College has Operating leases and one (1) capital lease obligation. Current year operating lease expenses were \$161,134. The following are the operating lease obligations of the College:

Year Ended <u>June 30,</u>	Operating leases <u>with external parties</u>
2012	\$530,110
2013	\$389,672
2014	\$220,979
2015	\$183,253
2016	\$ 34,441

The College also rents certain office equipment based on usage. The current year expense for these contingent rentals was \$71,401.

NOTES TO FINANCIAL STATEMENTS
 TRI-COUNTY TECHNICAL COLLEGE

NOTE 10 -- LEASE OBLIGATIONS—continued

During fiscal year 2011 the College returned mail-room and print-shop equipment which were recorded as capital leases. The returned assets with corresponding accumulated depreciation and lease payments were removed.

The College acquired a nineteen-year capital lease from TCTC Foundation during fiscal year 2007. The financing portion was the present value of \$8,000,000 with an implicit interest rate of 4.08%. Maintenance and operational costs for the building are expensed.

The following is the capital lease obligations of the College as of **June 30 2011:**

Year Ended	Capital leases with external parties
June 30,	
2012	606,632
2013	607,046
2014	606,848
2015	606,038
2016	604,616
2017-2021	3,031,352
2021-2025	<u>2,422,170</u>
TOTAL	\$8,484,702
Less: Interest	<u>2,019,702</u>
Present value of net minimum lease payments	<u>\$6,465,000</u>
	Fiscal Year 2011
	Capital lease assets with external parties
Assets acquired under capital lease:	
Anderson Campus building	<u>\$8,000,000</u>
Total assets acquired under capital lease	\$8,000,000
Less: accumulated depreciation	<u>(2,105,260)</u>
Assets acquired under capital leases, net	<u>\$5,894,740</u>

NOTE 11 -- LOAN PAYABLE-SHORT TERM

Short term Loan payable was paid in full as of **June 30, 2012.**

State Energy Program	\$ 0.00
Total Loans Payable	<u>\$ 0.00</u>

Short term Loan payable as of **June 30, 2011**, is summarized as follows:

State Energy Program	\$ 25,939
Total Loans Payable	<u>\$ 25,939</u>

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 12 -- LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2012 was as follows:

	June 30, <u>2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30,</u> <u>2012</u>	<u>Due Within</u> <u>One Year</u>
Capital Lease Payable	6,465,000	-	350,000	6,115,000	365,000
Accrued Compensated Absences	1,234,015	174,492	102,706	1,305,801	130,580
Total Long-term Liabilities	<u>\$7,699,015</u>	<u>\$ 174,492</u>	<u>\$ 452,706</u>	<u>\$ 7,420,801</u>	<u>\$ 495,580</u>

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

	June 30, <u>2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30,</u> <u>2011</u>	<u>Due Within</u> <u>One Year</u>
Capital Lease Payable	6,948,285	-	483,285	6,465,000	350,000
Accrued Compensated Absences	1,229,192	62,298	57,475	1,234,015	123,401
Total Long-term Liabilities	<u>\$8,177,477</u>	<u>\$ 62,298</u>	<u>\$ 540,760</u>	<u>\$ 7,699,015</u>	<u>\$ 473,401</u>

Additional information regarding Lease Payable is in Note 10

NOTE 13 -- RELATED ORGANIZATIONS, RELATED PARTY TRANSACTIONS, AND TRANSACTIONS WITH DISCRETELY PRESENTED COMPONENT UNITS

Certain separately chartered legal entities whose activities are related to those of the College exist primarily to provide financial assistance and other support to the College and its educational program. Financial statements for these entities are audited by independent auditors and retained by them. They include the Tri-County Technical College Foundation.

Management reviewed its relationship with the Foundation under the existing guidance of GASB Statement No. 14, as amended by GASB Statement No. 39. Because of the nature and the significance of its relationship with the College, the Foundation is considered a component unit of the College.

The Foundation reimburses the College for any purchases of goods and services made by the College on behalf of the Foundation. The Foundation reimburses the College for office space and support services provided to the Foundation. The College considers the Foundation a third-party sponsor when scholarships are granted to students. See note 18 for further information.

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 14 -- RISK MANAGEMENT

The College is exposed to various risks of loss and maintains State or commercial insurance coverage for each of those risks. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. Settlement claims have not exceeded this coverage in any of the past three years.

The State of South Carolina believes it is more economical to manage certain risks internally and set aside assets for claim settlement. Several State funds accumulate assets and the State itself assumes substantially all the risk for the following claims of covered employees:

- Unemployment compensation benefits
- Worker's compensation benefits for job-related illnesses or injuries
- Health and dental insurance benefits
- Long-term disability and group-life insurance benefits
- Employees elect health insurance coverage through either a
- Health maintenance organization or through the State's self-insured plan.

The College and other entities pay premiums to the State's Insurance Reserve Fund (IRF), which issues policies, accumulates assets to cover the risk of loss, and pays claims incurred for covered losses relating to the following activities:

- Theft, damage to, or destruction of assets
- Real property, its contents, and other equipment
- Motor vehicles and watercraft
- Torts Natural disasters
- Medical malpractice claims against the Infirmary

The IRF is a self-insurer and purchases reinsurance to obtain certain services and to limit losses in certain areas. The IRF's rates are determined actuarially.

The College obtains coverage through a commercial insurer for employee fidelity bond insurance for all employees for losses arising from theft or misappropriation

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 15 -- OPERATING EXPENSES BY FUNCTION

Operating expenses by functional classification for the year ended June 30, 2012 are summarized as follows:

	<u>Salaries</u>	<u>Benefits</u>	<u>Scholarships</u>	<u>Utilities</u>	<u>Resale</u>	<u>Supplies/ Services</u>	<u>Depreciation</u>	<u>Total</u>
Instruction	13,158,785	3,691,639			58,171	3,474,850		\$20,383,445
Academic Support	1,841,534	530,776				552,513		\$2,924,823
Student Services	2,734,674	808,307				1,977,077		\$5,520,058
Operation and Maintenance of Plant	583,864	217,010		928,385		2,840,688		\$4,569,947
Institutional Support	2,107,065	724,189				554,945		\$3,386,199
Scholarships			9,335,395					\$9,335,395
Auxiliary Enterprises	147,051	50,743		7,037	4,220,061	655,275		\$5,080,167
Depreciation							<u>2,450,719</u>	<u>\$2,450,719</u>
Total Operating Expenses	<u>\$20,572,973</u>	<u>\$6,022,664</u>	<u>\$9,335,395</u>	<u>\$935,422</u>	<u>\$4,278,232</u>	<u>\$10,055,348</u>	<u>\$2,450,719</u>	<u>\$53,650,753</u>

Operating expenses by functional classification for the year ended June 30, 2011 are summarized as follows:

	<u>Salaries</u>	<u>Benefits</u>	<u>Scholarships</u>	<u>Utilities</u>	<u>Resale</u>	<u>Supplies/ Services</u>	<u>Depreciation</u>	<u>Total</u>
Instruction	13,012,531	3,290,078				4,343,535		\$20,646,144
Academic Support	1,689,558	473,753				748,452		\$2,911,763
Student Services	2,585,517	736,818				1,692,470		\$5,014,805
Operation and Maintenance of Plant	626,895	200,179		884,250		4,558,385		\$6,269,709
Institutional Support	1,984,781	632,232				623,710		\$3,240,723
Scholarships			12,794,016					\$12,794,016
Auxiliary Enterprises	189,098	61,527			4,592,902	628,144		\$5,471,671
Depreciation							<u>2,717,913</u>	<u>\$2,717,913</u>
Total Operating Expenses	<u>\$20,088,380</u>	<u>\$5,394,587</u>	<u>\$12,794,016</u>	<u>\$884,250</u>	<u>\$4,592,902</u>	<u>\$12,594,696</u>	<u>\$2,717,913</u>	<u>\$59,066,744</u>

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 16 – AMERICAN RECOVERY AND REINVESTMENT ACT FUNDING (ARRA FUNDS)

The College incurred expenditures of \$119,258 during **fiscal year 2012** under American Recovery and Investment Act (ARRA) funding. These funds were awarded to the College via pass-through funding from the U.S. Department of Education, the U.S. Department of Labor, the U.S. Department of Energy, and the U.S. Department of Health and Human Services. ARRA funds were expended primarily for instructional salaries and fringe benefits, building and classroom renovations, instructional training enhancements for the Division of Corporate and Community Education, and expansion of information technology systems.

The schedules below list the individual funds and expenses and the expenses by functional classification.

Fund	Fiscal Year Ending June 30 2012
ARRA Energy Projects	18,278
ARRA Early Childhood Development Grant	564
ARRA EETC Weatherization Grant	<u>100,416</u>
Total expenditures incurred during fiscal year June 30 2012	<u>\$119,258</u>

Please note that all expenses, excluding the capitalized amount, are *included* in the schedule presented in Note 15 for year ended **June 30 2012**.

USE OF ARRA FUNDS

	<u>Salaries</u>	<u>Benefits</u>	<u>Scholarships</u>	<u>Supplies / Services</u>	<u>Capitalized</u>	<u>Total</u>
Instruction	10,598	2,012	-	22,771	-	35,381
Operation and Maintenance of Plant	-	-	-	18,277	-	18,277
Scholarships	-	-	65,600	-	-	65,600
Total Operating Expenses	<u>10,598</u>	<u>2,012</u>	<u>65,600</u>	<u>41,048</u>	=	<u>119,258</u>

Fiscal year 2011:

The College incurred expenditures of \$2,486,266 during fiscal year 2011 under American Recovery and Investment Act (ARRA) funding. These funds were awarded to the College via pass-through funding from the U.S. Department of Education, the U.S. Department of Labor, the U.S. Department of Energy, and the U.S. Department of Health and Human Services. ARRA funds were expended primarily for instructional salaries and fringe benefits, building and classroom renovations, instructional training enhancements for the Division of Corporate and Community Education, and expansion of information technology systems.

NOTES TO FINANCIAL STATEMENTS
 TRI-COUNTY TECHNICAL COLLEGE

NOTE 16 – AMERICAN RECOVERY AND REINVESTMENT ACT FUNDING (ARRA FUNDS)
(continued)

The schedules below list the individual funds and expenses and the expenses by functional classification.

Fund	Funds used through June 30 2011
ARRA Pathways	\$ 10,476
ARRA Energy Projects	531,437
ARRA IBDC/Halbert Building Renovations	105,369
ARRA Anderson Campus Renovations	13,982
ARRA Industrial Technology Center Renovations	176,698
ARRA Fiscal Stabilization Payroll	1,185,533
ARRA Banner Collaboration Project	100,000
ARRA Early Childhood Development Grant	19,436
ARRA WIA QuickJobs Training	54,144
ARRA State Energy Program Grant	46,934
ARRA EETC Weatherization Grant	124,050
ARRA Broadband Technology Opportunities Prog	<u>118,207</u>
Total expenditures incurred through June 30 2011	<u>\$ 2,486,266</u>

Please note that all expenses, excluding the capitalized amount, are *included* in the schedule presented in Note 15 for year ended June 30 2011.

USE OF ARRA FUNDS

	<u>Salaries</u>	<u>Benefits</u>	<u>Scholarships</u>	<u>Supplies / Services</u>	<u>Capitalized</u>	<u>Total</u>
Instruction	1,053,868	155,631	-	341,542	40,388	1,591,429
Operation and Maintenance of Plant	10,681	933	-	672,125	176,698	860,437
Scholarships	-	-	34,400	-	-	34,400
Total Operating Expenses	<u>1,064,549</u>	<u>156,564</u>	<u>34,400</u>	<u>1,013,667</u>	<u>217,086</u>	<u>2,486,266</u>

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 17 -- BUSINESS TYPE ACTIVITIES

REQUIRED INFORMATION ON BUSINESS-TYPE ACTIVITIES FOR INCLUSION IN STATE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES FISCAL YEAR ENDING JUNE 30			
	<u>2012</u>	<u>2011</u>	Increase/ <u>Decrease</u>
Charges for services	\$33,640,874	\$33,557,312	\$83,562
Non-operating grants and contributions	17,139,636	22,144,032	(5,004,396)
Capital grants and contributions	1,895,684	869,383	1,026,301
Less: expenses	<u>(53,908,903)</u>	<u>(59,339,446)</u>	<u>5,430,543</u>
Net program revenue (expense)	<u>(1,232,709)</u>	<u>(2,768,719)</u>	<u>1,536,010</u>
Transfers:			
State appropriations	<u>6,213,658</u>	<u>6,346,295</u>	<u>(132,637)</u>
Total transfers	<u>6,213,658</u>	<u>6,346,295</u>	<u>(132,637)</u>
Change in net assets	4,980,949	3,577,576	1,403,373)
Net assets-beginning	<u>55,727,772</u>	<u>52,150,196</u>	<u>\$3,577,576</u>
Net assets-ending	<u>\$60,708,721</u>	<u>\$55,727,772</u>	<u>\$4,980,949</u>

REQUIRED INFORMATION ON BUSINESS-TYPE ACTIVITIES FOR INCLUSION IN STATE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES FISCAL YEAR ENDING JUNE 30			
	<u>2011</u>	<u>2010</u>	Increase/ <u>Decrease</u>
Charges for services	\$33,557,312	\$30,262,146	\$3,295,166
Non-operating grants and contributions	22,144,032	19,852,167	2,291,865
Capital grants and contributions	869,383	1,274,473	(405,090)
Less: expenses	<u>(59,339,446)</u>	<u>(54,441,916)</u>	<u>(4,897,530)</u>
Net program revenue (expense)	<u>(2,768,719)</u>	<u>(3,053,130)</u>	<u>284,411</u>
Transfers:			
State appropriations	<u>6,346,295</u>	<u>7,195,101</u>	<u>(\$848,806)</u>
Total transfers	<u>6,346,295</u>	<u>7,195,101</u>	<u>(\$848,806)</u>
Change in net assets	3,577,576	4,141,971	(\$564,395)
Net assets-beginning	<u>52,150,196</u>	<u>48,008,225</u>	<u>\$4,141,971</u>
Net assets-ending	<u>\$55,727,772</u>	<u>\$52,150,196</u>	<u>\$3,577,576</u>

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 18 - COMPONENT UNIT INFORMATION

Nature of Operations

Tri-county Technical College Foundation, Inc. (the “Foundation”), a nonprofit organization incorporated in the State of South Carolina, supports the advancement of Tri-County Technical College (the “College”) in its objectives for scientific, educational, and charitable purposes. The four classes of programs used to achieve the Foundation’s objectives are:

Scholarship Program – benefits eligible students who attend the College.

