

**CENTRAL CAROLINA TECHNICAL COLLEGE**

**AUDITED FINANCIAL STATEMENTS  
and  
ADDITIONAL INFORMATION**

June 30, 2012

**CENTRAL CAROLINA TECHNICAL COLLEGE  
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June 30, 2012**

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CENTRAL CAROLINA TECHNICAL COLLEGE  
SUMTER, SOUTH CAROLINA

AUDIT PERIOD: JULY 1, 2011 - JUNE 30, 2012

**AREA COMMISSION MEMBERS**

Name	Area Represented	Terms of Office
Mr. J. Mac Summers, Chairman	Sumter County	7/01/09-7/01/13
Mrs. Ruth J. Bell, Vice Chairman	Lee County	7/01/11-6/30/15
Mr. Bobby R. Anderson, Secretary	Sumter County	7/01/11-6/30/15
Mr. Terry M. Hancock	Kershaw County	7/01/10-6/30/14
Mr. Andre G. McBride	Sumter County	7/01/09-7/01/13
Ms. Jennett Towles-Mickens	Sumter County	7/01/11-7/01/15
Mr. Ray Reich	Sumter County	7/01/10-6/30/14
Mr. Christopher L. Lee	Clarendon County	7/01/11-6/30/15
Mr. Nick Lampshire	Kershaw County	7/01/09-7/01/13
Ms. Janice Poplin	Sumter County	7/01/09-7/01/13
Ms. Winnie Ricketts	Clarendon County	6/30/09-6/30/13

**KEY ADMINISTRATIVE STAFF:**

Name	Title
Dr. Tim Hardee	President
Mr. David Watson	Vice President for Academic Affairs
Ms. Terry L. Booth	Vice President for Business Affairs
Ms. Lisa Bracken	Vice President for Student Affairs
Ms. Ann Cooper	Vice President for Administration & Planning

**AREA SERVED BY THE COMMISSION:**

Clarendon, Lee, Kershaw, and Sumter Counties

**COUNTIES PROVIDING FINANCIAL SUPPORT FOR THE INSTITUTION:**

Clarendon, Lee, Kershaw, and Sumter Counties

## INDEPENDENT AUDITORS' REPORT

The President and Members of the Area Commission  
Central Carolina Technical College  
Sumter, South Carolina

We have audited the accompanying financial statements of the business-type activities of Central Carolina Technical College (the College), a member institution of the South Carolina Technical College System, as of and for the year ended June 30, 2012, 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 opinions on these financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 the 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities as of June 30, 2012, and the respective changes in financial position, and cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2012, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10 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

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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 opinions on the financial statements that collectively comprise the College's financial statements as a whole. The F.E. DuBose Career Center supplementary statements and schedules 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 U.S. 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 F.E. DuBose Career Center supplementary statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

*Webster Pagers LLP*

Sumter, South Carolina  
September 26, 2012

**Central Carolina Technical College**  
**Management's Discussion and Analysis**

**Introduction**

The management of Central Carolina Technical College offers readers of the College's financial statements a 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 Central Carolina Technical College exceeded its liabilities at June 30, 2012, by \$35,437,932 (net assets). Of this amount, \$6,033,799 (unrestricted net assets) may be used to meet the College's ongoing obligations.
- Net assets decreased by \$1,241,128, primarily due to having no capital federal grants during fiscal year 2012.
- Total debt decreased by \$250,000 during the current fiscal year.
- The College experienced an operating loss of \$20,347,196 as reported in the Statement of Revenues, Expenses, and Changes in Net Assets. However, this operating loss was partially offset by State appropriations of \$3,813,588, local appropriations of \$2,218,907, Federal nonoperating grants and contracts of \$12,988,101, and other nonoperating revenues of \$237,237, including capital appropriations.

**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 noncurrent. 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 is one indicator of whether the overall financial condition has improved or worsened during the year at the College.

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

## Central Carolina Technical College

### Management's Discussion and Analysis

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, noncapital financing, and investing activities. This statement also emphasizes the College's dependence on state and county appropriations by separating them from operating cash flows.

A comparative analysis of data is presented in the following sections.

#### Statement of Net Assets

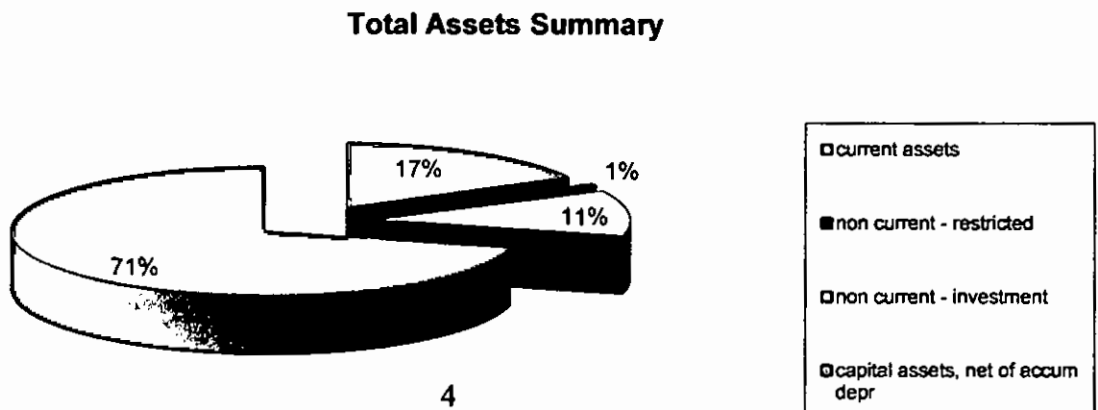
Net assets may serve over time as a useful indicator of an entity's financial position. In the case of the College, assets exceeded liabilities by \$35,437,932 at the close of the most recent fiscal year. A summary of the statements follows (in millions):

	<u>2012</u>	<u>2011</u>	<u>Increase/ Decrease</u>
Current assets	\$ 7.50	\$ 9.28	\$ (1.78)
Noncurrent assets:			
Restricted and other	5.22	5.22	-
Capital assets, net	31.35	30.68	.67
Total assets	\$ 44.07	\$ 45.18	\$ (1.11)
Current liabilities	5.63	5.35	.28
Noncurrent liabilities	3.00	3.15	(.15)
Total liabilities	8.63	8.50	.13
Net assets	\$ 35.44	\$ 36.68	\$ (1.24)

The current ratio, representing current assets divided by current liabilities, was 1.33 at June 30, 2012 compared to 1.73 at June 30, 2011. Current assets of \$7.5 million at June 30, 2012 represent a \$1.78 million decrease compared to the prior year. This decrease was primarily a result of capital projects that were paid from funds resulting from the prior year increase in unrestricted net assets.

Net capital assets increased by \$.67 million due to current year capital projects.

The following chart pictorially presents the College's total assets as of June 30, 2012:





**Central Carolina Technical College**  
**Management's Discussion and Analysis**

**Capital and Debt Activities**

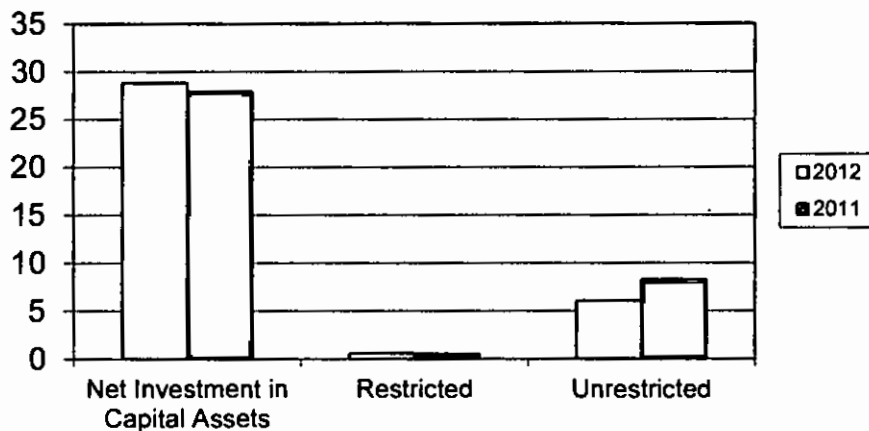
Bonds payable totaled \$2.52 million at June 30, 2012, as discussed in Note 6. These bonds were issued in fiscal year 2010 to finance the health sciences renovation capital project.

**Net Assets**

Net assets represent the residual interest in the College's assets after liabilities are deducted. The College's net assets at June 30, 2012 and June 30, 2011 are summarized below (in millions):

	<u>2012</u>	<u>2011</u>	<u>Increase/ Decrease</u>
Invested in capital assets, net of related debt	\$ 28.83	\$ 27.91	\$ .92
Restricted:			
Nonexpendable	.25	.25	-
Expendable	.33	.26	.07
Unrestricted:	<u>6.03</u>	<u>8.26</u>	<u>(2.23)</u>
Total Net assets	<u>\$ 35.44</u>	<u>\$ 36.68</u>	<u>\$ (1.24)</u>

**Comparative Net Assets - Fiscal Years  
2012 and 2011**



The College's investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding reflects approximately 81% of its total net assets. The College uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending.

**Central Carolina Technical College**  
**Management's Discussion and Analysis**

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 capital assets themselves cannot be used to liquidate these liabilities.

Additional details are shown in Note 5.

Restricted nonexpendable net assets consist of the College's permanent endowment fund.

The unrestricted net assets of \$6.03 million may be used to meet the College's ongoing obligations, which are discussed in Note 13, Unrestricted Net Assets, of the accompanying notes to the financial statements.

