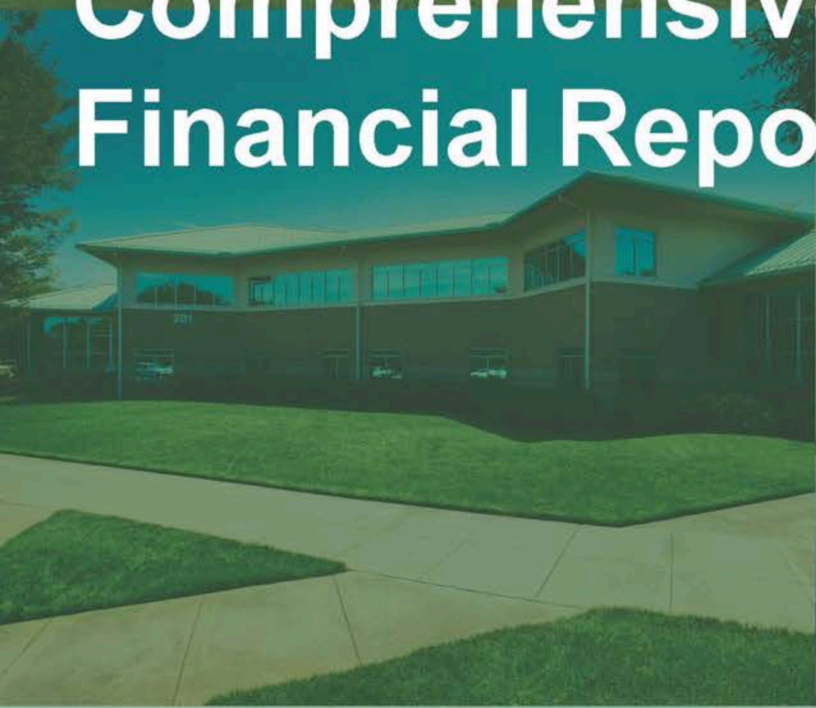
2019 Comprehensive Annual Financial Report



Greenville Technical College

A Component Unit of the State of South Carolina For the Year Ended June 30, 2019 and June 30, 2018

Greenville Technical College
Comprehensive Annual Financial Report
A Component Unit of the State of South Carolina
Fiscal Years Ended June 30, 2019 and June 30, 2018

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INTRODUCTORY SECTION

A COMPONENT UNIT OF THE STATE OF SOUTH CAROLINA

President's Letter

September 18, 2019

Members of the Greenville Technical College Commission and the Community:

This Comprehensive Annual Financial Report includes information on the operations, resources, and expenditures of Greenville Technical College (GTC). Review this report, and you will see that we continue to maintain a strong financial position.

Our mission is to transform lives through education as we help the community thrive by building a strong workforce. This year, we have once again come together with our employer partners to meet hiring needs through innovation.

Governor Henry McMaster participated in a ceremonial signing at the Center for Manufacturing Innovation in August 2018 of legislation permitting GTC to offer a Bachelor of Applied Science in Advanced Manufacturing Technology, a program of study employers requested to deliver high level technical skills. In June, the Southern Association of Colleges and Schools Commission on Colleges approved a change for GTC, giving us the ability to offer education at this level. The program began enrolling students for Fall Semester 2019.

The Greenville Tech Foundation is leading an initiative to meet workforce needs within the growing hospitality industry while bringing opportunity and pathways for economic mobility to the citizens of West Greenville. Greenville Technical College's Center for Culinary and Hospitality Innovation (CHI) will open in 2020 as the anchor tenant for a facility called Poe West, helping the college meet its mission of transforming lives while building an educated workforce.

The Appalachian Regional Commission (ARC) has awarded a $218,800 grant for the Diesel Equipment Technology program. Funds will allow the college to take steps to earn national accreditation from the Automotive Service Excellence (ASE) Education Foundation. The award will be used to bring all aspects of the program including tooling, engines, and computers into accreditation compliance, ensuring that students are trained to the highest quality standards in the diesel industry. The project, driven by diesel industry employers, addresses a critical shortage of diesel engine specialists to serve the region's growing transportation, distribution, and logistics economic cluster.

Our progress, as always, is made possible with the support of our community. Partnerships allow us to offer the highest quality education to our students and to impact the economy by giving employers the qualified people they need to grow.

Respectfully,

Keith Miller

Keith Miller, Ph.D.
President

GREENVILLE TECHNICAL COLLEGE
List of Area Commissioners and Officers
For Year Ended June 30, 2019

AREA COMMISSION MEMBER	DISTRICT	TERM EXPIRES
Mr. Coleman Shouse (Chair)	At-Large	May 31, 2021
Mr. Hunter Howard	At-Large	May 31, 2020
Mr. Ray Martin	23	May 31, 2020
Mr. David K. Stafford	At-Large	May 31, 2020
Mr. Ray Lattimore	27	May 31, 2021
Mr. Kenneth Southerlin	17	May 31, 2021
Mr. James Blakely	19	May 31, 2022
Mr. Dean Jones	At-Large	May 31, 2022
Mr. W. Burke Royster	At-Large	May 31, 2022
Mr. Paul Batson	21	May 31, 2023
Ms. Jo Watson Hackl	At-Large	May 31, 2023
Mr. Keith Smith	20	May 31, 2023

KEY ADMINISTRATIVE STAFF

Dr. Keith Miller	President
Ms. Jacqueline R. DiMaggio	Vice President for Finance
Dr. Matteel Jones	Vice President for Student Services
Ms. Susan M. Jones	Vice President for Human Resources
Ms. Lauren Simer	Vice President for Institutional Effectiveness
Ms. Wendy Walden	Associate Vice President for Executive Affairs
Dr. Jermaine Whirl	Vice President of Learning and Workforce Development
Ms. Ann Wright	Vice President for Advancement

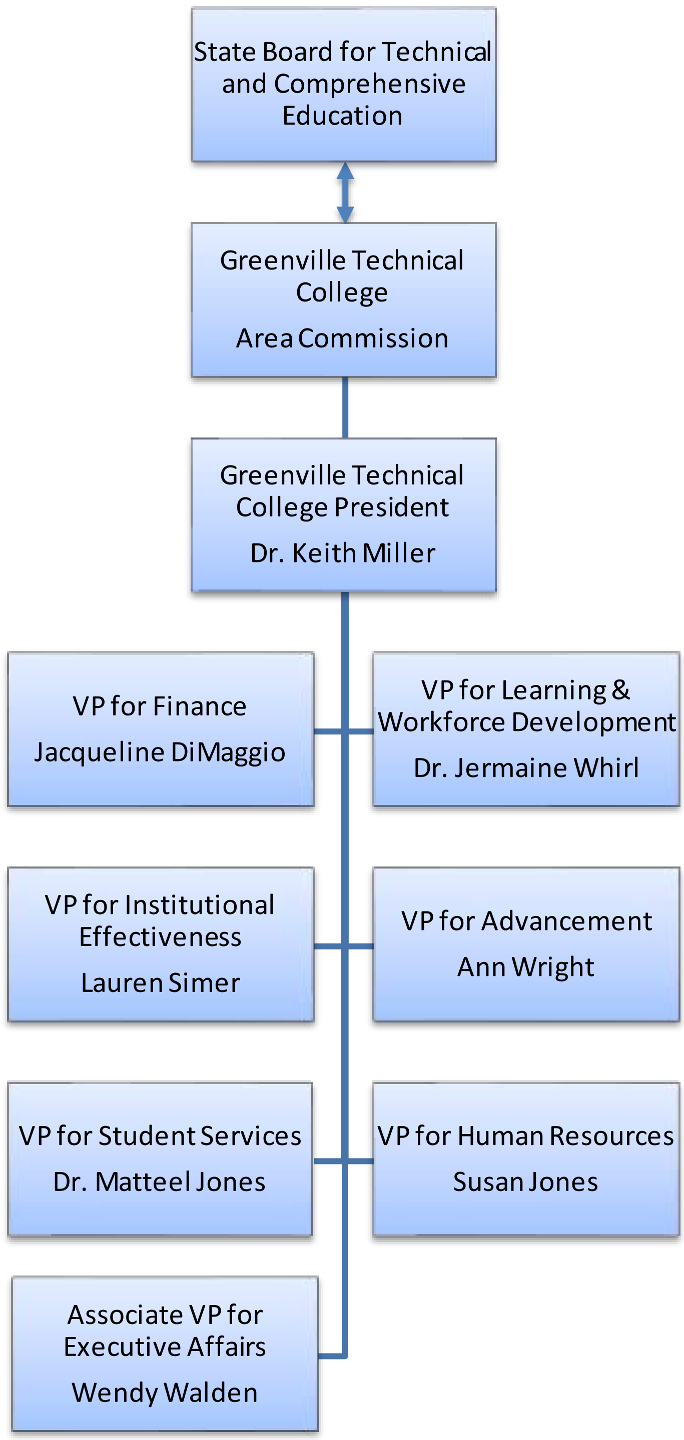
Area Served by the Commission

Greenville County

County Providing Financial Support

Greenville County

GREENVILLE TECHNICAL COLLEGE
Organizational Chart
For Year Ended June 30, 2019



September 18, 2019

To the Members of the Area Commission for Greenville Technical College:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of Greenville Technical College for the fiscal year that ended June 30, 2019.

State law, federal guidelines and certain debt covenants require an annual audit of the financial records. Greenville Technical College (the "college") contracted with the independent certified public accounting firm of Cline, Brandt, Kochenower and Company, P.A. to perform the annual audit of its financial statements and federal assistance programs. The Independent Auditor's Report is included in the financial section of this CAFR and reflects an unqualified opinion on the basic financial statements. As a recipient of federal financial awards, the college complies with the requirements of the Single Audit Act, and separate single audit reports have been issued, which are included in the Federal Awards section.

The management of the college is responsible for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the information presented is accurate in all material respects and is comparable to peer institutions. All disclosures have been included and will provide the reader with a reasonable understanding of the college's financial activities that support its mission.

The management of the college is responsible for establishing and maintaining the framework of all internal control. In fulfilling this responsibility, estimates and judgments are required to assess the expected benefits and costs of policies and procedures related to the internal control framework. Because the cost of a control should not exceed the benefits to be derived, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The system of internal control is designed to ensure that certain organizational objectives are met. Accordingly, organizational structure, policies and procedures have been established to safeguard assets; ensure the reliability of accounting data; promote efficient operations; and ensure compliance with established governmental laws, regulations and policies, college policies, and other requirements of those to whom the college is accountable. The Management's Discussion and Analysis included in the Financial Section provides a detailed explanation of the changes in financial reporting from the prior year and the resulting effects of those changes, and should be read in conjunction with this letter of transmittal.

PROFILE OF THE COLLEGE

Greenville Technical College is one of sixteen technical colleges that comprise the South Carolina Technical College System, which is an agency of the state of South Carolina. The college is a part of the state of South Carolina's primary government and is included in the state's Comprehensive Annual Financial Report as a discreetly presented component unit. Greenville Technical College is a comprehensive, public institution that serves Greenville County in the Upstate of South Carolina.

The college has five campuses and two other teaching locations in Greenville County. The college also delivers instruction in various businesses, industries and public schools located in its service area and provides opportunities for students to take classes on the Internet that lead to a degree.

The college's governing board, the Area Commission (the "commission"), is appointed by the Greenville County Legislative Delegation. There are twelve commissioners appointed to four-year terms. Six are appointed by house district residency seat and six serve at-large. The members representing the Greenville County School Board and Workforce Investment Board serve as ex-officio. However, all twelve members have full voting privileges.

State law mandates Greenville County to provide sufficient funding to build, maintain and operate the college's physical plant.

Greenville Tech Foundation, Inc. (the "foundation") was established in 1973 in Greenville, South Carolina as an eleemosynary organization. The primary objective of the foundation is to support the education at Greenville Technical College through financial assistance to the college and its students. During December 2002, the foundation formed a wholly owned subsidiary, GTF McAlister, LLC, which owns and operates the interior portion of the McAlister Square mall. In 2004, the foundation formed a wholly owned subsidiary, GTF Student Housing, LLC. This subsidiary is responsible for the building and maintenance of student housing on Greenville Technical College's Barton Campus. Student housing opened during Fall Semester 2006. During 2007, the foundation formed a wholly owned subsidiary, Brashier Charter, LLC. This subsidiary is responsible for the construction and operation of the building housing the charter school on the Brashier Campus of Greenville Technical College, which opened in August 2009.

The college's strategic planning process directly impacts the preparation of the budget. The original operating budget is based on preliminary estimates and is approved by the commission each year. The college maintains controls in line item budgets, budget transfer restrictions, and in the use of an encumbrance accounting system. These budgetary controls ensure compliance with the annual budget adopted by the governing board. As demonstrated by the financial statements and schedules included in the financial section of this report, college management continues to meet its responsibility for sound fiscal administration.

ECONOMIC CONDITION AND OUTLOOK

A primary mission of technical colleges is to support economic development through education and training. Greenville Technical College (GTC), like all public higher education institutions in South Carolina, is linked to the economic condition of the state and is subject to the funding priorities established by the General Assembly. Additionally, because the college's financial condition is closely connected to the economy in its service area, it is also subject to the priorities of local government.

The college serves Greenville County, the largest county in the state. Greenville is also the center of the largest metropolitan statistical area in South Carolina. The Upstate is located on the I-85 corridor halfway between Charlotte and Atlanta.

Greenville County is the centerpiece of the region considered to be the "economic engine of South Carolina" and the most populous county in the state. Since its beginning as a small farming community in 1786, Greenville County has grown into a large and diverse metropolitan area and one of the Southeast region's premier areas for business. Over the past 35 years, Greenville has transformed itself from the textile capital of the world to a destination for a diverse industry base that includes corporate offices, manufacturing, and warehousing/distribution operations. Greenville is now home to world-class companies such as Lockheed, General Electric, and TD Bank.

Businesses are drawn to the Greenville, SC area by our favorable tax rates, market accessibility, and the quality and availability of our workforce. In fact, workforce is often found at the top of the considerations list when companies make a site selection.

Further evidence of our area's strong economic growth is readily available: Greenville County has announced over $1.8 billion in new capital investment and 9,340 new jobs in the last five years, while the SC Department of Commerce indicates that Greenville is home to more corporate headquarters than any other region in SC.

With a wealth of pro-business amenities and a well-diversified existing business and industry base, Greenville, SC is positioned for continued economic growth. Manufacturing, biosciences, and other key industry sectors will find that the region provides an inviting, robust environment that supports their success.

GTC has a long history of providing world-class training to business and Industry. Given the economic climate in the area, the long-standing success of the college and the ongoing attraction of new business and industry, the college and the community are well positioned to continue to grow and prosper.

KEY ACCOMPLISHMENTS

Greenville Tech Gives Back teamed up with academics to offer community service opportunities for students, faculty, and staff. Over six hundred thirty-one (631) students completed service learning projects across the community, including college-based activities such as campus landscaping projects and Caring Corner food pantry service or community organizations such as ReStore Habitat for Humanity, Loaves and Fishes, Meals on Wheels, and Lucky Pups Rescue.

Three hundred fifteen (315) students took part in Financial Literacy activities, which were hosted by the Financial Education Center. One hundred twenty (120) students participated in BudgetCon, a money management simulation challenges; both were sponsored by TD Bank Foundation.

The TRIO Student Support Services program had fifty-six (56) graduates this year. In addition, the TRIO Upward Bound program had the largest graduating senior class in the history of this federal grant program with seventeen (17) graduates; one student received a full academic scholarship to the University of South Carolina.

The Quick Jobs program, which quickly provides skills matched to the needs of business and industry, enrolled one thousand six hundred fifty-eight students (1,658) with one thousand three hundred fifty-nine (1,359) of them completing their studies.

GTC was awarded $500,000 from the South Carolina Department of Alcohol and Other Drug Abuse Services (SCDAODAS) to start a new collegiate recovery program, designed to provide an educational opportunity alongside recovery support to ensure students do not have to sacrifice one for the other.

Greenville Tech was awarded the 2018 Insight into Diversity Higher Education Excellence in Diversity (HEED) Award for its demonstrated commitment to diversity and inclusion across the college. This is the third time for this national recognition with awards received in 2014 and 2017.

MISSION STATEMENT

Vision

Greenville Technical College is recognized as a world-class learning institution where students from all backgrounds and life stages find flexible career and educational opportunities of the highest quality and value. By collaborating with community and business leaders, the college is a primary driver of economic growth through workforce development.

Mission

Greenville Technical College transforms students' lives and helps our community thrive by providing a world-class, affordable education to students and building an educated, engaged workforce committed to life-long learning.

Role and Scope

Greenville Technical College is one of the largest public two-year colleges in South Carolina. The college provides exceptional learning opportunities primarily to the residents of Greenville County.

Curricular offerings include (1) certificates, diplomas and associate degrees in business, computer technology, health sciences, engineering technologies, industrial technologies, and public service; and (2) university transfer courses and associate degrees.

The college also provides an extensive offering of continuing education courses for occupational advancement and personal interest, as well as economic development services that encourage business and industrial growth in a diverse economic community.

In addition, transitional courses serve under-prepared students seeking to enter a program of study. Upon completion of their educational goals, the majority of graduates either are employed in fields related to their programs of study or transfer to four-year colleges and universities.

Since the college is an open admission institution, students come from diverse socioeconomic and educational backgrounds. Affordable education is provided through traditional and electronic means at times and locations convenient to students. Faculty and staff are student-centered, flexible, and recognized in their fields. Various educational support services are provided to facilitate the teaching/learning process and to enhance the academic and personal development of the student, including an emphasis on articulation with local high schools and other colleges and universities.

Values

Greenville Technical College is committed to the following values:

- **Learning:** We are committed to providing transformative learning opportunities that enable individual and community achievement and that are affordable and accessible for all members of our community and promote a culture of life-long learning.
- **Integrity:** We believe trust is an essential element in a safe and effective learning environment, so we promote and foster openness, honesty, respect, and fairness.
- **Diversity:** We recognize and celebrate diversity, so we value and support considerate, meaningful communication and inclusiveness in collaborative decision-making processes.
- **Cooperation:** We value collaboration and teamwork, so we foster caring, professional relationships among students, employees, and our community in an effort to expand partnerships.
- **Excellence:** We value continuous improvement, so we encourage innovation, creative problem-solving and responsible risk-taking as we act courageously, deliberately, and systematically to enhance and enrich our learning environment and our community.
- **Accountability:** We value students, faculty, and staff, so we recognize their contributions, encourage their professional development, and regularly evaluate performance to improve learning outcomes, programs, processes, and services.

STRATEGIC IMPERATIVES

Greenville Technical College has identified the following strategic imperatives as critical to our future success:

- **Teaching and Learning**
- **Student Access and Success**
- **Employee Development**
- **Operational Excellence and Accountability**
- **Community Engagement**

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Greenville Technical College for its comprehensive annual financial report for the fiscal year that ended June 30, 2018. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

It is incumbent upon us to thank the Greenville Technical College Area Commission and the president of the college for their interest and support in conducting the fiscal affairs of the college in a highly responsible and professional manner. The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire Financial Affairs staff and other departments and individuals who assisted in the preparation of this report. Our appreciation is also expressed to our independent auditors, Cline, Brandt, Kochenower and Company, for the timely completion of the audit.

Sincerely,

Jacqueline R. DiMaggio

Jacqueline R. DiMaggio
Vice President for Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Greenville Technical College

South Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

Greenville
Technical College

FINANCIAL SECTION

A COMPONENT UNIT OF THE STATE OF SOUTH CAROLINA

Members
American Institute of CPAS

Private Companies Practice Section

South Carolina Association of CPAS

Governmental Audit Quality Center

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

Albert B. Cline, CPA (1923-2013)
Raymond H. Brandt, CPA

Ben D. Kochenower, CPA, CFE, CVA, CICA, CGMA
Timothy S. Blake, CPA, PFS
Brandon A. Blake, CPA

Independent Auditors' Report

To the Commission Members
Greenville Technical College
Greenville, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit (Greenville Tech College Foundation, Inc. and Subsidiaries) of Greenville Technical College, a component unit of the State of South Carolina, as of and for the years ended June 30, 2019 and June 30, 2018, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Post Office Box 848, 1225 West Floyd Baker Boulevard, Gaffney, SC 29342-0848, (864) 489-7121 Fax (864) 489-7123
Post Office Box 161300, 145 Rogers Commerce Boulevard, Boiling Springs, SC 29316-1300, (864) 541-0218 Fax (864) 541-0221
Internet Address: www.cbkpa.com

Greenville Technical College
Greenville, South Carolina
Page Two

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

Opinion

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Greenville Technical College as of June 30, 2019 and June 30, 2018, and the respective changes in financial position, and where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Greenville Technical College's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic 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 do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2019, on our consideration of Greenville Technical 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Report on State Lottery Assistance Program

We have also issued our report dated September 18, 2019 on our consideration of Greenville Technical College's administration of the State Lottery Assistance Program and on our tests of its compliance with certain provisions of State law and policy 3-2-307 and Procedure 3-2-307.1 of the State Board for Technical and Comprehensive Education.

Report on State Supported Scholarships and Grants

We have also issued our report dated September 18, 2019 on our consideration of Greenville Technical College's administration of the State supported scholarships and grants, and on our test of its compliance with certain provisions of the State legislation and the regulations of the South Carolina Commission on Higher Education.

Gaffney, SC
September 18, 2019

Management's Discussion and Analysis

Greenville Technical College (the "college") is pleased to present its financial report and management's discussion and analysis of the college's financial performance for the fiscal year ended June 30, 2019. This report is a narrative overview and analysis of the financial activities of the college. It focuses on current activities, resulting change and currently known facts, and provides a comparison with the prior fiscal year. This discussion should be read in conjunction with the financial statements and the accompanying notes which follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standards Board (GASB) in Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments* and Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Colleges and Universities.*

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: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows. These statements present financial information in a format similar to that used by the private sector.

In accordance with GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units,* the college has included the Greenville Tech Foundation, Inc. and Subsidiaries (the "foundation") and the Greenville Technical College Enterprise Campus Authority (the "authority") in its financial statements. The college reports the foundation as a discreetly presented non-governmental component unit, and its Consolidated Statement of Financial Position and Statement of Activities are presented along with the college's basic financial statements. The governing body of the authority is essentially the same Board as that of the college and it provides services that benefit the college, although it does not provide services directly to the college; therefore the authority is reported as a blended component unit and the activity is included in the financial statements of the college.

STATEMENT OF NET POSITION

The Statement of Net Position presents the financial position of the college at the end of the fiscal year and classifies assets and liabilities into current and non-current categories. The Statement of Net Position is a "point in time" financial statement, which presents to the reader a snapshot of the end of the year financial data. Assets are property owned by the college. Liabilities are what the college owes to others. Current assets are generally expected to be converted into cash, sold or consumed within a year. Current liabilities are obligations that are due to be paid within the year. Noncurrent assets and liabilities are those that are longer term in nature.

Net position represents the difference between total assets and total liabilities. Net financial position is displayed in three broad categories: net investment in capital assets, restricted and unrestricted. Net position is one indicator of the current financial condition of the college, while the change in net position is an indicator that the overall financial condition has improved or deteriorated during the year.

In fiscal year 2018, the college's net position decreased significantly as a result of the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* The resulting decrease in the college's net position is not indicative of a deterioration of the financial condition of the college. For additional information see Note 10.

Assets and Deferred Outflows

The following schedule is a condensed presentation of the college's assets, liabilities and net position and is prepared from the Statement of Net Position as of June 30, 2019, 2018 and 2017. 2017 was restated for consistency with the 2018 recognition of the liability for postemployment benefits.

Condensed Summary of Net Position
As of June 30, 2019, 2018, and 2017
(in millions)

	2019	2018	2017
Current Assets	$ 49.1	$ 46.1	$ 56.7
Non-current Assets			
Investments	9.0	12.0	-
Capital Assets, Net and bond proceeds	112.0	117.6	121.1
Total Assets	170.1	175.7	177.8
Deferred Outflows of Resources	15.5	17.1	16.1
Current Liabilities	15.2	17.4	19.4
Non-current Liabilities	205.2	206.0	214.7
Total Liabilities	220.4	223.4	234.1
Deferred Inflows of Resources	9.1	9.7	1.7
Net Financial Position			
Net Investment in Capital Assets	71.1	71.7	71.2
Restricted	3.8	0.8	1.0
Unrestricted	(118.9)	(112.8)	(114.1)
Total Net Position	$ (44.0)	$ (40.3)	$ (41.9)

An indicator of the financial health of the college is the ratio of current assets to current liabilities. The current ratio at June 30, 2019, 2018 and 2017 were approximately 3.2:1, 2.6:1, and 2.9:1 respectively. The current ratio increased indicating improvement in the college's financial health. Current assets increased as a result of an increase in the cash from operations, the upcoming maturity of $3.0 million invested in a certificate of deposit and the decrease in accounts receivable.

Current assets increased $3.0 million between fiscal years 2019 and 2018 while current liabilities decreased $2.2 million in the same period. Comparatively, current assets decreased $10.6 million between fiscal years 2018 and 2017 while current liabilities decreased $2.0 million in the same period. Overall, assets decreased $5.6 million from June 30, 2018 to June 30, 2019, compared to a decrease of $2.1 million from June 30, 2017 to June 30, 2018. The changes related to the fiscal year ended June 30, 2018, as compared to June 30, 2019, are explained as follows:

- The total of cash and short-term investments increased from $35.1 million to $42.7 million.
- Long term investments decreased from $12.0 million to $9.0 million.
- Accounts Receivable decreased approximately $3.8 million. The decrease in accounts receivable is made up of a $4.0 million decrease related to state funding, a $0.3 million increase related to receivables from the students, a $0.1 million decrease from Federal grantors and a $0.2 increase in accrued interest. The allowance for doubtful accounts remained stable at $4.1 million at June 30, 2018 and June 30, 2019. The college determined that current level is adequate. (See Note 4 for additional information).