Technology Program – supports the physical equipment needs of the College.

Professional Development Program – supports the skill enhancement of the College’s faculty and staff.

Priority Needs Program – funds projects of the College as identified by the College’s management.

Tri-County Technical College Foundation, LLC (the “LLC”), a South Carolina limited liability company and a “disregarded entity” for federal income tax purposes, is a wholly-owned subsidiary of Tri-County Technical College Foundation, Inc. The LLC was created on March 18, 2005 as a real estate holding company for the construction of the Anderson, South Carolina campus of Tri-County Technical College.

Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Tri-County Technical College Foundation, Inc. and its wholly-owned subsidiary, Tri-County Technical College Foundation, LLC. All significant intercompany balances and transactions have been eliminated in consolidation.

Basis of Accounting

The financial statements are presented on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities. Revenues are recognized when earned; expenses are recorded as incurred.

Financial Statement Presentation

In accordance with generally accepted accounting principles, the Foundation reports information regarding its financial position and activities according to three classes of net assets:

Unrestricted – Net assets with no donor-imposed restrictions.

Temporarily Restricted – Net assets subject to donor-imposed restrictions that may be met either by actions of the Foundation or the passage of time.

Permanently Restricted – Net assets subject to donor-imposed restrictions that are to be maintained permanently by the Foundation, including contributions for endowments.

Contributions

In accordance with generally accepted accounting principles, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 18 - COMPONENT UNIT INFORMATION – continued

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Foundation considers all liquid, non-equity instruments with remaining original maturity of three months or less to be cash equivalents. Money market funds awaiting reinvestment are not considered cash equivalents.

Investments

Investments in marketable securities with readily determinable fair market values and all investments in debt securities are valued at their fair market values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Pledges and Accounts Receivable

Pledges receivable consist of unconditional promises to give that have met the criteria for recording as contributions. Pledges extending beyond one year are recorded at the present value of the expected future cash flows, using risk-adjusted discount rates derived from observed returns for comparable assets. Student loans receivable consist of amounts on loan to students of the College. Such loans were made from contributions received from the Scurry Foundation and the Bradford Foundation. The Foundation uses the allowance method to recognize the effect of pledges and accounts receivable deemed to be uncollectible. No allowance was recorded at June 30, 2012 or 2011.

Property, Plant and Equipment

The Foundation capitalizes all property and equipment acquisitions exceeding \$1,000. Purchased property and equipment is capitalized at cost. Property and equipment are depreciated over their estimated useful lives using the straight-line method of depreciation.

Donated Material, Equipment, Services and Supplies

Donated materials and equipment are recorded as contributions at their estimated fair market value at the date of donation. Donated services are not recorded as contributions unless they meet the criteria for recognition as contributed services.

Income Taxes

The Foundation is a charitable organization as described in Section 501(c)3 of the Internal Revenue Code and is exempt from federal and state income taxes. In addition, it has been determined by the Internal Revenue Service that the Foundation is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code and is, therefore, not subject to federal excise taxes.

Reclassifications

Certain 2011 amounts have been reclassified to conform to the 2012 classifications. These reclassifications had no effect on the change in net assets.

NOTES TO FINANCIAL STATEMENTS
 TRI-COUNTY TECHNICAL COLLEGE

NOTE 18 - COMPONENT UNIT INFORMATION – continued

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the statement of financial position and the reported amounts of revenues and expenses for the operating period. Actual results could differ significantly from those estimates.

Pledges Receivable

Pledges receivable at June 30, 2012 and 2011 consist of the following:

	June 30,	
	2012	2011
Unconditional Promises to Give	\$ 648,660	\$ 742,253
Less Unamortized Discount	(18,442)	(47,912)
Net Unconditional Promises to Give	\$ 630,218	\$ 694,341
Amounts due in:		
Less than one year	\$ 304,049	\$ 274,991
One to five years	344,611	467,262
	\$ 648,660	\$ 742,253

Pledges receivable at June 30, 2012 and 2011 are reflected at the present value of estimated future cash flows using discount rates of 1.64% and 3.16%, respectively.

Investments

The Foundation has established four separate endowments (Scholarship, Technology, Professional Development, and Priority Needs). The endowments have separate purposes and uses, but maintain the overall theme of supporting and expanding the programs of education of Tri-County Technical College.

Investment assets consist predominantly of funds held in trust by the Commonfund, a non-profit membership corporation operated by and for its member college, university and independent schools. Participation in the Commonfund is limited to members in the fund. Members elect the governing Board of Trustees. The Commonfund offers a series of pooled investment funds, which are not separate legal entities and are exempt from registration under securities laws. Accounts of participants are stated in units, the initial cost of which is \$1,000. Thereafter, the value of each unit is based on the fair market value of all the assets in the fund(s) calculated in a manner prescribed by the Board of Trustees.

The Commonfund uses a variety of investment tools to accomplish its goal of earning a reasonable return for its members while mitigating risk. In general, securities for which there is an active market are stated at fair market value. Securities for which there is no sales price or bid/ask price are stated at fair market value as determined by the custodian of the fund or, in the case of investment partnerships, the most recent valuation data as reported by the general partners or managers.

NOTES TO FINANCIAL STATEMENTS
 TRI-COUNTY TECHNICAL COLLEGE

NOTE 18 - COMPONENT UNIT INFORMATION – continued

The Foundation's investments at June 30, 2012 and 2011 were as follows:

	June 30,	
	2012	2011
Commonfund Investments	\$ 12,951,610	\$ 13,195,697
Private Equities	1,136,672	1,114,777
Short-term Treasury Investments	1,078,707	1,112,202
Morgan Keegan Alternative Funds	835,168	719,059
Liongate Commodities	301,553	420,845
Total Investments	\$ 16,303,710	\$ 16,562,580
Limited Partnership Interests Included in Private Equity Investments	\$ 1,136,672	\$ 1,114,777
Fair Market Value of Investments	\$ 16,303,710	\$ 16,562,580
Cost of Investments	10,447,864	10,424,898
Unrealized Gains	\$ 5,855,846	\$ 6,137,682

The Foundation subscribed to and maintains interests in six restricted limited partnerships. The Foundation is restricted by the partnership agreements from divesting its interests without approval from the general partners. The Foundation bears all risks of investment in the partnerships for their duration, a date no later than June 30, 2020. The Foundation's subscription commitments total \$2,124,205 and range from \$230,000 to \$540,000 for each partnership. As of June 30, 2012, the Foundation's remaining commitments to the partnerships totaled \$319,296.

Property, Plant and Equipment

Property, plant and equipment, held in the LLC, consist of the following at June 30, 2012 and 2011:

	June 30,	
	2012	2011
Land	\$ 2,382,951	\$ 2,382,951
Building	6,303,247	6,303,247
Signs	2,459	2,459
	8,688,657	8,688,657
	((
Less Accumulated Depreciation	857,283)	695,448)
	\$ 7,831,374	\$ 7,993,209

NOTES TO FINANCIAL STATEMENTS
 TRI-COUNTY TECHNICAL COLLEGE

NOTE 18 - COMPONENT UNIT INFORMATION – continued

Bond Payable

The Foundation issued an economic revenue bond on August 25, 2005 through the South Carolina Jobs-Economic Development Authority in the amount of \$8,000,000. The bond, which bears interest at 4.080% per annum, requires annual payments in varying amounts approximating \$605,000 through its maturity date of January 1, 2025. Proceeds of the bond were used to purchase land and construct the 45,000 square foot building that houses the Anderson, South Carolina campus of Tri-County Technical College. Construction of the building was completed during the year ended June 30, 2007. Bond payments are made from rental income the College pays to the Foundation.

Annual principal and interest requirements for the bond at June 30, 2012 were:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 365,000	\$ 242,046	\$ 607,046
2014	380,000	226,848	606,848
2015	395,000	211,038	606,038
2016	410,000	194,616	604,616
2017	430,000	177,480	607,480
2018 and Thereafter	4,135,000	711,042	4,846,042
	<u>\$ 6,115,000</u>	<u>\$ 1,763,070</u>	<u>\$ 7,878,070</u>

Endowment Challenge Grants

The Foundation is operating under an endowment challenge grant of \$1,000,000 (50% from the United States Department of Education and 50% in matched private funds). The Foundation is prohibited under terms of the grant from encroaching upon the principal or 50% of the aggregate income earned from the endowment principal for the duration of the twenty-year grant period. At the end of the grant period, the Foundation may use the endowment funds for specific educational purposes.

<u>Award Periods</u>	<u>PR Award Number</u>	<u>Grant Award</u>	<u>Foundation Match</u>	<u>Total</u>
4/1/1994 – 3/31/2014	433J7720A179	\$ 500,000	\$ 500,000	\$ 1,000,000

Related Party Transactions

The Foundation supports many projects of Tri-County Technical College. Predominantly all revenues raised and expenditures disbursed are for the benefit of the College. During the years ended June 30, 2012 and 2011, the Foundation recognized \$642,706 and \$641,680, respectively, in rental income from the College related to its Anderson, South Carolina campus. During the years ended June 30, 2012 and 2011, the Foundation provided scholarships to students of the College totaling \$389,689 and \$363,457, respectively, and provided educational support totaling \$246,590 and \$238,129, respectively.

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 18 - COMPONENT UNIT INFORMATION – continued

Several employees of the College perform services for the Foundation. During the years ended June 30, 2012 and 2011, the Foundation recognized \$177,204 and \$170,805, respectively, for administrative costs. At June 30, 2012 and 2011, \$18,289 and \$36,122, respectively, were recorded as payable to the College.

Restrictions on Net Assets

Temporarily restricted net assets totaled \$3,950,759 and \$4,187,557 at June 30, 2012 and 2011, respectively, and carried a variety of purpose and time restrictions.

Permanently restricted net assets were available for the following purposes at June 30, 2012 and 2011:

	June 30,	
	2012	2011
Technology	\$ 1,075,757	\$ 1,023,287
Professional Development	2,727,790	2,680,804
Scholarships	6,242,423	6,097,701
Priority Needs	2,239,600	2,239,893
	\$ 12,285,570	\$ 12,041,685

Concentrations

Financial instruments consist principally of cash, pledges receivable, investments, and bond payable.

At June 30, 2012, the Foundation had investments totaling \$16,303,710 that were subject to normal declines in value due to market conditions. In addition, the Foundation may, at times, carry balances of cash in financial institutions in excess of federally insured limits.

Reclassifications of Net Assets

The Foundation periodically reclassifies amounts between categories of net assets based upon donor intentions and restrictions. Such reclassifications have no effect on the change in net assets of the period in which they are recognized.

Statistical

Faculty and Staff Statistics

	<u>FY1962-63</u>	<u>FY1963-64</u>	<u>FY1964-65</u>	<u>FY1965-66</u>
Full-time instructors	8	14	14	16
Part-time instructors	12	30	30	32
Administrators	2	3	3	4
Staff	2	3	3	5
Janitors	1	2	2	3

Enrollment Data

	Curriculum	Extension	Total
63/64	249	709	958
64/65	382	1794	2176
65/66	527	2194	2721

Student Fees for 1st quarter:

Full-time curriculum student \$12 per month or \$36.00 per quarter

Part-time curriculum student \$7.50 per month or \$22.50 per quarter

Extension courses were \$2 to \$5

Academic divisions:

Technical Division

Trade Division

TRI-COUNTY TECHNICAL COLLEGE

Schedules

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Statistical Section Content Explanation
Tri-County Technical College

This section of the Tri-County Technical College (the “College”) Comprehensive Annual Financial Report presents information that will assist in understanding the information in the financial statements, note disclosures, and the required supplementary information about the overall financial health of the College.