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

The statement of revenues, expenses and changes in net assets presents the College's results of operations. A summarized comparative statement is shown below (in millions):

	<u>2012</u>	<u>2011</u>	<u>Increase/ Decrease</u>
Operating revenues:			
Student tuition and fees	\$ 13.96	\$ 13.88	\$ .08
Less: scholarship allowances	<u>(8.12)</u>	<u>(8.05)</u>	<u>(.07)</u>
Net student tuition and fees	5.84	5.83	.01
Grants and contracts	4.77	3.94	.83
Auxiliary	1.64	1.49	.15
Other	<u>.38</u>	<u>.40</u>	<u>(.02)</u>
Total operating revenues	12.63	11.66	.97
Less operating expenses (see page 8)	<u>32.97</u>	<u>33.41</u>	<u>(.44)</u>
Net operating loss	<u>(20.34)</u>	<u>(21.75)</u>	<u>1.41</u>
Nonoperating revenues (expenses):			
State appropriations	3.81	3.92	(.11)
Local appropriations	2.22	1.92	.30
Investment income	.07	.01	.06
Loss on disposal of capital asset	-	(.09)	.09
Grants and contracts	12.99	14.50	(1.51)
Interest expense	<u>(.15)</u>	<u>(.15)</u>	<u>-</u>
Net nonoperating revenues	<u>18.94</u>	<u>20.11</u>	<u>(1.17)</u>
Capital appropriations and grant	<u>.16</u>	<u>2.74</u>	<u>(2.58)</u>
Increase(decrease) in net assets	(1.24)	1.10	(2.34)
Net assets, beginning of year	<u>36.68</u>	<u>35.58</u>	<u>1.10</u>
Net assets, end of year	<u>\$ 35.44</u>	<u>\$ 36.68</u>	<u>\$ 1.24</u>

# Central Carolina Technical College

## Management's Discussion and Analysis

The total revenues, including operating, nonoperating, and capital was \$31.88 million.

Student tuition and fees increased by \$ .08 million from the prior year. This increase was a result of an increase in tuition and enrollment during the year. Scholarships and allowances represent an approximation of tuition and fees paid from student financial aid, and has been recognized as a reduction of tuition and fees in order to eliminate duplication of revenues. This category increased by \$ .07 million from the prior year, as a result of the increased enrollment.

Grants and contracts increased by \$ .83 million or 21% as a result of several new grants received by the College during the year.

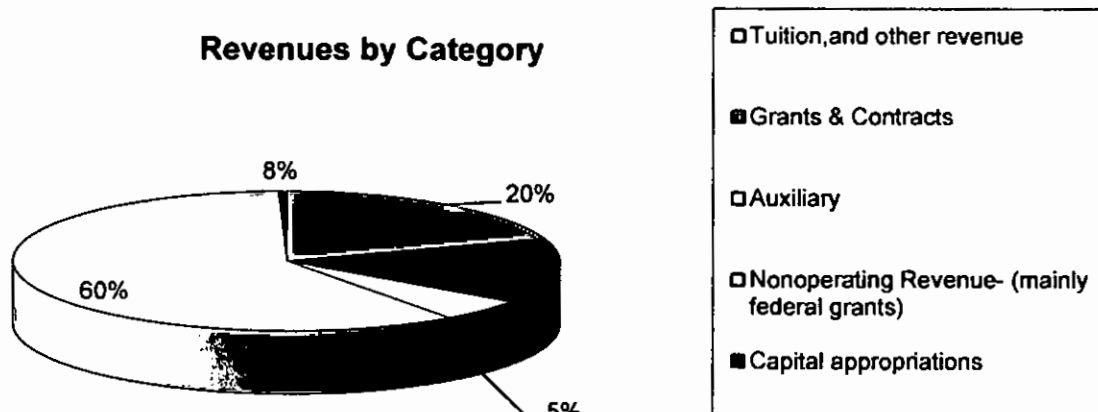
State appropriations decreased by \$ .11 million or 3% as a result of continuing reductions in state funding.

Local appropriations increased by \$ .3 million or 15% primarily as a result of an increase in high school student enrollment for the F.E. Dubose Career Center, which is funded by the school districts based on enrollment.

Grants and contracts nonoperating revenues decreased by \$1.51 million largely as a result of the loss of American Recovery and Reinvestment Act (ARRA) funds.

Capital appropriations and grants decreased by \$2.58 million as a result of funding received for the health sciences renovation capital project in the previous year (not received in the current year).

The following graphic illustration of revenues by source shows how operating and nonoperating revenues are used to fund the College's operating expenses. Significant recurring sources of the College's revenues are considered nonoperating, as defined by GASB Statement No. 35.



## Central Carolina Technical College

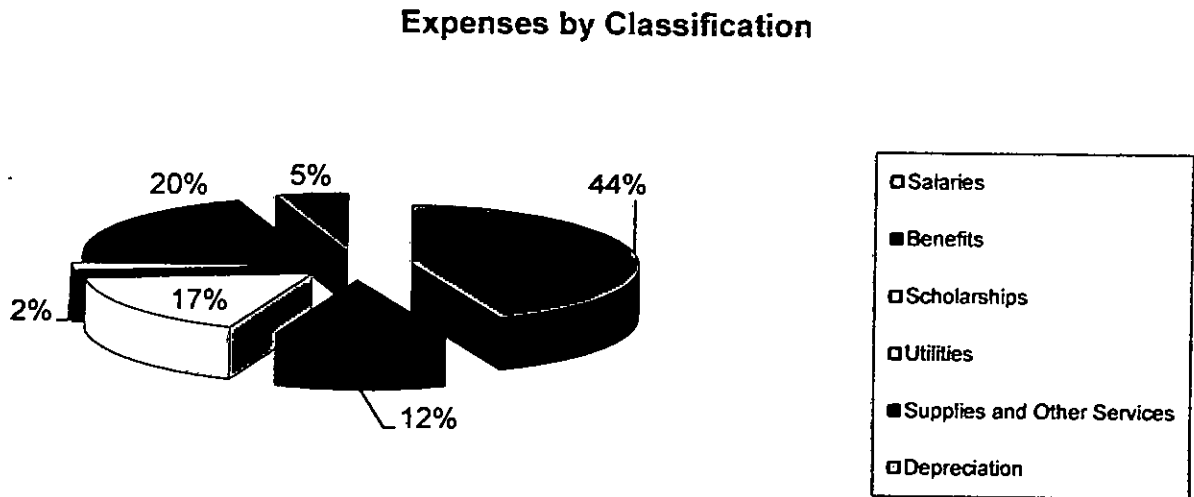
### Management's Discussion and Analysis

Operating and nonoperating expenses are shown below in the condensed statement format (in millions):

	<u>2012</u>	<u>2011</u>	<u>Increase/ Decrease</u>
<b>Operating:</b>			
Salaries & benefits	\$ 18.39	\$ 17.00	\$ 1.39
Scholarships	5.69	5.76	(.07)
Utilities	.65	.71	(.06)
Supplies and services	6.54	8.34	(1.80)
Depreciation	<u>1.70</u>	<u>1.60</u>	<u>.10</u>
	<u>32.97</u>	<u>33.41</u>	<u>(.44)</u>
<b>Nonoperating:</b>			
Interest expense	.15	.15	-
Loss on disposal of capital assets	<u>-</u>	<u>.09</u>	<u>(.09)</u>
Total expenses	<u>\$ 33.12</u>	<u>\$ 33.65</u>	<u>\$ (.53)</u>

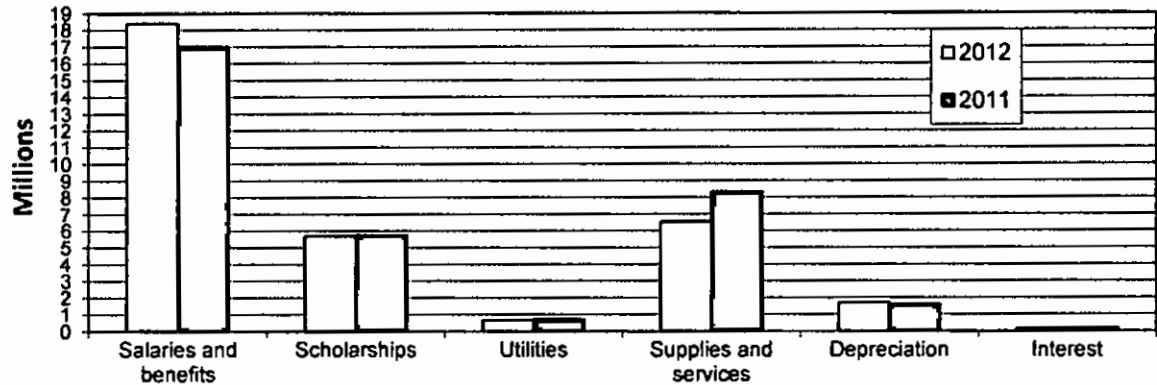
Note 15, Operating Expenses by Function in the accompanying notes to financial statements identifies operating expenses by functional classification.

The following is a graphic illustration of total operating expenses by object:



**Central Carolina Technical College**  
**Management's Discussion and Analysis**

**Comparison of Operating Expenses -  
 Fiscal Years 2012 and 2011**



Total expenses decreased overall by \$ .53 million. This net increase is primarily a result of the following. Salaries and benefits increased by \$1.39 million or 8% as a result of employees receiving a 3% base pay increase and new positions added and adjunct faculty hired to assist with the increased classes and services required as a result of the continued increase in enrollment. Retirement and health insurance benefits increased by 4% and 5% respectively. Supplies and services decreased by \$1.8 million because the previous year included non-capitalized equipment purchases for new and renovated facilities of approximately this amount.

**Statement of Cash Flows**

The statement of cash flows presents detailed information about the cash activity of the College during the year and aids readers in identifying the sources and uses of cash by the four major categories of operating, noncapital financing, capital and related financing, and investing activities. This statement will show a net use of cash in the operating activities because of the College's dependence on state and local appropriations. The following schedule is a summary presentation of the College's cash flows (in millions), which is prepared from the Statements of Cash Flows as of June 30, 2012 and 2011.