The changes related to the fiscal year ended June 30, 2018, as compared to June 30, 2017, are explained as follows:

- The total of cash and short-term investments decreased from $46.8 million to $35.1 million.
- Long term investments increased from $0.0 million to $12.0 million.
- Accounts Receivable increased approximately $2.2 million. The increase in accounts receivable is made up of a $3.2 million increase related to state funding, a $0.1 million decrease related to receivables from the students, a $1.2 million increase from the State and $0.9 million decrease from the Greenville Tech Foundation. The college decreased its allowance for doubtful account balance approximately $0.7 million. The allowance decreased to $4.1 million at June 30, 2018 from $4.8 million for the prior year. This decrease was the result of lower student receivables, improved collection results and improvements in Financial Aid processes ensuring eligible students have completed the financial aid process prior to the start of classes. The college determined that current level is adequate. (See Note 4 for additional information).
- Bond proceeds receivables decreased $1.3 million. This is related to the General Obligation Bonds issued by Greenville County for the college. The bond issue was $25.0 million. The funds are drawn down as they are expended to construct the Center for Manufacturing Innovation. The building officially opened in August of 2016. Additional work on the gateway project and collaboration were completed in Fiscal year 2018.

Contributing factors to the changes in non-current assets from June 30, 2018 to June 30, 2019 were:

- Construction in progress decreased $4.9 million primarily because of the capitalization of the Transportation Hub at the South Carolina Technology and Aviation Center (SCTAC).
- Building and improvements increased $1.7 million; a net effect of the capitalization of the Transportation Hub at the SCTAC and the demolition of the Belk building and the Health Care Annex.
- Machinery & equipment increased $1.2 million. This was primarily the result of purchases of equipment primarily for academic programs.
- Depreciation expense was $6.2 million and $2.5 million was eliminated. See Note 8 for additional information. Accumulated depreciation increased $3.7 million as a net result of the depreciation expense and retirements of assets.

Contributing factors to the changes in non-current assets from June 30, 2017 to June 30, 2018 were:

- Construction in progress decreased $25.6 million primarily because of the capitalization of the Center for Manufacturing Innovation.
- Machinery & equipment increased $0.5 million. This was the net result of purchases of equipment primarily for the Transportation Hub at the SCTAC.
- Depreciation expense was $5.5 million and $0.1 million was eliminated. See Note 8 for additional information. Accumulated depreciation increased $5.4 million as a net result of the depreciation expense and retirements of assets.

Analysis of Capital Assets
As of June 30, 2019, 2018, and 2017
(in millions)

	2019	**2018**	**2017**
Land and Land Improvements	$ 22.2	$ 22.2	$ 19.6
Buildings and Improvements	160.6	158.9	134.8
Machinery and Equipment	21.0	19.8	19.3
Vehicles	2.8	2.7	2.5
Construction in Progress	1.2	6.1	31.6
	207.8	209.7	207.8
Less: Accumulated Depreciation	(95.8)	(92.1)	(86.7)
Net Capital Assets	$ 112.0	$ 117.6	$ 121.1

Liabilities and Deferred Inflows

Total Liabilities of $220.4 million decreased $3.0 million between fiscal years 2019 and 2018, from $223.4 million. Comparatively, liabilities decreased $10.7 million between fiscal years 2018 and 2017, from $234.1 million to $223.4 million. Current liabilities at June 30, 2019 were $15.2 million, a $2.2 million decrease from the balance of $17.4 million at June 30, 2018. This was primarily a result of a reduction in the current portion of long-term debt. Current Liabilities at June 30, 2018 decreased by $2.0 million from June 30, 2017 primarily as a result of increases in unearned revenue and accrued payroll liabilities.

Non-current liabilities decreased $0.8 million from June 30, 2018, as compared to June 30, 2019, as a result of decreases in bonds payable and capital leases payable of $2.8 million and a decrease in net pension liability of $0.5 million. These decreases were partially offset by an increase in compensated absences payable of $0.1 million and an increase in other post-employment benefits of $2.5 million (see Note 9 for additional information). Restated non-current liabilities decreased $8.7 million from June 30, 2017 to June 30, 2018 as a result of a decreases in the liabilities for pension and other post-retirement benefits of $5.0 million. This was partially offset by decreases in bonds and capital leases payable of $5.1 million and compensated absences payable of $0.7 million.

At June 30, 2018, the liability of $71.7 million was a result of the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* A liability of $71.7 million is shown in the prior year. This prior year restatement is for comparison only. GASB Statement No. 75 affects reporting requirements for employers offering post-employment benefits and was effective for fiscal periods beginning after June 15, 2018. This standard changes the way participating employers, including the college, report the cost of and liability for postemployment benefits. The State provides post-employment health and dental and long-term disability benefits to retired State employees and their covered dependents. Greenville Technical College implemented these changes beginning with their financial statements for the fiscal year ended June 30, 2018. For additional information see Note 10.

Net Position

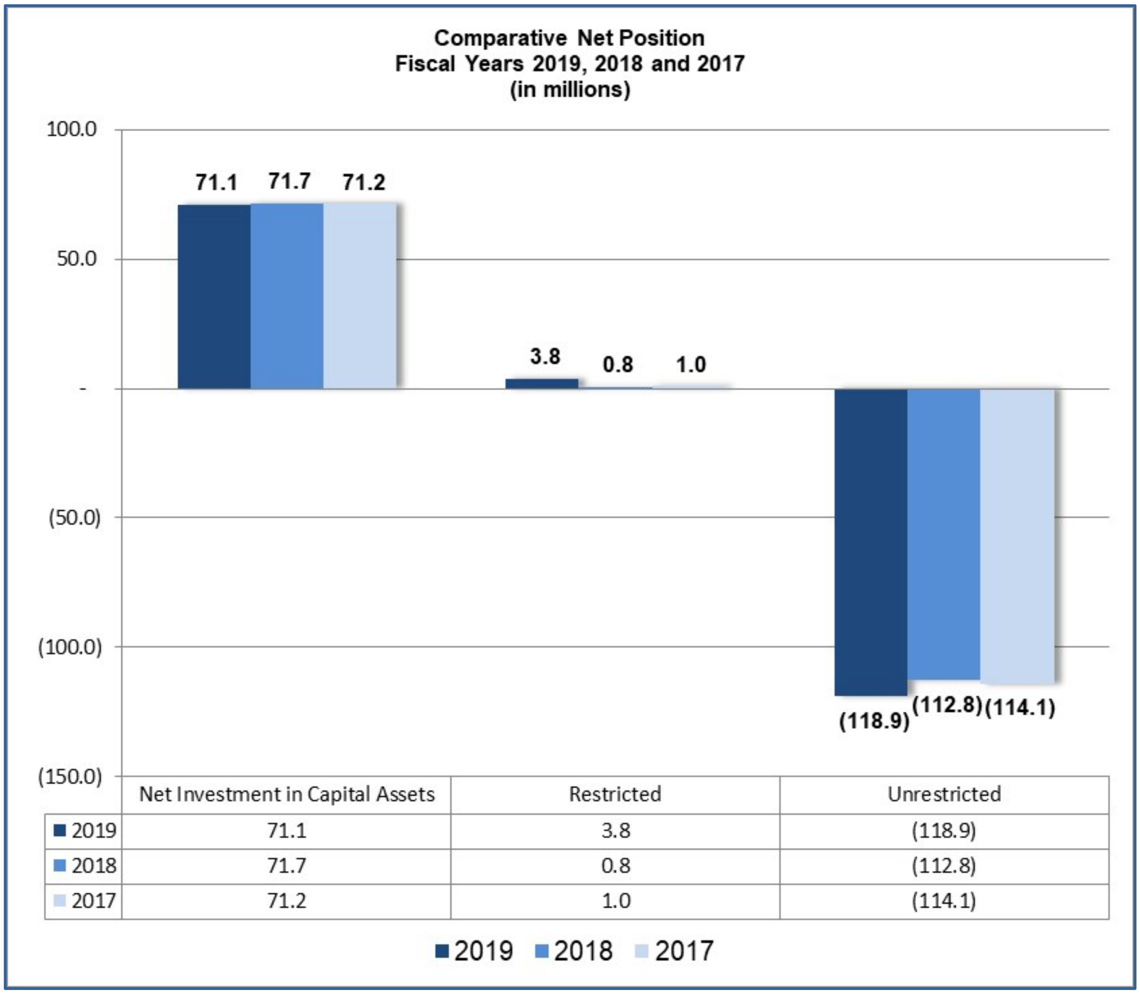
The net position at June 30, 2019 was negative $44.0 million, a decrease of $3.7 million from the prior fiscal year balance of negative $40.3 million, a 9.2 percent decrease. The net position at June 30, 2018 was negative $40.3 million, an increase of $1.6 million from the prior fiscal year balance of negative $41.9 million, a 3.8 percent increase. Investments in capital assets at June 30, 2019 and June 30, 2018, were $71.1 million and $71.7 million, respectively, a $0.6 million decrease as compared to a $0.5 million increase from the June 30, 2017 balance of $71.2 million. Restricted net position increased by $3.0 million at June 30, 2019 as a result of commitments on construction and renovation projects. Restricted net position decreased by $0.2 million at June 30, 2018 as a result of the completion or near completion of construction and renovation projects. Unrestricted net position as of June 30, 2019 decreased $6.1 million to negative $118.9 million from the prior fiscal year balance of negative $112.8 million. Planned uses for unrestricted net position as of June 30, 2019 can be found in Note 11. The negative $112.8 million total for unrestricted net position at June 30, 2018 increased $1.3 million from the June 30, 2017 balance of negative $114.1 million.

Net investment in capital assets decreased $0.6 million to $71.1 million in fiscal year 2019 and increased $0.5 million to $71.7 million in fiscal year 2018. This was due to the net effect of payments on bonds, depreciation expense and the addition and retirement of other assets. An analysis of net assets for fiscal years ended June 30, 2019, 2018, and 2017 follows:

Analysis of Net Position
Fiscal Years Ended June 30, 2019, 2018 and 2017
(in millions)

Net Position	2019	2018	2017
Net Investment in Capital Assets	$ 71.1	$ 71.7	$ 71.2
Restricted	3.8	0.8	1.0
Unrestricted	(118.9)	(112.8)	(114.1)
Total	$ (44.0)	$ (40.3)	$ (41.9)

Restricted net position increased $3 million in fiscal year 2019 as a result of the commitments for the amphitheater project at the Benson Campus and the renovation of the Technical Resource Center. Restricted net position decreased $0.2 million in fiscal year 2018 from the June 30, 2017 balance of $0.8 million as a result of decrease in construction commitments related to the Transportation Hub at the SCTAC.



For the fiscal year ending June 30, 2015, as a result of the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, the College was required to recognize a portion of the unfunded net pension liability of the cost sharing plan. Recognition of this liability had a material impact on the College's unrestricted net position. Additionally, for the fiscal year ending June 30, 2018, as a result of the implementation of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the college was required to recognize a portion of the unfunded net liability for post-employment health and dental and long-term disability benefits to retired State employees and their covered dependents. Recognition of this liability had another material impact on the college's overall net position.

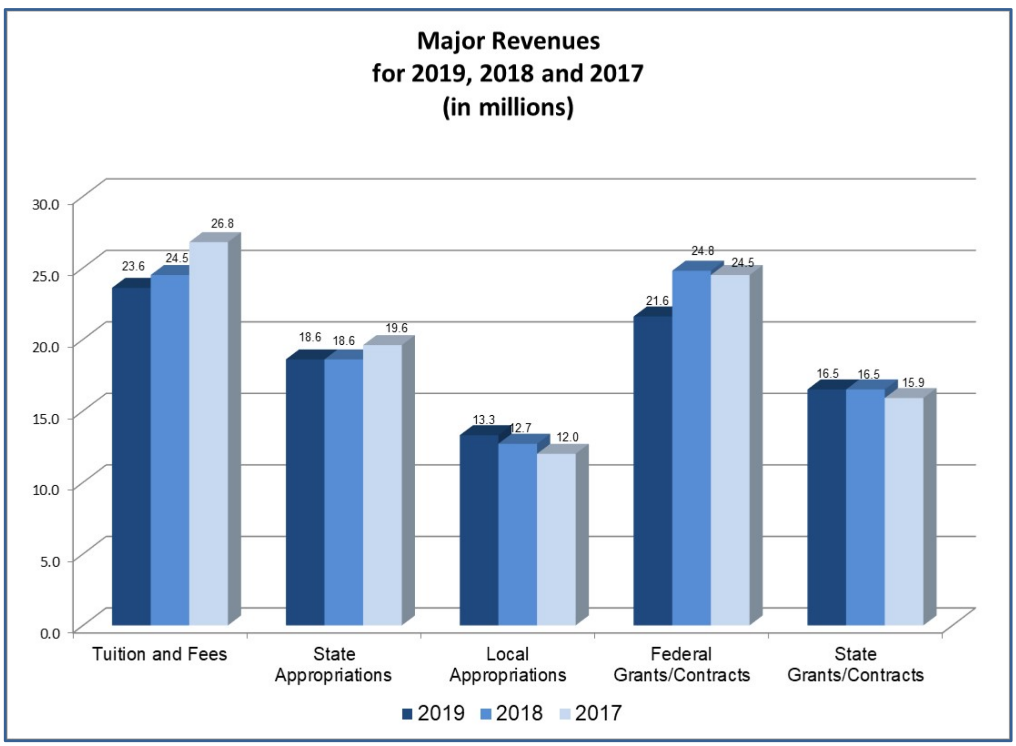
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The purpose of the Statement of Revenues, Expenses and Changes in Net Position is to provide an entity wide perspective on revenues and expenses, which are categorized as operating and non-operating and are reported by natural classification. A public institution's reliance on state and local appropriations results in operating losses as GASB requires classification of appropriations as non-operating revenues. As a result, the college will always reflect an operating deficit due to this reliance on state and local funding.

Operating Results

The following schedules summarize the college's operating results for fiscal year ended June 30, 2019 with comparative data for fiscal years ended June 30, 2018 and June 30, 2017.

Operating Results for the Years Ended June 30, 2019, 2018, and 2017 without impact of GASB 68 and 75 (in millions)	2019	2018	2017
Operating Revenues			
Tuition and Fees	$ 23.6	$ 24.5	$ 26.8
Federal Grants and Contracts	3.7	3.9	4.2
State and Local Grants and Contracts	15.4	15.8	15.3
Auxiliary	3.7	4.2	4.5
Other	2.6	2.7	2.5
Total	49.0	51.1	53.3
Operating Expenses			
Salaries	44.9	46.5	46.9
Benefits	**17.2**	**16.5**	**15.8**
Scholarships	9.3	11.0	12.0
Utilities	3.0	3.0	3.0
Supplies and Other Services	18.7	16.9	21.9
Depreciation	6.2	5.5	5.2
Less Operating Expenses	99.3	99.4	104.8
Net Operating Loss	(50.3)	(48.3)	(51.5)
Non-Operating Revenues (expenses)			
State Appropriations	18.7	18.6	19.6
State and Local Grants and Contracts	1.0	0.7	0.6
Federal Grants and Contracts	17.9	20.9	20.3
County Appropriations	13.3	12.7	12.0
Gain/(loss) on disposal of fixed assets	(2.3)	0.1	-
Interest Expense	(1.5)	(1.1)	(1.1)
Interest Income	1.0	0.6	0.4
Total	48.1	52.5	51.8
State Capital Appropriations	1.2	1.3	6.4
Capital Donation and transfers	0.2	-	(0.2)
Increase (Decrease) in Net Assets	(0.8)	5.5	6.5
Net Position (beginning excluding GASB 68 &75)	114.9	109.4	102.9
Net Position (end of year)	$ 114.1	$ 114.9	$ 109.4



Revenue

Total revenue decreased $3.5 million, or 3.3 percent, between fiscal years 2018 and 2019, from $106.3 million to $102.8 million. Total revenue decreased $6.2 million, or 5.5 percent, between fiscal years 2017 and 2018, from $112.5 million to $106.3 million.

Operating revenue decreased $1.9 million or 3.7 percent during fiscal year 2019. Decreases in tuition and fees, federal and State grants and contracts and auxiliary enterprises were partially offset by increases in sales and services of educational departments and other operating revenues. Operating revenue in fiscal year 2018 dropped 3.4 percent from $53.3 million to $51.5 million. Decreases in tuition and fees, federal grants and contracts and auxiliary enterprises were partially offset by increases in state grants and contracts, sales and service of educational departments and other operating revenues. Net tuition and fees decreased $2.3 million in fiscal year 2018 and decreased $0.9 million in fiscal year 2019. Net tuition and fees is tuition and fee revenue decreased by scholarship allowances and bad debt expense. Scholarship allowances represent the amount of students' tuition and fees that are paid by grants from federal, state, and other sources. (See Note 19 for additional information).

Net auxiliary services revenue decreased $0.5 million in fiscal year 2019 and $0.3 million in fiscal year 2018, this is primarily bookstore sales net of scholarship allowances and bad debt expense. (See Note 19 for additional information).

Non-operating revenue decreased by $4.4 million or 8.4 percent during the 2019 fiscal year, while non-operating revenue increased by $0.8 million or 1.5 percent during the 2018 fiscal year. Federal grants and contracts decreased $3.0 million in 2019. Federal grants and contracts increased in 2018 as a result of Pell grants being available in the summer term. Pell grants decreased $3.0 million in fiscal year 2019 and increased $0.6 million in fiscal year 2018. The decrease in federal grants in 2019 was offset by a $0.4 million increase in state and local grants and contracts. The college saw a decrease in state appropriations of $1.0 million in fiscal year 2018.

State capital appropriations of $1.2 million decreased $0.2 million from 2019 and decreased $5.1 million in 2018. The decrease in appropriations from 2017 was the result of a special appropriation for equipment for the Center for Manufacturing Innovation. The remainder of the appropriation is for the debt service on the former McAlister Square Mall and operating expenses related to the University Center of Greenville. The costs (debt service and utilities) associated with these appropriations are fixed and recurring while the appropriations are dwindling. This is creating an additional financial strain on the college's funds. Local appropriations from Greenville County helped to offset some of these decreases. In fiscal year 2019, county appropriations increased $0.6 million to $13.3 million, in fiscal year 2018, county appropriations increased $0.7 million to $12.7 million.

Expenses

In fiscal year 2019, operating expenses were $102.7 million, a decrease of $1.0 million or 1.0 percent over fiscal year 2018. In fiscal year 2018, operating expenses were $103.7 million, a decrease of $3.7 million or 3.4 percent over fiscal year 2017.

Salaries and benefits decreased $1.8 million or 2.7 percent during fiscal year 2019. Salaries and benefits increased $2.0 million, or 3.1 percent during fiscal year 2018. The $1.8 million decrease in 2019 was comprised of salaries of $1.6 million and benefits of $0.2 million. The $2.0 million increase in 2018 was related entirely to benefits while salaries remained constant. State mandated increases in contributions to the State Pension fund, increases in the employer share of health insurance and the impact of the implementation of the GASB 68 and GASB 75 are driving the increases in benefit expenses. As a result of the implementation of GASB 68, pension expenses increased $1.8 million in 2019 and $2.4 million in 2018. These were non-cash transactions. The new standard requires a change in the way the plan calculates the net pension liability for financial reporting purposes. The GASB requirement of determining the value of assets on hand to cover benefits is tied to "fair market value," and, because of the inherent volatility of investment market values, may result in more frequent and larger fluctuations in the amount of the pension plan's NPL for accounting and financial reporting purposes. This $1.8 million current expense and $2.4 million prior year expense is in addition to the $72.1 million liability recorded in fiscal year 2015. Based on the calculation of "fair market value", the college will see increases or decreases in current year expense that are not related to actual expenditures of cash.

With the implementation of GASB 75 in fiscal year 2018, the college recorded a liability of $71.7 million and additional current year non-cash expenses of $1.6 million in employee benefits for fiscal year 2019 and a prior year non-cash expense of $1.9 million for fiscal year 2018. This new standard also requires a change in the way the plan calculates the net liability for other postemployment benefits for financial reporting purposes. The GASB requirement of determining the value of assets on hand to cover benefits is tied to “fair market value,” and, because of the inherent volatility of investment market values, may result in more frequent and larger fluctuations in the amount of the postemployment benefits’ NPL for accounting and financial reporting purposes. This $1.6 million current expense and $1.9 million prior year expense is in addition to the $71.7 million liability recorded in fiscal year 2018. Based on the calculation of “fair market value”, the college will see increases or decreases in current year expense that are not related to actual expenditures of cash.

Scholarships to students decreased by approximately $1.7 million or 15.5 percent in fiscal year 2019 and $1.0 million or 8.3 percent in fiscal year 2018. The majority of the decreases were related to the changes to awards and eligibility for Pell grants.

Utilities remained stable at $ 3.0 million in fiscal year 2019 and fiscal year 2018.

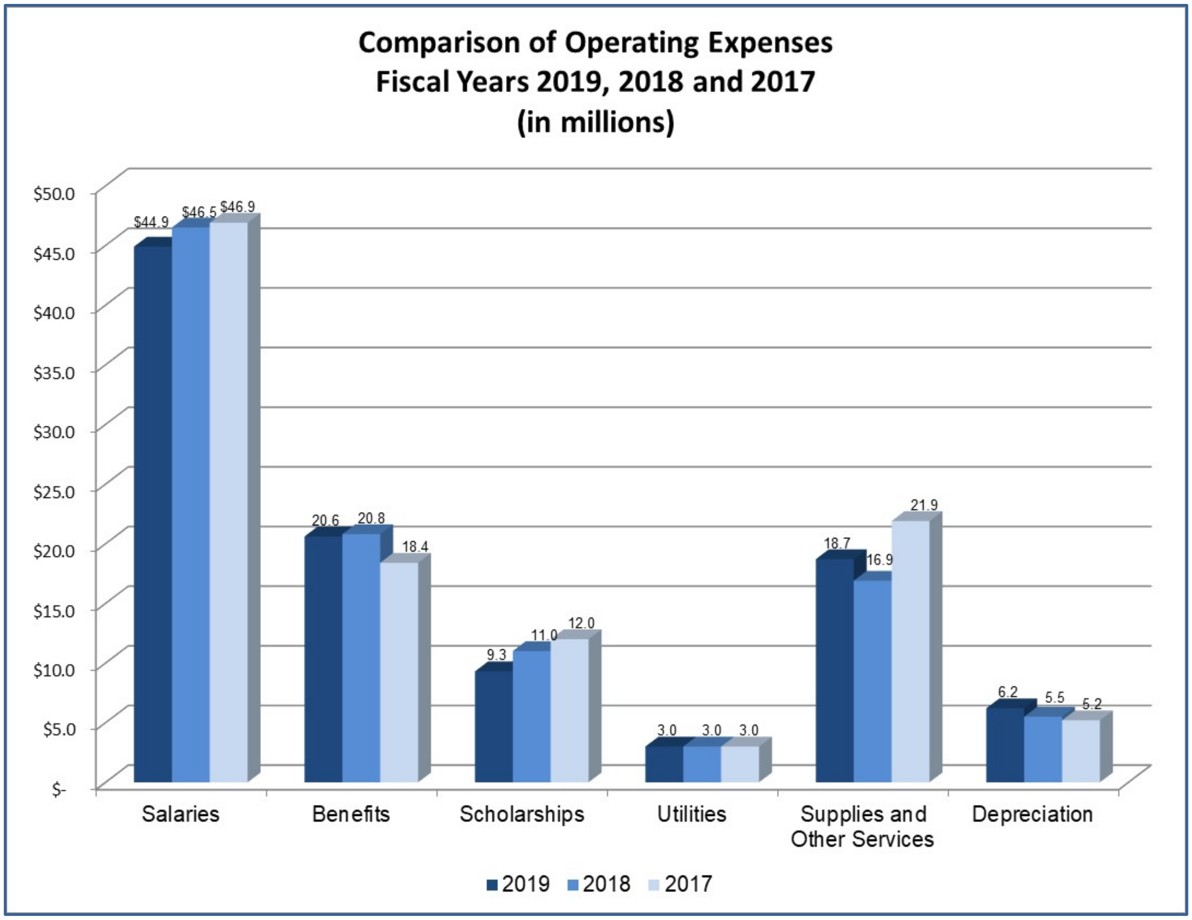
Supplies and other services increased by $1.8 million or 10.7 percent in fiscal year 2019. In fiscal year 2018, supplies and other services decreased by $5.0 million or 22.8 percent. Several new projects are underway and expenditures were expected to increase in fiscal year 2019.

Depreciation expense increased by approximately $0.7 million in fiscal year 2019 after increasing $0.3 million in fiscal year 2018. Increases in 2018 were related to the mid-year capitalization of the Center for Manufacturing Innovation and increases in fiscal year 2019 were the result of a full year of depreciation for the Center for Manufacturing Innovation and the Transportation Hub.

The following charts depict operating expenses by function for fiscal year ended June 30, 2019, 2018 and 2017.