Contents

Financial Trends

The Schedules in this section contain trend information to assist in understanding how the College’s financial performance and well-being have changed over time.

Revenue Capacity

The schedules in this section contain information to assess the College’s most significant revenue sources.

Debt Capacity

The schedules in this section present information that assess the affordability of the College’s current levels of outstanding debt and the ability of the College to issue additional debt in future years.

Demographic and Economic Information

The schedules in this section offer demographic and economic indicators to assist in understanding the environment within the College’s financial activities occur.

Operating Information

The schedules in this section contain service and infrastructure data to assist in understanding how the information in the College’s financial report relates to the services it provides and the activities it performs.

Other Information

The schedules in this section are additional information that is not required by GASB 44 Statement but is of interest to those reading the report.

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TRI-COUNTY TECHNICAL COLLEGE

Financial Trends

SCHEDULE 1

Schedule of Net Assets and Changes in Net Assets

SCHEDULE 2

Schedule of Expenses by Function

SCHEDULE 3

Schedule of Expenses by Use

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Tri-County Technical College
Schedule of Net Assets and Changes in Net Assets
Last Ten Fiscal Years

Schedule 1

	2003	2004	2005	2006	For the Year Ended June 30,		2007	2008	2009	2010	2011	2012
Income Before Other Revenues, Expenses,												
Gains or Losses	\$ 51,600	\$ 1,810,899	\$ 544,727	\$ 1,636,262	\$ (89,897)	\$ 2,542,180	\$ 1,693,617	\$ 2,867,498	\$ 2,708,193	\$ 3,085,265		
Federal capital appropriations	\$ 112,211	\$ 117,097	\$ 8,804	\$ -	\$ 32,492	\$ 147,986	\$ -	\$ 12,848	\$ 10,228	\$ 8,308		
State capital appropriations	\$ 6,250	\$ -	\$ -	\$ -	\$ 1,037,655	\$ 6,366,135	\$ 302,540	\$ 198,537	\$ 38,894	\$ 726,421		
Local/Other capital appropriations	\$ 675,000	\$ 1,019,501	\$ 1,636,251	\$ 1,188,750	\$ 1,455,225	\$ 957,562	\$ 1,246,913	\$ 1,063,088	\$ 820,261	\$ 1,160,955		
Gain on disposal of leased asset	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,254	\$ -	\$ -	\$ -	\$ -		
Proceeds from State Capital Improvement Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Total increase in net assets	\$ 845,061	\$ 2,947,497	\$ 2,189,782	\$ 2,825,012	\$ 2,435,475	\$ 10,038,117	\$ 3,243,070	\$ 4,141,971	\$ 3,577,576	\$ 4,980,949		
Invested in capital assets, net of related debt	\$ 22,140,013	\$ 23,507,148	\$ 24,150,572	\$ 23,877,105	\$ 25,270,429	\$ 26,318,626	\$ 26,860,454	\$ 30,882,006	\$ 31,629,320	\$ 32,459,589		
Restricted for Expendable:												
Capital projects	\$ 172,211	\$ 8,016	\$ 9,790	\$ 10,235	\$ 10,771	\$ 21,396	\$ 10,718,387	\$ 15,907,223	\$ 18,589,537	\$ 22,619,728		
Debt service	\$ 11,962	\$ 13,910	\$ 16,193	\$ 19,332	\$ 25,214	\$ 19,814	\$ 495	\$ -	\$ -	\$ -		
Capital reserve fund						\$ 6,046,642	\$ 5,650,433	\$ -	\$ -	\$ -		
Unrestricted	\$ 2,296,728	\$ 3,752,380	\$ 5,294,681	\$ 8,389,576	\$ 9,420,624	\$ 12,358,677	\$ 4,778,456	\$ 5,360,967	\$ 5,508,915	\$ 5,629,404		
Total College net assets	\$ 24,620,914	\$ 27,281,454	\$ 29,471,236	\$ 32,296,248	\$ 34,727,038	\$ 44,765,155	\$ 48,008,225	\$ 52,150,196	\$ 55,727,772	\$ 60,708,721		

Source: Tri-County Technical College Audited Financial Statements

Tri-County Technical College
Schedule of Expenses by Function
Last Ten Fiscal Years

Schedule 2

For the Year Ended June 30,

Expenses:	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Instruction	\$ 12,160,352	\$ 11,681,904	\$ 12,972,599	\$ 13,897,292	\$ 14,965,567	\$ 17,008,625	\$ 17,008,692	\$ 18,592,496	\$ 20,646,144	\$ 20,383,445
Academic Support	\$ 2,049,966	\$ 1,935,055	\$ 1,808,853	\$ 2,231,549	\$ 2,453,552	\$ 2,665,606	\$ 2,772,075	\$ 2,931,346	\$ 2,911,763	\$ 2,924,823
Student Services	\$ 4,053,704	\$ 3,906,067	\$ 4,579,564	\$ 5,066,430	\$ 4,636,110	\$ 4,953,081	\$ 6,129,651	\$ 6,748,430	\$ 5,014,805	\$ 5,520,058
Operation and Maintenance of Plant	\$ 2,016,712	\$ 2,019,095	\$ 2,935,202	\$ 2,473,504	\$ 4,894,894	\$ 4,084,208	\$ 3,512,916	\$ 3,988,001	\$ 6,269,709	\$ 4,569,947
Institutional Support	\$ 2,502,236	\$ 2,358,069	\$ 2,389,285	\$ 2,429,604	\$ 2,654,282	\$ 2,544,123	\$ 2,878,065	\$ 3,336,973	\$ 3,240,723	\$ 3,386,199
Scholarships	\$ 2,245,120	\$ 2,161,024	\$ 2,430,505	\$ 2,485,774	\$ 2,906,153	\$ 3,505,098	\$ 4,948,979	\$ 10,498,294	\$ 12,794,016	\$ 9,335,395
Auxiliary Enterprises	\$ 1,813,543	\$ 1,937,530	\$ 2,191,638	\$ 2,334,125	\$ 2,635,338	\$ 3,144,158	\$ 3,706,501	\$ 5,282,887	\$ 5,471,671	\$ 5,080,167
Depreciation	\$ 1,070,006	\$ 1,593,790	\$ 1,793,189	\$ 1,691,262	\$ 2,260,354	\$ 2,545,300	\$ 3,026,719	\$ 2,625,429	\$ 2,717,913	\$ 2,450,719
Total Operating Expenses	\$ 27,911,639	\$ 27,592,534	\$ 31,100,835	\$ 32,609,540	\$ 37,406,250	\$ 40,450,199	\$ 43,983,598	\$ 54,003,856	\$ 59,066,744	\$ 53,650,753
Gain(Loss) on disposal of assets										\$ 1,518
Interest on capital asset-related debt	\$ 210,250	\$ 184,750	\$ 161,279	\$ 136,804	\$ 269,875	\$ 395,901	\$ 346,884	\$ 438,060	\$ 272,702	\$ 256,632
Total Expenses	\$ 28,121,889	\$ 27,777,284	\$ 31,262,114	\$ 32,746,344	\$ 37,676,125	\$ 40,846,100	\$ 44,330,482	\$ 54,441,916	\$ 59,339,446	\$ 53,908,903

For the Year Ended June 30,
(percentage of total)

Expenses:	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Instruction	43.2%	42.1%	41.5%	42.4%	39.7%	41.6%	38.4%	34.2%	34.8%	37.8%
Academic Support	7.3%	7.0%	5.8%	6.8%	6.5%	6.5%	6.3%	5.4%	4.9%	5.4%
Student Services	14.4%	14.1%	14.6%	15.5%	12.3%	12.1%	13.8%	12.4%	8.5%	10.2%
Operation and Maintenance of Plant	7.2%	7.3%	9.4%	7.6%	13.0%	10.0%	7.9%	7.3%	10.6%	8.5%
Institutional Support	8.9%	8.5%	7.6%	7.4%	7.0%	6.2%	6.5%	6.1%	5.5%	6.3%
Scholarships	8.0%	7.8%	7.8%	7.6%	7.7%	8.6%	11.2%	19.3%	21.6%	17.3%
Auxiliary Enterprises	6.4%	7.0%	7.0%	7.1%	7.0%	7.7%	8.4%	9.7%	9.2%	9.4%
Depreciation	3.8%	5.7%	5.7%	5.2%	6.0%	6.2%	6.8%	4.8%	4.6%	4.5%
Total Operating Expenses	99.3%	99.3%	99.5%	99.6%	99.3%	99.0%	99.2%	99.2%	99.5%	99.5%
Gain(Loss) on disposal of assets										0.0%
Interest on capital asset-related debt	0.7%	0.7%	0.5%	0.4%	0.7%	1.0%	0.8%	0.8%	0.5%	0.5%
Total Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Tri-County Technical College Audited Financial Statements

Tri-County Technical College
Schedule of Expenses by Use
Last Ten Fiscal Years

Schedule 3

	For the Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses:										
Salaries	\$ 12,994,685	\$ 13,000,094	\$ 14,258,159	\$ 15,324,994	\$ 16,356,160	\$ 17,804,799	\$ 18,614,189	\$ 19,575,222	\$ 20,088,380	\$ 20,572,973
Benefits	\$ 3,097,703	\$ 3,172,549	\$ 3,447,403	\$ 3,698,377	\$ 4,049,917	\$ 4,584,530	\$ 4,896,098	\$ 5,120,425	\$ 5,394,587	\$ 6,022,664
Scholarships	\$ 2,245,120	\$ 2,161,024	\$ 2,430,505	\$ 2,485,774	\$ 2,906,153	\$ 3,505,098	\$ 4,948,979	\$ 10,498,294	\$ 12,794,016	\$ 9,335,395
Utilities	\$ 580,110	\$ 553,012	\$ 552,310	\$ 597,062	\$ 589,162	\$ 731,931	\$ 817,889	\$ 834,952	\$ 884,250	\$ 935,422
Supplies and Other Services	\$ 6,240,667	\$ 5,314,076	\$ 6,645,995	\$ 6,752,212	\$ 8,961,136	\$ 8,590,743	\$ 8,385,212	\$ 10,838,092	\$ 12,594,696	\$ 10,055,348
Auxiliary Resale Costs	\$ 1,683,348	\$ 1,797,989	\$ 1,973,274	\$ 2,059,856	\$ 2,283,368	\$ 2,687,798	\$ 3,294,512	\$ 4,511,442	\$ 4,592,902	\$ 4,278,232
Depreciation	\$ 1,070,006	\$ 1,593,790	\$ 1,793,189	\$ 1,691,262	\$ 2,260,354	\$ 2,545,300	\$ 3,026,719	\$ 2,625,429	\$ 2,717,913	\$ 2,450,719
Total Operating Expenses	\$ 27,911,639	\$ 27,592,534	\$ 31,100,835	\$ 32,609,537	\$ 37,406,250	\$ 40,450,199	\$ 43,983,598	\$ 54,003,856	\$ 59,066,744	\$ 53,650,753
Gain (Loss) on disposal of assets										\$ 1,518
Interest on capital asset-related debt	\$ 210,250	\$ 184,750	\$ 161,279	\$ 136,804	\$ 269,875	\$ 395,901	\$ 346,884	\$ 438,060	\$ 272,702	\$ 256,632
Total Expenses	\$ 28,121,889	\$ 27,777,284	\$ 31,262,114	\$ 32,746,341	\$ 37,676,125	\$ 40,846,100	\$ 44,330,482	\$ 54,441,916	\$ 59,339,446	\$ 53,908,903

	For the Year Ended June 30, (percentage of total)									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses:										
Salaries	46.2%	46.8%	45.6%	46.8%	43.4%	43.6%	42.0%	36.0%	33.9%	38.2%
Benefits	11.0%	11.4%	11.0%	11.3%	10.7%	11.2%	11.0%	9.4%	9.1%	11.2%
Scholarships	8.0%	7.8%	7.8%	7.6%	7.7%	8.6%	11.2%	19.3%	21.6%	17.3%
Utilities	2.1%	2.0%	1.8%	1.8%	1.6%	1.8%	1.8%	1.5%	1.5%	1.7%
Supplies and Other Services	22.2%	19.1%	21.3%	20.6%	23.8%	21.0%	18.9%	19.9%	21.2%	18.7%
Auxiliary Resale Costs	6.0%	6.5%	6.3%	6.3%	6.1%	6.6%	7.4%	8.3%	7.7%	7.9%
Depreciation	3.8%	5.7%	5.7%	5.2%	6.0%	6.2%	6.8%	4.8%	4.6%	4.5%
Total Operating Expenses	99.3%	99.3%	99.5%	99.6%	99.3%	99.0%	99.2%	99.2%	99.5%	99.5%
Gain (Loss) on disposal of assets										0.0%
Interest on capital asset-related debt	0.7%	0.7%	0.5%	0.4%	0.7%	1.0%	0.8%	0.8%	0.5%	0.5%
Total Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Tri-County Technical College Audited Financial Statements