**Central Carolina Technical College**  
**Management's Discussion and Analysis**

	<u>2012</u>	<u>2011</u>	<u>Increase/ Decrease</u>
Cash received from operations	\$ 12.66	\$ 11.03	\$ 1.63
Cash expended for operations	<u>(31.22)</u>	<u>(31.88)</u>	<u>.66</u>
Net cash used in operating activities	(18.56)	(20.85)	2.29
Net cash provided by noncapital financing activities	19.02	20.38	(1.36)
Net cash provided (used) by capital and related financing	(2.34)	(2.68)	.34
Net cash provided (used) by investing activities	<u>.07</u>	<u>(4.95)</u>	<u>5.02</u>
Net increase (decrease) in cash and cash equivalents	(1.81)	(8.10)	6.29
Cash and cash equivalents, beginning of year	<u>4.62</u>	<u>12.72</u>	<u>(8.10)</u>
Cash and cash equivalents, end of year	<u>\$ 2.81</u>	<u>\$ 4.62</u>	<u>\$ (1.81)</u>

The College's cash and cash equivalents decreased by \$1.81 million from last year. Cash received from operations increased by \$1.63 million largely as a result of several new grants received by the College during the year. Net cash provided by noncapital financing activities decreased by \$1.36 million due to the loss of American Recovery and Reinvestment Act (ARRA) funds. Net cash provided (used) by investing activities increased by \$5.02 million because a \$5 million investment had been made from cash in the previous year.

**Economic Factors**

The national and state economies continued to suffer during fiscal year 2012, although the state economy improved somewhat during the year. Over the past decade, the College has lost almost 50 percent of its state funding, and 37 percent over the past five years. As a result, the College has begun to look for other sources of funding, and has increased grants revenue.

In spite of the economy and reductions in State funding, the College continues to operate on a fiscally sound basis. Enrollment, which has increased by 61 percent over the past five years, has stabilized some and only increased by about 2 percent over last year.

**Central Carolina Technical College**  
**Statement of Net Assets**  
**June 30, 2012**

**ASSETS**

**Current assets:**

Cash and cash equivalents	\$ 2,558,972
Accounts receivable, net	4,630,985
Inventories	279,002
Other assets	30,540
Total current assets	7,499,499

**Noncurrent assets:**

Restricted cash and cash equivalents	251,171
Investments	4,973,740
Capital assets, not being depreciated	936,496
Depreciable capital assets, net of accumulated depreciation	30,410,736
Total noncurrent assets	36,572,143
Total assets	\$ 44,071,642

**LIABILITIES**

**Current liabilities**

Accounts payable	\$ 178,934
Accrued interest payable	42,194
Accrued payroll and related liabilities	474,826
Deferred revenue	4,588,895
Accrued annual leave - current portion	64,912
Bonds payable - current portion	260,000
Funds held for others	22,502
Total current liabilities	5,632,263

**Noncurrent liabilities**

Accrued annual leave - noncurrent portion	741,447
Bonds payable - noncurrent portion	2,260,000
Total noncurrent liabilities	3,001,447
Total liabilities	\$ 8,633,710

**NET ASSETS**

Invested in capital assets, net of related debt	\$ 28,827,232
Restricted for:	
Nonexpendable	
Scholarship	251,171
Expendable	
EPA - ETC	163,643
F.E. DuBose Career Center	162,087
Unrestricted	6,033,799
Total net assets	\$ 35,437,932

**Central Carolina Technical College**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**For the Year Ended June 30, 2012**

**Revenues**

Operating Revenues:

Student tuition and fees (net of scholarship allowance of \$8,121,632)	\$ 5,839,673
Federal grants and contracts	1,627,325
State and local grants and contracts	3,145,208
Auxiliary services(net of scholarship allowance of \$1,761,904)	1,636,515
Other operating revenues	377,150
Total operating revenues	12,625,871

**Expenses**

Operating Expenses:

Salaries	14,370,711
Benefits	4,018,823
Scholarships	5,696,181
Utilities	650,382
Supplies and other services	6,537,690
Depreciation	1,699,280
Total operating expenses	32,973,067
Operating Loss	(20,347,196)

**Nonoperating Revenues (Expenses)**

State appropriations	3,813,588
Local appropriations	2,218,907
Investment income	71,142
Interest expense	(151,765)
Federal grants and contracts	12,988,101
Net nonoperating revenues (expenses)	18,939,973
Loss before capital contributions	(1,407,223)

**Capital Contributions**

Local capital appropriations	6,530
Local capital grants and gifts	100,000
State capital grants and gifts	59,565
Net capital contributions	166,095
Decrease in net assets	(1,241,128)

Net assets - beginning of year	36,679,060
Net assets - end of year	\$ 35,437,932



**Central Carolina Technical College  
Statement of Cash Flows  
For the Year Ended June 30, 2012**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Tuition and fees	\$ 5,775,356
Federal, State and Local grants and contracts	4,918,078
Auxiliary enterprise charges	1,591,294
Other receipts	377,150
Payments to vendors	(12,938,977)
Payments to employees	(18,278,044)
Net cash used by operating activities	<u>(18,555,143)</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

State appropriations	3,813,588
Local appropriations	2,218,005
Federal, State and Local grants and contracts non operating	12,987,840
Net cash provided by noncapital financing activities	<u>19,019,433</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

State and Local capital appropriations	411,399
Federal, State and Local grants and gifts	159,565
Purchase of capital assets	(2,508,639)
Principal paid on capital debt	(250,000)
Interest paid	(155,951)
Net cash used by capital and related financing activities	<u>(2,343,626)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest on investments	65,963
Net cash flows provided by investing activities	<u>65,963</u>

Net decrease in cash	(1,813,373)
Cash - beginning of year	4,623,516
Cash - end of year	<u>\$ 2,810,143</u>

**Reconciliation of net operating revenues (expenses) to net cash provided (used) by operating activities:**

Operating income (loss)	\$ (20,347,196)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	1,699,280
Change in assets and liabilities	
Receivables, net	2,228
Inventories	(14,218)
Deferred charges and prepaid expenses	(46,798)
Accounts payable	(44,897)
Deferred revenue	84,968
Compensated absences	111,490
Net cash provided (used) by operating activities	<u>\$ (18,555,143)</u>

CENTRAL CAROLINA TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies followed by Central Carolina Technical College ("**the College**") are described below to enhance the usefulness of the financial statements to the reader.

**A. Reporting Entity**

Central Carolina Technical 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 the counties of Sumter, Clarendon, Lee and Kershaw, South Carolina. Included in this range of programs are technical and occupational diploma and associate degree curricula which are in concert with the needs of service area employers. Integral to this mission, Central Carolina Technical College provides a program of continuing education designed to satisfy the occupational demands of employers through retraining and upgrading skills of individual employees. It also provides a variety of developmental education programs, support services and offerings to assist students in meeting their personal and professional educational objectives.

The College's primary funding sources are student tuition, state and local support, and state and federal grants and contracts.

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 Central Carolina Technical College, as the primary government. As discussed in Note 18, the accounts of the F.E. DuBose Career Center are included in the basic financial statements, and also reported separately in supplemental schedules. The College evaluates potential component units on an annual basis, and presents component units that are deemed significant. The criteria to determine significance is whether the net assets of the component unit are 5% of the College's net assets. As of June 30, 2012, the College has determined there are no significant component units. Central Carolina Technical College has determined that it is not a component of another entity. The College is part of the primary government of the State of South Carolina and is reported in the Higher Education Fund of the state.

**B. Financial Statements**

The financial statements of the College have been prepared to meet the requirements of the 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*, and related statements and amendments. 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 College has not adopted Financial Accounting Standards Board ("FASB") statements and interpretations issued after November 30, 1989.

CENTRAL CAROLINA TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(continued)

**C. Measurement Focus and 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 auxiliary enterprise fees are presented net of scholarships and fellowships applied to student accounts, while other payments made directly are presented as scholarship expenses. All significant intra-institutional transactions have been eliminated.

**D. Cash and cash equivalents**

For purposes of the Statement of Cash Flows, the College considers all highly liquid investments, such as a certificate of deposit, maturing in three months or less to be cash equivalents. Funds invested through the State of South Carolina State Treasurer's office are also considered cash equivalents.

**E. Investments**

Deposits and investments for the College are governed by the South Carolina Code of Laws, Section 11-9-660, "Investments of Funds". GASB Statement No. 40, *Deposits and Investment Risk Disclosures – an amendment to GASB Statement No. 3* 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.

**F. Inventories**

Inventories consist of bookstore books and supplies. Such items are recorded at latest invoice price which approximates the first-in-first-out, lower of cost or market basis.

**G. Accounts Receivable and Payables**

Accounts receivable are stated net of an allowance for uncollectible accounts. After the College has exhausted all traditional means of collecting delinquent student's accounts, it is authorized and obligated to submit such accounts to the S.C. Department of Revenue for collection through state tax refunds. 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. See Note 3 for details.

Allowances for losses for student accounts receivable are established based upon actual losses experienced in prior years and evaluations of the current account.

CENTRAL CAROLINA TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(continued)

**G. Accounts Receivable and Payables**

(continued)

Accounts payable consist of goods received or services rendered on or before June 30 and paid after June 30. It can also include funds due to grantees.

**H. Deferred Revenues**

Deferred revenues include amounts received for tuition and fees prior to the end of the fiscal year but related to the subsequent accounting period. Deferred revenues also include amounts received from grant and contract sponsors that have not yet been earned.

**I. 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. 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.

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. A full year of depreciation is taken the year the asset is placed in service and no depreciation is taken in the year of disposition.

**J. Classification of Revenues**

The College has classified its revenues as either operating or nonoperating revenues according to the following criteria:

*Operating revenues:* 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, and other related services to students; (2) receipts for scholarships where the provider has identified the student recipients; (3) fees received from organizations and individuals in exchange for miscellaneous goods and services provided by the College; and (4) grants and contracts that are essentially the same as contracts for services that finance programs the College would not otherwise undertake.

*Nonoperating revenues:* Nonoperating revenues include activities that have the characteristics of nonexchange 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.