Operating Expenses
Fiscal Years Ended June 30, 2019, 2018, and 2017
(in millions)

	2019	2018	2017
Operating Expenses			
Salaries	$ 44.9	$ 46.5	$ 46.9
Benefits	20.6	20.8	18.4
Scholarships	9.3	11.0	12.0
Utilities	3.0	3.0	3.0
Supplies and Other Services	18.7	16.9	21.9
Depreciation	6.2	5.5	5.2
	$ 102.7	$ 103.7	$ 107.4



STATEMENT OF CASH FLOWS

The Statement of Cash Flows is the final statement to be presented. It presents detailed information about the cash activity of the college during the year and provides the reader with the sources and uses of cash by the major categories of operating, non-capital financing, capital and related financing, and investing activities. This statement will always show a net use of cash in the section "Cash Flows from Operating Activities" due to the college's dependence on state and local appropriations.

The statement is divided into five parts. The first section reflects the operating cash flows and shows the net cash used by the operating activities of the college. The second section reflects cash flows from non-operating financing activities. This section shows the cash received and spent for non-operating, non-investing, and non-capital financing activities. The third section reflects cash flows from capital and related financing activities and shows the cash used for the acquisition and construction of capital and related items. The fourth section reflects the cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. The final section reconciles the net cash used to the operating loss reflected on the Statement of Revenues, Expenses and Changes in Net Assets.

In fiscal year 2019, cash increased by approximately $5.2 million. The net cash used by operating activities in fiscal year 2019 decreased by $8.3 million resulting from decreases in amounts of Federal student loans to students as well as decreases in payments to employees, this was partially offset by increases in tuition and fees and grants and contracts and increases in payments to vendors. Cash for fiscal year 2018 decreased by approximately $16.2 million. The net cash used by operating activities increased by $2.6 million resulting from decreases in tuition and fees and grants and contracts and the timing and amounts of refunds for Federal student loans to students as well as decreases in payments to vendors. This was offset by increases in payments to employees.

Cash flows from non-capital financing activity decreased by $0.7 million in fiscal year 2019 and decreased $1.1 million in fiscal year 2018. The changes in fiscal year 2019 are the result of decreases in funds received from non-operating grants, gifts and contracts partially offset by increases in cash received for state and county appropriations. The decrease in fiscal year 2018 are the result of decreases in funds received from state appropriations and non-operating grants, gifts and contracts partially offset by increases in cash received for county appropriations.

Cash flows from capital and related financing activities shows the impact on cash related to the revenues and expenditures related to the acquisition of capital assets and debt service payments. The increase of $3.5 million in fiscal year 2019 was the net result of an increase in expenditures for capital assets, a decrease in the proceeds used from a debt issuance and a decrease in donated funds. The decrease of $2.9 million in fiscal year 2018 was the net result of a decrease in state appropriations related to the Center for Manufacturing Innovation, a decrease in expenditures for capital assets, a decrease in the proceeds used from a debt issuance and an increase in donated funds. Net cash provided by investing activities during the fiscal year of 2019 was $1.4 million. This was the result of one long term Certificate of Deposit approaching maturity. In fiscal year 2018 $12.0 million was invested in a Certificates of Deposit with longer term maturities in order to increase interest income. As a result, net cash used by investing activities in fiscal year 2018 increased $16.1 million.

Summary of Cash Flows
As of June 30, 2019, 2018 and 2017
(in millions)

	2019	2018	2017
Net cash flow used by operating activities	$ (39.2)	$ (47.5)	$ (44.9)
Net cash flow provided by noncapital financing activities	51.8	52.5	53.6
Net cash used by capital and related financing activities	(8.8)	(5.3)	(8.2)
Net cash provided (used) by investing activities	1.4	(15.9)	0.2
Net increase (decrease) in cash	5.2	(16.2)	0.7
Cash - beginning of year	16.6	32.8	32.1
Cash - end of year	$ 21.8	$ 16.6	$ 32.8

Debt Administration

At June 30, 2018 and 2019 the college's financial statements reflect $36.4 million and $33.9 million respectively in (general obligation) bonds payable. These bonds are general obligation bonds of the State backed by the full faith, credit and taxing power of the County of Greenville. Greenville County appropriates funds to service the debt of the general obligation bonds. The decreases in 2018 and 2019 were reductions in principal resulting from debt service payments.

Also outstanding at June 30, 2018 and 2019 are three capital leases payable totaling $9.5 million and $7.0 million, respectively, for the purchase of the McAlister Square Mall, the construction of the first buildings on each of the Benson and Brashier Campuses and Brashier Middle College. State appropriations were designated to cover the debt service on the McAlister Square Mall but reductions in the appropriations have resulted in a shortfall that the college is currently funding. Rental income from the Middle College covers approximately 50 percent of the payments for that lease. For additional information on debt administration, please refer to Notes 15 and 16.

Economic Factors

South Carolina's General Fund revenue collections increased $696.1 million or 8.0 percent in fiscal year 2019; the largest increase in State history. The general fund growth rate for the State for fiscal year 2018 was 6.4 percent. While this news is encouraging, there is no expectation of significant increases in state appropriations in the near future.

In fiscal year 2019, appropriations from the state to the college for operations remained stable at $18.6 million, while appropriations decreased by 5.1 percent in fiscal year 2018. State appropriations for capital expenditures were $1.1 million in fiscal year 2019, a decrease of $0.1 million from 2018. Appropriations for capital expenditures were $1.2 million in fiscal year 2018, a decrease of $5.1 million from the previous year. The decrease was the result of a one-time appropriation for equipment for the Center for Manufacturing Innovation in fiscal year 2017.

State funding for college operations is expected to increase slightly in for the 2020 fiscal year. The college anticipates an increase in funding for benefits that will help to offset the 2.0 percent increase in employee salaries and the 1.0 percent increase in the contribution to the State retirement fund. While it is encouraging, the increase in state funding may not be sufficient to cover the mandatory cost increases for state employees' salaries and benefits. Going forward the college expects slight decreases in state appropriations as a result of changes in the funding formula that allocates funds to the individual colleges from the System Office.

While the college makes every effort to keep tuition costs to a minimum, state appropriations comprise a lower percent of the college's operating budget than they have been in the past making the college more dependent on tuition revenues from students. As a result, federal and state financial aid programs are an increasingly important factor in the financial well-being of the college.

The college continues to operate on a fiscally sound basis and is conservative in planning and budgeting. The current financial position is stable and current appropriations and tuition revenues are adequate to fund the operations for the next year.

Component Unit

It has been determined that the Greenville Tech Foundation is a component unit of Greenville Technical College. The foundation's financial statements are included in this report and supplemental information is included in Note 25. Additional information regarding the foundation can be obtained by mailing a request to Greenville Tech Foundation, Inc. PO Box 5616, Greenville, SC 29606-5616.

Section 59-53-2410 of the South Carolina code of Laws creates the Greenville Technical College Enterprise Campus Authority (the "authority"). For accounting purposes, the authority is considered a component unit of Greenville Technical College. The legislation establishing the authority requires that the members of the College's Area Commission also constitute the Board of the authority. The authority's financial activity is blended in the financial statements of the college. The college commonly refers to the authority as the Center for Manufacturing Innovation.

Acknowledgements

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff. I would like to express appreciation to all the employees who assisted in the timely closing of the college's financial records and the preparation of this report. In addition, I would like to express my appreciation to the other departments and individuals who assisted in the preparation of this report. Finally, I would like to thank the dedicated staff of our external auditors Cline, Brandt and Kochenower for their guidance.

Jacqueline R. DiMaggio
Vice President for Finance




FINANCIAL SECTION:

Basic Financial Statements

A COMPONENT UNIT OF THE STATE OF SOUTH CAROLINA

GREENVILLE TECHNICAL COLLEGE
Statement of Net Position
June 30, 2019 and June 30, 2018

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 21,803,773	$ 16,636,507
Investments	20,895,368	18,476,196
Accounts Receivable, Net	2,361,070	6,132,601
Bond Proceeds Receivable	-	-
Inventories	2,318,768	2,585,951
Other Assets	1,683,089	2,316,041
Total Current Assets	49,062,068	46,147,296
NONCURRENT ASSETS		
Investments	9,000,000	12,000,000
Capital Assets, Net of Accumulated Depreciation	112,001,812	117,589,568
Total Noncurrent Assets	121,001,812	129,589,568
Total Assets	170,063,880	175,736,864
DEFERRED OUTFLOWS OF RESOURCES	15,520,151	17,101,419
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	2,086,720	2,218,126
Accrued Payroll and Related Liabilities	1,775,845	1,780,822
Long Term Liabilities - Current Portion	3,168,413	5,315,578
Unearned Revenue	7,685,600	7,624,661
Funds Held for Others	459,603	475,990
Total Current Liabilities	15,176,181	17,415,177
NONCURRENT LIABILITIES		
Bonds Payable	31,264,941	33,874,941
Capital Leases Payable	6,790,000	6,990,000
Compensated Absences Payable	3,186,722	3,089,766
Net Pension Liability	89,763,398	90,333,197
Net Other Post Employment Benefits	74,240,193	71,702,963
Total Noncurrent Liabilities	205,245,254	205,990,867
Total Liabilities	220,421,435	223,406,044
DEFERRED INFLOWS OF RESOURCES	9,144,248	9,739,560
NET POSITION		
Net Investment in Capital Assets	71,136,871	71,698,662
Restricted For:		
Expendable:		
Capital Projects	3,752,004	767,159
Unrestricted (note 11)	(118,870,527)	(112,773,142)
Total Net Position	$ (43,981,652)	$ (40,307,321)

GREENVILLE TECHNICAL COLLEGE
Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2019 and June 30, 2018

	2019	2018
REVENUES		
OPERATING REVENUES		
Student Tuition and Fees (Net)	$ 23,649,887	$ 24,546,247
Federal Grants and Contracts	3,711,113	3,881,802
State Grants and Contracts	15,385,137	15,810,843
Sales and Services of Educational Departments	652,164	606,070
Auxiliary Enterprises (Net)	3,685,884	4,153,177
Other Operating Revenues	2,523,277	2,485,369
Total Operating Revenues	49,607,462	51,483,508
EXPENSES		
OPERATING EXPENSES		
Salaries	44,913,938	46,536,709
Benefits	20,608,621	20,840,026
Scholarships and Fellowships	9,346,983	10,962,370
Utilities	2,959,031	2,946,018
Supplies and Other Services	18,695,975	16,944,637
Depreciation	6,203,295	5,479,476
Total Operating Expenses	102,727,843	103,709,236
Operating Income (Loss)	(53,120,381)	(52,225,728)
NONOPERATING REVENUES (EXPENSES)		
State Appropriations	18,628,758	18,581,382
County Appropriations	13,281,879	12,746,627
Interest Income	1,059,386	599,628
Gain (Loss) on Disposal of Capital Assets	(2,300,369)	82,978
Interest Expense on Capital Asset Related Debt	(1,547,850)	(1,093,772)
Federal Grants and Contracts	17,878,848	20,909,400
State and Local Grants and Contracts	1,073,839	714,937
Net Nonoperating Revenues	48,074,491	52,541,180
Income (Loss) Before Other Revenues, Expenses, Gains or Losses	(5,045,890)	315,452
State Capital Appropriations	1,166,982	1,247,350
Capital Donation	204,577	-
Increase (Decrease) in Net Position	(3,674,331)	1,562,802
NET POSITION		
Net Position - Beginning of Year	(40,307,321)	(41,870,123)
Net Position - End of Year	$ (43,981,652)	$ (40,307,321)

SEE NOTES TO FINANCIAL STATEMENTS

GREENVILLE TECHNICAL COLLEGE
Statement of Cash Flows
For the Years Ended June 30, 2019 and June 30, 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and Fees	$ 26,814,552	$ 23,004,522
Federal, State and Local Grants and Contracts	20,239,975	18,395,534
Federal Student Loan Proceeds	15,961,305	21,026,078
Sales and Services of Educational Departments	642,493	616,854
Auxiliary Enterprise Charges	3,953,067	4,340,883
Other Receipts	2,470,478	2,274,943
Federal Student Loans Disbursed	(15,969,216)	(21,186,343)
Payments to Vendors	(48,618,854)	(48,039,314)
Payments to Employees	(44,693,975)	(47,873,340)
Net Cash Provided (Used) by Operating Activities	(39,200,175)	(47,440,183)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations	18,660,731	18,581,382
County Appropriations	13,691,985	12,286,286
State, Local and Federal Grants, Gifts and Contracts - Non Operating	19,458,907	21,634,649
Net Cash Flows Provided by Noncapital Financing Activities	51,811,623	52,502,317
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
State Appropriations	594,390	594,390
Donation	42,664	1,000,000
Purchase of Capital Assets	(2,915,907)	(1,300,304)
Expenditure of bond proceeds held by county	-	1,280,719
Principal Paid on Capital Debt	(5,025,965)	(5,248,484)
Interest Paid on Capital Debt	(1,557,660)	(1,616,267)
Net Cash Provided by Capital and Related Financing Activities	(8,862,478)	(5,289,946)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales and Maturities of Investments	3,064,588	15,467,837
Interest on Investments	353,708	360,455
Purchase of Investments	(2,000,000)	(31,733,482)
Net Cash Flows Provided (Used) by Investing Activities	1,418,296	(15,905,190)
Net Increase (Decrease) in Cash	5,167,266	(16,133,002)
Cash - Beginning of Year	16,636,507	32,769,509
Cash - End of Year	$ 21,803,773	$ 16,636,507
Reconciliation of Net Operating Revenue (Expenses) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	$ (53,120,381)	$ (52,225,728)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Depreciation Expense	6,203,295	5,479,476
Change in Assets and Liabilities		
Receivables, Net	4,362,184	(3,727,823)
Inventories	267,183	187,706
Deferred Charges and Prepaid Expenses	113,675	37,801
Accounts Payable	(44,271)	(656,421)
Compensated Absences	165,756	(948,226)
Net Pension Liability & Deferred Inflows/Outflows	2,924,605	3,931,366
Unearned Revenue	(64,420)	588,288
Deposits Held for Others	(7,802)	(106,622)
Net Cash Provided (Used) by Operating Activities	$ (39,200,176)	$ (47,440,183)

COMPONENT UNIT OF GREENVILLE TECHNICAL COLLEGE
GREENVILLE TECH FOUNDATION, INC. AND SUBSIDARIES
Component Unit Consolidated Statement of Financial Position
December 31, 2018 and December 31, 2017

	2018	2017
ASSETS		
Unrestricted cash and cash equivalents	$ 997,351	$ 1,181,553
Restricted cash and cash equivalents	4,782,694	3,326,332
Pledges reveivable, net	2,248,255	1,163,058
Student loans receivable	1,219	755
Accounts receivable, net (includes interest $5,911)	151,696	120,334
Interest receivable	5,911	2,091
Prepaid expenses	87,138	63,875
Investments	11,537,521	11,937,890
Notes receivable	404,780	404,780
Property and equipment, net	23,883,859	24,393,517
Cash surrender value of life insurance	52,314	49,781
Charitable remainder trusts receivables	95,623	124,559
Total assets	$ 44,248,361	$ 42,768,525
LIABILITIES		
Accounts payable and accrued expenses	$ 227,294	$ 180,983
Deferred rental income	131,487	96,402
Due to related party - security deposit	400,000	400,000
Customer deposits	56,622	82,545
Bonds payable	6,866,765	7,050,445
Notes payable	9,580,617	10,067,005
Interest rate swaps	1,592,941	2,108,869
Total liabilities	18,855,726	19,986,249
NET ASSETS		
Without donor restrictions		
Undesignated	6,594,497	4,708,818
Board designated	2,091,673	2,261,425
Total net assets without donor restrictions	8,686,170	6,970,243
With donor restrictions	16,706,465	15,812,033
Total net assets	25,392,635	22,782,276
Total liabilities and net assets	$ 44,248,361	$ 42,768,525

SEE NOTES TO FINANCIAL STATEMENTS

COMPONENT UNIT OF GREENVILLE TECHNICAL COLLEGE

GREENVILLE TECH FOUNDATION, INC. AND SUBSIDARIES

Component Unit Consolidated Statement of Activities for Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Contributions	$ 829,704	$ 2,606,498	$ 3,436,202
Property and equipment donations	41,187	42,700	83,887
Change in reserve for uncollectible accounts	(3,374)	-	(3,374)
Charitable trusts, change in value	(28,936)	-	(28,936)
Interest and dividend income	111,332	286,128	397,460
Management fee income	36,000	-	36,000
Rental income	4,635,977	-	4,635,977
Realized and unrealized gains (losses) on investments	(215,909)	(485,273)	(701,182)
Interest rate swaps - change in market value	515,927	-	515,927
Gain (loss) on sale of property	61	40	101
Miscellaneous	127,457	(75,496)	51,961
	6,049,426	2,374,597	8,424,023
Transfers	121,579	(121,579)	-
Net assets released from restrictions	1,358,586	(1,358,586)	-
Total support and revenue	7,529,591	894,432	8,424,023
Expenses			
College support:			
Scholarships	486,474	-	486,474
Student programs	60,040	-	60,040
College faculty/staff development	17,219	-	17,219
College departmental supplies and activities	148,703	-	148,703
College support - building improvements/equipment	347,090	-	347,090
Equipment purchases/gifts in kind	83,887	-	83,887
Professional services and other fees	79,642	-	79,642
Other college support	176,718	-	176,718
GTF Brashier Charter School	17,603	-	17,603
GTF Student Housing	988,730	-	988,730
Depreciation	695,981	-	695,981
Interest expense	804,099	-	804,099
Uncollectible student loans	150	-	150
Total program expenses - college support	3,906,336	-	3,906,336
Operations:			
Building and grounds upkeep	531,499	-	531,499
Compensation	380,030	-	380,030
Depreciation	380,213	-	380,213
Insurance	33,041	-	33,041
Investment management fees	54,107	-	54,107
Liability, employee bond	9,293	-	9,293
Miscellaneous expense	13,698	-	13,698
Office expenses and supplies	50,081	-	50,081
Professional and other fees	108,656	-	108,656
Property and other miscellaneous taxes	61,384	-	61,384
Software updates/maintenance fee	33,210	-	33,210
Telecommunications/user fees	30,574	-	30,574
Utilities	178,130	-	178,130
Total management and general - operations	1,863,916	-	1,863,916
Fundraising expenses	43,412	-	43,412
Total expenses	5,813,664	-	5,813,664
Change in net assets	1,715,927	894,432	2,610,359
Net assets, beginning of year	6,970,243	15,812,033	22,782,276
Net assets, end of year	$ 8,686,170	$ 16,706,465	$ 25,392,635

COMPONENT UNIT OF GREENVILLE TECHNICAL COLLEGE

GREENVILLE TECH FOUNDATION, INC. AND SUBSIDARIES

Component Unit Consolidated Statement of Activities for Year Ended December 31, 2017

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Contributions	$ 74,699	$ 1,767,616	$ 1,842,315
Property and equipment donations	475,445	42,786	518,231
Change in reserve for uncollectible accounts	(842)	(20,361)	(21,203)
Charitable trusts, change in value	21,822	-	21,822
Interest and dividend income	172,511	210,869	383,380
Management fee income	110,000	-	110,000
Rental income	4,531,917	-	4,531,917
Realized and unrealized gains on investments	306,803	1,063,218	1,370,021
Interest rate swaps - change in market value	271,131	-	271,131
Gain (loss) on sale of property	158	-	158
Miscellaneous	42,784	-	42,784
	6,006,428	3,064,128	9,070,556
Transfers	194,132	(194,132)	-
Net assets released from restrictions	2,109,677	(2,109,677)	-
Total support and revenue	8,310,237	760,319	9,070,556
Expenses			
College support:			
Scholarships	262,744	-	262,744
Student programs	66,981	-	66,981
College faculty/staff development	13,895	-	13,895
College departmental supplies and activities	204,309	-	204,309
College support - building improvements/equipment	1,278,392	-	1,278,392
Equipment purchases/gifts in kind	518,231	-	518,231
Professional services and other fees	96,675	-	96,675
Other college support	181,802	-	181,802
GTF Brashier Charter School	12,045	-	12,045
GTF Student Housing	911,682	-	911,682
Depreciation	679,438	-	679,438
Interest expense	780,779	-	780,779
Uncollectible student loans	400	-	400
Total program expenses - college support	5,007,373	-	5,007,373
Operations:			
Building and grounds upkeep	514,559	-	514,559
Compensation	322,625	-	322,625
Depreciation	354,369	-	354,369
Insurance	29,648	-	29,648
Investment management fees	82,905	-	82,905
Liability, employee bond	9,646	-	9,646
Miscellaneous expense	16,214	-	16,214
Office expenses and supplies	47,057	-	47,057
Professional and other fees	161,886	-	161,886
Property and other miscellaneous taxes	60,437	-	60,437
Software updates/maintenance fee	22,828	-	22,828
Telecommunications/user fees	30,231	-	30,231
Utilities	157,139	-	157,139
Total management and general - operations	1,809,544	-	1,809,544
Fundraising expenses	46,313	-	46,313
Total expenses	6,863,230	-	6,863,230
Change in net assets	1,447,007	760,319	2,207,326
Net assets, beginning of year	5,523,236	15,051,714	20,574,950
Net assets, end of year	$ 6,970,243	$ 15,812,033	$ 22,782,276

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

B. Reporting Entity: The financial reporting entity, as defined by the Governmental Accounting Standards Board (GASB) consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete. Accordingly, the financial statements include the accounts of Greenville Technical College, as the primary government, Greenville Technical College Enterprise Campus Authority (the "Authority") and the accounts of Greenville Tech Foundation, Inc. (the "Foundation"), its component unit.

During fiscal year 2012-13, the State of South Carolina implemented GASB Statement No. 61, The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34. As a result of this implementation, the college will now be reported as a discretely presented component unit on the State of South Carolina's Comprehensive Annual Financial Report. Discrete presentation entails reporting component unit financial data in one or more columns separate from the financial data of the primary government instead of blending the College's financial information into the State's financial information.

Section 59-53-2410 of the South Carolina Code of Laws creates the Greenville Technical College Enterprise Campus Authority (Authority). For accounting purposes, the Authority is considered a component unit of Greenville Technical College. The legislation establishing the Authority requires that the members of the College's Area Commission also constitute the Board of the Authority. The Authority's financial activity is blended in the financial statements of the college. The college commonly refers to the Authority as the Center for Manufacturing Innovation.

The Foundation is a legally separate, tax-exempt component unit of the college. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the college in support of its programs. The 35-member Board of the Foundation is self-perpetuating and consists of community leaders, friends of the college, and graduates. Although the college does not control the timing or amount of receipts from the Foundation, the majority of resources or income thereon, which the Foundation holds and invests are restricted to the activities of the college by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the college, the Foundation is considered a component unit of the college. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

The Foundation is a private not-for-profit organization that reports its financial results under Financial Accounting Standards Board (FASB) Statements. Most significant to the Foundation's operations and reporting model are FASB Statement No. 116, *Accounting for Contributions Received and Contributions Made,* and FASB Statement No. 117, *Financial Reporting for Not-for-Profit Organizations.* As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the college's financial reporting entity for these differences. However, significant note disclosures to the Foundation's financial statements have been incorporated into the college's notes to the financial statements. (See Note R within this Summary of Significant Accounting Policies and Note 25.)

Financial statements for the Foundation can be obtained by mailing a request to Greenville Tech Foundation, Inc. PO Box 5616, MS 6002, Greenville, SC 29606-5616.

C. Financial Statements: The financial statements are presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities.* The financial statement presentation

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

C. Financial Statements, continued

required by GASB Statements No. 34 and No. 35 provides a comprehensive, entity-wide perspective of the college's assets, liabilities, net assets, revenues, expenses, changes in net assets and cash flows that replaces the fund-group perspective previously required. As of June 30, 2013, the College adopted accounting guidance, GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.

The College implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position in the financial statements for the fiscal year ended June 30, 2013. This statement amends the net asset reporting requirements in Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position rather than net assets. This statement had no significant impact on the College for the fiscal year ended June 30, 2013.

During the fiscal year ending June 30, 2014, Greenville Technical College implemented GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements, deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. Greenville Technical College implemented retroactively to July 1, 2011 for purposes of management discussion and analysis and all statements illustrated.

Prior to the implementation of Statement No. 65, Greenville Technical College amortized bond issuance costs over the life of the bond. Upon implementation of Statement No. 65, Greenville Technical College eliminated any bond issuance costs associated with prior year bond issues and expensed bond issuance costs in the year which they occurred. For refunding bond issues resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is now reported as a deferred outflow of resources.

Effective for the fiscal year ending June 30, 2015, the college adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions an amendment of GASB Statement No. 27. The college will now report its proportionate share of the State of South Carolina's net pension liability. Changes in net pension liability not included in pension expense are reported as deferred outflows of resources or deferred inflows of resources. Employer contributions subsequent to the measurement date of the net pension liability are reported as deferred outflows of resources. See note 9 for further discussion of this change.

Effective for the fiscal year ending June 30, 2018, the college adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The college will now report its proportionate share of the State of South Carolina's net OPEB liability. Changes in net OPEB liability not included in pension expense are reported as deferred outflows of resources or deferred inflows of resources. Employer contributions subsequent to the measurement date of the net pension liability are reported as deferred outflows of resources. See note 10 for further discussion of this change.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources until that time.

For the years ended June 30, 2018 and June 30, 2019, Deferred Outflows of Resources are $17,101,419 and $15,520,151, respectively, and impact the college as follows:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

C. Financial Statements, continued:

	FY 2018 Deferred Outflows Amount	FY 2018 Amortized Portion of Deferred Outflows	FY 2019 Deferred Outflows Amount	FY 2019 Amortized Portion of Deferred Outflows
Certificate of Participation Refinance	$ 48,000	$ 48,000	$ 48,000	$ -
2014A GOB Refinance	3,090	30,892	3,089	27,803
2015 COP Refinance	34,975	34,975	34,975	-
2016 GOB Refinance	28,783	402,955	28,782	374,173
Contributions to Pension Plan	(758,974)	14,005,884	2,927,252	11,078,632
Other Post Employment Benefits	(374,771)	2,578,713	(1,460,830)	4,039,543
	$ (1,018,897)	$ 17,101,419	$ 1,581,268	$ 15,520,151

D. 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 stipends and other payments made directly are presented as scholarship expenses. All significant intra-institutional transactions have been eliminated.