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TRI-COUNTY TECHNICAL COLLEGE

Revenue Capacity

SCHEDULE 4

Schedule of Revenue by Source

SCHEDULE 5

Annual Tuition and Fees

SCHEDULE 6

Admissions Statistics

SCHEDULE 7

Opening Fall Enrollment and Degree Statistics with Graph

SCHEDULE 8

Continuing Education Division Statistics

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Tri-County Technical College
Schedule of Revenues by Source,
Last Ten Fiscal Years

Schedule 4

Revenues:	For the Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Student tuition and fees (net of scholarship allowances)	\$ 4,769,216	\$ 5,408,202	\$ 5,890,467	\$ 7,193,322	\$ 7,490,613	\$ 9,531,160	\$ 10,967,806	\$ 14,446,672	\$ 19,555,685	\$ 18,885,413
Federal grants and contracts	\$ 6,268,745	\$ 7,321,442	\$ 8,013,009	\$ 7,397,139	\$ 7,312,329	\$ 9,202,766	\$ 12,292,964	\$ 4,841,904	\$ 2,067,514	\$ 1,939,199
State grants and contracts	\$ 3,212,076	\$ 4,008,059	\$ 4,345,428	\$ 4,880,574	\$ 6,001,719	\$ 5,815,489	\$ 6,399,479	\$ 6,985,097	\$ 8,176,987	\$ 9,122,875
Nongovernmental grants and contracts	\$ 39,463	\$ 163,512	\$ 321,104	\$ 581,093	\$ 1,171,430	\$ 1,480,537	\$ 1,455,772	\$ 1,459,367	\$ 898,654	\$ 1,110,084
Auxiliary enterprises (net of book allowances)*	\$ 1,429,001	\$ 1,483,435	\$ 1,610,697	\$ 1,776,382	\$ 2,025,832	\$ 2,218,669	\$ 2,349,486	\$ 2,443,019	\$ 2,817,497	\$ 2,543,011
Other operating revenues	\$ 44,499	\$ 56,473	\$ 65,331	\$ 58,188	\$ 58,138	\$ 69,867	\$ 67,360	\$ 86,087	\$ 40,975	\$ 40,292
Total Operating Revenues	\$ 15,763,000	\$ 18,441,123	\$ 20,246,036	\$ 21,886,698	\$ 24,060,061	\$ 28,318,488	\$ 33,532,867	\$ 30,262,146	\$ 33,557,312	\$ 33,640,874
State appropriations	\$ 8,794,972	\$ 7,769,943	\$ 7,989,352	\$ 8,380,511	\$ 8,860,702	\$ 9,765,118	\$ 7,561,326	\$ 7,191,310	\$ 6,343,689	\$ 6,210,945
State appropriations-CHE	\$ 9,894	\$ 2,208	\$ 1,366	\$ 9,775	\$ 7,815	\$ 8,269	\$ 5,629	\$ 3,791	\$ 2,606	\$ 2,713
Local appropriations	\$ 2,818,591	\$ 2,914,879	\$ 2,950,250	\$ 3,012,282	\$ 3,188,682	\$ 3,370,371	\$ 3,530,344	\$ 3,600,226	\$ 3,909,984	\$ 2,889,507
Investment income	\$ 98,520	\$ 69,570	\$ 166,708	\$ 412,020	\$ 601,039	\$ 455,065	\$ 116,976	\$ 54,296	\$ 142,176	\$ 207,957
Federal grants and contracts	\$ 29,235	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,045,123	\$ 16,763,431	\$ 12,605,758
State grants and contracts	\$ 70,606	\$ 76,029	\$ 78,910	\$ 89,523	\$ 371,392	\$ 869,351	\$ 550,710	\$ 548,619	\$ 500,435	\$ 444,749
Other nonoperating revenues	\$ 35,375	\$ 29,197	\$ 30,746	\$ 102,085	\$ 490,091	\$ 601,618	\$ 719,534	\$ 630,140	\$ 814,457	\$ 991,665
Gain/(Loss) on disposal of asset					\$ 24,254	\$ 6,713	\$ (26,237)	\$ 13,549	\$ -	\$ -
State capital bond fund/Capital Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,067,200	\$ -	\$ -	\$ -	\$ -
Federal capital grants and gifts	\$ 112,211	\$ 117,097	\$ 8,804	\$ -	\$ 32,492	\$ 147,986	\$ -	\$ 12,848	\$ 10,228	\$ 8,308
State capital grants and gifts	\$ 6,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State appropriations-Lottery Technology	\$ 553,296	\$ 285,234	\$ 343,473	\$ 291,301	\$ 294,465	\$ 298,935	\$ 302,540	\$ 198,537	\$ 38,894	\$ 193,453
State Research Infrastructure Bond Proceeds	\$ -	\$ -	\$ -	\$ 98,408	\$ 743,190	\$ -	\$ -	\$ -	\$ -	\$ -
State appropriations-Deferred Maintenance	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 532,968
Local/Other capital appropriations	\$ 675,000	\$ 1,019,501	\$ 1,636,251	\$ 1,188,750	\$ 1,084,354	\$ 957,562	\$ 1,246,913	\$ 1,063,088	\$ 820,261	\$ 1,160,955
Total Nonoperating Revenues	\$ 13,203,950	\$ 12,283,658	\$ 13,205,860	\$ 13,684,655	\$ 15,674,222	\$ 22,565,729	\$ 14,040,685	\$ 28,321,741	\$ 29,359,710	\$ 25,248,978
Total Revenues	\$ 28,966,950	\$ 30,724,781	\$ 33,451,896	\$ 35,571,353	\$ 39,734,283	\$ 50,884,217	\$ 47,573,552	\$ 58,583,887	\$ 62,917,022	\$ 58,889,852

Source: Tri-County Technical College Audited Financial Statements

Tri-County Technical College
Schedule of Revenues by Source,
Last Ten Fiscal Years

Schedule 4
(continued)

Revenues:	For the Year Ended June 30, (percentage of total)									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Student tuition and fees (net of scholarship allowances)	16.46%	17.60%	17.61%	20.22%	18.85%	18.73%	23.05%	24.66%	31.08%	32.07%
Federal grants and contracts	21.64%	23.83%	23.95%	20.80%	18.40%	18.09%	25.84%	8.26%	3.29%	3.29%
State grants and contracts	11.09%	13.05%	12.99%	13.72%	15.10%	11.43%	13.45%	11.92%	13.00%	15.49%
Nongovernmental grants and contracts	0.14%	0.53%	0.96%	1.63%	2.95%	2.91%	3.06%	2.49%	1.43%	1.89%
Auxiliary enterprises (net of book allowances)	4.93%	4.83%	4.81%	4.99%	5.10%	4.36%	4.94%	4.17%	4.48%	4.32%
Other operating revenues	0.15%	0.18%	0.20%	0.16%	0.15%	0.14%	0.14%	0.15%	0.07%	0.07%
Total Operating Revenues	54.42%	60.02%	60.52%	61.53%	60.55%	55.65%	70.49%	51.66%	53.34%	57.13%
State appropriations	30.36%	25.29%	23.88%	23.56%	22.30%	19.19%	15.89%	12.28%	10.08%	10.55%
State appropriations-CHE	0.03%	0.01%	0.00%	0.027%	0.02%	0.02%	0.01%	0.01%	0.00%	0.00%
State appropriations-Deferred Maintenance	-	-	-	-	0.00%	-	-	-	-	-
Local appropriations	9.73%	9.49%	8.82%	8.47%	8.03%	6.62%	7.42%	6.15%	6.21%	4.91%
Investment income	0.34%	0.23%	0.50%	1.16%	1.51%	0.89%	0.25%	0.09%	0.23%	0.35%
Federal grants and contracts	0.10%	0.00%	-	-	-	-	-	-	-	-
State grants and contracts	0.24%	0.25%	0.24%	0.25%	0.93%	1.71%	1.16%	0.94%	0.80%	0.76%
Other non-operating revenues	0.12%	0.10%	0.09%	0.29%	1.23%	1.18%	1.51%	1.08%	1.29%	1.68%
State capital bond fund/Capital Reserve	0.00%	-	-	-	-	-	-	-	-	-
Federal capital grants and gifts	0.39%	0.38%	0.03%	0.00%	-	-	-	-	-	-
State capital grants and gifts	0.02%	0.00%	-	-	-	-	-	-	-	-
State appropriations-Lottery Technology	-	0.93%	1.03%	0.82%	0.74%	0.59%	0.64%	0.34%	0.06%	0.33%
State Research Infrastructure Bond Proceeds	-	-	-	-	1.87%	0.00%	-	-	-	-
Local/Other capital appropriations	2.33%	3.32%	4.89%	3.34%	2.73%	1.88%	2.62%	1.81%	1.30%	1.97%
Total Nonoperating Revenues	45.58%	39.98%	39.48%	38.47%	39.45%	44.35%	29.51%	48.34%	46.66%	42.87%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Tri-County Technical College Audited Financial Statements

South Carolina Public Two Year Institutions
Annual Tuition and Fees
Last Ten Academic Years

Schedule 5

(Alpha Order)