CENTRAL CAROLINA TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(continued)

**J. Classification of Revenues**

(continued)

*Scholarship discounts and allowances*

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

**K. Classification of Expenses**

The College has classified its expenses as either operating or nonoperating expenses according to the following criteria:

*Operating expenses:* Operating expenses generally result from the purchasing of goods or services related to the College's principal ongoing operations. These expenses include (1) salaries and benefits paid to employees for providing educational services and other related services to students; (2) utilities to maintain the educational buildings; (3) supplies and services for goods and services provided to the College; (4) scholarship expenses for student financial assistance; and (5) depreciation expense for capital items.

*Nonoperating expenses:* Nonoperating expenses include activities that have the characteristics of nonexchange transactions. These expenses include interest expense and loss on disposal of assets.

**L. Auxiliary Enterprises Activities**

Auxiliary enterprise revenues primarily represent revenues generated by bookstore and vending operations. Revenues of the auxiliary enterprise activities and related expenses of college departments have been eliminated.

**M. 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.

CENTRAL CAROLINA TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(continued)

**M. Net Assets**

(continued)

*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.

*Restricted net assets - nonexpendable:* Nonexpendable 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's policy in regards to restricted net assets is to first apply restricted resources when an expense is incurred for purposes of which both restricted and unrestricted net assets are available.

**N. Compensated Absences**

The College has accrued a liability for employees' vested vacation pay. The liability for accrued compensated absences includes all accrued leave, including unused holidays, and related fringe benefits. Other compensated absences, such as sick pay, do not vest; accordingly, no liability is accrued.

**O. Capitalized Interest**

The College capitalizes as a component of construction in progress interest cost in excess of earnings on debt associated with capital projects that will be capitalized in the applicable capital asset categories upon completion. The College did not capitalize any interest expense during the year.

**P. Accounting Estimates**

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

CENTRAL CAROLINA TECHNICAL COLLEGE  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2012

**NOTE 2 – CASH, DEPOSITS AND INVESTMENTS**

The following schedule reconciles cash and investments as reported on the Statement of Net Assets to footnote disclosure provided for deposits and investments.

**Statement of Net Assets:**

Cash and cash equivalents	\$2,558,972
Restricted cash and cash equivalents	251,171
Investments	<u>4,973,740</u>
TOTAL STATEMENT OF NET ASSETS	<u>\$7,783,883</u>

**Notes to Financial Statements:**

Carrying value of deposits:	
Held by financial institutions	\$ 734,628
Held by state treasurer	1,927,329
Repurchase agreement	147,176
Cash on hand	1,010
Investments:	
Certificates of Deposits	1,750,000
Federal Home Loan Bank	<u>3,223,740</u>
TOTAL	<u>\$ 7,783,883</u>

***Deposits:***

The "deposit" classification is used only in the notes, not on the face of the statement of net assets or balance sheet. Deposits include only cash on hand, cash in bank accounts, money market funds and certificates of deposits.

The college considers cash and cash equivalents to be currency on hand, demand deposits with banks, amounts included in pooled cash and investment accounts, and liquid investments with an original maturity of three months or less when purchased.

Restricted cash includes \$251,171 held for endowment. The endowment had earnings of \$671.

***Deposits Policy***

The State's policy, by law, requires all banks or savings and loan associations that receive state funds deposited by the College, to secure the deposits by deposit insurance, surety bonds, collateral securities, or letters of credit to protect the College against any loss.

***Custodial Credit Risk***

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the College will not be able to recover deposits or will not be able to recover the value of collateral securities that are in the possession of an outside party if the counterparty to the deposit transaction fails. Deposits include cash and cash equivalents on deposit in banks, overnight repurchase agreements, and money market accounts. The College does not have a policy that limits holding of securities by counterparties.

CENTRAL CAROLINA TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 2 – CASH, DEPOSITS AND INVESTMENTS**

(continued)

***Deposits:***

(continued)

*Foreign Currency Risk*

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of a deposit. Pursuant to state law, 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's investments at June 30, 2012 are held by certain financial institutions in the College's name. The fair value of investments at June 30, 2012 consists solely of negotiable certificates of deposits, and Federal Home Loan Bank (FHLB) bonds. All of the investments for the reporting period were either US Treasury and agency obligations, or fully insured or collateralized certificates of deposits.

Investments, including the college's investment in the South Carolina Local Government Investment Pool, are carried at fair value based upon quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned.

As of June 30, 2012, the deposits for Central Carolina Technical College outside of the State Treasurer were \$881,804 and the bank balances were \$982,086. Of these, \$573,973 were exposed to custodial credit risk as uninsured and collateralized with securities held by the pledging institution or their trust department or agent for the College but not in the College's name.

The College did not incur any losses in the year ended June 30, 2012 due to default by counterparties.

In addition, South Carolina state statutes authorize the College to invest in the South Carolina Local Government Investment Pool (SCLGIP). The SCLGIP is an investment trust fund created pursuant to Section 6-6-10 of the South Carolina Code of Laws and administered by the State Treasurer, in which public monies under the custody of any political subdivision in excess of current needs may be deposited. The SCLGIP is permitted to purchase obligations of the United States, its agencies and instrumentalities, and any corporation within the United States if such obligations bear any of the three highest ratings of at least two nationally recognized ratings services. The SCLGIP is a 2a7-like pool, which is not registered with the Securities and Exchange Commission (SEC) as an investment company but has a policy that it will operate in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940. The reported value of the College's position in the pool, if any, is the same as the fair value of the pool shares.

*Custodial Credit Risk*

Custodial credit risk for investments is the risk that, in the event of the failure of a counterparty to a transaction, the College will not be able to recover the value of investments or collateral securities that are in the possession of an outside party.



CENTRAL CAROLINA TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 2 – CASH, DEPOSITS AND INVESTMENTS**

(continued)

***Investments:***

(continued)

As of June 30, 2012, the College's investments were held in the College's name by the College's custodial bank; the underlying securities were held in the name of the custodial bank for the College.

The College does not have a policy that limits holding of securities by counterparties.

***Interest Rate Risk***

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. It occurs because potential purchasers of debt securities will not pay the face value of the securities if interest rates subsequently increase, thereby affording potential purchasers more favorable rates on essentially equivalent securities. Part of the interest rate risk experienced with debt securities is maturity risk. The College structures its investment portfolio so securities mature to meet cash requirements for ongoing operations to prevent the need to liquidate securities prior to maturity. The only debt investment as of June 30, 2012, was

FHLB bonds with a market value of \$3,223,740. These bonds are step-up and callable on 9/29/12. The interest rate for the bonds was 2.25% as of June 30, 2012.

***Credit Risk***

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The College's credit risk policy mitigates potential for loss of principal by purchasing only high investment grade fixed-income securities that are fully insured or collateralized.

***Concentration of Credit Risk***

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The College's policy for reducing the risk is to only invest in US Treasury and agency obligations, or fully insured or collateralized certificates of deposits and repurchase agreements. The FHLB bonds have a Moody's rating of AAA and S&P rating of AA+.

As of June 30, 2012, the College had all of its investments in fully insured negotiable certificates of deposits and Federal Home Loan Bank bonds and the state investment pool.

***Foreign Currency Risk***

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. Pursuant to state law, the College does not maintain investments that are exposed to this risk.

CENTRAL CAROLINA TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 3 – ACCOUNTS RECEIVABLE**

Accounts receivable as of June 30, 2012, are summarized as follows:

Student accounts receivable	\$ 3,567,887
Allowance for uncollectible accounts	(165,463)
Federal grants and contracts	282,568
State grants and contracts	780,574
Nongovernmental grants and contracts	9,285
County appropriation	58,433
Other	97,701
Total accounts receivable	<u>\$ 4,630,985</u>

**NOTE 4 - LEASE OBLIGATIONS**

The College has two operating lease obligations as of June 30, 2012 with non-state entities. The first lease expires June 30, 2015 and has monthly payments of \$1,240. The second lease expires December 2012 for photocopy equipment and has monthly payments are \$5,329. Operating lease expense during fiscal year 2012 was \$78,828. Future minimum operating lease obligation are as follows:

FYE

2013	\$ 46,854
2014	14,880
2015	14,880
Total	<u>\$ 76,614</u>

**NOTE 5 - CAPITAL ASSETS**

	Balance June 30, 2011	Increases	Decreases	Balance June 30, 2012
Capital assets not being depreciated:				
Land and improvements	\$ 936,496	\$ -	\$ -	\$ 936,496
Construction in progress	539,806	-	(539,806)	-
Total capital assets not being depreciated	<u>1,476,302</u>	-	<u>(539,806)</u>	<u>936,496</u>
Depreciable capital assets:				
Buildings and improvements	37,004,440	826,830	-	37,831,270
Machinery, equipment, and other	4,037,434	712,268	(107,047)	4,642,655
Vehicles	463,037	27,214	-	490,251
Depreciable land improvements	831,993	1,334,697	-	2,166,690
Total depreciable capital assets at historical cost	<u>42,336,904</u>	<u>2,901,009</u>	<u>(107,047)</u>	<u>45,130,866</u>
Less accumulated depreciation for:				
Buildings and improvements	(9,468,085)	(1,005,565)	-	(10,473,650)
Machinery, equipment, and other	(2,791,694)	(528,436)	107,047	(3,213,083)
Vehicles	(401,434)	(27,431)	-	(428,865)
Depreciable land improvements	(466,684)	(137,848)	-	(604,532)
Total accumulated depreciation	<u>(13,127,897)</u>	<u>(1,699,280)</u>	<u>107,047</u>	<u>(14,720,130)</u>
Depreciable capital assets, net	<u>29,209,007</u>	<u>1,201,729</u>	-	<u>30,410,736</u>
Capital assets, net	<u>\$ 30,685,309</u>	<u>\$ 1,201,729</u>	<u>\$ (539,806)</u>	<u>\$ 31,347,232</u>

CENTRAL CAROLINA TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 6 - BONDS PAYABLE**

In fiscal year 2010, the college issued \$3,000,000 in Special Fee Revenue Bonds series 2010A for \$1,500,000 and series 2010B for \$1,500,000 on February 11, 2010. These bonds are payable solely from and secured by a pledge of revenues derived from the imposition of a \$164 special tuition fee on the curriculum students of the College, which resulted in revenue of \$1,293,183. The proceeds of these bonds were used for the construction of the Health Sciences facility, which was completed in fiscal year 2011.