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

F. Investments: Deposits and investments for the college are governed by the South Carolina Code of Laws, Section 11-9-660 "Investment 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 position. The college's investments include funds in the State Treasurer's local government investment pool and fully collateralized certificates of deposit.

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

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

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. Qualifying improvements that rest in or on the land itself are recorded as depreciable land improvements. Major additions, renovations and other improvements that add to the usable space, prepare existing buildings for new uses, or extend the useful life of an existing building are capitalized. The college capitalizes movable personal property with a unit value in excess of $5,000 and a useful life in excess of two years and depreciable land improvements, buildings and improvements, and intangible assets

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

I. Capital Assets, continued

costing in excess of $100,000. Routine repairs and maintenance and library materials, except individual items costing in excess of $5,000, are charged to operating expenses in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 15 to 50 years for buildings and improvements and land improvements and 2 to 25 years for machinery, equipment, and vehicles. Effective July 1, 2011, the college adopted a monthly depreciation convention for the straight-line method consistent with the policy of the State of South Carolina.

In fiscal year 2017 the U.S. Department of Labor Trade Adjustment Assistance Community College and Career Training grant (TAACCCT) ended. Greenville Technical College transferred title of equipment that was being held in the custody of the other colleges in the consortium to those colleges according to the terms of the grant. The equipment that was transferred had a total cost of $1,678,693 and $473,187 in related depreciation. In accordance with grant guidelines of U.S. Department of Labor, the college as fiscal agent purchased the equipment and therefore tracked, capitalized and depreciated the assets in accordance with the college's capitalization policy. However, title was vested with the U.S. Department of Labor until the end of the grant period.

J. Unearned Revenues and Deposits: Unearned revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Unearned revenues also include prepaid rent for the college's broadband licenses that will be recognized over the life of the lease. Unearned revenues also include amounts received from grant and contract sponsors that have not yet been earned.

Deposits represent student fee refunds and other miscellaneous deposits. Student deposits are recognized as revenue during the semester for which the fee is applicable and earned when the deposit is nonrefundable to the student under the forfeit terms of the agreement.

K. Compensated Absences: Employee vacation pay expense is accrued at year-end for financial statement purposes. The liability and expense incurred are recorded at year-end as a component of long-term liabilities in the statement of net position and as a component of benefit expenses in the statement of revenues, expenses, and changes in net position.

L. Net Position: The college's net position is classified as follows:

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

N. Classification of Revenues and Expenses, continued

Operating Revenues and Expenses: Operating revenues generally result from exchange transactions to provide goods or services related to the college's principal ongoing operations. These revenues include

(1) student tuition and fees received in exchange for providing educational services 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. Operating expenses include all expense transactions, incurred other than those related to investing, non-capital or non-capital financing activities.

Non-operating Revenues and Expenses: Non-operating revenues include activities that have the characteristics of non-exchange transactions. These revenues include gifts and contributions, appropriations, investment income, and any grants and contracts that are not classified as operating revenue or restricted by the grantor to be used exclusively for capital purposes. Due to the administrative involvement with Pell grant requirements and because Pell grants are non-exchange transactions, Pell grant receipts are recorded as non-operating revenues.

O. Sales and Services of Educational and Other Activities Revenues from sales and services of educational and other activities generally consist of amounts received from instructional activities that incidentally create goods and services which may be sold to students, faculty, staff, and the general public. The college receives such revenues primarily from Child Care Center operations.

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

Q. 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. In the fiscal year ended June 30, 2019, the college incurred $1,581,605 of interest expense, of which $1,547,850 was charged to expense, $0 was capitalized, and $33,755 was booked to reflect a decrease in bond interest payable. In the fiscal year ended June 30, 2018, the college incurred $1,725,528 of interest expense, of which $1,093,772 was charged to expense, $597,162 was capitalized, and $34,594 was booked to reflect a decrease in bond interest payable.

R. Component Unit:

Permanently Restricted Net Assets: Permanently Restricted Net Assets are subject to donor-imposed stipulations that require them to be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for general or specific purposes.

Temporarily Restricted Net Assets: Temporarily Restricted Net Assets are subject to donor-imposed stipulations that will be met by actions of the Foundation and/or passage of time.

Unrestricted Undesignated Net Assets: Unrestricted Undesignated Net Assets are not subject to donor-

Unrestricted Designated Net Assets: Unrestricted Designated Net Assets are not subject to donor-imposed restrictions but subject to Foundation Board imposed stipulations.

Revenues are reported as increases in unrestricted net assets classification unless use of the related assets is limited by donor-imposed restrictions. Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Contributions for in-kind gifts from outside sources are not recorded in the Foundation's financial records, but are accounted for and acknowledged separately.

Expenses are reported as decreases in the unrestricted undesignated or unrestricted designated net assets as appropriate. Gains and losses on investments and other assets or liabilities are reported as increases or decreases

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

R. Component Unit, continued

in unrestricted undesignated or unrestricted designated net assets unless their use is restricted by explicit donor stipulation or by law.

Investments are reported at fair value based upon quoted market prices.

NOTE 2 - STATE APPROPRIATIONS

Non-Capital Appropriations	**2019**	**2018**
Current Years Appropriations:		
Per Annual Appropriations Act	$17,567,614	$17,534,970
STEM Equipment/Repair	-	475,790
High Demand Job Training Equipment	598,283	-
Lottery Allied Health	280,405	-
SC Education Lottery Technology Funds	182,456	570,622
Total Non-Capital Appropriations Recorded as Current Year Revenue	$18,628,758	$18,581,382
Capital Appropriations		
Current Years Appropriations:		
Per Annual Appropriations Act University Center	$ 594,390	$ 594,390
Per Annual Appropriations CMI Equipment	572,592	652,960
Total Capital Appropriations Recorded as Current Year Revenue	$ 1,166,982	$ 1,247,350

NOTE 3 – CASH, DEPOSITS AND INVESTMENTS

DEPOSITS:

State Law requires that a bank or savings and loan association receiving State funds must secure the deposits by deposit insurance, surety bonds, collateral securities, or letters of credit to protect the State against any loss.

Custodial Credit Risk

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

Greenville Technical College's policy is to invest all available funds in accounts that will provide maximum return on investment with the least possible risk. Funds will only be deposited with financial institutions that are insured and guaranteed by FDIC, or other Federal or State Regulatory Agencies. There have not been any violations of these policies.

The deposits for Greenville Technical College at June 30, 2019, were $23,207,651. Of these, $0 was exposed to custodial credit risk as uninsured and uncollateralized. The balance of $23,207,651 was fully collateralized with securities held by the pledging institution in the college's name. The deposits for Greenville Technical College at June 30, 2018, were $17,879,739. Of these, $0 was exposed to custodial credit risk as uninsured and uncollateralized. The balance of $17,879,739 was fully collateralized with securities held by the pledging institution in the college's name.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. Greenville Technical 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.

NOTE 3 – CASH, DEPOSITS AND INVESTMENTS, continued

INVESTMENTS
The college is authorized, by the South Carolina Code of Laws, Section 11-9-660, to invest in obligations of the United States and its agencies, obligations of the State of South Carolina and its political subdivisions, collateralized or federally insured certificates of deposit, and collateralized repurchase agreements. 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 college's investments at June 30, 2019 which are not with the State Treasurer's Office are presented below. All investments are certificates of deposit maturing between August 2019 and May 2020 and are backed by an irrevocable letter of credit or securities pledged in the college's name.

Greenville Technical College Investments

		Investment Maturities (in years)			
Investment Type	**Fair Value Amount**	**Less than 1**	**1-5**	**6-10**	**More than 10**
Certificates of Deposit backed by :					
Federal Home Loan Bank	$ 12,000,000	$ 3,000,000	$ 9,000,000	$ -	$ -
	$ 12,000,000	$ 3,000,000	$ 9,000,000	$ -	$ -

The college's investments at June 30, 2018 which are not with the State Treasurer's Office are presented below. All investments are certificates of deposit maturing between August 2018 and May 2019 and are backed by an irrevocable letter of credit or securities pledged in the college's name.

Greenville Technical College Investments

		Investment Maturities (in years)			
Investment Type	**Fair Value Amount**	**Less than 1**	**1-5**	**6-10**	**More than 10**
Certificates of Deposit backed by :					
Federal Home Loan Bank	$ 15,000,000	$ 3,000,000	$12,000,000	$ -	$ -
	$ 15,000,000	$ 3,000,000	$12,000,000	$ -	$ -

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

The college's policy concerning custodial credit risk is to invest all available funds in accounts that will provide maximum return on investment with the least possible risk. Funds will only be deposited with financial institutions that are insured and guaranteed by FDIC, or other Federal or State Regulatory Agencies. There have not been any violations of these policies.

At June 30, 2019, the investments not with the State Treasurer's office for Greenville Technical College were $12,000,000. Of these, $0 was exposed to custodial credit risk as uninsured and uncollateralized. The balance of $12,000,000 was collateralized with securities held by the pledging institution in the college's name, or supported by an irrevocable letter of credit. At June 30, 2018, the investments not with the State Treasurer's office for

NOTE 3 – CASH, DEPOSITS AND INVESTMENTS, continued

Custodial Credit Risk, continued

Greenville Technical College were $15,000,000. Of these, $0 was exposed to custodial credit risk as uninsured and uncollateralized. The balance of $15,000,000 was collateralized with securities held by the pledging institution in the college's name, or supported by an irrevocable letter of credit. The college recognized no losses due to the default by counterparts to investment transactions.

Credit Risk

Credit risk is the risk that an insurer or other counterparty to an investment will not fulfill its obligations.

The college's policy concerning custodial credit risk is to invest all available funds in accounts that will provide maximum return on investment with the least possible risk. Funds will only be deposited with financial institutions that are insured and guaranteed by FDIC, or other Federal or State Regulatory Agencies. There have not been any violations of these policies.

The college's rated debt investment as of June 30, 2019 and June 30, 2018 were rated by Moody's Investors Service and are listed below using the Moody's Investors Service rating scale.

Greenville Technical College Rated Debt Investments at June 30, 2019 and 2018

Rated Debt Investments	Fair Value	Quality Ratings				
		AAA	AA	A	A1	Unrated
2019 U.S. Agencies..........	$ 12,000,000	$ -	$ -	$ -	$ 12,000,000	$ -
2018 U.S. Agencies..........	$ 15,000,000	$ -	$ -	$ -	$ 15,000,000	$ -

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The college does not have a policy on concentration of credit risk.

Concentration of Credit Risk

At June 30, 2019 the college had all of its investments in fully collateralized certificates of deposits and the State Treasurer's local government investment pool. At June 30, 2018 the college had all of its investments in fully collateralized certificates of deposits and the State Treasurer's local government investment pool.

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 agree to pay face value for those securities if interest rates subsequently increase, thereby affording potential purchasers more favorable rates on essentially equivalent securities. The college does not have a policy concerning interest rate risk.

For the years ended June 30, 2019 and June 30, 2018, the previous tables show the investments by the specific method.

Foreign Currency Risk

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

NOTE 3 – CASH, DEPOSITS AND INVESTMENTS, continued

Foreign Currency Risk, continued

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

Statement of Net Position:	**2019**	**2018**
Cash and Cash Equivalents:		
Unrestricted	$ 21,803,773	$ 16,636,507
Total Cash and Cash Equivalents	$ 21,803,773	$ 16,636,507
Investments:		
Held by State Treasurer	$ 17,895,368	$ 15,476,196
Certificates of Deposit	12,000,000	15,000,000
Total Investments	$ 29,895,368	$ 30,476,196
Disclosure, Deposits and Investments:		
Cash and Cash Equivalents		
Demand Deposit Accounts	$ 21,496,560	$ 16,335,213
Held by State Treasurer	299,463	293,544
Cash on Hand	7,750	7,750
Total Cash and Cash Equivalents	$ 21,803,773	$ 16,636,507
Investments:		
Held by State Treasurer	$ 17,895,368	$ 15,476,196
Certificates of Deposit	12,000,000	15,000,000
Total Investments	$ 29,895,368	$ 30,476,196

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2019 and June 30, 2018, are summarized as follows:

	2019	**2018**
Student Accounts Net	$ 391,836	$ 132,384
Other Federal Grantors	872,174	989,499
Due from State	539,080	4,578,577
Accrued interest	330,000	108,082
Greenville Tech Foundation	194,047	236,451
Other	33,933	87,608
Net Accounts Receivable	$ 2,361,070	$ 6,132,601

Allowances for losses for student accounts receivable are established based upon actual losses experienced in prior years and evaluations of the current account portfolio. At June 30, 2019, the allowance for uncollectible student accounts is valued at $4,090,519. At June 30, 2018, the allowance for uncollectible student accounts is valued at $4,090,031.

NOTE 5 – BOND PROCEEDS RECEIVABLE

At June 30, 2019, the college had no outstanding bond proceeds receivable.

At June 30, 2018, the college had no outstanding bond proceeds receivable. The Series 2014 Greenville County General Obligation Bonds were issued on March 11, 2014 to finance the costs of acquisition, construction, renovation, installation and equipping of the Center for Manufacturing Innovation (CMI). This project was completed during the fiscal year ended June 30, 2018. The bond proceeds were on deposit with the Greenville County Treasurer's Office and were drawn down as expenditures were made on the construction project. Interest earned on the escrow account totaled $11,481.62 for the fiscal year ended June 30, 2018. During the fiscal year ended June 30, 2018, project expenditures totaling $209,609.18 were drawn from the proceeds and the remaining proceeds of $851,772.44 were transferred to the debt service fund at the completion of the project.

For more information on the bond, refer to Note 15.

NOTE 6 - PLEDGES RECEIVABLE

The college has no pledges receivable during the years ended June 30, 2019 or June 30, 2018.

NOTE 7 - LOANS RECEIVABLE

At June 30, 2019 and June 30, 2018, the college has no loans receivable.

NOTE 8—CAPITAL ASSETS

The activity in the college's capital assets for the fiscal year ended June 30, 2019 is as follows:

	Ending Balance 30-Jun-18	Increases	Transfers	Decreases	Ending Balance 30-Jun-19
Capital assets not being depreciated:					
Land	$ 11,459,033	$ -	$ -	$ -	$ 11,459,033
Land Improvements	5,151,055	-	-	-	5,151,055
Construction in progress	6,085,480	1,535,916	(6,445,487)	-	1,175,909
Total capital assets not being depreciated	22,695,568	1,535,916	(6,445,487)	-	17,785,997
Other capital assets:					
Buildings and improvements	158,884,999	-	6,445,487	(4,698,521)	160,631,965
Machinery, equipment, and other	19,772,987	1,166,066	-	-	20,939,053
Depreciable Land Improvements	5,638,241	-	-	-	5,638,241
Vehicles	2,685,203	213,926	-	(105,538)	2,793,591
Total other capital assets at historical cost	186,981,430	1,379,992	6,445,487	(4,804,059)	190,002,850
Less accumulated depreciation for:					
Buildings and improvements	(72,430,693)	(4,330,415)	-	2,398,152	(74,362,956)
Machinery, equipment, and other	(15,290,151)	(1,483,504)	-	-	(16,773,655)
Depreciable Land Improvements	(2,035,335)	(313,476)	-	-	(2,348,811)
Vehicles	(2,331,251)	(75,900)	-	105,538	(2,301,613)
Total accumulated depreciation	(92,087,430)	(6,203,295)	-	2,503,690	(95,787,035)
Capital Assets, Net	$117,589,568	$(3,287,387)	$ 0	$(2,300,369)	$112,001,812

The Gain (Loss) on Disposal of Assets consisted of the following:	
Gain on sale of asset	$ -
Loss on Disposal	(2,300,369)
Net Gain (Loss) on Disposals	$ (2,300,369)

NOTE 8—CAPITAL ASSETS, continued

The activity in the college's capital assets for the fiscal year ended June 30, 2018 is as follows:

	Beginning Balance 30-Jun-17	Increases	Transfers	Decreases	Ending Balance 30-Jun-18
Capital assets not being depreciated:					
Land	$ 11,459,033	$ -	$ -	$ -	$ 11,459,033
Land Improvements	5,168,077	-	-	(17,022)	5,151,055
Construction in progress	31,646,354	1,217,023	(26,754,805)	(23,092)	6,085,480
Total capital assets not being depreciated	48,273,464	1,217,023	(26,754,805)	(40,114)	22,695,568
Other capital assets:					
Buildings and improvements	134,837,809	-	24,047,190	-	158,884,999
Machinery, equipment, and other	19,257,016	570,208	-	(54,237)	19,772,987
Depreciable Land Improvements	2,930,627	-	2,707,615	-	5,638,241
Vehicles	2,479,333	233,327	-	(27,457)	2,685,203
Total other capital assets at historical cost	159,504,785	803,535	26,754,805	(81,694)	186,981,430
Less accumulated depreciation for:					
Buildings and improvements	(68,681,497)	(3,749,197)	-	-	(72,430,694)
Machinery, equipment, and other	(13,895,541)	(1,448,847)	-	54,237	(15,290,151)
Depreciable Land Improvements	(1,793,398)	(241,937)	-	-	(2,035,335)
Vehicles	(2,319,213)	(39,495)	-	27,457	(2,331,251)
Total accumulated depreciation	(86,689,649)	(5,479,475)	-	81,694	(92,087,431)
Capital Assets, Net	$121,088,600	$(3,458,917)	$ 0	$ (40,114)	$117,589,568

The Gain (Loss) on Disposal of Assets consisted of the following:	
Gain on sale of asset	$ 82,978
Loss on Disposal	-
Net Gain (Loss) on Disposals	$ 82,978

NOTE 9 - PENSION PLAN(S)

Entity Description

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012 and governed by an 11-member Board, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. The Retirement Funding and Administration Act of 2017, which became effective July 1, 2017, increased the employer and employee contribution rates, established a ceiling on the SCRS and PORS employee contribution rates, lowered the assumed rate of return, required a scheduled reduction of the funding periods, and addressed various governance issues including the assignment of the PEBA Board as custodian of the retirement trust funds and assignment of the RSIC and PEBA as co-trustees of the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through the

NOTE 9 - PENSION PLAN(S), continued

Entity Description, continued

Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan Descriptions

The majority of employees of Greenville Technical College are covered by a retirement plan through the South Carolina Retirement System (SCRS), a cost–sharing multiple-employer defined benefit pension plan, which was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired employees of state agencies, institutions of higher education, public school districts and individuals first elected to the General Assembly at or after the general election in November 2012. State ORP participants direct the investment of their funds into an account administered by one of four third party record keepers.

The South Carolina Police Officers Retirement System (PORS), a cost–sharing multiple-employer defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

Membership

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

- SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.
- State ORP - As an alternative to membership in SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the S.C. General Assembly beginning with the November 2012 general election have the option to participate in the State ORP. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party record keepers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes. Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member's account with the ORP vendor for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.
- PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least $2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership

NOTE 9 - PENSION PLAN(S), continued

Membership, continued

prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the Code of Laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary. A brief summary of the benefit terms for each system is presented below.

- SCRS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

  The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.
- PORS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. If the scheduled employee and employer contributions provided in statute, or the rates last adopted by the board, are insufficient to maintain the amortization period set in statute, the board shall increase employer contribution rates as necessary.

After June 30, 2027, if the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than eighty-five percent, then the board, effective on the following July 1, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than eighty-five percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than eighty-five percent, then effective on the following July 1, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than eighty-five percent.

NOTE 9 - PENSION PLAN(S), continued

Contributions, continued

The Retirement System Funding and Administration Act establishes a ceiling on employee contribution rates at 9 percent and 9.75 percent for SCRS and PORS, respectively. The employer contribution rates will continue to increase annually by 1 percent through July 1, 2022. The legislation's ultimate scheduled employer rate is 18.56 percent for SCRS and 21.24 percent for PORS. The amortization period is scheduled to be reduced one year for each of the next 10 years to a twenty year amortization period.

Effective July 1, 2018, employees participating in the SCRS were required to contribute 9.00 percent of all earnable compensation. The employer contribution rate for SCRS was 20.61 percent, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Included in the total SCRS employer contribution rate is a base retirement contribution of 14.41 percent, 0.15 percent for the incidental death program and a 6.05 percent surcharge that will fund retiree health and dental insurance coverage. Employer contributions for State ORP include a 9.41 percent employer retirement contribution, 6.05 percent retiree insurance surcharge and 0.15 percent incidental death benefit. Greenville Technical College's actual contributions to the SCRS for the years ended June 30, 2019, 2018, and 2017 were approximately $4,802,762, $4,698,678, and $3,977,149, respectively, and equaled the base required retirement contribution rate, excluding surcharge, of 14.41 percent for 2019, 13.41 percent for 2018, and 11.41 percent for 2017. Also, the college paid employer incidental death program contributions of approximately $49,994, $52,558, and $52,285, at the rate of .15 percent of compensation for the fiscal years ended June 30, 2019, 2018, and 2017, respectively.

Deferred Inflows and Outflows of Resources related to Pensions

At June 30, 2019, Greenville Technical College reported a pension liability of $89,200,342 for SCRS. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2018, Greenville Technical College reported a pension liability of $89,697,728 for SCRS. The college's proportion of the net pension liability was based on a projection of the college's long-term share of contributions to the pension plan relative to the projected contributions of all participating agencies, actuarially determined. At June 30, 2018, the college's proportion of SCRS was 0.398095 percent, which was a decrease of 0.000356 percent from its proportion measured as of June 30, 2017 of 0.398451 percent.

For the year ended June 30, 2019, Greenville Technical College recognized pension expense of $7,485,682 for SCRS. The components of the June 30, 2019 expense are presented below.

Description	SCRS
Service Cost	$ 3,626,032
Interest on the Pension Liability	13,541,553
Member Contribtuion	(3,458,175)
Projected Earnings on Plan Investments	(7,238,677)
Administrative Expense	58,349
Other	6,106
Recognition of Outflow (Inflow) of Resources due to Liabilities	537,006
Recognition of Outflow (Inflow) of Resources due to Assets	413,488
Total Pension Expense	$ 7,485,682

At June 30, 2019, the college reported deferred outflows of resources and deferred inflows of resources related to those pensions from the following sources:

NOTE 9 - PENSION PLAN(S), continued

Deferred Inflows and Outflows of Resources related to Pensions, continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Experience	$ 161,018	$ 524,919
Assumption Changes	3,538,971	-
Investment	1,416,949	-
Changes in proportion and difference between Greenville Technical College contributions and proportionate share of plan contributions	-	1,786,803
Greenville Technical College contributions subsequent to the measurement date	5,777,904	-
Total	$ 10,894,842	$ 2,311,722

$5,777,904 reported as deferred outflows of resources related to pensions resulting from Greenville Technical College SCRS contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows or resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	2,437,185
2021	1,574,442
2022	(1,057,255)
2023	(149,156)
2024	-

For the year ended June 30, 2018, Greenville Technical College recognized pension expense of $7,912,018 for SCRS. At June 30, 2018, the college reported deferred outflows of resources and deferred inflows of resources related to those pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Experience	$ 399,872	$ 49,716
Assumption Changes	5,250,839	-
Investment	2,503,940	-
Changes in proportion and difference between Greenville Technical College contributions and proportionate share of plan contributions	-	2,910,650
Greenville Technical College contributions subsequent to the measurement date	5,595,230	-
Total	$ 13,749,881	$ 2,960,366

Effective July 1, 2018, employees participating in the PORS were required to contribute 9.75 percent of all earnable compensation. The employer contribution rate for PORS was 22.89 percent, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

NOTE 9 - PENSION PLAN(S), continued

Deferred Inflows and Outflows of Resources related to Pensions, continued

Included in the total PORS employer contribution rate is a base retirement contribution of 16.84 percent, 0.20 percent for the incidental death program, 0.20 percent for the accidental death program, and a 6.05 percent surcharge that will fund retiree health and dental insurance coverage. The college's actual contributions to the PORS for the years ended June 30, 2019, 2018, and 2017 were approximately $53,405, $43,567, and $43,232, respectively, and equaled the base retirement required contribution rate, excluding surcharge, of 16.84 percent for 2019, 15.84 percent for 2018, and 13.38 percent for 2017. The college also paid employer incidental death program contributions of approximately $634, $550, and $625, at the rate of 0.20 percent of compensation for the current fiscal years ended June 30, 2019, 2018, and 2017, respectively. In addition, the college paid accidental death program contributions of approximately $634, $550, and $625, at the rate of 0.20 percent of compensation for the current fiscal years ended June 30, 2019, 2018, and 2017, respectively.

At June 30, 2019, Greenville Technical College reported a pension liability of $563,056 for PORS. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2018, Greenville Technical College reported a pension liability of $635,469 for PORS. The college's proportion of the net pension liability was based on a projection of the college's long-term share of contributions to the pension plan relative to the projected contributions of all participating agencies, actuarially determined. At June 30, 2018, the college's proportion of PORS was 0.019871 percent, which was a decrease of 0.003329 percent from its proportion measured as of June 30, 2017 of 0.02320 percent.

For the year ended June 30, 2019, Greenville Technical College recognized pension expense of $114,765 for PORS. The components of the June 30, 2019 expense are presented below.