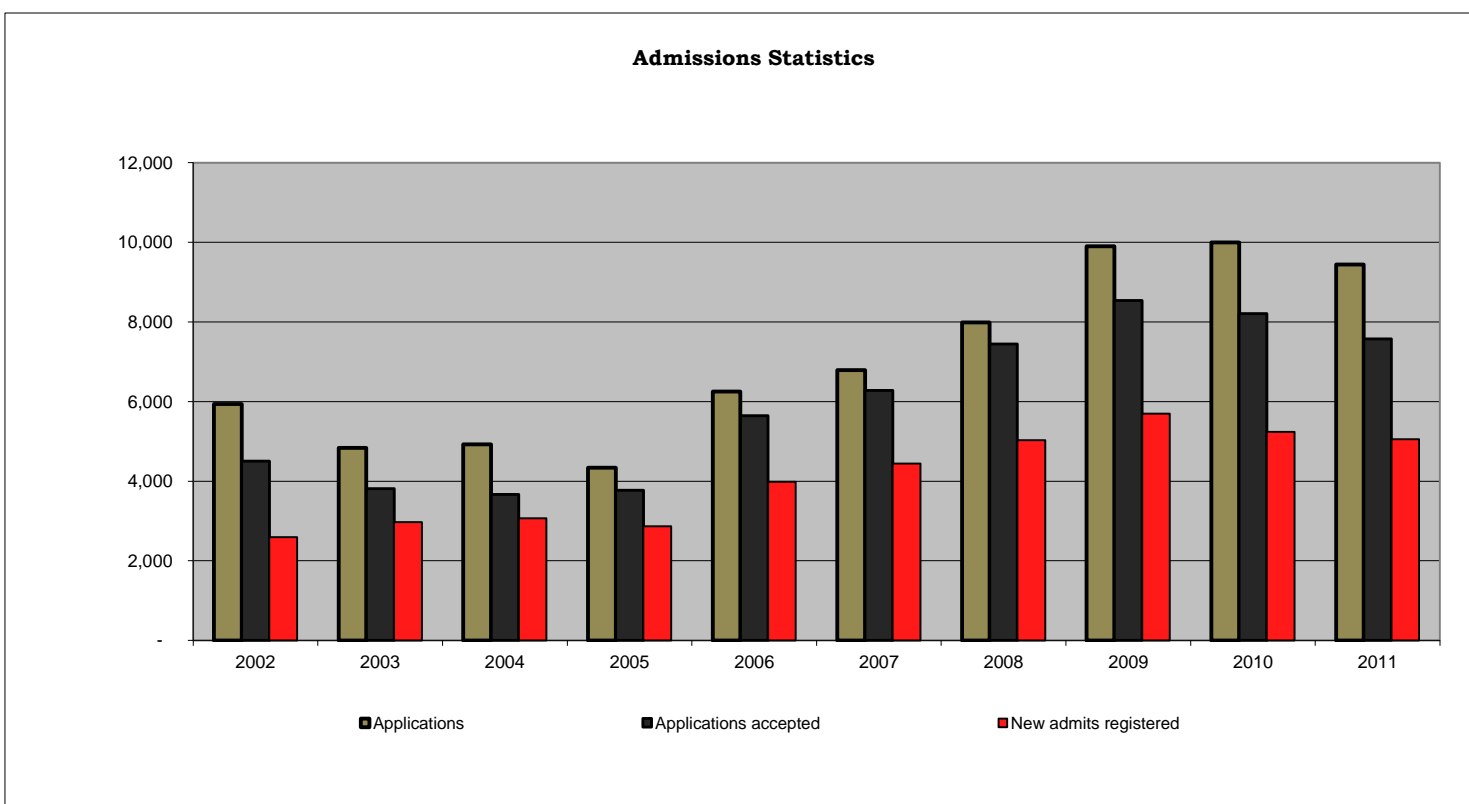
Technical Colleges In-County	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Aiken	\$ 2,192	\$ 2,600	\$ 2,836	\$ 3,036	\$ 3,190	\$ 3,298	\$ 3,506	\$ 3,626	\$ 3,706	\$ 3,722
Central Carolina	\$ 2,092	\$ 2,500	\$ 2,500	\$ 2,700	\$ 2,900	\$ 2,920	\$ 3,020	\$ 3,308	\$ 3,380	\$ 3,476
Denmark	\$ 2,152	\$ 2,248	\$ 2,278	\$ 2,278	\$ 2,278	\$ 2,278	\$ 2,378	\$ 2,492	\$ 2,590	\$ 2,500
Florence-Darlington	\$ 2,112	\$ 2,976	\$ 2,986	\$ 3,026	\$ 3,190	\$ 3,190	\$ 3,190	\$ 3,302	\$ 3,526	\$ 3,658
Greenville	\$ 2,142	\$ 2,600	\$ 2,900	\$ 3,000	\$ 3,190	\$ 3,290	\$ 3,396	\$ 3,492	\$ 3,616	\$ 3,748
Horry-Georgetown	\$ 2,136	\$ 2,394	\$ 2,680	\$ 2,800	\$ 2,944	\$ 3,114	\$ 3,194	\$ 3,206	\$ 3,408	\$ 3,530
Midlands	\$ 2,192	\$ 2,836	\$ 2,908	\$ 3,004	\$ 3,100	\$ 3,244	\$ 3,360	\$ 3,608	\$ 3,680	\$ 3,706
Northeastern TC	\$ 2,092	\$ 2,346	\$ 2,346	\$ 2,526	\$ 2,646	\$ 2,982	\$ 3,270	\$ 3,270	\$ 3,342	\$ 3,438
Orangeburg-Calhoun	\$ 1,992	\$ 2,496	\$ 2,640	\$ 2,640	\$ 2,832	\$ 2,832	\$ 3,048	\$ 3,218	\$ 3,434	\$ 3,554
Piedmont	\$ 2,350	\$ 2,596	\$ 2,740	\$ 2,860	\$ 2,956	\$ 3,076	\$ 3,076	\$ 3,334	\$ 3,540	\$ 3,572
Spartanburg	\$ 2,132	\$ 2,660	\$ 2,806	\$ 2,902	\$ 3,094	\$ 3,194	\$ 3,314	\$ 3,434	\$ 3,576	\$ 3,740
TC of the Lowcountry	\$ 2,142	\$ 2,600	\$ 2,900	\$ 3,050	\$ 3,050	\$ 3,150	\$ 3,270	\$ 3,382	\$ 3,556	\$ 3,676
Tri County	\$ 2,022	\$ 2,450	\$ 2,546	\$ 2,738	\$ 2,856	\$ 2,976	\$ 3,060	\$ 3,168	\$ 3,465	\$ 3,570
Trident	\$ 2,092	\$ 2,446	\$ 2,688	\$ 2,950	\$ 3,114	\$ 3,220	\$ 3,330	\$ 3,450	\$ 3,530	\$ 3,600
Williamsburg	\$ 2,112	\$ 2,112	\$ 2,692	\$ 2,692	\$ 2,830	\$ 2,830	\$ 2,942	\$ 3,042	\$ 3,264	\$ 3,438
York	\$ 2,108	\$ 2,736	\$ 2,886	\$ 3,036	\$ 3,124	\$ 3,124	\$ 3,244	\$ 3,352	\$ 3,496	\$ 3,628
System Average	2,129	2,537	2,708	2,827	2,956	3,045	3,162	3,293	3,438	3,535

Two-Year Regional Campuses of USC

In-State										
USC - Lancaster	\$ 3,080	\$ 3,656	\$ 4,058	\$ 4,324	\$ 4,652	\$ 4,868	\$ 5,264	\$ 5,528	\$ 5,864	\$ 6,092
USC - Salkehatchie	\$ 3,080	\$ 3,656	\$ 4,058	\$ 4,324	\$ 4,652	\$ 4,868	\$ 5,264	\$ 5,528	\$ 5,864	\$ 6,092
USC - Sumter	\$ 3,080	\$ 3,656	\$ 4,058	\$ 4,324	\$ 4,652	\$ 4,868	\$ 5,264	\$ 5,528	\$ 5,864	\$ 6,092
USC - Union	\$ 3,080	\$ 3,656	\$ 4,058	\$ 4,324	\$ 4,652	\$ 4,868	\$ 5,264	\$ 5,528	\$ 5,864	\$ 6,092

Source: South Carolina Commission on Higher Education

	<i>Academic Year Beginning in Fall</i>									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Admissions - Freshman										
Applications	5,942	4,834	4,922	4,338	6,251	6,793	7,987	9,898	9,999	9,439
Applications accepted	4,504	3,816	3,670	3,769	5,647	6,278	7,442	8,536	8,212	7,574
New admits registered	2,597	2,976	3,065	2,864	3,984	4,440	5,030	5,695	5,236	5,055
Accepted as a percentage of applications	75.8%	78.9%	74.6%	86.9%	90.3%	92.4%	93.2%	86.2%	82.1%	80.2%
Registered as a percentage of accepted	57.7%	78.0%	83.5%	76.0%	70.6%	70.7%	67.6%	66.7%	63.8%	66.7%
Registered as a percentage of applicants	43.7%	61.6%	62.3%	66.0%	63.7%	65.4%	63.0%	57.5%	52.4%	53.6%



Notes :

*Tri-County Technical College has an open enrollment policy.
All figures are unduplicated unless otherwise stated.*

Source: TCTC admissions office

Tri-County Technical College
Opening Fall Enrollment Demographics and Degree Statistics
Last Ten Fiscal Years

Schedule 7

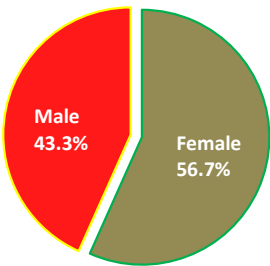
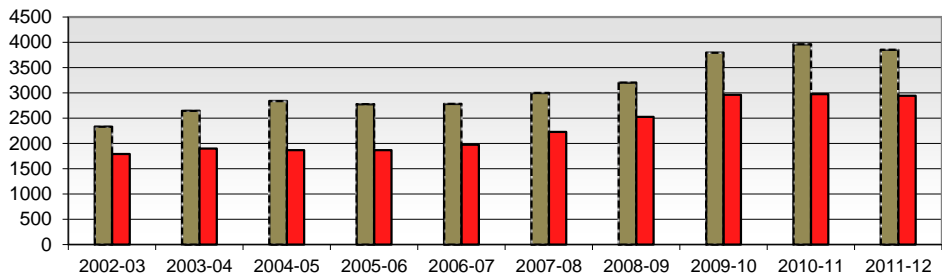
<u>GENDER</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
(Term)	(02-1)	(03-1)	(04-1)	(05-1)	(06-1)	(07-1)	(08-1)	(09-1)	(10-1)	(11-1)
Female	2,333	2,646	2,838	2,775	2,780	2,997	3,204	3,796	3,963	3,855
Male	1,792	1,902	1,871	1,870	1,973	2,226	2,526	2,962	2,978	2,945
Total	4,125	4,548	4,709	4,645	4,753	5,223	5,730	6,758	6,941	6,800
<u>RACE</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Minority	572	715	751	715	679	860	1,006	1,201	1,283	1,225
White	3,388	3,661	3,775	3,738	3,844	4,238	4,605	5,448	5,590	5,465
Other(unknown)	165	172	183	192	230	125	119	109	68	110
Total	4,125	4,548	4,709	4,645	4,753	5,223	5,730	6,758	6,941	6,800
<u>COUNTY</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Anderson	1,785	2,122	2,162	2,066	1,821	1,975	2,164	2,616	2,738	2,523
Oconee	965	1,006	991	994	973	919	1,006	1,167	1,165	1,140
Pickens	975	1,003	1,018	1,035	996	1,092	1,143	1,250	1,314	1,347
Other	400	417	538	550	963	1,237	1,417	1,725	1,724	1,790
Total	4,125	4,548	4,709	4,645	4,753	5,223	5,730	6,758	6,941	6,800
<u>HEADCOUNT</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Full-time	2,140	2,278	2,435	2,473	2,576	2,783	3,316	4,064	4,221	3,913
Part-time	1,985	2,270	2,274	2,172	2,177	2,440	2,414	2,694	2,720	2,887
Total	4,125	4,548	4,709	4,645	4,753	5,223	5,730	6,758	6,941	6,800
<u>FTEs</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
	2,765.6	3,048.0	3,175.1	3,147.1	3,293.3	3,579.0	4,086.0	4,959.7	5,152.1	4,910.8
<u>RATIO FTE/HC</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
	0.67	0.67	0.67	0.68	0.69	0.69	0.71	0.73	0.74	0.74
<u>AVERAGE CREDITS</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
	10.1	10.1	10.1	10.2	10.4	10.3	10.7	11.0	11.1	10.8
<u>AVERAGE AGE</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
	25.3	25.5	25.4	25.3	24.7	24.5	24.4	25.1	24.8	24.5
<u>DEGREES AWARDED</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12*</u>
Associate	430	486	470	460	414	511	485	554	598	678
Diploma	219	211	212	133	148	161	173	143	151	169
Certificate	105	120	119	175	175	197	191	187	311	573
Total Awards Granted	754	817	801	768	737	869	849	884	1060	1420

Source: TCTC website and office of institutional research

*Preliminary

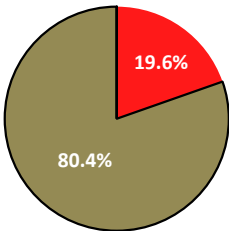
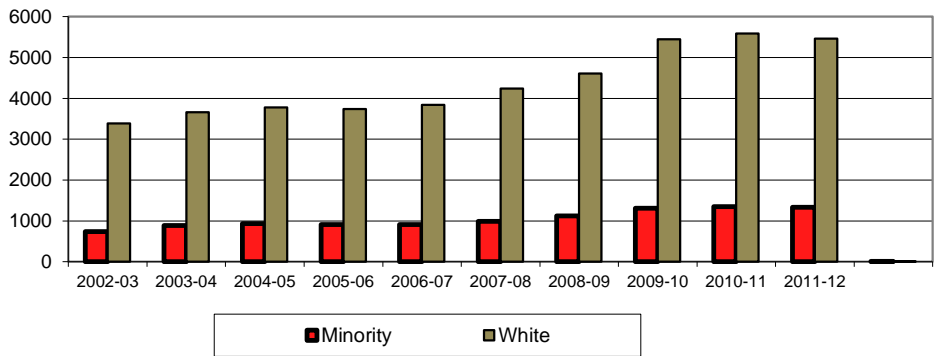
2011-12

Opening Fall Enrollment By Gender



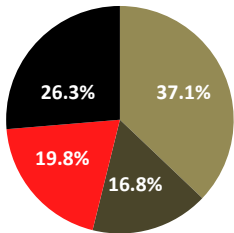
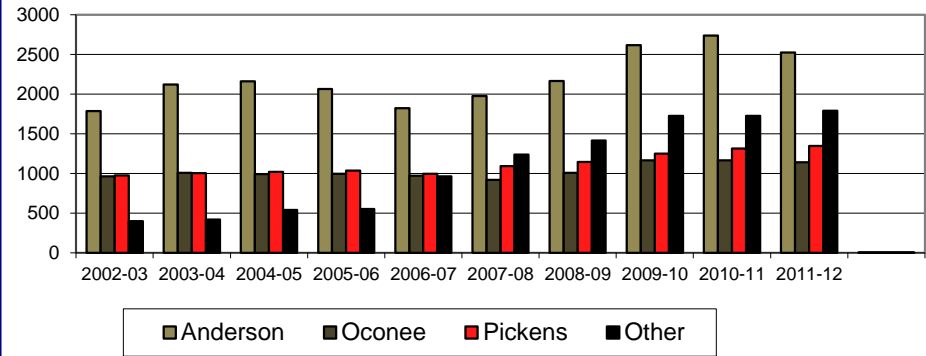
2011-12

Opening Fall Enrollment by Race



2011-12

Opening Fall Enrollment by County



Corporate and Community Education Departments:

Business Center
Community Interest
Enterprise Development
Health Education
Licensing
World Class Training Center