These bonds mature annually on March 1 with principal amounts ranging from \$115,000 to \$180,000 each with applicable semi-annual interest at 5.63%. The bonds were issued as taxable Recovery Zone Economic Development (2010A) and Build America (2010B) bonds. Under the Recovery Zone Economic Development Bonds Program, the College will receive a rebate from the Federal Government in an amount equal to 45% of the interest paid on the Bond, resulting in an effective rate of 3.0965%. Under the Build America Bonds Program, the College will receive a rebate from the Federal Government in an amount equal to 35% of the interest paid on the Bond, resulting in an effective rate of 3.6595%.

Revenue Bonds—Series 2010A & 2010B:

	<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Total Payments</u>	<u>Interest Rebate</u>
2013	\$ 260,000	\$ 141,876	\$ 401,876	\$ ( 56,750)
2014	280,000	127,238	407,238	( 50,895)
2015	290,000	111,474	401,474	( 44,590)
2016	300,000	95,147	395,147	( 38,059)
2017	320,000	78,257	398,257	( 31,303)
2018-2020	<u>1,070,000</u>	<u>122,171</u>	<u>1,192,171</u>	<u>( 48,868)</u>
Total	<u>\$ 2,520,000</u>	<u>\$ 676,163</u>	<u>\$ 3,196,163</u>	<u>\$ (270,465)</u>

**NOTE 7 – 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>	June 30, <u>2012</u>	<u>Due Within One Year</u>
Bonds and Notes Payable					
Special Fee Revenue Bonds	\$ 2,770,000	-	\$ 250,000	\$ 2,520,000	\$ 260,000
Accrued Compensated Absences	<u>694,869</u>	<u>185,932</u>	<u>74,442</u>	<u>806,359</u>	<u>64,912</u>
Total Long-Term Liabilities	<u>\$ 3,464,869</u>	<u>\$ 185,932</u>	<u>\$ 324,442</u>	<u>\$ 3,326,359</u>	<u>\$ 324,912</u>

CENTRAL CAROLINA TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 8 – RELATED ORGANIZATIONS, RELATED PARTY TRANSACTIONS**

The financial statements include only those accounts and transactions of the College which relate to the educational purposes of Central Carolina Technical College.

***The Central Carolina Technical College Foundation***

Central Carolina Technical College Foundation is a separately chartered legal entity whose activities are related to those of the College and exists primarily to provide financial assistance and other support to the College and its educational programs. The Foundation has given \$80,145 for scholarships and educational programs in the current fiscal year. Financial statements for this entity are compiled by independent accountants retained by the foundation. Management reviewed its relationship with the Foundation under the existing guidance of GASB Statement No. 14, as amended by GASB 39. The College excluded this organization from the reporting entity because it is not financially accountable for it and the Foundation's assets are not significant to the College's overall assets.

In the process of evaluating whether to include the Foundation as a potential component unit, the College concluded that the resources held by the Foundation, as well as the resources received from the Foundation were not significant to the College's financial position and operations as a whole. As such the Foundation is not included as a component unit in these statements. Per the compiled financial statements the Foundation's Net Assets as of June 30, 2012 were \$1,325,580.

**NOTE 9 – DONOR RESTRICTED ENDOWMENTS**

Noncurrent assets include restricted cash and cash equivalents of \$251,171, which consists of an endowment. The donor has provided specific instructions to authorize the interest on the investment of endowment funds to be spent on scholarships.

The endowment is included in a money market account as shown in Note 2 in the deposit section.

At June 30, 2012, the endowment had no net appreciation. All is restricted and nonexpendable as of June 30, 2012 and was included in the restricted net assets, in compliance with SC Code of Laws Sections 34-6-20, 34-6-30, and 34-6-60.

**NOTE 10 - 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 revenue reported in the financial statements for the fiscal year ended June 30, 2012:

CENTRAL CAROLINA TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 10 - STATE APPROPRIATIONS**

(continued)

**Non-Capital Appropriations**

Current year's appropriations:

Original appropriations per Annual Appropriations Act	\$3,684,928
Critical Needs Nursing	18,794
Pathways to Prosperity	37,784
ReadySC	4,073
From Commission on Higher Education:	
Academic Endowment	52
From SC Lottery Fund:	
Lottery Technology	<u>67,957</u>
Total non-capital appropriations recorded as current year revenue	<u>\$3,813,588</u>

**NOTE 11—PENSION PLANS**

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 Financial Services, South Carolina Retirement Systems, 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 Central Carolina Technical 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.

CENTRAL CAROLINA TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 11—PENSION PLANS**

(continued)

In fiscal year 2012, employees participating in the SCRS were required to contribute 6.50 percent of all compensation and the employer contribution rate became 13.685 percent which included a 4.30 percent surcharge to fund retiree health and dental insurance coverage. The rate for FY 2011 was 13.14 percent, including a 3.90 percent surcharge. The College's actual contributions to the SCRS for the three most recent fiscal years ended June 30, 2012, 2011, and 2010, were \$1,130,535, \$1,026,162, and \$960,069, respectively, and equaled the required contributions of 9.385 percent (excluding the surcharge) in fiscal year 2012, and 9.24 percent (excluding the surcharge) in fiscal years 2011 and 2010. Also, the College paid employer group-life insurance contributions of \$18,069 in the current fiscal year at the rate of .15 percent of compensation.

*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 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.

Since July 1, 1988, employees participating in the PORS have been required to contribute 6.5 percent of all compensation. The employer contribution rate for FY 2012 was 15.663% (including an increase in the surcharge to 4.3 percent). The College's actual contributions to the PORS for the years ended June 30, 2012, 2011, and 2010, were \$5,206, \$517, and \$0, respectively, and equaled the required contributions of 11.363 percent (excluding the surcharge) for FY 12, 11.13 percent (excluding the surcharge) for FY 11, and 10.65 percent (excluding the surcharge) for FY 10.

*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.

Under State law, contributions to the ORP are required at the same rates as for the SCRS, 9.385 percent plus the retiree surcharge of 4.30 percent from the employer in fiscal year 2012.

CENTRAL CAROLINA TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 11—PENSION PLANS**

(continued)

Employees are eligible for group-life insurance benefits while participating in the State ORP. However, employees who participate in the State ORP are not eligible for postretirement group-life insurance benefits. For the fiscal year, total contribution requirements to the ORP were \$64,080 (excluding the surcharge) from Central Carolina Technical College as employer and \$44,381 from its employees as plan members. In addition, the College paid to the SCRS employer group-life insurance contributions of \$1,024 in the current fiscal year at the rate of .15 percent of compensation.

*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 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 rates increased from 9.385% to 10.45% and the surcharge rate increased from 4.30% to 4.55% effective July 1, 2012. The employee contribution rate increased from 6.5% to 7.0% effective July 1, 2012.

CENTRAL CAROLINA TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 12—POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

*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. Central Carolina Technical College 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.

*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. 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, 4.3%, 3.90%, and 3.50% of annual covered payroll for 2012, 2011, and 2010, respectively. The EIP sets the employer contribution rate based on a pay-as-you-go basis. Central Carolina Technical College paid approximately \$549,316, \$459,695, and \$410,080 applicable to the surcharge included with the employer contribution for retirement benefits for the fiscal years ended June 30, 2012, 2011, and 2010, respectively. These amounts are less than one percent of total required contributions of all participating entities. BLTD benefits are funded through a per person premium charged to State agencies, public school districts, and other participating local governments. The monthly premium per active employee paid to EIP was \$3.22 for the fiscal years ended June 30, 2012 and 2011, and \$3.23 for the fiscal year ended June 30, 2010.

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.



CENTRAL CAROLINA TECHNICAL COLLEGE  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2012

**NOTE 13 – UNRESTRICTED NET ASSETS**

The unrestricted net assets reported on the Statement of Net Assets total \$6,033,799. A large portion of these funds are designated for specific expenditures or projects as follows:

Designated for Encumbrances – this reflects outstanding commitments (purchase orders and contracts) as of June 30, 2012.	\$ 249,497
Quasi-Endowment – this represents amounts established by the governing board to function as an endowment	113,058
Designated for Capital projects	4,016,386
30 Days Working Capital—required by State Board policy	<u>1,654,858</u>
Total	<u>\$ 6,033,799</u>

**NOTE 14 – STATEMENT OF ACTIVITIES**

The following information is required by the Office of the Comptroller General for the State of South Carolina's comprehensive annual financial report:

CENTRAL CAROLINA TECHNICAL COLLEGE  
 STATEMENT OF ACTIVITIES  
Year Ended June 30, 2012

	<u>2012</u>	<u>2011</u>	<u>Increase/ (Decrease)</u>
Charges for services	\$ 12,248,721	\$ 11,183,220	\$ 1,065,501
Operating grants and contributions	15,655,300	16,941,092	(1,285,792)
Capital grants and contributions	166,095	2,737,792	(2,571,697)
Less: expenses	<u>(33,124,832)</u>	<u>(33,692,513)</u>	<u>567,681</u>
Net program revenue (expense)	<u>(5,054,716)</u>	<u>(2,830,409)</u>	<u>(2,224,307)</u>
Transfers:			
State appropriation	<u>3,813,588</u>	<u>3,925,790</u>	<u>(112,202)</u>
Total general revenue and transfers	<u>3,813,588</u>	<u>3,925,790</u>	<u>(112,202)</u>
Change in net assets	(1,241,128)	1,095,381	(2,336,509)
Net assets-beginning	<u>36,679,060</u>	<u>35,583,679</u>	<u>1,095,381</u>
Net assets-ending	<u>\$ 35,437,932</u>	<u>\$ 36,679,060</u>	<u>\$ (1,241,128)</u>

CENTRAL CAROLINA TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**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>Supplies and Other Services</u>	<u>Depreciation</u>	<u>Total</u>
Instruction	\$ 9,184,129	\$ 2,523,603	\$ -	\$ -	\$ 2,045,322	\$ -	\$ 13,753,054
Academic Support	844,836	242,733	-	-	175,324	-	1,262,893
Student Services	1,728,073	505,809	-	-	657,456	-	2,891,338
Operation and Maintenance of Plant	878,802	221,243	-	650,382	250,508	-	2,000,935
Institutional Support	1,635,589	489,534	-	-	860,244	-	2,985,367
Scholarships	-	-	5,696,181	-	-	-	5,696,181
Auxiliary Enterprises	99,282	35,901	-	-	2,548,836	-	2,684,019
Depreciation	-	-	-	-	-	1,699,280	1,699,280
<b>Total Operating Expense</b>	<b><u>\$14,370,711</u></b>	<b><u>\$4,018,823</u></b>	<b><u>\$5,696,181</u></b>	<b><u>\$650,382</u></b>	<b><u>\$6,537,690</u></b>	<b><u>\$1,699,280</u></b>	<b><u>\$32,973,067</u></b>

**NOTE 16 – STATE FISCAL STABILIZATION FUNDS (ARRA FUNDS)**

The College incurred expenditures of \$23,395 during fiscal year 2012 under the American Recovery and Reinvestment Act (ARRA) programs. These funds were awarded to the College via pass-through funding from the U.S. Department of Commerce and U.S. Department of Health and Human Services were expended for educational supplies and technology upgrades.