Description	PORS
Service Cost	$ 36,676
Interest on the Pension Liability	99,506
Member Contribtuion	(27,551)
Projected Earnings on Plan Investments	(61,321)
Administrative Expense	477
Other	(305)
Recognition of Outflow (Inflow) of Resources due to Liabilities	63,701
Recognition of Outflow (Inflow) of Resources due to Assets	3,582
Total Pension Expense	$ 114,765

At June 30, 2019, the college reported deferred outflows of resources and deferred inflows of resources related to those pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Experience	$ 17,349	$ -
Assumption Changes	37,125	-
Investment	11,259	-
Changes in proportion and difference between Greenville Technical College contributions and proportionate share of plan contributions	64,018	60,377
Greenville Technical College contributions subsequent to the measurement date	54,039	-
Total	$ 183,790	$ 60,377

NOTE 9 - PENSION PLAN(S), continued

Deferred Inflows and Outflows of Resources related to Pensions, continued

$54,039 reported as deferred outflows of resources related to pensions resulting from Greenville Technical College PORS contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	67,657
2021	19,489
2022	(12,220)
2023	(5,552)
2024	-

For the year ended June 30, 2018, Greenville Technical College recognized pension expense of $137,713 for PORS. At June 30, 2018, the college reported deferred outflows of resources and deferred inflows of resources related to those pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Experience	$ 5,667	$ -
Assumption Changes	60,312	-
Investment	22,644	-
Changes in proportion and difference between Greenville Technical College contributions and proportionate share of plan contributions	123,263	-
Greenville Technical College contributions subsequent to the measurement date	44,117	-
Total	$ 256,003	$ -

Under State law, contributions to the ORP are required at the same rates as for the SCRS, 14.56 percent plus the retiree surcharge of 6.05 percent from the employer in fiscal year 2019. Of the 14.56 percent employer retirement contribution rate, the employer remits 5.00 percent directly to the participant’s ORP account and the remaining 9.41 percent and 0.15 percent incidental death program contribution amounts are remitted to SCRS.

For fiscal year 2019, total contributions requirements to the ORP were approximately $1,394,497 (excluding the surcharge) from Greenville Technical College as employer and approximately $869,254 from its employees as plan members.

Actuarial Assumptions and Methods

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2015.

The June 30, 2018, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown were determined by the system’s consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on

NOTE 9 - PENSION PLAN(S), continued

Actuarial Assumptions and Methods, continued

an actuarial valuation performed as of July 1, 2017. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2018, using generally accepted actuarial principles.
The total pension liability in the June 30, 2018 actuarial valuation for SCRS was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry age normal
Investment rate of return	7.25 percent
Projected salary increases	3.0% to 12.5% (varies by service)*
Benefit adjustments	lesser of 1% or $500 annually

*Includes inflation at 2.25%

The total pension liability in the June 30, 2018 actuarial valuation for PORS was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry age normal
Investment rate of return	7.5 percent
Projected salary increases	3.5% to 9.5% (varies by service)*
Benefit adjustments	lesser of 1% or $500 annually

*Includes inflation at 2.25%

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina Mortality table (2016 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

Assumptions used in the determination of the June 30, 2018, TPL are as follows:

Former Job Class	Males	Females
Educators	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

Net Pension Liability

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2018, for SCRS and PORS are presented below.

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	$ 48,821,730,067	$ 26,414,916,370	$ 22,406,813,697	54.1%
PORS	$ 7,403,972,673	$ 4,570,430,247	$ 2,833,542,426	61.7%

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

NOTE 9 - PENSION PLAN(S), continued

Net Pension Liability, continued

South Carolina Retirement System (SCRS) and Police Officers' Retirement System (PORS) are in a net cash outflow position with benefit payments exceeding contributions; therefore, investment performance must make up this gap before fiduciary net position can grow. For the plan year ended June 30, 2017, investments earned 11.88 percent. Coupled with the annual increase in the total pension liability, this led to a $1.15 billion and $203 million increase in the NPL for SCRS and PORS, respectively, for the measurement period ended June 30, 2017. Investments earned 7.91 percent during the plan year ended June 30, 2018. Coupled with the annual increase in the total pension liability, this led to a $105 million and $94 million increase in the NPL for SCRS and PORS, respectively, for the measurement period ended June 30, 2018.

Pension Expense

Components of the collective Pension expense for the fiscal year ended June 30, 2018 are presented below.

Description	SCRS	PORS
Service Cost	$ 910,845,791	$ 184,570,134
Interest on the Pension Liability	3,401,588,327	500,758,092
Member Contribution	(868,680,866)	(138,651,741)
Projected Earnings on Plan Investments	(1,818,328,919)	(308,597,132)
Administrative Expense	14,657,171	2,401,003
Other	1,533,915	(1,533,915)
Recognition of Outflow (Inflow) of Resources due to Liabilities	435,786,004	113,185,596
Recognition of Outflow (Inflow) of Resources due to Assets	103,866,771	18,025,866
Total Aggregate Pension Expense	**$2,181,268,194**	**$ 370,157,903**

Aggregate Pension Inflows and Outflows

SCRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Experience	$ 40,447,039	$ 131,857,891
Assumption Changes	888,977,047	-
Investment Experience	1,109,452,406	753,519,716
Total	**$ 2,038,876,492**	**$ 885,377,607**

PORS	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Experience	$ 87,306,019	$ -
Assumption Changes	186,829,283	-
Investment Experience	175,437,496	118,773,458
Total	**$ 449,572,798**	**$ 118,773,458**

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon 30 year capital market assumptions. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2018 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is

NOTE 9 - PENSION PLAN(S), continued

Long-term Expected Rate of Return, continued

summarized in the table below. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Global Equity	**47.00%**		
Global Public Equity	33.00%	6.99%	2.31%
Private Equity	9.00%	8.73%	0.79%
Equity Options Strategies	5.00%	5.52%	0.28%
Real Assets	**10.00%**		
Real Estate (Private)	6.00%	3.54%	0.21%
Real Estate (REITs)	2.00%	5.46%	0.11%
Infrastructure	2.00%	5.09%	0.10%
Opportunistic	**13.00%**		
GTAA/Risk Parity	8.00%	3.75%	0.30%
Hedge Funds (non-PA)	2.00%	3.45%	0.07%
Other Oppurtunistic Strategies	3.00%	3.75%	0.11%
Diviersified Credit	**18.00%**		
Mixed Credit	6.00%	3.05%	0.18%
Emerging Markets Debt	5.00%	3.94%	0.20%
Private Debt	7.00%	3.89%	0.27%
Conservative Fixed Income	**12.00%**		
Core Fixed Income	10.00%	0.94%	0.09%
Cash and Short Duration (net)	2.00%	0.34%	0.01%
Total Expected Real Return	100.00%		5.03%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.28%

Discount Rate

The discount rate used to measure the TPL was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Sensitivity Analysis

The following presents Greenville Technical College's proportionate share of the net pension liabilities calculated using the discount rate of 7.25 percent, as well as what the college's proportionate share of the net pension liabilities would be if they were calculated using a discount rate that is 1.00 percent lower (6.25 percent) or 1.00 percent higher (8.25 percent) than the current rate.

NOTE 9 - PENSION PLAN(S), continued

Sensitivity Analysis, continued

Greenville Technical College proportional share of net pension liability	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
SCRS	$ 113,981,473	$ 89,200,342	$ 71,484,208
PORS	$ 759,069	$ 563,056	$ 402,504

NOTE 10 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSION

Plan Description

The Other Post-Employment Benefits Trust Funds (OPEB Trusts), collectively refers to the South Carolina Retiree Health Insurance Trust Fund (SCRHITF) and the South Carolina Long-Term Disability Insurance Trust Fund (SCLTDITF), were established by the State of South Carolina as Act 195, which became effective in May, 2008. The SCRHITF was created to fund and account for the employer costs of the State's retiree health and dental plans. The SCLTDITF was created to fund and account for the employer costs of the State's Basic Long-Term Disability Income Benefit Plan.

In accordance with Act 195, the OPEB Trusts are administered by the PEBA – Insurance Benefits and the State Treasurer is the custodian of the funds held in trust. The Board of Directors of PEBA has been designated as the Trustee.

The OPEB Trusts are cost-sharing multiple-employer defined benefit OPEB plans. Article 5 of the State Code of Laws defines the two plans and authorizes the Trustee to at any time adjust the plans, including its benefits and contributions, as necessary to insure the fiscal stability of the plans. 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.

Benefits

The SCRHITF is a healthcare plan that covers retired employees of the State of South Carolina, including all agencies, and public school districts. The SCRHITF provides health and dental insurance benefits to eligible retirees. 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 beginning employment May 2, 2008 and after, retirees are eligible for benefits if they have established 25 years of service for 100 percent employer funding and 15-24 years of service for 50 percent employer funding.

The SCLTDITF is a long-term disability plan that covers employees of the State of South Carolina, including all agencies and public school districts and all participating local governmental entities. The SCLTDITF provides disability payments to eligible employees that have been approved for disability.

Contributions and Funding Policies

Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires these post-employment and long-term disability benefits be funded through non-employer and employer contributions for active employees and retirees to the PEBA – Insurance Benefits. Non-employer contributions consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Benefits reserves.

The SCRHITF is funded through participating employers that are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office on active employee covered payroll. The covered payroll surcharge for the year ended June 30, 2018 was 5.50 percent. The South Carolina Retirement System collects the monthly covered payroll surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF also include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Non-

NOTE 10 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSION, continued

Contributions and Funding Policies, continued

employer contributions include the mandatory transfer of accumulated PEBA – Insurance Benefits' reserves and the annual appropriation budgeted by the General Assembly. It is also funded through investment income.

The SCLTDITF is funded through employer contributions for active employees that elect health insurance coverage. For this group of active employees, PEBA – Insurance Benefits bills and collects premiums charged to State agencies, public school districts and other participating local governments. The monthly premium per active employee was $3.22 for the fiscal year ended June 30, 2018. The SCLTDITF premium is billed monthly by PEBA – Insurance Benefits and transferred monthly to the SCLTDITF. It is also funded through investment income.

The allocation percentage of the OPEB amounts are calculated differently for each OPEB Trust. For the SCRHITF, the allocation percentage is based on the covered payroll surcharge contribution for each employer. Please note that actual covered payroll contributions received from SCRS for the fiscal year 2018 totaled $474,304,318. However, the covered payroll contributions total includes prior year covered payroll contribution adjustments and true-ups that net to a total of negative $511,143.

In accordance with part (b) of paragraph 69 of GASB Statement No. 75, participating employers should recognize revenue in an amount equal to the employer's proportionate share of the change in the collective net OPEB liability arising from contributions to the OPEB plan during the measurement period from non-employer contributing entities for purposes other than the separate financing of specific liabilities to the OPEB plan. Therefore, employers should classify this revenue in the same manner as it classifies grants from other entities.

For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Trusts, and additions to and deductions from the OPEB Trusts fiduciary net position have been determined on the same basis as they were reported by the OPEB Trusts. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Therefore, benefit and administrative expenses are recognized when due and payable. Investments are reported at fair value.

PEBA – Insurance Benefits issues audited financial statements and required supplementary information for the OPEB Trust Funds. This information is publicly available through the PEBA – Insurance Benefits' link on PEBA's website at www.peba.sc.gov or a copy may be obtained by submitting a request to PEBA – Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, OPEB Trust fund financial information is also included in the comprehensive annual financial report of the state.

Greenville Technical College paid approximately $2,621,089 and $2,484,538 applicable to the surcharge included with the employer contribution for retirement benefits for the fiscal years ended June 30, 2019 and 2018, respectively. Greenville Technical College recorded employer contributions expenses applicable to BLTD insurance benefits for active employees in the amount of approximately $23,841 and $24,913 for the years ended June 30, 2019 and 2018, respectively.

Deferred Outflows and Inflows of Resources related to Post-Employment Benefits Other Than Pensions
Greenville Technical College reported an OPEB (Other Post-Employment Benefits) liability for Retiree Health Insurance of $74,229,492 and $71,696,611 at June 30, 2019 and 2018, respectively. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The college's proportion of the OPEB Health Liability was 0.523838 percent and 0.529328 percent, as of June 30, 2019 and 2018, respectively.

Greenville Technical College recognized OPEB Health expense of $4,226,037 and $4,363,732 for OPEB Health for the years ended June 30, 2019 and 2018, respectively. The components of the June 30, 2019 expense are presented below.

NOTE 10 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSION, continued

Deferred Outflows and Inflows of Resources related to Post-Employment Benefits Other Than Pensions, continued

Description	SCRHITF
Service Cost	$ 2,730,100
Interest on the OPEB Liability	2,738,950
Projected Earnings on Plan Investments	(244,191)
OPEB Plan Administrative Expense	340
Recognition of Outflow (Inflow) of Resources due to Liabilities	(1,077,939)
Recognition of Outflow (Inflow) of Resources due to Assets	78,777
Total OPEB Expense	**$ 4,226,037**

At June 30, 2019, the college reported deferred outflows of resources and deferred inflows of resources related to Post-Employment Benefits Other Than Pensions (OPEB) for South Carolina Retiree Health Insurance Trust Fund (SCRHITF) from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Experience	$ 1,111,991	$ 25,864
Assumption Changes	-	6,044,520
Investment Experience	284,625	-
Outstanding balance between Greenville Technical College contributions and proportionate share of plan contributions	-	699,640
Greenville Technical College contributions subsequent to the measurement date	2,612,869	-
Total	$ 4,009,485	$ 6,770,024

$2,612,869 reported as deferred outflows of resources related to pensions resulting from Greenville Technical College OPEB Health Insurance contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB Health will be recognized in OPEB expense as follows:

Year ended June 30:	
2020	(999,062)
2021	(999,062)
2022	(999,062)
2023	(1,029,541)
2024	(1,077,838)
Thereafter	(268,840)

At June 30, 2018, the college reported deferred outflows of resources and deferred inflows of resources related to Post-Employment Benefits Other Than Pensions (OPEB) for South Carolina Retiree Health Insurance Trust Fund (SCRHITF) from the following sources:

NOTE 10 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSION, continued

Deferred Outflows and Inflows of Resources related to Post-Employment Benefits Other Than Pensions, continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Experience	$ -	$ 31,117
Assumption Changes	-	6,746,318
Investment Experience	123,195	-
Outstanding balance between Greenville Technical College contributions and proportionate share of plan contributions	-	1,026
Greenville Technical College contributions subsequent to the measurement date	2,427,544	-
Total	$ 2,550,739	$ 6,778,461

Greenville Technical College reported an OPEB liability for Long-Term Disability Insurance of $10,702 at June 30, 2019 and $6,353 at June 30, 2018. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The college's proportion of the OPEB Long-Term Disability Liability was 0.349607 percent and 0.350400 percent, for June 30, 2019 and 2018 respectively.

For the year ended June 30, 2019, Greenville Technical College recognized OPEB Long-Term Disability expense of $28,042 for OPEB Long-Term Disability. The components of the June 30, 2019 expense are presented below.

Description	SCLTDITF
Service Cost	$ 26,415
Interest on the OPEB Liability	5,179
Projected Earnings on Plan Investments	(5,093)
OPEB Plan Administrative Expense	35
Recognition of Outflow (Inflow) of Resources due to Liabilities	(239)
Recognition of Outflow (Inflow) of Resources due to Assets	1,745
Total OPEB Expense	**$ 28,042**

At June 30, 2019, the college reported deferred outflows of resources and deferred inflows of resources related to Post-Employment Benefits Other Than Pensions (OPEB) for South Carolina Long-Term Disability Insurance Trust Fund (SCLTDITF) from the following sources:

NOTE 10 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSION, continued

Deferred Outflows and Inflows of Resources related to Post-Employment Benefits Other Than Pensions, continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Experience	$ -	$ 654
Assumption Changes	-	697
Investment Experience	6,217	-
Outstanding balance between Greenville Technical College contributions and proportionate share of plan contributions	-	774
Greenville Technical College contributions subsequent to the measurement date	23,841	-
Total	$ 30,058	$ 2,125

$23,841 reported as deferred outflows of resources related to pensions resulting from Greenville Technical College OPEB Long-Term Disability Insurance contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB Long-Term Disability will be recognized in OPEB expense as follows:

Year ended June 30:	
2019	1,506
2020	1,506
2021	1,506
2022	743
2023	(239)
Thereafter	(932)

For the year ended June 30, 2018, Greenville Technical College recognized OPEB Long-Term Disability expense of $28,359 for OPEB Long-Term Disability. At June 30, 2018, the college reported deferred outflows of resources and deferred inflows of resources related to Post-Employment Benefits Other Than Pensions (OPEB) for South Carolina Long-Term Disability Insurance Trust Fund (SCLTDITF) from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Experience	$ -	$ -
Assumption Changes	-	576
Investment Experience	3,061	-
Outstanding balance between Greenville Technical College contributions and proportionate share of plan contributions	-	157
Greenville Technical College contributions subsequent to the measurement date	24,913	-
Total	$ 27,974	$ 733

NOTE 10 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSION, continued

Deferred Outflows and Inflows of Resources related to Post-Employment Benefits Other Than Pensions, continued

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plans (as understood by the employer and plan participants) and include the types of benefits provided at the time the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.
The following table provides a summary of the actuarial assumptions and methods used as of the latest actuarial valuation for SCRHITF:

Actuarial Assumptions:	**SCRHITF**
Valuation date	June 30, 2017
Actuarial cost method	Entry age normal
Inflation	2.25%
Investment rate of return	4.00, net of OPEB Plan investment expense; including inflation
Single discount rate	3.62% as of June 30, 2018
Demographic assumptions	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2015
Healthcare trend rate	Initial trend starting at 6.75% and gradually decreasing to an ultimate trend rate of 4.15% over a period of 14 years
Aging factors	Based on plan specific experience
Participation Assumption	79% for retirees that are eligible for Funded Premiums 59% for retirees that are eligible for Partial Funded Premiums 20% for retirees that are eligible for Non-Funded Premiums
Notes	The discount rate changed from 3.56% as of June 30, 2017 to 3.626% as of June 30, 2018. There was also a small change to the tables used to develop the age-adjusted retiree claims.

NOTE 10 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSION, continued

Deferred Outflows and Inflows of Resources related to Post-Employment Benefits Other Than Pensions, continued

The following table provides a summary of the actuarial assumptions and methods used in the June 30, 2018 actuarial valuation for SCLTDITF:

Actuarial Assumptions:	**SCLTDITF**
Valuation date	June 30, 2017
Actuarial cost method	Entry age normal
Inflation	2.25%
Investment rate of return	4.00, net of Plan investment expense; including inflation
Single discount rate	3.91% as of June 30, 2018
Salary, Termination, and Retirement Rates	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2015
Disability Incidence	The disability incidence rates used in the LTD valuation are based on the rates developed for the pension plans.
Disability Recovery	For participants in payment, 1987 CGDT Group Disability; for active employees, 60% were assumed to recover after the first year and 92% were assumed to recover after the first two years
Offsets	40% are assumed to be eligible for Social Security benefits; assumed percentage who will be eligible for a pension plan offset varies based on employee group
Expenses	Third party administrative expenses are included in the benefit projections.
Notes	The single discount rate changed from 3.87% as of June 30, 2017 to 3.91% as of June 30, 2018.

Net OPEB Liability

The Net OPEB Liability (NOL) is calculated separately for each OPEB Trust Fund and represents that particular Trust's Total OPEB Liability (TOL) determined in accordance with GASB No. 74 less that Trust's fiduciary net position. The allocation of each employer's proportionate share of the collective Net OPEB Liability and collective OPEB Expense was determined using the employer's payroll-related contributions over the measurement period. This method is expected to be reflective of the employer's long-term contribution effort as well as be transparent to individual employers and their external auditors.

The following table represents the components of the net OPEB liability as of June 30, 2018:

System	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
SCRHITF	$ 15,387,115,010	$ 1,216,530,062	$ 14,170,584,948	7.9%
SCLTIDTF	$ 39,261,091	$ 36,199,863	$ 3,061,228	92.2%

NOTE 10 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSION, continued

Net OPEB Liability, continued

The TOL is calculated by the Trusts' actuary, and each Trust's fiduciary net position is reported in the Trust's financial statements. The NOL is disclosed in accordance with the requirements of GASB No. 74 in the Trusts' notes to the financial statements and required supplementary information. Liability calculations performed by the Trusts' actuary for the purpose of satisfying the requirements of GASB Nos. 74 and 75 and are not applicable for other purposes, such as determining the Trusts' funding requirements.

OPEB Expense

Components of collective OPEB expense reported in the Schedule of OPEB Amounts by Employer for the fiscal year ended June 30, 2018 are presented below.

Description	SCRHITF	SCLTDITF
Service Cost	$ 521,172,493	$ 7,555,741
Interest on the OPEB Liability	522,862,057	1,481,366
Projected Earnings on Plan Investments	(46,615,784)	(1,456,890)
Administrative Expense	65,000	10,000
Recognition of Outflow (Inflow) of Resources due to	(184,224,861)	(43,948)
Recognition of Outflow (Inflow) of Resources due to	15,038,494	499,169
Total Aggregate OPEB Expense	**$ 828,297,399**	**$ 8,045,438**

Aggregate OPEB Inflows and Outflows

SCRHITF	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Experience	$ 212,281,767	$ 4,937,428
Assumption Changes	-	1,153,913,099
Investment Experience	54,335,519	-
Total	$ 266,617,286	$ 1,158,850,527

SCLTDITF	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Experience	$ -	$ 187,194
Assumption Changes	-	199,433
Investment Experience	1,778,295	-
Total	$ 1,778,295	$ 386,627

Single Discount Rate

The Single Discount Rate of 3.62 percent was used to measure the total OPEB liability for the SCRHITF. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the plan's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

A Single Discount Rate of 3.91 percent was used to measure the total OPEB liability for the SCLTDITF. This Single Discount Rate was based on an expected rate of return on plan investments of 4.00 percent and a municipal bond rate 3.56 percent. The projection of cash flows to determine this Single Discount Rate assumed that employer contributions will remain $38.64 per year for each covered active employee. Based on these assumptions, the plan's Fiduciary Net Position and future contributions were sufficient to finance the benefit payments through the year 2037. As a result, the long-term expected rate of return on plan investments was applied to project benefit payments through the year 2037, and the municipal bond rate was applied to all benefit payments after that date.

NOTE 10 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSION, continued

Long Term Expected Rate of Return

The long-term expected rate of return represents assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2017 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation. This information is summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Return	Allocation-Weighted Long-Term Expected Real Rate of Return
U.S. Domestic Fixed Income	80.00%	2.09%	1.67%
Cash	20.00%	0.84%	0.17%
Total	100.00%		1.84%
Expected Inflation			2.25%
Total Return			4.09%
Investment Return Assumption			4.00%

Sensitivity Analysis

The following table presents the College's proportionate share of the SCRHITF net other postemployment benefits (OPEB) liability calculated using the discount rate of 3.62 percent, as well as what the College's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.62 percent) or 1 percentage point higher (4.62 percent) than the current rate:

Sensitivity of the SCRHITF Net OPEB Liability to Changes in the Discount Rate

1.00% Decrease (2.62%)	Current Discount Rate (3.62%)	1.00% Increase (4.62%)
$87,449,472	$74,229,492	$63,573,141

Regarding the sensitivity of the SCRHITF's net OPEB liability to changes in the healthcare cost trend rates, the following table presents the plan's net OPEB liability, calculated using the assumed trend rates as well as what the plan's net OPEB liability would be if it were calculated using a trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

Sensitivity of the SCRHITF Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

1.00% Decrease	Current Healthcare Cost Trend Rate	1.00% Increase
$61,078,887	$74,229,492	$91,230,788

The following table presents the college's proportionate share of the SCLTDITF net OPEB liability calculated using the discount rate of 3.91 percent, as well as what the College's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.91 percent) or 1 percentage point higher (4.91 percent) than the current rate:

NOTE 10 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSION, continued

Sensitivity Analysis, continued

Sensitivity of the SCLTDITF Net OPEB Liability to Changes in the Discount Rate

1.00% Decrease (2.91%)	Current Discount Rate (3.91%)	1.00% Increase (4.91%)
$15,994	$10,702	$5,537

NOTE 11 - CONTINGENCIES, LITIGATION, AND PROJECT COMMITMENTS

The college is party to various lawsuits arising out of the normal conduct of its operations. In the opinion of college management, there are no material claims or lawsuits against the college that are not covered by insurance or whose settlement would materially affect the college's financial position.

The college participates in certain Federal grant programs. These programs are subject to financial and compliance audits by the grantor or its representative. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Management believes disallowances, if any, will not be material.

During fiscal year 2019 the college secured funding through the Greenville Tech Foundation for the Benson Campus Amphitheater. This project is expected to be completed during fiscal year 2020. In June of 2019 Building 602 was demolished. This was an old box store at McAlister Square where the Admissions and Registration Center (ARC) is located. This building was not renovated and deteriorated beyond the point of restoration. The remaining work related to this project will conclude during the 2019 calendar year. The college also began the process of moving the library from building 102 to building 105 in preparation of the renovation of building 102. Renovation of building 102 will start during calendar year 2019 and is expected to be completed by the end of calendar year 2020. The renovation of this building is being funded in part through a donation to the Greenville Tech Foundation and the college's plant fund.

In 2015, construction began on the Transportation Hub at South Carolina Technology and Aviation Center (SCTAC). This new facility is a joint use building between the South Carolina Army National Guard and the college with funding shared by both entities. This project was completed in the summer of 2018. In 2018, the college began a building renovation project to locate a bookstore on the Barton campus. This renovation was completed during fiscal year 2019. At June 30, 2019 and June 30, 2018, the college had remaining commitment balances of approximately $3,752,004 and $767,159 respectively on original contracts of $5,051,555 and $6,605,019, respectively with architects, and construction contractors. Other projects, which are not to be capitalized when completed, are for replacements, repairs, and/or renovations to existing facilities. The college anticipates funding these projects out of current resources, current and future bond issues, federal grants, private gifts, student fees, and state capital improvement bond proceeds.