Continuing Education Contact Hours

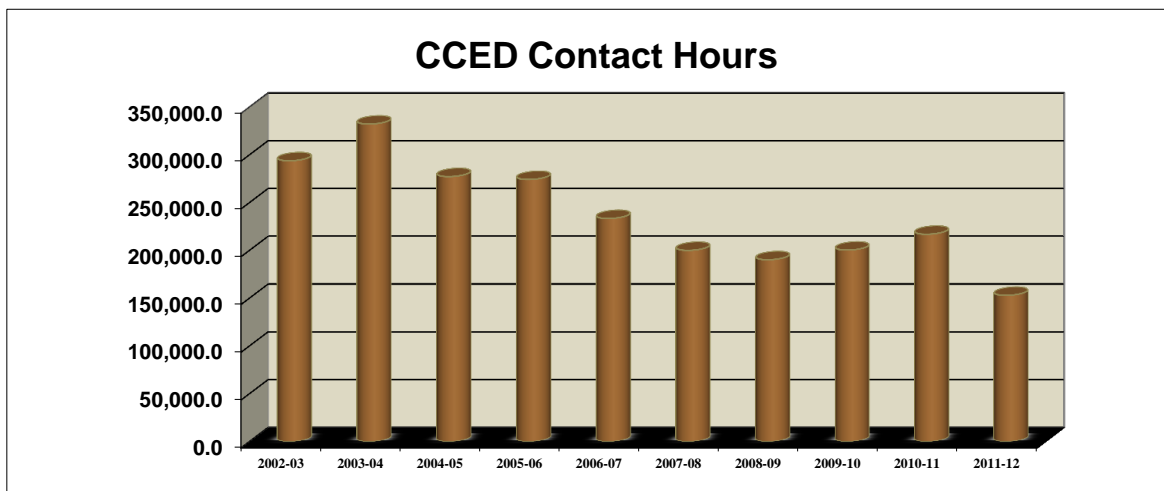
Audited Year	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Contact Hours	294,012.0	332,449.5	277,456.5	274,448.8	233,616.0	200,268.0	190,460.5	200,561.0	217,130.0	153,213.5

Continuing Education Headcount (Unduplicated)

Fiscal Year-unaudited	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Headcount	9,289	12,021	10,001	8,947	7,658	5,787	8,158	9,185	9,266	9,000

Continuing Education Performance Funding

Academic Year	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Performance Funding CEUs	29,401	33,245	27,746	27,449	23,361	20,027	19,046	20,056	21,713	No funding



Sources: SBTCE Factbook, Rick Pace (CE evaluation coordinator SBTCE)

CCED information coordinator

NOTE: Funding formula for technical colleges changed for fiscal year 2012. Funding for continuing education contact hours has been discontinued.

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TRI-COUNTY TECHNICAL COLLEGE

Debt Capacity

SCHEDULE 9

Schedule of Ratios of Outstanding Debt

SCHEDULE 10

Schedule of Bond Coverage

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Tri-County Technical College
Schedule of Ratios of Outstanding Debt,
Last Ten Fiscal Years

Schedule 9

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General institution bonds	\$ 3,695,000	\$ 3,160,000	\$ 2,595,000	\$ 1,995,000	\$ 1,365,000	\$ 700,000	\$ -	\$ -	\$ -	\$ -
Capital lease	\$ -	\$ -	\$ 184,497	\$ 209,545	\$ 7,876,571	\$ 7,733,188	\$ 7,343,021	\$ 6,948,285	\$ 6,465,000	\$ 6,115,000
Total outstanding debt	<u>\$ 3,695,000</u>	<u>\$ 3,160,000</u>	<u>\$ 2,779,497</u>	<u>\$ 2,204,545</u>	<u>\$ 9,241,571</u>	<u>\$ 8,433,188</u>	<u>\$ 7,343,021</u>	<u>\$ 6,948,285</u>	<u>\$ 6,465,000</u>	<u>\$ 6,115,000</u>
Full-time equivalent students-annual										
Credit	3,223	3,507	3,562	3,533	3,797	4,057	4,666	5,632	5,698	5,298
Outstanding debt per student FTE	\$ 1,146	\$ 901	\$ 780	\$ 624	\$ 2,434	\$ 2,078	\$ 1,574	\$ 1,234	\$ 1,135	\$ 1,154

Source: Tri-County Technical College Comprehensive Annual Financial Reports

Formula Computation Allocation Worksheet provided by the System Office for years presented

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Tri-County Technical College
Schedule of Bond Coverage
Last Ten Fiscal Years

Schedule 10

Institution Bonds

Fiscal Year Ended June 30,	Budgeted Capital Fees	Debt Service Requirements				Coverage Ratio
		Total Revenue Available for Debt Service	Principal	Interest	Total	
2009	\$ 1,333,127	\$ 1,333,127	\$ 700,000	\$ 35,000	\$ 735,000	1.81
2008	\$ 1,078,225	\$ 1,078,225	\$ 665,000	\$ 68,250	\$ 733,250	1.47
2007	\$ 1,042,000	\$ 1,042,000	\$ 630,000	\$ 99,750	\$ 729,750	1.43
2006	\$ 1,042,373	\$ 1,042,373	\$ 600,000	\$ 129,750	\$ 729,750	1.43
2005	\$ 1,041,314	\$ 1,041,314	\$ 565,000	\$ 158,000	\$ 723,000	1.44
2004	\$ 1,075,694	\$ 1,075,694	\$ 535,000	\$ 184,750	\$ 719,750	1.49
2003	\$ 1,216,040	\$ 1,216,040	\$ 510,000	\$ 210,250	\$ 720,250	1.69
2002	\$ 1,074,758	\$ 1,074,758	\$ 485,000	\$ 234,500	\$ 719,500	1.49
2001	\$ 1,038,191	\$ 1,038,191	\$ 455,000	\$ 257,250	\$ 712,250	1.46
2000	\$ 1,222,960	\$ 1,222,960	\$ 435,000	\$ 282,263	\$ 717,263	1.71

Bond was paid in full in fiscal year 2009

Source: GAAPS reports and TCTC financial statements

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TRI-COUNTY TECHNICAL COLLEGE

Demographic and Economic Information

SCHEDULE 11

Economic Indicators for the College Service Area

SCHEDULE 12

Principal Employers by County

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Tri-County Technical College
Economic Indicators for the College Service Area
Most Recent Data Available

Schedule 11

Total Personal Income (in Millions)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Anderson	\$4,262	\$4,343	\$4,480	\$4,679	\$5,011	\$5,374	\$5,627	\$5,599	\$5,813	NA
Oconee	\$2,080	\$1,990	\$1,908	\$1,798	\$1,745	\$2,219	\$2,343	\$2,324	\$2,346	NA
Pickens	\$2,481	\$2,540	\$2,599	\$2,663	\$2,778	\$3,147	\$3,291	\$3,247	\$3,340	NA
South Carolina	\$106,985	\$110,644	\$117,230	\$124,379	\$134,204	\$142,167	\$ 148,892	\$ 148,265	\$ 154,568	\$ 157,565

(NOTE: Years 2007 - 2009 have been revised per USBEA)

Per Capita Personal Income

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Anderson	\$25,079	\$25,365	\$25,939	\$26,829	\$28,299	\$29,831	\$ 30,760	\$ 30,280	\$ 29,916	NA
Oconee	\$25,150	\$25,700	\$26,274	\$27,677	\$28,561	\$31,388	\$ 32,954	\$ 32,499	\$ 31,527	NA
Pickens	\$22,250	\$22,758	\$23,133	\$23,551	\$24,430	\$27,106	\$ 28,002	\$ 27,487	\$ 27,385	NA
South Carolina	\$25,364	\$25,873	\$27,069	\$28,292	\$30,041	\$32,134	\$ 33,063	\$ 32,505	\$ 33,163	\$ 33,673

(NOTE: Years 2007 - 2009 have been revised per USBEA)

Population of Service Area

(estimates)	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Anderson	170,578	167,725	173,550	175,514	177,963	179,981	182,825	184,901	187,126	188,659
Oconee	67,918	67,841	69,057	69,577	70,567	70,753	71,274	71,514	74,273	74,978
Pickens	113,097	112,304	112,475	113,575	114,446	116,003	116,915	118,144	119,224	119,793

Labor Market-

Unemployment Trends

<u>(Annual)</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Anderson	6.4%	6.6%	7.1%	7.2%	6.8%	6.0%	6.9%	13.4%	11.4%	9.8%
Oconee	7.6%	8.3%	7.5%	8.3%	9.0%	7.2%	7.5%	14.6%	11.8%	10.2%
Pickens	5.8%	6.1%	5.1%	7.3%	6.2%	5.3%	6.1%	10.8%	10.0%	9.3%
South Carolina	6.0%	6.8%	6.0%	6.5%	6.5%	5.9%	6.9%	12.6%	11.2%	10.5%
United States	5.8%	6.0%	5.0%	4.8%	4.6%	4.6%	5.8%	10.0%	9.4%	9.2%

Announced Job Creation

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Anderson	1,026	250	720	760	132	452	26	47	1,216	99
Oconee	170	297	63	89	170	113	71	125	206	80
Pickens	572	35	560	NA	550	335	235	0	95	547

Sources:

http://scommerce.com/sites/default/files/document_directory/Capital_Investment_by_County_in_South_Carolina_2003-2010_0.pdf

Anderson, Oconee, Pickens County Profiles

WWW.upstatealliance.com

Bureau of Labor Statistics

BEA, Bearfacts

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County		
Anderson	Oconee	Pickens
Anderson County School Districts (5 districts)	Duke Energy Corporation	Aramark Campus Inc
AnMed Health	Itron Corporation	Clemson University
Electrolux Home Products Inc	Oconee County School District	Confluence Holdings Corp
Glen Raven Custom Fabrics LLC	Oconee Memorial Hospital	Milliken & Company
Homelite Consumer Products Inc	Schneider Electric-Square D	Palmetto Baptist Medical Center
Kravet, Inc.	Timken U.S. Corporation	Pickens County Government
Michelin North America, Mfg Division	Wal-Mart Associates, Inc.	Pickens County Schools
Milliken-Cushman Facility		The Reliable Automatic Sprinkler Co
Robert Bosch Corporaton		State of South Carolina
State of South Carolina		Wal-Mart Associates, Inc.
Timken U.S. Corporation		
Tri-County Technical College		
Wal-Mart Associates Inc		

*Note: Due to confidentiality issues, the number of employees for each company is not available.
The companies are listed in alphabetical order.*

Source: Upstate Alliance website

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TRI-COUNTY TECHNICAL COLLEGE

Operating Information

SCHEDULE 13

Faculty and Staff Statistics

SCHEDULE 14

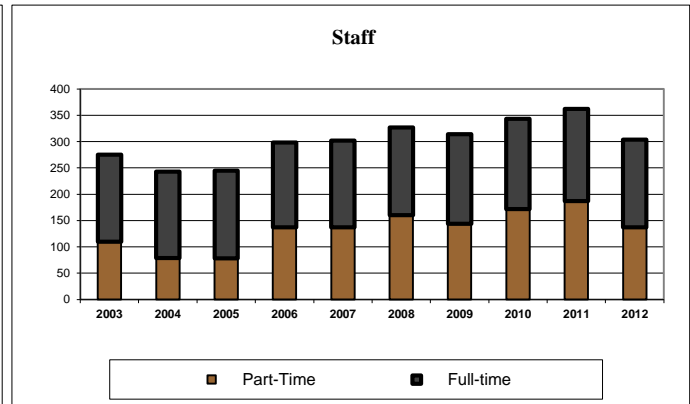
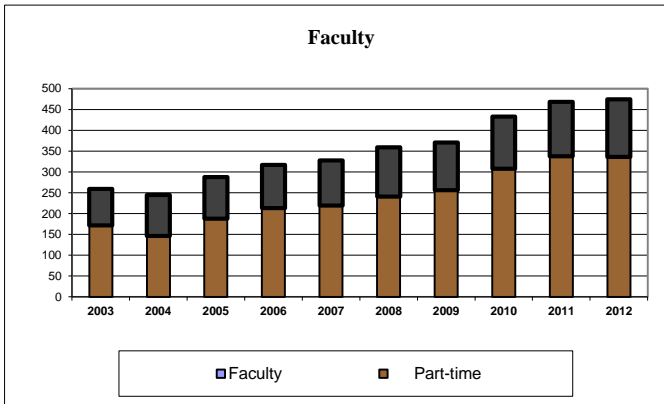
Space Utilization

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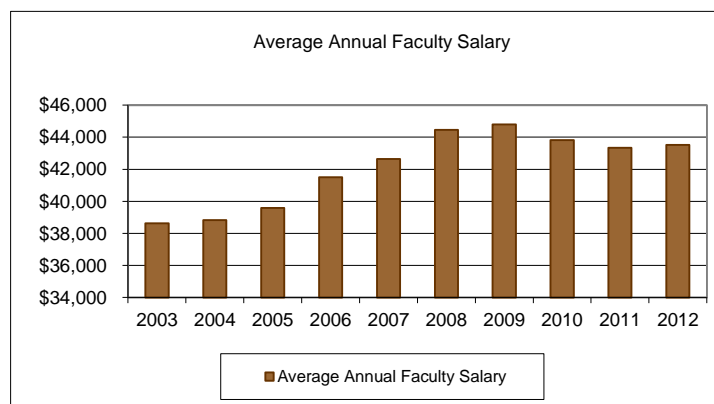
Tri-County Technical College
Faculty and Staff Statistics
Last Ten Fiscal Years

Schedule 13

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Faculty										
Part-time	172	146	188	213	219	241	256	308	338	336
Full-time	87	99	100	104	109	118	115	125	130	138
Staff										
Part-Time	110	79	78	137	137	160	144	172	187	137
Full-time	165	164	167	161	165	167	170	171	175	167
Total Employees										
Part-time	282	225	266	350	356	401	400	480	525	473
Full-time	252	263	267	265	274	285	285	296	305	305
	534	488	533	615	630	686	685	776	830	778



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Average Annual Faculty Salary	\$ 38,634	\$ 38,827	\$ 39,587	\$ 41,512	\$ 42,637	\$ 44,450	\$ 44,801	\$ 43,823	\$ 43,345	\$ 43,513



NOTE: This is a revised spreadsheet. Disregard figures in 2006 CAFR.
Faculty/Staff statistics are as of November each fiscal year.
College workstudy not included.