	<u>Salaries</u>	<u>Benefits</u>	<u>Supplies/ Services</u>	<u>Total</u>
Instruction			\$ 23,395	\$ 23,395

**NOTE 17 - RISK MANAGEMENT**

The College is exposed to various risks of loss and pays insurance premiums to certain state agencies and commercial insurers to cover risks that may occur in normal operations. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. Settled claims have not exceeded this coverage in any of the past three years.

Several state funds accumulate and the State itself assumes substantially all risks for the following:

CENTRAL CAROLINA TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 17 - RISK MANAGEMENT**

(continued)

1. Claims of state employees for unemployment compensation benefits (Department of Employment and Workforce);
2. Claims of covered employees for worker's compensation benefits for job-related illnesses or injuries (State Accident Fund);
3. Claims of covered public employees for health and dental insurance benefits (Office of Insurance Services); and
4. Claims of covered public employees for long-term disability and group-life insurance benefits (Retirement Systems).

Employees elect health coverage through either a health maintenance organization or through the State's self-insured plan. All of the other coverage listed above is through the applicable State self-insured plan except that dependent and optional life premiums are remitted to commercial carriers.

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

1. Theft of, damage to, or destruction of assets;
2. Real property, its contents, and other equipment;
3. Motor vehicles;
4. Torts, and;
5. Natural disasters.

The IRF is a self-insurer and purchases reinsurance to obtain certain services and specialized coverage, and to limit losses in the areas of property, boiler and machinery, automobile liability, and medical professional liability insurance. The IRF's rates are determined actuarially.

The State Board for Technical and Comprehensive Education obtains coverage through commercial insurers for employee fidelity bond insurance for all employees for losses arising from theft or misappropriation.

The College has recorded insurance premium expenditures in the applicable functional expenditure categories. All claims are expected to be covered, except for the deductibles. These risks of loss (the deductibles) have not been transferred to a state or commercial insurer. There has been no significant reduction in insurance coverage from coverage in the prior year.

**NOTE 18 - F.E. DUBOSE CAREER CENTER**

On July 1, 1998, the College assumed the management and operation of the F.E. DuBose Career Center, a secondary educational institution located in Clarendon County, SC. The accounts and activities of this Career Center are included in the basic financial statements of the College. Several additional schedules are included in the College's "Supplemental Information" section, as required by the South Carolina State Department of Education, because the Career Center receives most of its funds from the S.C. Department of Education.

CENTRAL CAROLINA TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 19 - CONTINGENCIES**

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. During the year ended June 30, 2012, the College determined that it had incorrectly interpreted the requirements under 34CFR 600.21(a)(3) regarding permitted locations of operations of the college, resulting in 3 locations which may not have been preapproved by Department of Education. The College self-reported the potential oversight to the Federal Department of Education (DOE) and has implemented changes to stay in compliance with this regulation. The additional locations were submitted to DOE, which has initiated a program review of these locations. The College is currently awaiting the results of the program review, but believes disallowances, if any, will not be material.

**NOTE 20 – NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) PRONOUNCEMENTS**

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*, effective for periods beginning after June 15, 2012, improves financial reporting by enhancing guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. The College will implement the new requirements for the 2013 financial statements.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, effective for periods beginning after December 15, 2011, will improve financial reporting by contributing to the GASB's efforts to codify all sources of generally accepted accounting principles for state and local governments so that they derive from a single source. The College will implement the new guidance with the 2013 financial statements.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for periods beginning after December 15, 2011, improves financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed. The College will implement the new guidance with the 2013 financial statements.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, intends to improve financial reporting for most governments that provide their employees with pension benefits. The statement is effective for financial statements for periods beginning after June 15, 2014. The College will implement the new guidance with the 2015 financial statements.

Management has not yet determined the impact implementation of these standards will have on the College's financial statements, if any.

**SUPPLEMENTAL INFORMATION**

**F.E. DuBose Career Center  
Statement of Net Assets  
June 30, 2012**

	<u>Primary Government Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 192,479
Property taxes receivables	2,974
Other receivables	79,258
<b>Total Assets</b>	<b>274,711</b>
 <b>LIABILITIES</b>	
Accounts payable and other current liabilities	17,926
Deferred revenue	62,903
Long-term liabilities:	
Due within one year:	
Compensated absences	2,560
Due after one year:	
Compensated absences	29,235
<b>Total Liabilities</b>	<b>112,624</b>
 <b>NET ASSETS</b>	
Unrestricted	162,087
<b>Total Net Assets</b>	<b>162,087</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 274,711</b>

**F.E. DuBose Career Center  
Statement of Activities  
For the Fiscal Year Ended June 30, 2012**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets Primary Government Governmental Activities</u>
		<u>Charges for Services &amp; Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<b>Primary government</b>					
Government activities:					
Instruction	\$ 912,925	\$ 826,147	\$ 205,803	\$ 67,116	\$ 186,141
Support services	582,834	-	169,313	-	(413,521)
<b>Total governmental activities</b>	<u>1,495,759</u>	<u>826,147</u>	<u>375,116</u>	<u>67,116</u>	<u>(227,380)</u>
<b>Total primary government</b>	<u>\$ 1,495,759</u>	<u>\$ 826,147</u>	<u>\$ 375,116</u>	<u>\$ 67,116</u>	<u>\$ (227,380)</u>
<b>General Revenues:</b>					
Taxes					274,434
Grants and contributions					64,477
<b>Total General Revenues</b>					<u>338,911</u>
Change in Net Assets					<u>111,531</u>
Net assets - beginning of year					50,556
Net assets - end of year					<u>\$ 162,087</u>

**F.E. DuBose Career Center  
Balance Sheet  
Governmental Funds  
June 30, 2012**

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 192,479	\$ -	\$ 192,479
Property taxes receivables, net	2,974	-	2,974
Due from other funds	69,726	-	69,726
Other receivables	9,532	69,726	79,258
Total assets	\$ 274,711	\$ 69,726	\$ 344,437
 <b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	17,926	-	17,926
Deferred revenue	62,903	-	62,903
Due to other funds	-	69,726	69,726
Total liabilities	80,829	69,726	150,555
 Fund balances:			
Unassigned	193,882	-	193,882
Total fund balances	193,882	-	193,882
Total liabilities and fund balances	\$ 274,711	\$ 69,726	\$ 344,437
Total fund balances			193,882
Compensated absences (vacations) are recorded as a liability in the Statement of Net Assets. This liability is not recorded in the fund statements.			(31,795)
Net assets of governmental activities			\$ 162,087



**F.E. DuBose Career Center  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances  
Governmental Funds  
for the Year Ended June 30, 2012**

	General Fund	Special Revenue Fund	EIA Fund	Total Governmental Funds
<b>REVENUES</b>				
Local property taxes	\$ 195,940	\$ -	\$ -	\$ 195,940
Other local	890,624	-	-	890,624
Total local	<u>1,086,564</u>	<u>-</u>	<u>-</u>	<u>1,086,564</u>
State	78,494	44,078	288,579	411,151
Federal	-	109,575	-	109,575
Total revenues	<u>1,165,058</u>	<u>153,653</u>	<u>288,579</u>	<u>1,607,290</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	640,006	73,821	131,982	845,809
Support services	406,698	12,716	156,597	576,011
Capital outlay	-	67,116	-	67,116
Total expenditures	<u>1,046,704</u>	<u>153,653</u>	<u>288,579</u>	<u>1,488,936</u>
Excess (deficiency) of revenues over expenditures	<u>118,354</u>	<u>-</u>	<u>-</u>	<u>118,354</u>
Net change in fund balances	<u>118,354</u>	<u>-</u>	<u>-</u>	<u>118,354</u>
Fund balances - July 1, 2011	75,528	-	-	75,528
Fund balances - June 30, 2012	<u>\$ 193,882</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 193,882</u>

Total net change in fund balance—governmental funds (above) \$ 118,354

Amounts reported for governmental activities in the statement of activities are different because of the following:

In the statement of activities, certain operating expenses—compensated absences (vacations) are measured by the amounts *earned* during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources *used* (essentially, the amounts actually paid). \$ (6,823)

Change in net assets of governmental activities (from Statement of Activities) \$ 111,531

**F.E. DuBose Career Center  
Statement of Fiduciary Net Assets  
June 30, 2012**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 22,502
Total assets	<u>22,502</u>
<b>LIABILITIES</b>	
Due to student groups	22,502
Total liabilities	<u>\$ 22,502</u>