NOTE 11 - CONTINGENCIES, LITIGATION, AND PROJECT COMMITMENTS, continued

Unrestricted Net Position

Planned Uses of Unrestricted Net Position are as follows:

	6/30/2019	6/30/2018
Operating Reserve	$ 14,005,561	$ 14,109,562
Operating Contingency	1,500,000	1,500,000
Encumbrances	446,628	298,784
Inventories	2,318,768	2,585,951
Other Construction Project Costs	26,862,107	30,768,721
Effect of GASB 68 Net Pension Liability	(89,763,398)	(90,333,197)
Effect of GASB 75 Net OPEB Liability	(74,240,193)	(71,702,963)
Total	$ (118,870,527)	$ (112,773,142)

NOTE 12 - LEASE OBLIGATIONS

Capital Leases

Certificates of Participation

On October 8, 2010 the 1995/1998 Certificate of Participation was refunded by Greenville County and replaced with the Series 2010 Refunding Certificate of Participation. This refunding reduced the yearly payments by approximately $140,000 and resulted in a reduction of $1.2 million in total future payments.

Lease payments made under this agreement in the year ending June 30, 2019 were $1,050,010. There are no remaining lease payments.

Lease payments made under this agreement in the year ending June 30, 2018 were $1,049,410. Lease payments for the remainder of the lease are as follows:

2010 Refunding Certificate of Participation

	Capital Leases With External Parties
Year Ended June 30, 2019	$ 1,050,010
Total Minimum Payments	1,050,010
Less: Interest and Executory Costs	25,010
Present Value of Net Minimum Lease Payments	$ 1,025,000

In August, 1999 Greenville County entered into an obligation for the lease-purchase of a portion of a retail shopping center in Greenville and issued Certificates of Participation to cover the purchase price of Greenville Technical College's portion of the purchase. The remainder of the facility was purchased by the Greenville Tech Foundation, Inc. at fair market value. Upon completion of renovations in December, 2000, the Greenville University Center was relocated to this new facility from other premises owned by the college, and subleases the renovated space. The state appropriated funds in the capital bond bill to cover the renovation costs. The State Legislature included in the budget appropriated funds for a portion of the sublease payments for the University Center, which are, in turn, used to pay a portion of the lease payments for the Certificates of Participation and a portion of the operation and maintenance of the portion of the facility subleased by the University Center. The college accounts for this lease as a capital lease.

NOTE 12 - LEASE OBLIGATIONS, continued

Capital Leases, continued

These Certificates of Participation were partially refunded by Greenville County on February 23, 2005, with the refunded portion of the Series 1999 being replaced by Series 2005. With this transaction, the combined outstanding principle of the lease was increased by $720,000, and the total future payments under the lease were reduced by $1,167,084.

In 2015, Greenville County issued Certificates of Participation to refund the 2005 Certificates of Participation. The governmental purpose for the issuance of the 2015 Certificate and refunding the Refunded Certificates was to achieve a savings. The outstanding principle of the lease increased by $140,000, and the total future payments under the lease were reduced by $195,457.

Lease payments made under this agreement in the year ending June 30, 2019 amounted to $1,297,440. There are no remaining lease payments.

Lease payments made under this agreement in the year ending June 30, 2018 amounted to $1,299,528.

Lease payments for the remainder of the lease are as follows:

2015 Refunding Certificates of Participation

	Capital Leases With External Parties
Year Ended June 30, 2019	$ 1,297,440
Total Minimum Payments	1,297,440
Less: Interest and Executory Costs	22,440
Present Value of Net Minimum Lease Payments	$ 1,275,000

The carrying value of the property associated with the leases is:

Carrying Value of Assets under Capital Leases	2019 Capital Leases With External Parties	2018 Capital Leases With External Parties
Assets acquired under capital leases		
Land and improvements	$ 5,151,055	$ 5,151,055
Buildings and improvements	27,687,913	26,100,338
Assets acquired under capital leases before accumulated depreciation	32,838,968	31,251,393
Less: accumulated depreciation	(12,531,019)	(13,804,709)
Assets acquired under capital leases, net	$ 20,307,949	$ 17,446,684

On May 13, 2008 Greenville Technical College entered into a capital lease with the Brashier Middle College, LLC, a wholly owned subsidiary of the Greenville Tech Foundation. The lease began July 1, 2009. The lease is for a 53,000 square foot building which is being constructed by the Brashier Middle College, LLC and financed with Jobs- Economic Development Authority Revenue Bonds. The term of the lease is 30 years; the lease payments

NOTE 12 - LEASE OBLIGATIONS, continued

Capital Leases, continued

will be equal to the debt service of the bonds. At the end of the lease, the building will become the property of the college. The related operating leases are discussed below.

During the fiscal year ending June 30, 2019, lease payments in the amount of $573,398 were made to Brashier Middle College, LLC. During the fiscal year ending June 30, 2018, lease payments in the amount of $573,398 were made to Brashier Middle College, LLC.

Lease payments for the remainder of the lease are estimated as follows:

Brashier Middle College Lease Estimated Payments Year Ended June 30	Capital Leases With Component Unit
2020	549,500
2021	549,500
2022	549,000
2023	548,000
2024	546,500
2025-2029	2,725,750
2030-2034	2,713,750
2035-2039	2,695,750
2040	556,500
Total Minimum Payments	$ 11,434,250
Less: Interest and Executory Costs	4,444,250
Present Value of Net Minimum Lease Payments	$ 6,990,000

Carrying Value of Assets under Capital Leases with Component Units	2019 Capital Leases With Component Units	2018 Capital Leases With Component Units
Assets acquired under capital leases		
Buildings and improvements	$ 8,410,000	$ 8,410,000
Assets acquired under capital leases before accumulated depreciation	8,410,000	8,410,000
Less: accumulated depreciation	(2,803,333)	(2,523,000)
Assets acquired under capital leases, net	$ 5,606,667	$ 5,887,000

Operating Leases

Greenville Technical College entered into two operating lease agreements on May 13, 2008 related to the construction of the Brashier Middle College building on the Brashier Campus. The first was a ground lease with the Brashier Charter, LLC, a wholly owned subsidiary of the Greenville Tech Foundation (LLC). The LLC leased approximately 5 acres of land on the college's Brashier Campus. The lease payment is $1.00 per year for the 31 year term. The LLC secured an $8.4 million Jobs-Economic Development Authority Revenue Bonds to build a building on the site. The building will be jointly used by the college and Brashier Middle College, a Charter High

NOTE 12 - LEASE OBLIGATIONS, continued

Operating Leases, continued

School that is currently located on the campus. The lease between the Brashier Middle College, LLC and the college is discussed in Capital Leases above.

The second operating lease is the corresponding sublease with the Brashier Middle College Charter High School to operate and use the facilities for approximately 35 hours per week. The lease payments by Brashier Middle College will be directly related to the debt service. The cost is currently 50 percent of the debt service. The lease payment will be renegotiated yearly based on a prorated share of the debt service based on the usage of the building.

On May 13, 2008, the college entered into a ground lease with Greenville County Recreation District for 19.49 acres at the college's Northwest campus for a term of 20 years. The County built soccer and baseball fields on the site for use by the community and the college. The annual rent for the land is $1.00

On August 31, 2010, the college, as a licensee of Educational Broadband Service Channels, entered into a long-term lease agreement to lease the excess capacity of the G channel group to Clearwire Spectrum Holdings, III, LLC. This lease was approved by the Federal Communication Commission on September 17, 2010 and became effective October 13, 2010. The college recognized $34,054 in revenue from this lease during the year ended June 30, 2019, as included in the other non-operating revenues in the Statement of Revenues, Expenses, and Changes in Net Position. The college recognized $34,054 in revenue from this lease during the year ended June 30, 2018, as included in the other non-operating revenues in the Statement of Revenues, Expenses, and Changes in Net Position. The total anticipated revenue to the college is $1,280,044, based on renewal options and escalation clauses over the maximum 30 year term of the lease.

On August 31, 2010, the college, as a licensee of Educational Broadband Service Channels, entered into a long-term lease agreement to lease the excess capacity of the D channel group to Independent Spectrum Greenville, LLC. This lease was approved by the Federal Communication Commission on November 10, 2010 and became effective December 29, 2010. The college recognized $145,828 in revenue from this lease during the year ended June 30, 2019, as included in the other non-operating revenues in the Statement of Revenues, Expenses, and Changes in Net Position. The college recognized $145,828 in revenue from this lease during the year ended June 30, 2018, as included in the other non-operating revenues in the Statement of Revenues, Expenses, and Changes in Net Position. The total anticipated revenue to the college is $6,508,673, based on renewal options and escalation clauses over the maximum 30 year term of the lease.

There were no lease payments to other state agencies or blended component units.

Operating Leases with external parties

At June 30, 2019, liabilities for future years are as follows:

Year Ended June 30	Operating Leases with External Parties
2020	331,185
2021	331,185
Total	$ 662,371

At June 30, 2018, liabilities for future years are as follows:

Year Ended June 30	Operating Leases with External Parties
2019	$ 331,185
2020	331,185
2021	331,185
Total	$ 993,556

NOTE 12 - LEASE OBLIGATIONS, continued

Operating Leases with external parties, continued

Facilities Leased to Others at June 30, 2019

	Operating leases with discretely presented component units	Operating leases with external parties
Land and improvements	$ 89,740	$ 325,072
Buildings and improvements	-	9,493,477
Less: Accumulated Depreciation	-	(3,593,442)
Total Carrying Value	$ 89,740	$ 6,225,107

Facilities Leased to Others at June 30, 2018

	Operating leases with discretely presented component units	Operating leases with external parties
Land and improvements	$ 89,740	$ 325,072
Buildings and improvements	-	9,493,477
Less: Accumulated Depreciation	-	(3,286,022)
Total Carrying Value	$ 89,740	$ 6,532,527

Future minimum payments to be received:

Operating Lease Revenue at June 30, 2019

Year Ended June 30	Operating leases with discretely presented component units	Operating leases with external parties
2020	2	$ 618,239
2021	2	634,875
2022	2	656,015
2023	2	656,015
2024	2	656,015
2025-2029	10	3,443,211
2030-2034	10	3,673,544
2035-2039	4	4,299,677
2040-2044	-	694,190
Total	34	$ 15,331,781

NOTE 12 - LEASE OBLIGATIONS, continued

Operating Leases with external parties, continued

Future minimum payments to be received:

Operating Lease Revenue at June 30, 2018

Year Ended June 30	Operating leases with discretely presented component units	Operating leases with external parties
2019	2	$ 653,837
2020	2	474,889
2021	2	494,638
2022	2	512,665
2023	2	512,665
2024-2028	10	2,683,506
2029-2033	10	2,913,839
2034-2038	6	3,435,754
2039-2043	-	1,427,072
Total	36	$ 13,108,865

NOTE 13 - SHORT-TERM DEBT

The college had no short-term debt during the year ended June 30, 2019 or the year ended June 30, 2018.

NOTE 14 – ACCOUNTS PAYABLE

Accounts payable as of June 30, 2019 and June 30, 2018, are summarized as follows:

Payables:	2019	2018
Accounts Payable Trade	$ 1,753,391	$ 1,801,687
Student Refunds	61,906	111,407
Accrued bond interest payable	265,797	299,552
Indirect Costs Payable	5,626	5,480
Total Accounts Payable	$ 2,086,720	$ 2,218,126
State Retirement withholding payable	887,852	925,845
Other withholdings	887,993	854,977
Total Payroll Liabilities	$ 1,775,845	$ 1,780,822

NOTE 15 – BONDS AND NOTES PAYABLE

Bonds Payable

Bonds payable consisted of the following at June 30, 2019:

	Rates	Dates	Original Debt	Balance
General Obligation Bonds				
Series 2011A	2.5% to 4.1%	4/1/2032	$ 5,615,000	$ 510,000
Series 2012	2.0% to 3.0%	4/1/2026	7,770,000	5,210,000
Series 2013A	1.0% to 2.8%	4/1/2024	4,558,802	1,914,941
Series 2014	2.8% to 4.0%	4/1/2034	25,000,000	20,225,000
Series 2014A	2.0% to 4.0%	4/1/2028	2,565,000	2,295,000
Series 2016A	2.0% to 4.0%	4/1/2032	3,800,000	3,720,000
Total Bonds Payable			$ 49,308,802	$ 33,874,941

Bonds payable consisted of the following at June 30, 2018:

	Rates	Dates	Original Debt	Balance
General Obligation Bonds				
Series 2011A	2.5% to 4.1%	4/1/2032	$ 5,615,000	$ 755,000
Series 2012	2.0% to 3.0%	4/1/2026	7,770,000	5,875,000
Series 2013A	1.0% to 2.8%	4/1/2024	4,558,802	2,275,906
Series 2014	2.8% to 4.0%	4/1/2034	25,000,000	21,245,000
Series 2014A	2.0% to 4.0%	4/1/2028	2,565,000	2,510,000
Series 2016A	2.0% to 4.0%	4/1/2032	3,800,000	3,750,000
Total Bonds Payable			$ 49,308,802	$ 36,410,906

On April 15, 2016, Greenville County issued General Obligation Bond Series 2016A in the amount of $3,800,000 to partially refund the Series 2011A Debt Service. The principal amount of the combined debt service post refunding increased by $245,000. The combined principal and interest payments decreased by $110,249 of $2,565,000 to partially refund the Series 2007 Debt Service. The principal amount of the combined debt service post refunding increased by $30,000. The combined principal and interest payments decreased by $133,525.

On March 11, 2014, Greenville County issued General Obligation Bonds Series 2014 in the amount of $25,000,000 to provide funding for the costs of acquisition, construction, renovation, installation and equipping of the Center for Manufacturing Innovation (CMI).

On April 3, 2013, Greenville County refinanced a portion of the Series 2005A General Obligation Bonds with General Obligation Bonds Series 2013A in the amount of $4,558,802. The par value of the refunded bonds was $4,255,000. The refunding of the bonds resulted in present value savings of $243,993 or 5.734 percent.

On March 20, 2012 Greenville County refinanced a portion of the Series 2005 General Obligation Bonds with General Obligation Refunding Bonds Series 2012 in the amount of $7,770,000. The par value of the refunded bonds was $7,320,000. The refunding of the bonds resulted in present value savings of $328,384 or 4.486 percent.

As part of the refinancing of the Series 2005 General Obligation Bonds, $919,804, representing interest which the college was scheduled to pay on the original debt, was placed in an escrow account to pay the interest on the remaining debt from October 2012 through April 2015. Interest in the amount of $95,441 will be earned on the escrowed securities resulting in a net effect of $824,362 which the college recognized and will record as interest expense on the payment due dates between October 2012 and April 2015.

On July 26, 2011, Greenville County issued General Obligation Bonds Series 2011A in the amount of $5,615,000 to provide funding for the costs of the acquisition, construction, renovation, installation, furnishing and equipping

NOTE 15 – BONDS AND NOTES PAYABLE, continued

Bonds Payable, continued

of a building to house Information Technology and Logistics Operations (IT/Logistics building) on the Barton Campus. The IT/Logistics building was completed in the fall of 2011 and capitalized in the same fiscal year.

The Series 2005 bonds were used for the construction of a building on its Northwest Campus that was partially funded by a $2,000,000 grant from the Economic Development Administration (EDA). As a condition of the grant, the college entered into a twenty year mortgage agreement on the property with the EDA. The mortgage creates a contingent liability that would be imposed in the event that Greenville Technical College acted in a manner prohibited by the award. According to the agreement, the college may not transfer or convey, including leasing the property, without the written consent of the EDA. The college must maintain insurance coverage and must keep the property in good condition. The possibility of this mortgage resulting in a liability for the college is remote. Therefore, the contingent liability is not reflected in the college's financial statements.

The deferred outflows are amortized over the remaining life of the bonds. The book value of these costs at June 30, 2019 is as follows:

Deferred Outflows	June 30, 2018	Additions	Expense Amortized 2018	June 30, 2019
Certification of Participation Refinance	$ 48,000	$ -	$ 48,000	$ -
2015 Certification of Participation Refinance	34,975	-	34,975	-
Partial Refunding of 2007 General Obligation Bonds - Series 2014A	30,892	-	3,089	27,803
Partial Refunding of 2011A General Obligation Bonds - Series 2016A	402,955	-	28,783	374,173
Total Bond Issue and Refinance Costs	$ 516,822	$ -	$ 114,847	$ 401,976

The deferred outflows are amortized over the remaining life of the bonds. The book value of these costs at June 30, 2018 is as follows:

Deferred Outflows	June 30, 2017	Additions	Expense Amortized 2018	June 30, 2018
Certification of Participation Refinance	$ 96,000	$ -	$ 48,000	$ 48,000
2015 Certification of Participation Refinance	69,950	-	34,975	34,975
Partial Refunding of 2007 General Obligation Bonds - Series 2014A	33,982	-	3,089	30,892
Partial Refunding of 2011A General Obligation Bonds - Series 2016A	431,738	-	28,783	402,955
Total Bond Issue and Refinance Costs	$ 631,670	$ -	$ 114,847	$ 516,822

The college recognizes a liability for prepaid interest and premiums resulting from bond issues. The revenue is recognized annually over the life of the bond.

NOTE 15 – BONDS AND NOTES PAYABLE, continued

Bonds Payable, continued

A summary of the activity for the fiscal year ended June 30, 2019 is as follows:

Revenue from Bond Issuance	June 30, 2018	Additions	Interest Amortized 2019	June 30, 2019
2011A General Obligation Bond Premium	$ 75,736	$ -	$ 25,245	$ 50,491
2012 General Obligation Bond Premium	309,394	-	38,675	270,719
2013A General Obligation Bond Premium	33,380	-	5,563	27,817
2014 General Obligation Bond Premium	93,658	-	5,854	87,805
2014A General Obligation Bond Premium	205,468	-	20,547	184,922
2016A General Obligation Bond Premium	242,562	-	17,326	225,236
	$ 960,198	$ -	$ 113,210	$ 846,989

A summary of the activity for the fiscal year ended June 30, 2018 is as follows:

Revenue from Bond Issuance	June 30, 2017	Additions	Interest Amortized 2018	June 30, 2018
Unearned Revenue Northwest	$ 748	$ -	$ 748	$ -
2011A General Obligation Bond Premium	100,981	-	25,245	75,736
2012 General Obligation Bond Premium	348,069	-	38,675	309,394
2013A General Obligation Bond Premium	38,943	-	5,563	33,380
2014 General Obligation Bond Premium	99,512	-	5,854	93,658
2014A General Obligation Bond Premium	226,015	-	20,547	205,468
2016A General Obligation Bond Premium	259,888	-	17,326	242,562
	$ 1,074,156	$ -	$ 113,958	$ 960,198

Greenville County bonds are general obligation bonds of the County and are backed by the full faith, credit and taxing power of the County. The County supports the operations of the college with annual appropriations sufficient to meet the annual debt service requirements of the bonds.

The scheduled maturities of the bonds payable by type at June 30, 2019 are as follows:

Greenville County Bonds	Principal	Interest	Payments
2020	$ 2,610,000	$ 1,063,188	$ 3,673,188
2021	2,700,000	972,938	3,672,938
2022	2,761,242	884,287	3,645,529
2023	2,851,246	787,699	3,638,945
2024	2,932,453	693,891	3,626,344
2025 - 2029	11,060,000	2,180,288	13,240,288
2030 - 2034	8,960,000	730,513	9,690,513
Total	$ 33,874,941	$ 7,312,804	$ 41,187,745

NOTE 15 – BONDS AND NOTES PAYABLE, continued

Bonds Payable, continued

The scheduled maturities of the bonds payable by type at June 30, 2018 are as follows:

Greenville County Bonds	Principal	Interest	Payments
2019	$ 2,535,965	$ 1,150,757	$ 3,686,722
2020	2,610,000	1,063,188	3,673,188
2021	2,700,000	972,938	3,672,938
2022	2,761,242	884,287	3,645,529
2023	2,851,246	787,699	3,638,945
2024 - 2028	12,232,453	2,575,891	14,808,344
2029 - 2033	9,030,000	982,325	10,012,325
2034	1,690,000	46,475	1,736,475
Total	$ 36,410,906	$ 8,463,560	$ 44,874,466

Notes Payable

The college had no notes payable at the year ended June 30, 2019 or the year ended June 30, 2018.

NOTE 16 - LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2019 follows:

	June 30, 2018	Additions	Reductions	June 30, 2019	Due Within One Year
Bonds and Notes Payable					
County Bonds	$ 36,410,906	$ -	$ 2,535,965	$ 33,874,941	$ 2,610,000
Capital Lease Obligations	9,480,000	-	2,490,000	6,990,000	200,000
Accrued Compensated Absences	3,379,379	2,012,238	1,846,482	3,545,135	358,413
Total Long-Term Liabilities	$ 49,270,285	$ 2,012,238	$ 6,872,447	$ 44,410,076	$ 3,168,413

Long-term liability activity for the year ended June 30, 2018 follows:

	June 30, 2017	Additions	Reductions	June 30, 2018	Due Within One Year
Bonds and Notes Payable					
County Bonds	$ 39,224,390	$ -	$ 2,813,484	$ 36,410,906	$ 2,535,965
Capital Lease Obligations	11,915,000	-	2,435,000	9,480,000	2,490,000
Accrued Compensated Absences	4,327,605	1,094,856	2,043,082	3,379,379	289,613
Total Long-Term Liabilities	$ 55,466,995	$ 1,094,856	$ 7,291,566	$ 49,270,285	$ 5,315,578

Additional information regarding Bonds Payable is included at Note 15, and additional information regarding Capital Lease Obligations is included at Note 12.

NOTE 17 - RELATED ORGANIZATIONS, RELATED PARTY TRANSACTIONS, AND TRANSACTIONS WITH DISCRETELY PRESENTED COMPONENT UNITS

Certain separately chartered legal entities whose activities are related to those of the college exist primarily to provide financial assistance and other support to the college and its educational program. Financial statements for these entities are audited by independent auditors and retained by them. They include the Greenville Tech Foundation, Inc. The activities of these entities are not included in the college's financial statements. However, the college's statements include transactions between the college and these related parties.

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

Following is a more detailed discussion of the Foundation and a summary of significant transactions between this entity and the college for the year ended June 30, 2019.

The Greenville Tech Foundation, Inc.

The Foundation is a separately chartered corporation organized exclusively to receive and manage private funds for the exclusive benefit and support of the college. The Foundation's activities are governed by its Board of Directors.

The college recorded non-governmental gifts receipts of $431,731 from the Foundation in non-operating revenues for the fiscal year ending June 30, 2019 and $204,862 for the fiscal year ended June 30, 2018.

These funds were used to support college programs such as scholarships. The Foundation reimburses the college for any purchases made by the college on behalf of the Foundation.

The Foundation's net assets as of December 31, 2018 were $25,392,635. The Foundation's net assets as of December 31, 2017 were $22,782,276.

Related party receivables and payables as of June 30, 2019 and June 30, 2018 are as follows:

	June 30, 2019	June 30, 2018
Due from the Foundation	$ 194,046	$ 236,451
Due to the Foundation	$ 73,063	$ 54,638

The Greenville Technical College Enterprise Campus Authority

The Greenville Technical College Enterprise Campus Authority (Authority), as described in Note 1, is a blended component unit and balances for the Authority are incorporated into these financial statements.

NOTE 17 - RELATED ORGANIZATIONS, RELATED PARTY TRANSACTIONS, AND TRANSACTIONS WITH DISCRETELY PRESENTED COMPONENT UNITS, continued

Highlights of the Enterprise Campus Authority:

REVENUES	2019	2018
OPERATING REVENUES		
Other Operating Revenues	$ 67,476	$ 61,208
Total Operating Revenues	67,476	61,208
EXPENSES		
OPERATING EXPENSES		
Salaries	14,242	21,295
Benefits	4,870	7,177
Supplies and Other Services	18,966	18,871
Total Operating Expenses	38,078	47,343
Operating Income (Loss)	$ 29,398	$ 13,865

NOTE 18 - RISK MANAGEMENT

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

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

Unemployment compensation benefits
Worker's compensation benefits for job-related illnesses or injuries
Health and dental insurance benefits
Long-term disability and group-life insurance benefits

Employees elect health insurance coverage through either a health maintenance organization or through the State's self-insured plan.