*Source: Integrated Postsecondary Education Data System (IPEDS) data for years indicated
(From Human Resource Office)*

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Tri-County Technical College
Space Utilization
Most Recent Data Available

Schedule 14

	For Fiscal Years ended									
	2002	2003	2004	2005	2006*	2007**	2008	2009	2010	2011
Instruction										
Assignable Square Feet	188,047	187,993	189,127	189,247	156,645	171,538	171,538	196,363	196,363	203,643
Percentage of Total	67.01%	67.54%	67.67%	67.68%	68.26%	70.19%	70.19%	74.71%	74.71%	75.28%
Public Service										
Assignable Square Feet	4,586	4,586	4,586	4,586	NA	NA	NA	NA	NA	NA
Percentage of Total	1.63%	1.65%	1.64%	1.64%						
Academic Support										
Assignable Square Feet	29,648	27,434	27,434	27,434	23,431	23,431	23,431	22,615	22,615	23,042
Percentage of Total	10.57%	9.86%	9.82%	9.81%	10.21%	9.59%	9.59%	8.60%	8.60%	8.52%
Student Services										
Assignable Square Feet	24,886	24,886	24,886	24,886	16,184	16,184	16,184	11,736	11,736	11,736
Percentage of Total	8.87%	8.94%	8.90%	8.90%	7.05%	6.62%	6.62%	4.47%	4.47%	4.34%
Institutional Support										
Assignable Square Feet	16,702	16,702	16,702	16,702	16,179	16,179	16,179	16,117	16,117	16,117
Percentage of Total	5.95%	6.00%	5.98%	5.97%	7.05%	6.62%	6.62%	6.13%	6.13%	5.96%
Plant Operations and Maintenance										
Assignable Square Feet	11,820	11,820	11,820	11,820	9,946	9,946	9,946	10,060	10,060	10,060
Percentage of Total	4.21%	4.25%	4.23%	4.23%	4.33%	4.07%	4.07%	3.83%	3.83%	3.72%
Auxiliary Enterprises										
Assignable Square Feet	1,556	1,556	1,556	1,556	5,926	5,926	5,926	5,926	5,926	5,926
Percentage of Total	0.55%	0.56%	0.56%	0.56%	2.58%	2.42%	2.42%	2.25%	2.25%	2.19%
Unassigned										
Assignable Square Feet	3,378	3,378	3,378	3,378	1,176	1,176	1,176	-	-	-
Percentage of Total	1.20%	1.21%	1.21%	1.21%	0.51%	0.48%	0.48%	0.00%	0.00%	0.00%
Total Assignable Areas										
Assignable Square Feet	280,623	278,355	279,489	279,609	229,487	244,380	244,380	262,817	262,817	270,524
Percentage of Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Parking Facilities										
Parking spaces available	1,912	1,912	1,968	2,046	2,046	2,346	2,346	2,346	2,346	***2746
Number of employees	481	534	488	533	615	630	686	685	776	830
Number of students-fall term	3,773	4,125	4,548	4,709	4,645	4,753	5,223	5,730	6,758	6,941

NOTE: Common areas(such as, hallways, foyers, restrooms, closets, mechanical rooms are not included in totals.

*Utilization was reassessed.

**Includes Anderson Campus Does not include Easley Campus

***Includes Mechanic Street parking lot

Source: Facilities extract from IPEDS and SCCHE

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TRI-COUNTY TECHNICAL COLLEGE

Other Information

SCHEDULE 15

**Schedule of Current Unrestricted Expenses
Per Full Time Equivalent Units (FTEs)**

SCHEDULE 16

Accreditation Information

SCHEDULE 17

Statement of Nondiscrimination

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Tri-County Technical College
Schedule of Current Unrestricted Expenses
Per *Credit* Full Time Equivalent Unit (FTE)
Most Recent Data Available

Schedule 15

Current Unrestricted										
Educational and General:	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Instruction	\$ 8,185,874	\$ 8,491,103	\$ 9,817,211	\$ 10,636,321	\$ 11,315,637	\$ 12,519,469	\$ 13,061,517	\$ 14,385,333	\$ 14,508,658	\$ 16,689,866
Academic Support	\$ 1,702,630	\$ 1,625,295	\$ 1,301,239	\$ 1,632,515	\$ 1,892,243	\$ 2,114,604	\$ 2,458,279	\$ 2,157,777	\$ 2,412,337	\$ 2,553,967
Student Support	\$ 2,210,481	\$ 2,039,172	\$ 2,161,330	\$ 2,142,376	\$ 2,436,119	\$ 2,305,952	\$ 2,488,614	\$ 2,544,123	\$ 2,955,300	\$ 3,280,286
Operation of Maint/Plant	\$ 1,999,221	\$ 2,032,111	\$ 2,201,585	\$ 2,194,232	\$ 2,419,312	\$ 2,543,108	\$ 2,492,480	\$ 2,686,910	\$ 3,027,838	\$ 3,115,085
Administrative and General	\$ 1,889,302	\$ 2,269,719	\$ 2,439,769	\$ 2,441,664	\$ 2,582,223	\$ 2,735,227	\$ 3,161,215	\$ 3,545,464	\$ 3,933,999	\$ 4,048,928
Total E & G*	\$ 15,987,508	\$ 16,457,400	\$ 17,921,134	\$ 19,047,108	\$ 20,645,534	\$ 22,218,360	\$ 23,662,105	\$ 25,319,607	\$ 26,838,132	\$ 29,688,132
Annual <i>Credit</i> Student FTEs	3,223	3,507	3,562	3,533	3,797	4,057	4,666	5,632	5,698	5,298
Expense per Credit Student FTE	\$ 4,960	\$ 4,693	\$ 5,031	\$ 5,391	\$ 5,437	\$ 5,477	\$ 5,071	\$ 4,496	\$ 4,710	\$ 5,604
(total E&G/annual student FTEs)										

***Note: EXCLUDES Auxiliary Enterprise, Continuing Education, Restricted and Unexpended Plant Funds.**
EXCLUDES Anderson Campus Capital Lease payment

Sources: Audited Annual Reports on Financial Statements for years presented;

College Accreditation

Tri-County Technical College is Accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to award the Associate Degree.

Program Accreditations and Approvals

The Associate Degree Nursing program is accredited by the Board of Nursing for South Carolina and the National League for Nursing Accrediting Commission.

The Accounting, Management and Administrative Office Technology programs are accredited by the Accreditation Council for Business Schools and Programs.

The Expanded Duty Dental Assisting diploma program is accredited by the American Dental Association Commission on Dental Accreditation.

The Early Childhood Development degree program is accredited by the National Association for the Education of Young Children.

The Medical Assisting degree program is accredited by the Commission on Accreditation of Allied Health Education Programs in concert with the Medical Assisting Education review Board.

The Medical Laboratory Technology degree program is accredited by the National Accreditation Agency for Clinical Laboratory Sciences.

The Practical Nursing program is accredited by the National League for Nursing Accrediting Commission and State Board of Nursing for South Carolina.

The Surgical Technology diploma program is accredited by the Commission on Accreditation of Allied Health Education Programs.

The Veterinary Technology degree program is accredited by the American Veterinary Medical Association.

Source: VP for Academic Affairs

Policy on Discrimination

It is the policy of Tri-County Technical College to recruit, hire, train and promote employees and to provide educational opportunities to students without regard to race, color, religion, sex, disability, veteran's status, age or national origin, in compliance with the provisions of the Civil Rights Act of 1964, Title VII of the Equal Employment Opportunity Act of 1972, Title IX of the Education Amendments of 1972, the Rehabilitation Act of 1973, Executive Orders 11246 and 11375, Revised Order 4 of the Department of Labor, the South Carolina Human Affairs Law of 1972, and the Format Memorandum issued by HEW in August of 1975, and Americans with Disabilities Act of 1990.

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Single Audit

On June 10 1963 the center's director Mr. Yarborough recommended an annual audit be performed by an independent auditor. The area commission approved the recommendation.

The independent auditor for the next few years was:

Mr. Horace G. Williams

Williams Accounting Service

Anderson SC

He performed the first audit as of June 30 1963.

The first federal grant was awarded to the center in fiscal year 1965-66. It was called Manpower Development and Training Act. The grant provided funding for Machine Tool Operator, Welding and Groundskeeping.

TRI-COUNTY TECHNICAL COLLEGE

**Independent Auditors' Reports Required by
Government Auditing Standards and the Single Audit Act**

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012**

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TRI-COUNTY TECHNICAL COLLEGE

Table of Contents

	<u>Page Number</u>
Independent Auditors' Report On Compliance With Requirements Applicable To Each Major Program And Internal Control Over Compliance In Accordance With OMB Circular A-133	1-2
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Schedule Of Expenditures Of Federal Awards	5-7
Notes To Schedule Of Expenditures Of Federal Awards	8
Summary Schedule Of Prior Audit Findings	9
Schedule Of Findings And Questioned Costs	10
Follow Up to 2011 Financial Aid Audit Finding	11
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CLINE BRANDT KOCHENOWER
& Co., P.A.
Certified Public Accountants
Established 1950

Independent Auditors' Report On Compliance With Requirements
Applicable To Each Major Program And Internal Control Over
Compliance In Accordance With OMB Circular A-133

Tri-County Technical College
Pendleton, South Carolina

Compliance

We have audited the compliance of Tri-County Technical College, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2012. Tri-County Technical College's major federal programs are identified in the summary of auditors' 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 programs is the responsibility of Tri-County Technical College's management. Our responsibility is to express an opinion on Tri-County Technical 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; and (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 program occurred. An audit includes examining, on a test basis, evidence about Tri-County Technical 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 Tri-County Technical College's compliance with those requirements.

In our opinion Tri-County Technical College complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2012.

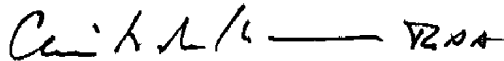
Internal Control Over Compliance

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

A control deficiency in an entity's 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 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.

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

A handwritten signature in black ink, appearing to read "C. H. H. / 16" followed by a horizontal line and the word "VZSA".

September 13, 2012

Independent Auditors' Report On Internal Control Over
Financial Reporting And On Compliance And Other Matters
Based On An Audit Of Financial Statements Performed
In Accordance With Government Auditing Standards

Tri-County Technical College
Pendleton, South Carolina

We have audited the financial statements of the business-type activities of Tri-County Technical College as of and for the years ended June 30, 2012 and June 30, 2011, which collectively comprise the Tri-County Technical College's basic financial statements and have issued our report thereon dated September 13, 2012. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Tri-County Technical College Foundation as described in our report on Tri-County Technical College's report. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The Tri-County Technical College Foundation's financial statements were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

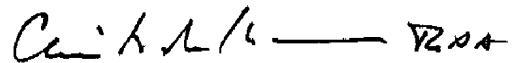
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tri-County Technical 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 of Tri-County Technical College, in a separate letter dated September 13, 2012

This report is intended solely for the information of the finance 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.

A handwritten signature in black ink, appearing to read "Cynthia A. [unclear] CPA". The signature is written in a cursive style with a horizontal line extending from the middle of the name.