**F.E. DuBose Career Center  
Budgetary Comparison Schedule  
General Fund  
For the Year Ended June 30, 2012**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Local	\$ 1,043,730	\$ 1,097,943	\$ 1,086,564	\$ (11,379)
State	-	78,494	78,494	-
Total revenues	<u>1,043,730</u>	<u>1,176,437</u>	<u>1,165,058</u>	<u>(11,379)</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	616,053	660,487	640,006	20,481
Support services	427,677	475,950	406,698	69,252
Capital outlay	-	40,000	-	40,000
Total expenditures	<u>1,043,730</u>	<u>1,176,437</u>	<u>1,046,704</u>	<u>129,733</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>118,354</u>	<u>118,354</u>
Net change in fund balances	-	-	118,354	118,354
Fund balance - July 1, 2011	-	-	75,528	75,528
Fund balance - June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 193,882</u>	<u>\$ 193,882</u>

**F.E. DUBOSE CAREER CENTER  
CLARENDON COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
For the Year Ended JUNE 30, 2012**

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>			
<b>Local Revenues</b>			
1210 Ad Valorem Taxes	\$ 195,940	\$ 180,506	\$ 15,434
<b>Tuition</b>			
1310 Tuition - Patrons	8,852	6,000	2,852
1320 Tuition - Local Education Agency's	720,281	720,280	1
1330 Adult/CE from Patrons	22,919	54,200	(31,281)
1340 Adult/CE from District	12,000	12,000	-
1910 Rentals	62,095	55,000	7,095
1990 Miscellaneous	64,477	69,957	(5,480)
Total Local Sources	<u>1,086,564</u>	<u>1,097,943</u>	<u>(11,379)</u>
<b>State Sources</b>			
<b>In Lieu of Taxes</b>			
3810 Property Tax Relief	<u>78,494</u>	<u>78,494</u>	-
Total State Source	<u>78,494</u>	<u>78,494</u>	-
<b>TOTAL REVENUE</b>	<u>1,165,058</u>	<u>1,176,437</u>	<u>(11,379)</u>
<b>EXPENDITURES</b>			
<b>100 General Instruction</b>			
<b>110 General Instruction</b>			
<b>115 Career and Technology Education (Vocational) Programs</b>			
100 Salaries	349,162	358,555	9,393
200 Employee Benefits	117,594	93,075	(24,519)
300 Purchased Services	2,989	37,000	34,011
400 Supplies and Materials	70,707	35,700	(35,007)
500 Capital Outlay	-	40,000	40,000
<b>180 Adult/CE Programs</b>			
<b>181 Adult Basic Education Programs</b>			
100 Salaries	39,170	37,908	(1,262)
200 Employee Benefits	6,930	6,649	(281)
300 Purchased Services	13,482	16,018	2,536
400 Supplies and Materials	7,154	29,382	22,228
470 Energy	12,000	12,000	-
<b>185 Vocational Adult Education Programs</b>			
100 Salaries	11,352	21,814	10,462
200 Employee Benefits	8,047	4,471	(3,576)
300 Purchased Services	27	-	(27)
400 Supplies and Materials	<u>1,392</u>	<u>7,915</u>	<u>6,523</u>
Total Instruction	<u>640,006</u>	<u>700,487</u>	<u>60,481</u>

**F.E. DUBOSE CAREER CENTER  
CLARENDON COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
For the Year Ended JUNE 30, 2012**

EXPENDITURES (continued)	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget - Positive (Negative)</u>
200 Support Services			
210 Pupil Services			
211 Attendance Services			
100 Salaries	21,205	21,436	231
200 Employee Benefits	13,088	13,073	(15)
212 Guidance Services			
100 Salaries	21,942	27,210	5,268
200 Employee Benefits	6,283	7,500	1,217
300 Purchased Services	452	100	(352)
400 Supplies and Materials		575	575
230 General Administrative Services			
231 Board of Education			
318 Audit Services	1,500	1,500	-
233 School Administration			
100 Salaries	79,848	80,000	152
200 Employee Benefits	21,888	18,912	(2,976)
300 Purchased Services	3,692	6,750	3,058
400 Supplies and Materials	3,052	5,250	2,198
250 Finance and Operations Services			
252 Fiscal Services			
100 Salaries	30,465	33,674	3,209
200 Employee Benefits	9,154	12,016	2,862
254 Operation and Maintenance of Plant			
100 Salaries	39,700	41,881	2,181
200 Employee Benefits	15,712	15,989	277
300 Purchased Services	53,599	61,584	7,985
400 Supplies and Materials	17,199	56,500	39,301
470 Energy	67,278	70,000	2,722
255 Student Transportation			
300 Purchased Services	641	2,000	1,359
	<u>406,698</u>	<u>475,950</u>	<u>69,252</u>
Total Support Services			
TOTAL EXPENDITURES	<u>1,046,704</u>	<u>1,176,437</u>	<u>129,733</u>

**F.E. DUBOSE CAREER CENTER**  
**CLARENDON COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**For the Year Ended JUNE 30, 2012**

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>118,354</u>	<u>-</u>	<u>118,354</u>
Fund Balance - July 1, 2011	<u>75,528</u>	<u>-</u>	<u>75,528</u>
Fund Balance - June 30, 2012	<u>\$ 193,882</u>	<u>\$ -</u>	<u>\$ 193,882</u>

**F.E. DUBOSE CAREER CENTER  
CLARENDON COUNTY, SOUTH CAROLINA  
SPECIAL REVENUE FUND- NON-EIA PROGRAMS- BUDGET VS. ACTUAL  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2012**

	State	Federal	Total	Budget	Variance Positive (Negative)
<b>REVENUES</b>					
3000 State					
3125 Career & Tech Equipment	\$ 42,878	\$ -	\$ 42,878	\$ 46,859	\$ (3,981)
3991 ADEPT	1,200	-	1,200	1,200	-
4000 Federal					
4210 Perkins Aid	-	7,330	7,330	8,344	(1,014)
4410 Basic Adult Education	-	98,095	98,095	98,095	-
4430 State Literacy Resource	-	2,200	2,200	2,200	-
4999 Revenue from Other Sources	-	1,950	1,950	1,950	-
Total Revenues	<u>44,078</u>	<u>109,575</u>	<u>153,653</u>	<u>158,648</u>	<u>(4,995)</u>
<b>EXPENDITURES</b>					
100 Instruction					
115 Vocational Programs					
300 Purchased Services	-	966	966	1,000	34
400 Supplies and Materials	1,200	2,000	3,200	3,200	-
500 Capital	42,878	4,364	47,242	52,203	4,961
181 Adult Basic Programs					
100 Salaries	-	27,990	27,990	27,990	-
200 Employee Benefits	-	5,040	5,040	5,040	-
400 Supplies and Materials	-	13,247	13,247	12,483	(764)
500 Capital Outlay	-	9,937	9,937	10,701	764
182 Adult Secondary Program					
100 Salaries	-	6,720	6,720	6,720	-
200 Employee Benefits	-	1,210	1,210	1,210	-
400 Supplies and Materials	-	13,248	13,248	12,484	(764)
500 Capital Outlay	-	9,937	9,937	10,701	764
183 English Literacy (ESL)					
100 Salaries	-	1,820	1,820	1,820	-
200 Employee Benefits	-	380	380	380	-
Total Instruction	<u>44,078</u>	<u>96,859</u>	<u>140,937</u>	<u>145,932</u>	<u>4,995</u>
200 Supporting Services					
223 Supervision Special Program					
100 Salaries	-	3,360	3,360	3,360	-
200 Employee Benefits	-	931	931	931	-
400 Supplies and Materials	-	1,950	1,950	1,950	-
254 Operation & Maintenance					
100 Salaries	-	5,485	5,485	5,485	-
200 Employee Benefits	-	990	990	990	-
Total Supporting Services	<u>-</u>	<u>12,716</u>	<u>12,716</u>	<u>12,716</u>	<u>-</u>
Total Expenditures	<u>44,078</u>	<u>109,575</u>	<u>153,653</u>	<u>158,648</u>	<u>4,995</u>
Excess of Revenues over/under Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**F. E. DUBOSE CAREER CENTER  
CLARENDON COUNTY, SOUTH CAROLINA  
EDUCATIONAL IMPROVEMENT ACT-BUDGET VS. ACTUAL  
COMBINING SCHEDULES OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - ALL PROGRAMS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>#350/355 Teacher Salary</u>	<u>#356 Adult Education</u>	<u>#332 National Board</u>	<u>#377 Teachers Supplies</u>	<u>#392 Work Based Learning</u>	<u>Total</u>	<u>Budget</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>								
3000 State								
3532 National Board Certification	\$ -	\$ -	\$ 9,111	\$ -	\$ -	\$ 9,111	\$ 9,111	\$ -
3550 Teacher Salary Increase	11,539	-	-	-	-	11,539	11,539	-
3555 School Employer Contributions	2,479	-	-	-	-	2,479	2,480	(1)
3556 Adult Education	-	258,810	-	-	-	258,810	290,075	(31,265)
3577 Teachers Supplies	-	-	-	2,250	-	2,250	2,250	-
3592 Work-Based Learning	-	-	-	-	4,390	4,390	2,744	1,646
<b>TOTAL REVENUE</b>	<b>14,018</b>	<b>258,810</b>	<b>9,111</b>	<b>2,250</b>	<b>4,390</b>	<b>288,579</b>	<b>318,199</b>	<b>(29,620)</b>
<b>EXPENDITURES</b>								
100 Instruction								
115 Vocational Programs								
100 Salaries	11,539	-	7,500	-	-	19,039	19,039	-
200 Employee Benefits	2,479	-	1,611	-	-	4,090	4,091	1
400 Supplies and Materials	-	-	-	2,250	-	2,250	2,250	-
181 Instruction - Basic								
100 Salaries	-	31,000	-	-	-	31,000	31,460	460
200 Employee Benefits	-	5,556	-	-	-	5,556	5,556	-
300 Purchased Services	-	274	-	-	-	274	589	315
400 Supplies and Materials	-	3,676	-	-	-	3,676	3,676	-
182 Adult Secondary Program								
100 Salaries	-	40,149	-	-	-	40,149	66,012	25,863
200 Employee Benefits	-	11,670	-	-	-	11,670	12,504	834
300 Purchased Services	-	2,021	-	-	-	2,021	3,444	1,423
400 Supplies and Materials	-	12,257	-	-	-	12,257	13,296	1,039
<b>TOTAL INSTRUCTION</b>	<b>14,018</b>	<b>106,603</b>	<b>9,111</b>	<b>2,250</b>	<b>-</b>	<b>131,982</b>	<b>161,917</b>	<b>29,935</b>
200 Supporting Services								
223 Supervision of Special Program								
100 Salaries	-	119,535	-	-	-	119,535	119,714	179
200 Employee Benefits	-	31,462	-	-	-	31,462	32,143	681
300 Purchased Services	-	430	-	-	-	430	700	270
400 Supplies and Materials	-	780	-	-	-	780	981	201
224 Improvement of Instruction: Inservice/Staff Training								
300 Purchased Services	-	-	-	-	447	447	2,744	2,297
400 Supplies and Materials	-	-	-	-	3,943	3,943	-	(3,943)
<b>TOTAL SUPPORTING SERVICES</b>	<b>-</b>	<b>152,207</b>	<b>-</b>	<b>-</b>	<b>4,390</b>	<b>156,597</b>	<b>156,282</b>	<b>(315)</b>
<b>TOTAL EXPENDITURES</b>	<b>14,018</b>	<b>258,810</b>	<b>9,111</b>	<b>2,250</b>	<b>4,390</b>	<b>288,579</b>	<b>318,199</b>	<b>29,620</b>
Excess(Deficiency) of Revenues Over Expenditures	-	-	-	-	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