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

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

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

NOTE 18 - RISK MANAGEMENT, continued

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

NOTE 19 – REVENUES

Revenues for tuition and fees and auxiliary enterprise services are shown in the statement of Revenues, Expenses and Changes in Net Position, net of scholarship allowances and bad debt expense. The detail is as follows:

	2019	2018
Total Student Tuition and Fees	$ 49,692,242	$ 51,431,256
Less: Scholarship Allowance	(26,189,838)	(27,516,570)
Less: Bad Debt Expense	147,483	631,561
Student Tuition and Fees, net	$ 23,649,887	$ 24,546,247
Auxiliary Enterprises Revenue	$ 5,163,221	$ 5,813,446
Less: Scholarship Allowance	(1,492,450)	(1,730,781)
Less: Bad Debt Expense	15,113	70,512
Auxiliary Enterprises, net	$ 3,685,884	$ 4,153,177

NOTE 20 - OPERATING EXPENSES BY FUNCTION

Operating expenses by functional classification for the year ended June 30, 2019 are summarized as follows:

	Salaries	Benefits	Scholarships	Utilities	Supplies and Other Services	Depreciation	Total
Instruction	$ 28,213,267	$ 12,968,945	$ -	$ -	$ 4,535,093	$ -	$ 45,717,305
Academic Support	4,793,163	1,903,964	-	-	1,448,822	-	8,145,949
Student Services	4,012,916	1,722,319	-	-	1,438,626	-	7,173,861
Operation and Maintenance of Plant	3,213,798	1,613,074	-	2,959,031	4,847,538	-	12,633,441
Institutional Support	4,445,306	2,296,060	-	-	1,981,835	-	8,723,201
Scholarships & Fellowships	-	-	9,346,983	-	-	-	9,346,983
Auxiliary Enterprises	235,488	104,259	-	-	4,444,061	-	4,783,808
Depreciation	-	-	-	-	-	6,203,295	6,203,295
Total Operating Expenses	$ 44,913,938	$ 20,608,621	$ 9,346,983	$ 2,959,031	$ 18,695,975	$ 6,203,295	$ 102,727,843

Operating expenses by functional classification for the year ended June 30, 2018 are summarized as follows:

	Salaries	Benefits	Scholarships	Utilities	Supplies and Other Services	Depreciation	Total
Instruction	$ 29,306,829	$ 13,168,555	$ -	$ -	$ 4,261,712	$ -	$ 46,737,096
Academic Support	4,753,774	1,952,957	-	-	1,207,790	-	7,914,521
Student Services	4,272,781	1,771,752	-	-	1,285,867	-	7,330,400
Operation and Maintenance of Plant	3,326,998	1,587,127	-	2,946,018	2,437,610	-	10,297,753
Institutional Support	4,584,476	2,235,325	-	-	2,591,015	-	9,410,816
Scholarships & Fellowships	-	-	10,962,370	-	-	-	10,962,370
Auxiliary Enterprises	291,851	124,310	-	-	5,160,643	-	5,576,804
Depreciation	-	-	-	-	-	5,479,476	5,479,476
Total Operating Expenses	$ 46,536,709	$ 20,840,026	$ 10,962,370	$ 2,946,018	$ 16,944,637	$ 5,479,476	$103,709,236

NOTE 21 – STATEMENT OF ACTIVITIES

REQUIRED INFORMATION ON BUSINESS - TYPE ACTIVITIES FOR INCLUSION IN STATE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES FISCAL YEAR ENDING JUNE 30, 2019

	2019	2018	Increase/ (Decrease)
Charges for services	$ 47,084,185	$ 48,998,139	$ (1,913,954)
Operating grants and contributions	33,293,952	34,970,592	(1,676,640)
Other Operation Revenue	2,523,277	2,485,369	37,908
Capital grants and contributions	204,577	-	204,577
Less: expenses	(106,576,062)	(104,720,030)	(1,856,032)
Net program revenue (expense)	(23,470,071)	(18,265,930)	(5,204,141)
Transfers:			
State appropriations	18,628,758	18,581,382	47,376
State capital appropriations	1,166,982	1,247,350	(80,368)
Other transfers in from state agencies/ funds	-	-	-
Total general revenue and transfers	19,795,740	19,828,732	(32,992)
Change in net position	(3,674,331)	1,562,802	(5,237,133)
Net position beginning of year	(40,307,321)	(41,870,123)	1,562,802
Net position-ending	$ (43,981,652)	$ (40,307,321)	$ (3,674,331)

NOTE 22 – TRANSACTIONS WITH OTHER AGENCIES

The college had significant transactions with the State of South Carolina and various agencies.

Services received at no cost from State agencies include maintenance of certain accounting records by the Comptroller General; check preparation, banking, bond trustee, and investment services from the State Treasurer; and legal services from the Attorney General.

Other services received at no cost from the various offices of the State Budget and Control Board include pension plan administration, insurance plans administration, grant services, personnel management, assistance in the preparation of the State Budget, review and approval of certain budget amendments, procurement services, and other centralized functions.

NOTE 23 – TAX ABATEMENT DISCLOSURES

GASB Statement No. 77, Tax Abatement Disclosures (GASB 77) requires governments that enter into tax abatement agreements to disclose information including brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by abatement recipients, the gross dollar amount of taxes abated during the period, and commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

For the fiscal year ended June 30, 2019, the County had 241 FILOT agreements with 95 separate companies providing abated property taxes totaling $344,677 under this program. For the fiscal year ended June 30, 2018, the County had 221 FILOT agreements with 92 separate companies providing abated property taxes totaling $391,952 under this program.

Note 24 – PRIOR PERIOD ADJUSTMENT

In fiscal year 2018 GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions was implemented. Greenville Technical College recognized the cumulative effect of negative $74,385,005 on the Statement of Revenues, Expenses and Changes in Net Position for fiscal year 2017 resulting in a restatement of the Net Position – End of Year from $32,514,882 to negative $41,870,123. This implementation also resulted in a restatement of the Statement of Net Position for fiscal year 2017 as detailed below. There was no impact to the Statement of Cash Flows for the fiscal year ended 2017.

NOTE 25 – COMPONENT UNIT INFORMATION – GREENVILLE TECH FOUNDATION

The college's component unit, Greenville Tech Foundation, Inc. is a separate legal entity. The Foundation issues its own audited financial statements. The consolidated statements of financial position and the consolidated statement of activities are shown on pages 31, 32 and 33, respectively. Following are the footnotes associated with those statements.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of organization:

Greenville Tech Foundation, Inc. (the "Foundation") was founded in 1973 in Greenville, South Carolina as an eleemosynary organization. The primary objective of the Foundation is to support education at Greenville Technical College (the "College") through financial assistance to the College and its students.

The consolidated financial statements include the accounts of the following wholly owned subsidiaries:

- GTF McAlister, LLC – Formed to manage the daily operations of the McAlister Square facility.
- GTF Student Housing, LLC – Responsible for the building and maintenance of student housing on the Greenville Technical College campus.
- Brashier Charter, LLC – Responsible for the construction and holding of a classroom building and gymnasium on the Brashier campus of Greenville Technical College.
- GTF Pleasantburg, LLC – Formed to purchase and hold land.

Basis of accounting:

The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. Revenues are recognized when earned and expenditures are recognized when incurred.

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC"). However, any income from activities not directly related to the Foundation's tax-exempt purpose would be subject to taxation as unrelated business income. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A). In February 2014, the IRS determined the Foundation meets the requirements for classification as a public charity as described in Sections 509(a)(1) and 170(b)(1)(A)(vi) and updated the Foundation to public charity status to reflect that the Foundation is not a supporting organization. The Foundation meets the public support test under this new classification. Prior to February 2014, the Foundation was classified by the Internal Revenue Service as a Section 509(a)(3) functionally integrated Type III supporting organization due to the fact that the Foundation's sole reason for existence was as a support organization for Greenville Technical College.

Management has evaluated the tax positions of the Foundation and does not believe that any uncertain tax positions or unrecognized tax benefits exist for the years ended December 31, 2018 and 2017, respectively. The Foundation's policy is to report accrued interest related to unrecognized tax benefits, when applicable, as interest expense and to report penalties as other expense.

Principles of Consolidation

The consolidated financial statements include the accounts of the Foundation and its wholly owned subsidiaries, GTF McAlister, LLC; GTF Student Housing, LLC; Brashier Charter, LLC; and GTF Pleasantburg, LLC. All material intra-entity accounts and transactions have been eliminated.

NOTE 25 – COMPONENT UNIT INFORMATION – GREENVILLE TECH FOUNDATION, continued

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Financial Statement Presentation
Financial statement presentation follows the requirements of FASB ASC 958-205, *Not-for-Profit Presentation of Financial Statements* and FASB ASC 958-605, *Accounting for Contributions Received and Contributions Made*. During 2018, the Foundation adopted the provisions of Accounting Standards Update ("ASU") 2016-14: Not-for-Profit entities (Topic 958) Presentation of Financial Statements for Not-for-Profit Entities. The primary objective of the new ASU is to improve the current net asset classification and the related information presented in the consolidated financial statements and notes about the Foundation's liquidity, financial performance, and cash flows, in order to provide more useful information to users of the financial statements.

Expenses are reported as decreases in net assets without donor restrictions. Revenues, gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in restricted net assets, depending on the nature of the restriction. When a restriction expires (when the stipulated time restriction ends or the purpose of the restriction is accomplished), restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions. The Foundation considers restricted amounts spent first when both restricted and unrestricted funds are available, unless legally or contractually prohibited. Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Contributions of assets and equipment other than cash are recorded at their estimated fair value.

The Foundation received noncash equipment and supplies donations of $83,887 and $518,231 during the years ended December 31, 2018 and 2017, respectively. During the years ended December 31, 2018 and 2017, the Foundation did not capitalize any donations of equipment received. The noncash equipment contributions were in turn used by Greenville Technical College and are reported as equipment purchases/gifts-in-kind in the accompanying consolidated statements of activities. No noncash donation of real property was received during the years ended December 31, 2018 or 2017.

Cash and Cash Equivalents
For purposes of the statements of cash flows, the Foundation considers cash accounts which are not subject to withdrawal restrictions or penalties, money market accounts and certificates of deposit with original maturities of 90 days or less to be cash and cash equivalents.

Investments
The Foundation records investments at fair value. Realized and unrealized gains and losses are reported on the consolidated statements of activities. See Note 21 for discussion of fair value measurements.

Accounts Receivable
Management considers GTF McAlister, LLC's accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established. If accounts become uncollectible, they will be charged to operations when that determination is made.

GTF Student Housing, LLC leases housing units to students of Greenville Technical College. The subsidiary's accounts receivable are due from the students and are uncollateralized. Management closely monitors outstanding accounts receivable and establishes an allowance for doubtful accounts for any balances that are determined to be uncollectible. As of December 31, 2018 and 2017, the subsidiary established an allowance for doubtful accounts in the amount of approximately $98,796 and $39,600, respectively.

Pledges Receivable
Pledges receivable are recorded when the donor makes a promise to give. In management's opinion, no

NOTE 25 – COMPONENT UNIT INFORMATION – GREENVILLE TECH FOUNDATION, continued

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

allowance for uncollectible pledges receivable is necessary. Pledges expected to be collected within one year are recorded as support and a receivable at net realizable value. Pledges expected to be collected in future years are recorded as support and a receivable at the net present value of the expected future cash flows. Amortization of discounts is included in contribution revenue.

Charitable remainder trusts receivable
Charitable remainder trusts represent assets that are currently held in trust for the benefit of designated income beneficiaries. Upon the death of the beneficiaries or designation by the agreement, the assets held in trust will be distributed to the Foundation based upon the provisions of the trust, principally for unrestricted use. The value of assets and liabilities of the charitable remainder trusts is estimated using a discount rate for each individual trust. Under these trusts, the Foundation is not the trustee. Therefore, a receivable is recorded based on the current fair value of the assets in the trust in the year in which the Foundation is notified of the gift's existence. The receivable is adjusted to the net present value based on expected growth, payouts and discount rate over the expected lives of the creators.

Property and Equipment
The Foundation follows the practice of capitalizing all purchases for land, building and equipment in excess of $1,000. The fair value of any donated land and buildings is similarly capitalized. Donations of equipment used in the maintenance programs at the College are generally not capitalized due to the nature and use of these items. Instead, the parts are recorded as College support expense. The cost of buildings, leasehold improvements and equipment is depreciated over the estimated useful lives of the related assets. Depreciation is computed using the straight-line method as follows:

Buildings and leasehold improvements	40 years
Furniture, fixtures and equipment	3 – 10 years

Donations of property and equipment are recorded as support at their estimated fair values on the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies temporarily restricted net assets to unrestricted net assets at that time.

The Foundation reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets is measured by a comparison of the carrying amount of the asset to undiscounted future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amounts of the assets exceeds the fair value of the assets.

Debt Issuance Costs
Costs associated with obtaining financing have been capitalized and are being amortized using a method that approximates the interest method over the terms of the related debt.

Transfers
Transfers primarily consist of changes received from donors as to donor-imposed stipulations and contribution reclassification for establishment of endowments when contributed amounts meet the endowment criteria for required funding levels.

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

New Pronouncements
In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial*

NOTE 25 – COMPONENT UNIT INFORMATION – GREENVILLE TECH FOUNDATION, continued

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Statements for Not-for-Profit Entities, which changes the current guidance for net assets classification, governing board designations, investment return, underwater endowment funds, expenses, liquidity and presentation of operating cash flows. ASU 2016-14 also requires not-for-profit entities to provide both qualitative and quantitative information on management of liquid available resources and ability to cover short-term cash needs within one year of the statement of financial position date.

A summary of the net asset reclassifications driven by the adoption of ASU 2016-14 as of December 31, 2017 follows:

As originally stated:		
Net assets, beginning of year		
Unrestricted	$	3,580,620
Unrestricted, Board designated		1,942,616
Temporarily restricted		6,128,125
Permanently restricted		8,923,589
Total net assets, beginning of year	$	20,574,950
Net assets, end of year		
Unrestricted	$	4,708,818
Unrestricted, Board designated		2,261,425
Temporarily restricted		6,093,622
Permanently restricted		9,718,411
Total net assets, end of year	$	22,782,276
As restated:		
Net assets, beginning of year		
Without donor restrictions	$	5,523,236
With donor restrictions		15,051,714
Total net assets, beginning of year	$	20,574,950
Net assets, end of year		
Without donor restrictions	$	6,970,243
With donor restrictions		15,812,033
Total net assets, end of year	$	22,782,276

B. LIQUIDITY AND AVAILABILITY OF FUNDS

The Foundation's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are as follows:

	2018	2017
Cash and cash equivalents, unrestricted	$ 997,351	$ 1,181,553
Contibutions receivable - current, unrestricted	38,857	10,295
Trade accounts and other receivables - current	158,826	123,180
Total financial assets available to meet general expenditures within the next 12 months	$ 1,195,034	$ 1,315,028

NOTE 25 – COMPONENT UNIT INFORMATION – GREENVILLE TECH FOUNDATION, continued

B. LIQUIDITY AND AVAILABILITY OF FUNDS, continued

The three rental subsidiaries provide the Foundation with predictable monthly revenue in excess of the related rental expenses. The Foundation is not encumbered with significant fixed program costs, as support to the College is determined on available contributions. Management has determined that currently available resources in addition to estimated future rental receipts, is adequate to fund general expenditures, liability payments, and other obligations as they come due.

The Foundation's endowment funds consist of donor-restricted endowments and funds designated by the Board of Directors to function as Endowments. Income from donor-restricted endowment gifts may, or may not be available for general expenditure, subject to donor restrictions. The method of calculating distributable income from the Endowment Fund is described in Note J.

C. RESTRICTED CASH

GTF Student Housing, LLC's restricted cash includes funds received as security deposits paid by tenants totaling $20,736 and $27,645 at December 31, 2018 and 2017, respectively.

In relation to the Brashier Charter, LLC Economic Development Revenue Bonds (Note 14), the financial institution required the Foundation to maintain a debt service account to cover the minimum debt service payments on the bonds. At December 31, 2018 and 2017, cash restricted for this purpose totaled $100,793 and $95,803, respectively.

The Foundation is holding cash balances restricted by donors in the amount of $4,661,165 and $3,202,884 as of December 31, 2018 and 2017, respectively.

D. CONCENTRATIONS OF CREDIT RISK

The Foundation maintains cash balances at several financial institutions. Interest bearing accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000, plus an unlimited amount on non-interest bearing accounts. The cash balances held in broker accounts are insured by the Securities Investor Protection Corporation to a maximum of $100,000. At times the Foundation's cash balances on deposit at these financial institutions are in excess of the federally insured limits.

E. PLEDGES RECEIVABLE

The pledges receivable are unconditional and due over five years. Uncollectible promises are expected to be insignificant. Pledges are discounted using a net present value calculation and an effective rate of 3.25 percent.

Unconditional promises to give as of December 31, 2018 and 2017 are:

	2018	2017
Receivable due in the less than one year	$ 794,569	$ 710,595
Receivable due in one to five years	1,654,625	516,917
	2,449,194	1,227,512
Less: discount to net present value	(200,939)	(64,454)
Pledges receivable, net	$ 2,248,255	$ 1,163,058

NOTE 25 – COMPONENT UNIT INFORMATION – GREENVILLE TECH FOUNDATION, continued

F. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following as of December 31, 2018 and 2017:

	2018	2017
Accounts receivable, trade	$ 32,172	$ 32,520
Related party receivable	340	4,450
Student housing leases receivable	213,332	116,125
Other receivable	4,648	6,839
	250,492	159,934
Less: allowance for doubtful accounts	(98,796)	(39,600)
Accounts receivable, net	$ 151,696	$ 120,334

G. CASH SURRENDER VALUE OF LIFE INSURANCE

The Foundation is the owner and beneficiary of several life insurance policies with aggregate cash surrender values of approximately $52,000 and $50,000 at December 31, 2018 and 2017, respectively.

H. CHARITABLE REMAINDER TRUSTS RECEIVABLE

The Foundation is the beneficiary of a charitable remainder trust valued at approximately $95,600 and $124,600 at December 31, 2018 and 2017, respectively.

I. INVESTMENTS

Investments of the Foundation are recorded at fair value as determined by quoted market prices. The fair values and respective cost basis of investments at December 31, 2018 and 2017 are as follows:

	2018			2017		
	Fair Value	Cost	Unrealized Appreciation (Depreciation)	Fair Value	Cost	Unrealized Appreciation (Depreciation)
US Government securities	$ 2,075,787	$ 2,075,244	$ 543	$ 1,191,675	$ 1,202,913	$ (11,238)
Mutual funds	5,147,640	5,818,005	(670,365)	2,094,790	2,056,166	38,624
Corporate bonds	749,200	779,764	(30,564)	1,538,891	1,544,935	(6,044)
Common stocks	3,564,894	3,484,875	80,019	7,112,534	5,885,568	1,226,966
	$ 11,537,521	$ 12,157,888	$ (620,367)	$ 11,937,890	$ 10,689,582	$ 1,248,308

The composition of the investment return for the years ended December 31, 2018 and 2017:

	2018	2017
Interest and dividends	$ 397,460	$ 383,380
Fees	(54,107)	(93,292)
Unrealized/realized gains (losses)	(701,182)	1,370,021
	$ (357,829)	$ 1,660,109

NOTE 25 – COMPONENT UNIT INFORMATION – GREENVILLE TECH FOUNDATION, continued

J. ENDOWMENT

The Foundation's endowment funds consist of approximately 130 individual funds established for a variety of purposes.

The endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law
During 2008 the South Carolina Legislature enacted the South Carolina Uniform Prudent Management of Institutional Funds Act. The Board of Directors has interpreted this act as requiring the preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Greenville Tech Foundation, Inc. classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by the South Carolina Uniform Prudent Management of Institutional Funds Act. In accordance with this act, the organization considers the following facts in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Return Objectives and Risk Parameters
The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period as well as board designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that achieve a target rate of return of 5 percent net of fees.

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

Spending Policy and How the Investment Objectives Relate to Spending Policy
The objective of the Foundation's spending policy is to maintain the purchasing power of the endowment assets held in perpetuity for a specified term as well as provide additional real growth principally through new gifts. The policy, as amended on August 8, 2016, allows for withdrawals determined as follows: (a) use of a 10-year average of quarter-end balances of endowed funds or an average of quarter-end balances for the life of the fund if the fund has not been in existence for 10 years; (b) a 4 percent withdrawal rate; and (c) a 90 percent floor for withdrawal of endowed funds. The administrative fee paid to the Foundation from the endowment was changed from 1 percent to 0.5 percent. The income from endowment funds is expendable for scholarships and College programs.

NOTE 25 – COMPONENT UNIT INFORMATION – GREENVILLE TECH FOUNDATION, continued

J. ENDOWMENT, continued

Endowment net asset composition by type of fund is as follows at December 31, 2018 and December 31, 2017:

	2018	2017
Without donor restrictions:		
Board designated	$ 2,091,673	$ 2,261,426
With donor restrictions:		
Perpetual in duration	10,318,765	10,342,433
Total endowment net assets	$ 12,410,438	$ 12,603,859

Changes in endowment net assets for the years ended December 31, 2018 and 2017, respectively, are summarized below:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, January 1, 2016	$ 1,942,616	$ 8,953,747	$ 10,896,363
Investment return:			
Investment income, net	25,436	106,787	132,223
Change in value of CSV and CRUTs	21,822	(229)	21,593
Net appreciation realized and unrealized	163,443	672,359	835,802
Contributions	3,109	319,504	322,613
Change in reserve for uncollectible contributions	-	(19,221)	(19,221)
Transfers	105,000	494,539	599,539
Appropriations of endowment assets for expenditure	-	(185,053)	(185,053)
Endowment net assets, December 31, 2017	$ 2,261,426	$ 10,342,433	$ 12,603,859
Investment return:			
Investment income, net	45,534	216,541	262,075
Change in value of CSV and CRUTs	(28,936)	(702)	(29,638)
Net appreciation (depreciation) realized and unrealized	(108,155)	(538,709)	(646,864)
Contributions	468	547,272	547,740
Change in reserve for uncollectible contributions	-	(350)	(350)
Transfers	(40,000)	28,412	(11,588)
Appropriations of endowment assets for expenditure	(38,664)	-	(38,664)
Net assets released from restrictions	-	(276,132)	(276,132)
Endowment net assets, December 31, 2018	$ 2,091,673	$ 10,318,765	$ 12,410,438

NOTE 25 – COMPONENT UNIT INFORMATION – GREENVILLE TECH FOUNDATION, continued

K. PROPERTY AND EQUIPMENT

The following is a summary of property and equipment at December 31, 2018:

	Greenville Tech Foundation, Inc.	GTF McAlister, LLC	GTF Student Housing, LLC	Brashier Charter, LLC	GTF Pleasantburg, LLC	Consolidated
Furniture and fixtures	$ -	$ -	$ 1,442,354	$ -	$ -	$ 1,442,354
Equipment	-	153,207	-	-	-	153,207
Buildings	-	2,198,633	15,381,007	8,280,396	-	25,860,036
Leasehold improvements	-	7,693,400	-	-	-	7,693,400
Construction in progress	14,921	-	-	-	-	14,921
Land	1,328,535	-	-	-	246,154	1,574,689
	1,343,456	10,045,240	16,823,361	8,280,396	246,154	36,738,607
Less: accumulated depreciation	-	5,183,182	5,740,646	1,930,920	-	12,854,748
	$ 1,343,456	$ 4,862,058	$ 11,082,715	$ 6,349,476	$ 246,154	$ 23,883,859

The following is a summary of property and equipment at December 31, 2017:

	Greenville Tech Foundation, Inc.	GTF McAlister, LLC	GTF Student Housing, LLC	Brashier Charter, LLC	GTF Pleasantburg, LLC	Consolidated
Furniture and fixtures	$ -	$ -	$ 1,247,084	$ -	$ -	$ 1,247,084
Equipment	-	153,207	-	-	-	153,207
Buildings	-	2,198,633	15,381,007	8,280,396	-	25,860,036
Leasehold improvements	-	7,337,055	-	-	-	7,337,055
Land	1,328,535	-	-	-	246,154	1,574,689
	1,328,535	9,688,895	16,628,091	8,280,396	246,154	36,172,071
Less: accumulated depreciation	-	4,802,968	5,251,677	1,723,909	-	11,778,554
	$ 1,328,535	$ 4,885,927	$ 11,376,414	$ 6,556,487	$ 246,154	$ 24,393,517

Depreciation expense for the years ending December 31, 2018 and 2017 was $1,076,194 and $1,033,807, respectively.

L. NOTE RECEIVABLE

In May 2014, the Foundation entered into a loan agreement with a developer for the Richmond Towne Center on Faris Road. The Foundation loaned approximately $810,000 from its endowment to the developer at 6 percent interest (payable monthly) plus additional interest payments based on performance of the shopping center or its sale. The loan matures in ten years and is secured by a second mortgage on the property. The Foundation's approval is required for various transactions involving the shopping center. The Foundation also executed a commitment to fund advances to the first mortgage lender up to approximately $1,100,000 under certain defined circumstances with those advances also secured by the second mortgage and loan agreement. The principal of the note is payable when a sale of the property or a refinancing occurs. All outstanding principal is due and payable in May 2024.
On September 30, 2014, a portion of the shopping center was sold. As a result, the commitment to fund agreement with the first mortgage lender reduced the Foundation's commitment amount to a maximum of $833,500. A portion of the proceeds from the sale was used to repay a portion of the principal amount to the Foundation. At December 31, 2018 and 2017 the remaining amount due on the note receivable totaled $404,780.

NOTE 25 – COMPONENT UNIT INFORMATION – GREENVILLE TECH FOUNDATION, continued

M. NOTE PAYABLE

	2018	2017
Note payable to a bank by GTF Student Housing, LLC; due in monthly installments of principal plus interest at 75 percent of 1-month LIBOR plus 1.25 percent (approximately 3.27 percent at December 31, 2018 and 1.96 percent at December 31, 2017); matures August 2034; secured by property and substantially all assets of GTF.		
Student Housing, LLC and GTF McAlister, LLC	$ 9,677,000	$ 10,170,000
Unamortized debt issue costs	(96,383)	(102,995)
Note payable, net of debt issue costs	$ 9,580,617	$ 10,067,005

Loan costs related to the note in the amount of $137,157 were capitalized and are being amortized over the life of the note. The unamortized cost is presented as a reduction in the carrying amount of the debt. Amortization of the debt issuance cost of $6,612 per year until the note maturity is reported as interest expense in the statement of activities. Accumulated amortization was $40,774 and $34,162 at December 31, 2018 and 2017, respectively.