September 13, 2012

TRI-COUNTY TECHNICAL COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ending June 30, 2012

FEDERAL GRANTOR					Revenues				
Pass-Through Entity	Fund	CFDA	Grant	Fund Balance		Refunds	Federal	Fund Balance	
Program Title	Number	Number	Period	6/30/11	Federal	To Grantor	Expenditures	6/30/12	
U.S. DEPARTMENT OF EDUCATION									
Student Financial Aid									
Pell	22044	84.063	2010-11	-	(21,738)		(21,738)	0	
Pell	22052	84.063	2011-12	-	12,512,807		12,512,807	0	
Federal Work Study	22045	84.033	2010-11	-	914		914	0	
Federal Work Study	22053	84.033	2011-12	-	130,178		130,178	0	
Federal SEOG	22046	84.007	2010-11	-	2,370		2,370	0	
Federal SEOG	22054	84.007	2011-12	-	193,065		193,065	0	
Federal Academic Competitiveness	22047	84.375	2010-11	-	(750)		(750)	0	
Federal Direct Student Loan Program	22048	84.268	2010-11	-	(15,319)		(15,319)	0	
Federal Direct Student Loan Program	22056	84.268	2011-12	-	7,897,625		7,897,625	0	
TRIO Program									
Student Support Services	22049	84.042A	2010-11	-	69,358		69,358	0	
Talent Search	22050	84.044A	2010-11	-	92,403		92,403	0	
Talent Search	22057	84.044A	2011-12	-	299,014		299,014	0	
Upward Bound	22051	84.047A	2010-11	-	181,901		181,901	0	
Upward Bound	22058	84.047A	2011-12	-	216,299		216,299	0	
Higher Education-Institutional Aid									
Learning Through Community and Connections	22330	84.031A	2010-11	-	221,306		221,306	0	
Learning Through Community and Connections	22331	84.031A	2011-12	-	180,571		180,571	0	
Pass-Through State Department of Education									
Vocational Education-Basic Grants to State									
Perkins IV-Learning Lab 12VA414	22655	84.048A	2011-12	-	877		877	0	
Perkins IV-Placement Coordinator 12VA414	22657	84.048A	2011-12	-	29,844		29,844	0	
Perkins IV-WIDS Prof Development 12VA414	22659	84.048A	2011-12	-	8,000		8,000	0	
Perkins IV-Institutional Research 12VA414	22660	84.048A	2011-12	-	2,500		2,500	0	
Perkins IV-Special Populations 12VA414	22662	84.048A	2011-12	-	3,699		3,699	0	
Perkins IV-Academic Resource BPS 12VA414	22663	84.048A	2011-12	-	29,553		29,553	0	
Perkins IV-Academic Resource I&ET 12VA414	22664	84.048A	2011-12	-	30,340		30,340	0	
Perkins IV-Admissions Counselor 12VA414	22665	84.048A	2011-12	-	53,519		53,519	0	

TRI-COUNTY TECHNICAL COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ending June 30, 2012

FEDERAL GRANTOR						Revenues		Federal Expenditures	Fund Balance 6/30/12
Pass-Through Entity	Fund Number	CFDA Number	Grant Period	Fund Balance 6/30/11		Federal	Refunds To Grantor		
Program Title									
Perkins IV-Career Counselor 12VA414	22666	84.048A	2011-12	-		22,136		22,136	0
Perkins IV-Indirect Cost 12VA414	22669	84.048A	2011-12	-		9,490		9,490	0
Perkins IV-Auto Technology 12VA414	22682	84.048A	2011-12	-		24,138		24,138	0
Perkins IV CIT Computer Forensics 12VA414	22684	84.048A	2011-12	-		6,739		6,739	0
Perkins IV Disabil Coord Prof Dev 12VA414	22685	84.048A	2011-12	-		2,596		2,596	0
Perkins IV CIT Forensics Equip 12VA414	22686	84.048A	2011-12	-		4,000		4,000	0
Perkins IV Medical Lab Tech Equipment 12VA414	22687	84.048A	2011-12	-		35,000		35,000	0
Perkins IV Nursing Equipment 12VA414	22688	84.048A	2011-12	-		22,276		22,276	0
College Access Challenge Grants									
REC College Access Challenge Grant	22313	84.378	2011-12			5,676		5,676	0
REC College Access Challenge Grant	22315	84.378	2012-13			199		199	0
Total U.S. Department of Education						22,250,587		22,250,587	0
DEPARTMENT OF HEALTH & HUMAN SERVICES									
T.E.A.C.H	22902	93.575	2011-12	-		11,012		11,012	0
Pass-Through the SC Department of Social Services									
ARRA-Early Childhood Development Grant	22750	93.713	2010-12	-		564		564	0
Total Dept of Health & Human Services						11,576		11,576	0
NATIONAL SCIENCE FOUNDATION									
Pass-Through Center for Occupational Research and Development									
National Center for Optics/Photonics Education	22314	47.076	2011-13	-		8,308		8,308	0
Total National Science Foundation						8,308		8,308	0

TRI-COUNTY TECHNICAL COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ending June 30, 2012

FEDERAL GRANTOR					Revenues		Federal Expenditures	Fund Balance 6/30/12
Pass-Through Entity	Fund Number	CFDA Number	Grant Period	Fund Balance 6/30/11	Federal	Refunds To Grantor		
Program Title								
U.S. DEPARTMENT OF ENERGY								
Pass-Through South Carolina State Budget & Control Board/State Energy Office								
ARRA-State Energy Program (SEP)	22730	81.041	2010-12	-	18,278		18,278	0
ARRA-EETC Weatherization Development	22760	81.042	2010-13	-	34,781		34,781	0
ARRA-EETC Weatherization Tuition	22761	81.042	2010-13	-	65,600		65,600	0
ARRA-EETC Weatherization Mobile Home	22762	81.042	2010-13	-	35		35	0
ARRA-EETC Weatherization Constr. Test House	22763	81.042	2010-13	-	0		0	0
ARRA-EETC Weatherization Constr. Props	22764	81.042	2010-13	-	0		0	0
Total U.S. Department of Energy					118,694		118,694	0
U.S. DEPARTMENT OF AGRICULTURE-NATIONAL INSTITUTE OF FOOD & AGRICULTURE								
Pulp and Paper Manufacturing Training Grant	22405	10.314	2011-14	-	91,267		91,267	0
Total U.S. Department of Agriculture					91,267		91,267	0
TOTAL FEDERAL AWARDS					\$22,480,432		\$22,480,432	\$0

TRI-COUNTY TECHNICAL COLLEGE
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards present the activity of all federal awards programs of Tri-County Technical College. The reporting entity is defined in Note 1 of the college's financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 of the College's financial statements.

3. FEDERAL LOAN PROGRAM

The College began participating in the Stafford/Plus Loan Program through third party lenders in July 2007. Participation in the Federal Direct Student Loan Program began in July 2009. The total loans for fiscal year ending June 30, 2012 are:

	<u>Third Party</u>	<u>FDSL</u>
Subsidized Stafford Loans	\$ -	\$ 4,544,501
Unsubsidized Stafford Loans	-	2,743,668
PLUS Loans	-	594,137
	<u> </u>	<u> </u>
Total Stafford/Plus Loan Program	<u>\$ -</u>	<u>\$ 7,882,306</u>

TRI-COUNTY TECHNICAL COLLEGE
Summary Schedule of Prior Audit Findings
June 30, 2012

Findings Relating to the Financial Statements:

There were no findings relating to the financial statements.

Findings and Questioned Costs Relating to Federal Awards:

Student Financial Aid Cluster

Special Tests and Provision- Institutional Eligibility

Condition: The College has operated at another location for a number of years. At a point in the past this location began to offer 50 percent of an eligible program. This location was not listed on the ECAR for June 30, 2011.

Criteria: An eligible institution must report to the Secretary in a manner prescribed by the Secretary no later than 10 days after the change occurs in its establishment of an accredited and licensed additional location at which it offers or will offer 50 percent or more of an education program if the institution wants to disburse title IV, HEA program funds to students enrolled at that location. 34CFR 600.21(a)(3).

TRI-COUNTY TECHNICAL COLLEGE
Schedule of Findings and Questioned Costs
June 30, 2012

Summary of Auditors' Results:

GAGAS

An unqualified opinion was issued on Tri-County Technical College's basic financial statements dated September 13, 2012.

There were no significant deficiencies or material weaknesses. No instances of material noncompliance were disclosed by the audit of the financial statements.

A-133

An unqualified opinion was also issued on compliance of major programs at Tri-County Technical College dated September 13, 2012. No material weaknesses in the internal control over major programs were found. Our audit disclosed no audit findings that are required to be reported under OMB Circular A-133.

The major programs at Tri-County Technical College are the Student Financial Aid Cluster, Learning Through Community and Connections (CFDA# 84.031A) and Vocational Education- Basic Grants to State (CFDA# 84.048A) from the U.S. Department of Education. Type A programs are defined as those that expended \$300,000 or more and Type B programs are those that expended less than \$300,000. Tri-County Technical College's total federal awards expended for the year ended June 30, 2012 were between \$10 million and \$100 million.

Tri-County Technical College is not considered to be a low risk auditee by the criteria listed in OMB Circular A-133.

Findings Relating to the Financial Statements:

There were no findings relating to the financial statements.

Findings and Questioned Costs Relating to Federal Awards:

There were no findings and questioned costs relating to federal awards.

<u>Financial Aid Cluster</u>	<u>Federal CFDA Number</u>
U.S. Department of Education	
PELL	84.063
Federal Work Study	84.033
FSEOG	84.007
Federal Direct Student Loans	84.268



Follow Up to 2011 Financial Aid Audit Finding June 30, 2012

2011 Response to Institutional Eligibility Finding

In addition to communication issues, the college had incorrectly interpreted the requirements under 34CFR 600.21(a)(3). The college self-reported the potential oversight to the Federal Department of Education (DOE) and sought clarification of rules concerning notification of new locations. The college has confirmed the proper interpretation of these rules with the Federal DOE and has implemented changes to stay in compliance with 34CFR 600.21(a)(3). The additional locations were submitted to DOE. The DOE has completed their review, approved all new locations and has communicated that the college will not be sanctioned for this oversight. The college is awaiting written verification of the department's determination.

The college has, also, implemented internal procedures to ensure the financial aid department is notified when a new location is established and when the location receives accrediting agency approval.

Follow Up to 2011 Financial Aid Audit Finding

On March 6, 2012, the College received the final determination letter from the Federal Department of Education. The letter was also sent to the Southern Association of Colleges and Schools Commission on Colleges and the SC Commission on Higher Education.

The final audit determination is as follows:

"The failure to timely report additional locations to the Department is a serious violation. As a result of this violation, TCTC must apply to the Department and wait for approval for any future locations where 50% or more of an educational program will be offered that TCTC wishes to make Title IV eligible for the duration of its current Program Participation Agreement. See 34 C.F.R. 600.21 c (1)(v). Further, the Department may consider provisionally certifying TCTC when it applies for recertification as a result of its failure to meet the requirements under 34 C.F.R. 600.21 (a)(3). TCTC will receive under separate cover a letter informing it of these requirements.

In addition, should this finding be repeated in subsequent audits or program reviews, it will result in an adverse action. Such action may include a fine, and/or the limitation, suspension or termination of the eligibility of the institution. Such action may also include the revocation of the institution's program participation agreement (if provisional), or, if the institution has an application pending for renewal of its certification, denial of that application.

This finding is considered closed."

Independent Accountants' Report on State Lottery Tuition Assistance

Tri-County Technical College

We have examined Tri-County Technical College's compliance with the administrative procedures and internal controls related to the State Lottery Tuition Assistance Program in order to determine that the College administered the program in accordance with State law and Policy 3-2-307 and Procedure 3-2-307.1 of the State Board for Technical and Comprehensive Education for the year ended June 30, 2012. Management is responsible for Tri-County Technical College's compliance with those requirements. Our responsibility is to express an opinion on Tri-County Technical College's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Tri-County Technical College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Tri-County Technical College's compliance with specified requirements.

The method of sample selection used was haphazard. Seven (7) students were selected for testing.

We examined the individual files maintained in the financial aid office of each applicant selected to determine that they contained all necessary information and documentation to determine eligibility. We also determined that any lottery tuition assistance awarded did not exceed the remaining cost of tuition and academic fees for the applicable semester after first applying Pell grants, FSEOG, SC Need-Based grants and other applicable grants.

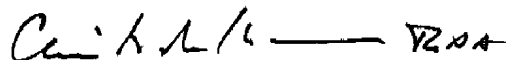
For students deemed ineligible for the Lottery Tuition Assistance Program, we determined that the students were granted the right to appeal the decision by submitting a written request to the institution's Director of Financial Aid, and determined that the students' requests were handled in accordance with the institution's financial aid procedures.

We traced amounts to the student account detail to determine that the awarded amounts were identifiably credited to the student's account.

The result of our tests disclosed no instances of noncompliance.

In our opinion the State Lottery Tuition Assistance Program has been administered in accordance with State law and Policy 3-2-307 and Procedure 3-2-307.1 of the State Board for Technical and Comprehensive Education.

This report is intended solely for the use of management and of the Tri-County Technical College Area Commission and management of the State Board for Technical and Comprehensive Education and should not be used by anyone other than these specified parties.



September 13, 2012

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