**F.E. DUBOSE CAREER CENTER**  
**CLARENDON COUNTY, SOUTH CAROLINA**  
**PUPIL ACTIVITY FUND**  
**SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>ACTUAL</u>
<b>RECEIPTS</b>	
1000 Receipts from Local Sources	
1700 Pupil Activities	
1740 Student Fees	\$ 26,984
	<u>26,984</u>
Total Receipts	<u>26,984</u>
 <b>DISBURSEMENTS</b>	
270 Supporting Services Pupil Activity	
272 Enterprise Activities	
660 Pupil Activity	26,387
	<u>26,387</u>
Total Disbursements	<u>26,387</u>
 Excess of Receipts over Disbursements	<u>597</u>
 Fund Balance July 1, 2011	<u>21,905</u>
Fund Balance June 30, 2012	<u>\$ 22,502</u>

**F.E. DUBOSE CAREER CENTER  
CLARENDON COUNTY, SOUTH CAROLINA  
DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT  
OF EDUCATION/FEDERAL GOVERNMENT AND DEFERRED REVENUE**

DEFERRED REVENUE

<u>Program</u>	<u>Grant or Project Number</u>	<u>Revenue &amp; Subfund Codes</u>	<u>Description</u>		<u>Deferred Revenue</u>
EIA Adult Education		3556/356	Unexpended Funds	100	\$ 36,567
Career & Tech Education Eq	12VA121	3125/905	Unexpended Funds	100	\$ 3,981
Family Literacy			Unexpended Funds		\$ 909
Para Professional			Unexpended Funds		\$ 4,307
Dollar General Literacy Foundation			Unexpended Funds		\$ 10,000
GED/HS Diploma grant			Unexpended Funds		\$ 6,977
Palmetto Youth Connections			Unexpended Funds		\$ 162
<b>Total Deferred</b>					<b>\$ 62,903</b>

**Note:**

All program revenue listed can be carried forward.

**SINGLE AUDIT SECTION**

**CENTRAL CAROLINA TECHNICAL COLLEGE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2012**

	<u>Federal CFDA Number</u>	<u>Grant/Contract Number</u>	<u>Expenditures</u>
<b>U.S. Department of Education</b>			
Student Financial Assistance Cluster			
Federal Work Study Programs 11-12	84.033	P033A113809	\$ 143,098
Federal Work Study Programs 10-11	84.033	P033A103809	21,398
Total CFDA 84.033			<u>164,496</u>
Federal Pell Grant Program--10-11	84.063	P063P102482	3,407
Federal Pell Grant Program--11-12	84.063	P063P112482	12,961,299
Total CFDA 84.063			<u>12,964,706</u>
Federal Supplemental Educational Opportunity Grant-- 10-11	84.007	P007A113809	<u>167,560</u>
Federal Direct Student Loans	84.268	P268K112482	(3,461)
Federal Direct Student Loans	84.268	P268K122482	7,060,174
Total CFDA 84.268			<u>7,056,713</u>
Total Student Financial Assistance Cluster			<u>20,353,475</u>
TRIO Student Support	84.042	P042A100297	<u>234,959</u>
HEA Institutional Aid	84.031P	P031P110030	<u>122,521</u>
Strengthening Minority - Serving Institutions	84.382A	P382A110003	<u>359,759</u>
SC Gear-up	84.334S	P334SO500009-10	<u>8,037</u>
Subtotal Direct			<u>21,078,751</u>
Pass-through--South Carolina Dept. of Education			
Adult Education - F.E. Dubose	84.002	12EA121	100,045
Adult Education-English Lit - F.E. Dubose	84.002	12ED121-01	2,200
Total CFDA 84.002			<u>102,245</u>
Carl Perkins - F.E.Dubose	84.048	12VA121	7,330
Carl Perkins Grant	84.048	12VA413	270,849
Total CFDA 84.048			<u>278,179</u>
Total passed-through--South Carolina Dept. of Education			<u>380,424</u>
Total U.S. Department of Education			<u>21,459,175</u>

**CENTRAL CAROLINA TECHNICAL COLLEGE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2012  
(Continued)**

	<u>Federal CFDA Number</u>	<u>Grant/Contract Number</u>	<u>Expenditures</u>
<b>U.S. Department of Agriculture</b>			
Pass-through--SC MEP Office Rural Development	10.761	RDUP-TAT-FY11	<u>60,647</u>
Total U.S. Department of Energy			<u>60,647</u>
<b>U.S. Department of Health &amp; Human Services</b>			
Pass-through--SC Technical College System ARRA - ABC Childcare program	93.713	G10076T	<u>20,000</u>
Total passed-through--SC Technical College System			<u>20,000</u>
Pass-through--Office of First Steps T.E.A.C.H. Early Childhood	93.575	01TE413	<u>42,303</u>
Total passed-through--Office of First Steps			<u>42,303</u>
Total U.S. Department of Health & Human Services			<u>62,303</u>
<b>U.S. Department of Labor</b>			
Pass-through--Florence-Darlington Tech College Assist to Work grant	17.282	TC-22521-11-60-A-45	<u>65,917</u>
Total passed-through--Florence-Darlington Tech College			<u>65,917</u>
Total U.S. Department of Labor			<u>65,917</u>
<b>U.S. Department of Commerce</b>			
Pass-through--SC Technical College System ARRA - Broadband Technology	11.557	45-42-B10012	<u>3,395</u>
Pass-through--SC Manufacturing Extension Partnership National Institute of Standards and Technology grant	11.611	2011-005	<u>19,578</u>
Total U.S. Department of Commerce			<u>22,973</u>
Total Federal Assistance			<u>\$ 21,671,015</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

CENTRAL CAROLINA TECHNICAL COLLEGE  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2012

NOTE 1 – 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.

NOTE 2 – LOANS

The college began participating in the Federal Direct Student Loan Program in July 2010. The loans are issued to the students from the federal program and are not recognized as revenue within the financial statements. The total loans disbursed on student's accounts for fiscal year ending June 30, 2012 are:

	<u>Federal Direct Student Loan</u>
Subsidized loans	\$4,629,868
Unsubsidized loans	<u>2,426,845</u>
Total	<u>\$7,056,713</u>

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

The President and Members of the Area Commission  
Central Carolina Technical College  
Sumter, South Carolina

We have audited the financial statements of the business-type activities of Central Carolina Technical College (the College), as of and for the year ended June 30, 2012, which collectively comprise the College's basic financial statements, and have issued our report thereon dated September 26, 2012. 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.

**Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether 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*.

**Members**

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Division for CPA Firms, AICPA



The President and Members of the Area Commission  
Central Carolina Technical College  
Page Two

This report is intended solely for the information and use of management, members of the Central Carolina Technical College Area Commission, others within the entity, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

*White/Logan LLC*

Sumter, South Carolina  
September 26, 2012



**Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133**

The President and Members of the Area Commission  
Central Carolina Technical College  
Sumter, South Carolina

**Compliance**

We have audited Central Carolina Technical College's (the College) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2012. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the College's management. Our responsibility is to express an opinion on the College's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the College's compliance with those requirements.

In our opinion, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

**Internal Control Over Compliance**

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

**Members**

SC Association of Certified Public Accountants  
NC Association of Certified Public Accountants

**Member**

Division for CPA Firms, AICPA

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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 management, members of the Central Carolina Technical College Area Commission, others within the entity, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.



Sumter, South Carolina  
September 26, 2012

CENTRAL CAROLINA TECHNICAL COLLEGE  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEAR ENDED JUNE 30, 2012

I. SUMMARY OF AUDITORS' RESULTS

*Financial Statements*

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? \_\_\_\_\_ Yes   X   No  
 Significant deficiencies identified that are not considered  
 to be material weaknesses? \_\_\_\_\_ Yes   X   None Reported  
 Noncompliance material to financial statements noted? \_\_\_\_\_ Yes   X   No

*Federal Awards*

Internal control over major programs:

Material weaknesses identified? \_\_\_\_\_ Yes   X   No  
 Significant deficiencies identified that are not considered  
 to be material weaknesses? \_\_\_\_\_ Yes   X   None Reported

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

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

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.007	Student Financial Assistance Cluster
84.033	Federal Supplemental Educational Opportunity Grants
84.063	Federal Work-Study Program
84.268	Federal Pell Grant Program
	Federal Direct Student Loans
84.382A	Strengthening Minority-Serving Institutions

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

Auditee qualified as low-risk auditee?   x   Yes \_\_\_\_\_ No

II. FINANCIAL STATEMENT FINDINGS

NONE

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

NONE

CENTRAL CAROLINA TECHNICAL COLLEGE  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2012

No prior year audit findings