Provisions of the above bank debt agreements require the Foundation to maintain certain financial ratios such as debt service ratios, and certain other covenants which require or restrict other actions.

The future maturities of principal are as follows for years ending December 31:

2019	$ 506,000
2020	530,000
2021	554,000
2022	578,000
2023	602,000
Thereafter	6,907,000
	$ 9,677,000

Interest expense recorded in connection with Note Payable for the years ended December 31, 2018 and 2017 totaled $464,167 and $430,790, respectively.

O. BONDS PAYABLE

Economic Development Revenue Bonds of $8,410,000 were issued to the Foundation through Brashier Charter, LLC by the South Carolina Jobs – Economic Development Authority (JEDA) to construct a classroom building and gymnasium on one of the Greenville Tech College campuses. The bonds bear interest at a variable weekly rate determined by the issuing bank's remarketing agent. The interest rate was 1.75 and 1.78 percent at December 31, 2018 and 2017, respectively. The agreement requires annual sinking fund payments of principal ranging from $130,000 to $530,000 plus interest, which began July 7, 2010, when the amount deposited into the capitalized interest account was depleted. Payments for the years ended December 31, 2018 and 2017 totaled $385,002 and $400,666, respectively. Sinking fund payments will continue through maturity on December 1, 2038. As disclosed in Note 16, the Foundation was required to obtain an irrevocable letter of credit in connection with the issuance of the bonds as security for payment of principal and interest on the bonds. The balance of these bonds payable totaled $6,990,000 and $7,180,000 as of December 31, 2018 and 2017, respectively.

Bond issue costs in the amount of $189,600 were reimbursed by the bond proceeds and are being amortized over

NOTE 25 – COMPONENT UNIT INFORMATION – GREENVILLE TECH FOUNDATION, continued

O. BONDS PAYABLE, continued

the life of the bonds. The unamortized cost is presented as a reduction in the carrying amount of the debt. Amortization of the issuance cost of $6,320 per year until the bonds mature is reported as interest expense in the statement of activities. Accumulated amortization was $66,365 and $60,045 at December 31, 2018 and 2017, respectively.

Bonds payable are reported as follows on the consolidated statement of financial position at December 31, 2018 and 2017:

	2018	2017
Bonds payable	$ 6,990,000	$ 7,180,000
Unamortized bond issue costs	(123,235)	(129,555)
Bonds payable, net of debt issue costs	$ 6,866,765	$ 7,050,445

The future maturities of principal are as follows for the years ending December 31:

2019	$ 200,000
2020	210,000
2021	220,000
2022	230,000
2023	240,000
Thereafter	5,890,000
	$ 6,990,000

Interest expense recorded in connection with Bonds Payable for the years ended December 31, 2018 and 2017 totaled $339,932 and $349,989, respectively.

P. LETTERS OF CREDIT

The Foundation, through its subsidiary, Brashier Charter, LLC, had available an irrevocable letter of credit from a financial institution in the amount of $7,248,384. This letter of credit was obtained as part of the issuance of the Economic Development Revenue Bonds discussed in Note 14. The letter of credit provides security for the payment of principal and interest on the bonds. The amount supporting principal is $7,180,000 and the amount supporting an interest component of up to forty days is $68,384. The letter of credit was collateralized by the building constructed by the bond proceeds. The letter expires on July 10, 2019.

Provisions of the letter of credit agreement require the Foundation to maintain certain financial ratios such as debt service ratios, and certain other covenants which require or restrict other actions.

Q. SWAP AGREEMENTS

The Foundation through GTF Student Housing, LLC and Brashier Charter, LLC subsidiaries used variable-rate debt to finance the 2005 Economic Development Revenue Bonds for the construction of student housing on the Greenville Tech College campus and to finance the 2008 Economic Development Revenue Bonds for the construction of the classroom building and gymnasium on the Greenville Tech College Brashier campus (see Notes 13 and 14). The debt obligations expose the Foundation to variability in interest payments due to changes in interest rates. Management believes it is prudent to limit the variability of its interest payments. To meet this objective, management entered into interest rate swap agreements to manage fluctuations in cash flows resulting from interest rate risk.

NOTE 25 – COMPONENT UNIT INFORMATION – GREENVILLE TECH FOUNDATION, continued

Q. SWAP AGREEMENTS, continued

These swaps changed the variable-rate cash flows exposure on the debt obligations to fixed-cash flows. Under the terms of the interest rate swaps, the Foundation receives variable interest rate payments and makes fixed interest rate payments, thereby creating the equivalent of fixed-rate debt.

By using a derivative financial instrument to hedge its exposure to changes in interest rates, the Foundation exposes itself to credit risk and market risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contract. When the fair value of a derivative contract is positive, the counterparty owes the Foundation, which creates credit risk for the Foundation. When the fair value of the derivative contract is negative, the Foundation owes the counterparty and, therefore, it does not possess credit risk. The Foundation minimizes the credit risk in derivative instruments by entering into transactions with high-quality counterparties.

Market risk is the adverse effect on the value of a financial instrument that results from a change in interest rates. The market risk associated with interest-rate contracts is managed by establishing the monitoring parameters that limit the types and degree of market risk that may be undertaken.

The Foundation entered into an interest rate swap agreement (“Swap 1”) associated with the GTF Student Housing, LLC loan with a maturity date of November 7, 2022. The Foundation pays TD Bank a fixed rate of 2.95 percent and in return, TD Bank pays the Foundation a variable rate equal to 75 percent of one month USD-LIBOR plus 1.25 percent. The variable rate was 1.76 and 1.02 percent at December 31, 2018 and 2017, respectively. The original notional amount of the contract was $13,248,000. The notional amounts at December 31, 2018 and 2017 were $10,542,000 and $11,035,000, respectively. The difference between interest earned and the interest obligation accrued is received or paid the first day of each month and is recorded as interest expense.

On July 10, 2008, the Foundation entered into an $8,410,000 U. S. Dollar Swap Transaction (“Swap 2”) with an effective date of July 10, 2008, and a termination date of December 1, 2038. The swap was executed with the purpose of fixing the rate on the bonds issued by the South Carolina Jobs – Economic Development Authority (JEDA). Under the terms of the agreement, the Foundation pays a fixed rate of 3.89 percent per annum to SunTrust Bank on a monthly basis and in return, SunTrust Bank pays the Foundation a variable rate equal to the USD-SIFMA Municipal Swap Index (Formerly USD-BMA Municipal Swap Index) plus 0.06 percent per annum. The variable rate was 1.73 and 1.37 percent at December 31, 2018 and 2017, respectively. At December 31, 2018 and 2017, the swap contract had an original notional amount of $8,410,000 and current notional amounts of $6,990,000 and $7,180,000, respectively. The difference between interest earned and the interest obligation accrued is received or paid the first day of each month and is recorded as interest expense.

The Foundation has recorded the following activity related to interest rate swap activity in the accompanying consolidated financial statements as of and for the year ending December 31:

	2018	2017
Fair market value		
Swap 1	$ 380,093	$ 617,218
Swap 2	1,212,848	1,491,651
Total	$ 1,592,941	$ 2,108,869
Change in market value of interest rate swaps		
Swap 1	$ (237,125)	$ (241,900)
Swap 2	(278,803)	(29,230)
Total	$ (515,928)	$ (271,130)

See Note V for the fair value information regarding the interest rate swaps.

NOTE 25 – COMPONENT UNIT INFORMATION – GREENVILLE TECH FOUNDATION, continued

R. MCALISTER SQUARE OPERATIONS

On August 3, 1999, the Foundation purchased the common area, inner stores and main vehicle entrance of McAlister Square Mall in Greenville, South Carolina and Greenville Technical College purchased the three large department store areas and the parking lot. The Foundation and the College renovated certain portions of the property which house student support services, governmental offices, non-profits, and local businesses. Daily management and leasing arrangements are handled for the Foundation through its wholly owned subsidiary, GTF McAlister, LLC. On July 31, 2004, GTF McAlister, LLC contracted with Carolina Holdings, Inc., a property management company, to perform day-to-day management functions. The original operating agreement between the Foundation and the College expired in October, 2014 and was amended and extended through July 31, 2029. The agreement provides for the Foundation to be paid monthly support payments. Under the revised agreement, the College was required to pay a security deposit of $400,000 that may be used periodically to pay for expenses of the property until such time as the College's reimbursement for the expenses is received.

GTF McAlister, LLC leases space to tenants under operating leases which generally range from one to ten years. GTF McAlister, LLC is responsible for property taxes, maintenance and repairs. Substantially all leases include a charge for common area maintenance which is used to offset repair and maintenance costs incurred in common areas.

Minimum future lease receipts under operating leases are as follows:

2019	$ 1,104,529
2020	759,974
2021	549,789
2022	392,667
2023	241,464
	$ 3,048,423

S. RELATED PARTY TRANSACTIONS

The Foundation pays Greenville Technical College $24,000 annually for equipment rental and communication services.

GTF McAlister, LLC, a subsidiary of the Foundation, manages Greenville Technical College's portion of the McAlister Square Mall for a management fee of $15,333 per month for the period January 1, 2017 through June 30, 2017, and $3,000 per month for July through December 2018. For the years ended December 31, 2018 and 2017, management fees paid to the Foundation by the College totaled $36,000 and $110,000, respectively. During 2014, the College remitted a security deposit in the amount of $400,000 to GTF McAlister, LLC that is to be repaid at the end of the operating agreement (Note 17).

The College also reimbursed GTF McAlister, LLC for approximately two-thirds of common area maintenance (CAM) related expenses. At December 31, 2018 and 2017, GTF McAlister, LLC had a receivable due from the College for CAM expenses of $22,681 and $32,520, respectively, which are included in accounts receivable on the accompanying consolidated statements of financial position. The College also pays approximately two-thirds of capital repairs and improvements. During the periods ended December 31, 2018 and 2017 the College paid expenses to GTF McAlister, LLC in the amount of $262,262 and $267,577, respectively.

The Foundation, through GTF Pleasantburg, LLC, leases land to Greenville Technical College for $1 monthly. The initial term of the lease commenced November 1, 2012 and extended for six months. However, the lease renews automatically every six months until termination of the lease by either party.

NOTE 25 – COMPONENT UNIT INFORMATION – GREENVILLE TECH FOUNDATION, continued

S. RELATED PARTY TRANSACTIONS, continued

The Foundation, through GTF Student Housing, LLC, leases land from Greenville Technical College for $1 annually. The initial term of this lease commenced on January 1, 2005 and extends for 30 years, ending December 31, 2034.

The College pays certain expenses on behalf of the Foundation and its subsidiaries and is subsequently reimbursed by them. At December 31, 2018 and 2017, the Foundation owed $51,974 and $9,332, respectively, to the College for reimbursement of these expenses which are included in accounts payable on the accompanying consolidated statement of activities. The Foundation had a receivable due from the College at December 31, 2018 and 2017, which is included in accounts receivable on the accompanying consolidated balance sheet.

The Foundation, through Brashier Charter, LLC, leases land from Greenville Technical College for $1 annually and the College leases from the Foundation, through Brashier Charter, LLC, an educational facility. The initial term of this lease commenced May 13, 2008 and extends for 30 years, ending December 31, 2038.

Base rent for this educational facility under this lease is an amount equal to the debt service payments owed by Brashier Charter, LLC for the development/construction financing obtained by Brashier Charter, LLC plus additional amounts required by the lender under such financing, in its loan documents, to create and maintain certain reserves, and a debt service coverage ratio.

In February 2012, SunTrust notified the Foundation that additional collateral would be required on the GTF Student Housing, LLC note. The Foundation loaned GTF McAlister, LLC $2,250,000 from its endowment to pay off its loan with Wells Fargo. The payoff of this loan allowed the Foundation to pledge the GTF McAlister, LLC building and assets as collateral on the GTF Student Housing, LLC loan. In November 2012, the loan was refinanced with TD Bank. GTF McAlister, LLC's note to the Foundation is due on demand and is being paid in monthly installments ranging from $20,000 to $25,000 of principal plus interest, which accrues at an annual rate of 6 percent. The balance of this note, which is eliminated upon consolidation, was $590,000 and $890,000 at December 31, 2018 and 2017, respectively. Interest income and expense eliminated upon consolidation totaled $43,650 and $58,150 for the years ended December 31, 2018 and 2017, respectively.

T. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from restrictions consisted of the following support transferred out of restricted funds for payment by unrestricted funds.

	2018	2017
Building improvements	$ 347,090	$ 1,278,383
Scholarships	486,474	262,744
Student programs	60,040	66,981
College faculty/staff development	17,219	13,895
College departmental supplies and activities	148,703	204,309
Professional services	79,642	96,675
Other expenses	219,418	186,690
Total net assets released from restrictions	$ 1,358,586	$ 2,109,677

NOTE 25 – COMPONENT UNIT INFORMATION – GREENVILLE TECH FOUNDATION, continued

U. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods at December 31, 2018 and 2017:

	2018	2017
Subject to expenditure for a specific purpose:		
Various college programs	$ 6,387,700	$ 5,469,600
Total purpose restrictions	6,387,700	5,469,600
Endowment:		
Perpetual in nature	10,318,765	10,342,433
Total net assets with donor restrictions	$ 16,706,465	$ 15,812,033

V. FAIR VALUE MEASUREMENTS

Fair value measurements should be based on assumptions market participants would use when pricing the asset or liability and establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The fair value hierarchy consists of three broad levels, and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Inputs to the valuation methodology include:

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

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

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

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

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value:

Investments: valued based on information provided by external investment managers or comparison to quoted market values.

Charitable remainder trusts receivable: valued using the income approach based on calculating the present value of the future distributions expected to be received, using published life expectancy tables and an appropriate discount rate.

NOTE 25 – COMPONENT UNIT INFORMATION – GREENVILLE TECH FOUNDATION, continued

V. FAIR VALUE MEASUREMENTS, continued

Cash value of life insurance: valued at the cash surrender value of the life insurance policy, as determined by the issuer of the insurance policy, which approximates fair value.

Interest rate swap: valued using observable current market information as of the reporting date and is included in long term liabilities on the accompanying statement of financial position.

Fair values of assets and liabilities measured on a recurring basis at December 31, 2018 and 2017 were as follows:

	Assets/Liabilities at Fair Value			
	Total	Level 1	Level 2	Level 3
December 31, 2018:				
Assets:				
Investments:				
Equity securities - common stock				
Financials	$ 362,060	$ 362,060	$ -	$ -
Information technology	941,871	941,871	-	-
Health care	396,197	396,197	-	-
Consumer discretionary	478,100	478,100	-	-
Energy	48,083	48,083	-	-
Industrials	346,073	346,073	-	-
Consumer supplies	122,074	122,074	-	-
Telecommunication services	47,490	47,490	-	-
Materials	76,040	76,040	-	-
Utilities	13,047	13,047	-	-
Real estate	314,027	314,027	-	-
Special equities	4,965	4,965	-	-
International equities	414,867	414,867	-	-
Equity securities - mutual funds	2,336,303	2,336,303	-	-
Fixed income securities				
US Government debt securities	2,075,787	-	2,075,787	-
Corporate debt securities	749,200	-	749,200	-
Mutual funds	1,564,459	1,564,459	-	-
Alternative strategies mutual funds	898,136	898,136	-	-
Broad commodities mutual funds	348,742	348,742		
Total investments	11,537,521	8,712,534	2,824,987	-
Charitable remainder trust receivable	95,623	-	-	95,623
Cash value of life insurance	52,314	-	52,314	-
	$ 11,685,458	$ 8,712,534	$ 2,877,301	$ 95,623
Liabilities:				
Interest rate swaps	$ 1,592,941	$ -	$ 1,592,941	$ -

NOTE 25 – COMPONENT UNIT INFORMATION – GREENVILLE TECH FOUNDATION, continued

V. FAIR VALUE MEASUREMENTS, continued

The following table represents a summary of changes of the Foundation's Level 3 assets for the years ended December 31, 2018 and 2017:

	Charitable Remainder Trust Receivables
Balance December 31, 2016	$ 102,737
Distribution	
Total realized/unrealized gains included in change in net assets	21,822
Balance December 31, 2017	124,559
Total realized/unrealized (loss) included in change in net assets	(28,936)
Balance December 31, 2018	$ 95,623

Total realized and unrealized gains on charitable remainder trust receivables measured using Level 3 inputs are reported in the Foundation's statements of activities.

	Assets/Liabilities at Fair Value			
	Total	Level 1	Level 2	Level 3
December 31, 2017:				
Assets:				
Investments:				
Equity securities - common stock				
Financials	$ 801,430	$ 801,430	$ -	$ -
Information technology	1,342,383	1,342,383	-	-
Health care	603,306	603,306	-	-
Consumer discretionary	695,176	695,176	-	-
Energy	231,757	231,757	-	-
Industrials	460,407	460,407	-	-
Consumer supplies	333,246	333,246	-	-
Telecommunication services	23,297	23,297	-	-
Materials	271,787	271,787	-	-
Utilities	149,458	149,458	-	-
Real estate	279,064	279,064	-	-
International equities	1,921,223	1,921,223	-	-
Equity securities - mutual funds	956,401	956,401	-	-
Fixed income securities				
US Government debt securities	1,191,675	-	1,191,675	-
Corporate debt securities	1,538,891	-	1,538,891	-
Mutual funds	502,696	502,696	-	-
Alternative strategies mutual funds	635,693	635,693	-	-
Total investments	11,937,890	9,207,324	2,730,566	-
Charitable remainder trust receivable	124,559	-	-	124,559
Cash value of life insurance	49,781	-	49,781	-
Total assets at fair value	$ 12,112,230	$ 9,207,324	$ 2,780,347	$ 124,559
Liabilities:				
Interest rate swaps	$ 2,108,868	$ -	$ 2,108,868	$ -

NOTE 25 – COMPONENT UNIT INFORMATION – GREENVILLE TECH FOUNDATION, continued

W. FUNCTIONAL EXPENSES

The costs of providing various programs and other activities have been reported by their natural classification in the statement of activities. Expenses are assigned directly to the appropriate program or supporting service benefited as expenditures are made. Expenses incurred were classified in the following categories for the years ended December 31, 2018 and 2017:

	2018	2017
Program expenses		
College operations	$ 256,510	$ 278,877
Scholarships	486,474	262,744
Student programs	60,040	66,981
College faculty/staff development	17,219	13,895
College departmental supplies and activities	148,703	204,309
College support - building improvements/equipment	347,090	1,278,392
Equipment purchases/gifts in kind	83,887	518,231
GTF Brashier Charter School	564,545	569,043
GTF Student Housing	1,941,868	1,814,901
	3,906,336	5,007,373
General and administrative	1,863,916	1,809,544
Fundraising	43,412	46,313
Total expenses	$ 5,813,664	$ 6,863,230

X. COMMITMENTS

The Foundation has entered into a lease agreement with a third party to lease a building that will house College and Foundation functions (“Poe West”). The 20 year lease agreement calls for a base rent not to exceed $350,000 annually for the first 3 years, with a 2.5 percent increase each year thereafter. The lease is expected to begin in September, 2019.

The Foundation has entered into an agreement with a general contractor for interior renovations to the Poe West building. The total commitment is approximately $2 million, with approximately $15,000 incurred and paid against the commitment as of December 31, 2018.

Y. SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of the auditor’s report, which is the date the financial statements were available to be issued.

GREENVILLE TECHNICAL COLLEGE
Required Supplementary Information for Financial Statements
June 30, 2019 and June 30, 2018

Schedule of Proportionate Share of the Net Pension Liability
South Carolina Retirement System

	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
College's proportion of the net pension liability	0.398%	0.398%	0.411%	0.420%	0.424%
College's proportionate share of the net pension liability	$89,200,342	$89,697,728	$87,825,732	$79,647,249	$72,991,685
College's covered payroll	$44,898,363	$44,325,021	$44,017,909	$43,465,411	$42,438,999
College's proportionate share of the net pension liability as a percentage of its covered payroll	198.67%	202.36%	199.52%	183.24%	171.99%
Plan fiduciary net position as a percentage of the total pension liability	54.10%	53.30%	52.91%	57.00%	59.92%

Schedule of Proportionate Share of the Net Pension Liability
Police Officer's Retirement System

	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
College's proportion of the net pension liability	0.020%	0.023%	0.023%	0.019%	0.010%
College's proportionate share of the net pension liability	$ 563,056	$ 635,469	$ 583,465	$ 416,959	$ 186,561
College's covered payroll	$ 275,046	$ 312,369	$ 293,261	$ 223,255	$ 117,209
College's proportionate share of the net pension liability as a percentage of its covered payroll	204.71%	203.44%	198.96%	186.76%	159.17%
Plan fiduciary net position as a percentage of the total pension liability	61.70%	60.90%	60.44%	64.60%	67.55%

These pension schedules are intended to show information for ten years; additional years' information will be displayed as it becomes available.

GREENVILLE TECHNICAL COLLEGE
Required Supplementary Information for Financial Statements
June 30, 2019 and June 30, 2018

Schedule of College Contributions
South Carolina Retirement System

	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Contractually required contribution	$ 5,777,904	$ 5,595,230	$ 4,650,556	$ 4,396,588	$ 4,287,729
Contribution in relation to the contractually required contribution	(5,777,904)	(5,595,230)	(4,650,556)	(4,396,588)	(4,287,729)
Contribution deficiency (excess)	-	-	-	-	-
College's covered payroll	$43,006,653	$44,898,363	$44,325,021	$44,017,909	$43,465,411
Contributions as a portion of covered payroll	13.43%	12.46%	10.49%	9.99%	9.86%

Schedule of College Contributions
Police Officer's Retirement System

	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Contractually required contribution	$ 54,039	$ 44,117	$ 43,857	$ 39,708	$ 29,492
Contribution in relation to the contractually required contribution	(54,039)	(44,117)	(43,857)	(39,708)	(29,492)
Contribution deficiency (excess)	-	-	-	-	-
College's covered payroll	$ 317,132	$ 275,046	$ 312,369	$ 293,261	$ 223,255
Contributions as a portion of covered payroll	17.04%	16.04%	14.04%	13.54%	13.21%

These pension schedules are intended to show information for ten years; additional years' information will be displayed as it becomes available.

Schedule of Proportionate Share of the Net OPEB Liability
South Carolina Retiree Health Insurance Trust Fund

	FY 2019	FY 2018	FY 2017
College's proportion of the net OPEB liability	0.524%	0.529%	0.529%
College's proportionate share of the net OPEB liability	$74,229,492	$71,696,611	$76,586,515
College's covered payroll	$45,173,409	$44,637,391	$44,311,170
College's proportionate share of the net OPEB liability as a percentage of its covered payroll	164.32%	160.62%	172.84%
Plan fiduciary net position as a percentage of the total OPEB liability	7.91%	7.60%	6.62%

Schedule of Proportionate Share of the Net OPEB Liability
South Carolina Long-Term Disability Insurance Trust Fund

	FY 2019	FY 2018	FY 2017
College's proportion of the net OPEB liability	0.350%	0.350%	0.350%
College's proportionate share of the net OPEB liability	$ 10,702	$ 6,353	$ 2,432
College's covered-employee payroll	$45,173,409	$44,637,391	$44,311,170
College's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	0.02%	0.01%	0.01%
Plan fiduciary net position as a percentage of the total OPEB liability	92.20%	95.29%	98.15%

These pension schedules are intended to show information for ten years; additional years' information will be displayed as it becomes available.

Schedule of College Contributions
South Carolina Retiree Health Insurance Trust Fund

	FY 2019	FY 2018	FY 2017
Contractually required contribution	$ 2,621,089	$ 2,484,538	$ 2,379,173
Implicit Subsidy	$ (8,220)	$ (56,994)	$ (200,595)
Total Contribution	$ 2,612,869	$ 2,427,544	$ 2,178,578
Contribution in relation to the contractually required contribution	$ (2,621,089)	$ (2,484,538)	$ (2,379,173)
Contribution deficiency (excess)	-	-	-
College's covered payroll	$43,323,785	$45,173,409	$44,637,391
Contributions as a portion of covered payroll	6.03%	5.37%	4.88%

Schedule of College Contributions
South Carolina Long-Term Disability Insurance Trust Fund

	FY 2019	FY 2018	FY 2017
Contractually required contribution	$ 23,841	$ 24,913	$ 24,846
Contribution in relation to the contractually required contribution	$ (23,841)	$ (24,913)	$ (24,846)
Contribution deficiency (excess)	-	-	-
College's covered-employee payroll	$43,323,785	$45,173,409	$44,637,391
Contributions as a portion of covered employee payroll	0.06%	0.06%	0.06%

These pension schedules are intended to show information for ten years; additional years' information will be displayed as it becomes available.

STATISTICAL SECTION

A COMPONENT UNIT OF THE STATE OF SOUTH CAROLINA

Statistical Section Content Explanation

This section of the Greenville Technical College Comprehensive Annual Financial Report presents information that will assist in understanding the information in the financial statements, note disclosures, and the supplementary information about the overall financial health of the College.

CONTENTS	SCHEDULES
Financial Trends	1-3
The schedules in this section contain trend information to assist in understanding how the College's financial performance and well-being have changed over time.	
Revenue Capacity	4-8
The schedules in this section contain information to assess the College's most significant revenue sources.	
Debt Capacity	9-10
The schedules in this section contain information to assess the College's outstanding debt obligations.	
Demographic and Economic Indicators	11-12
The schedules in this section offer demographic and economic indicators to assist in understanding the environment within the College's financial activities it performs.	
Operating Information	13-14
The schedules in this section contain service and infrastructure data to assist in understanding how the information in the College's financial report relates to the services it provides and the activities it performs.	
Other Information	15-16
The schedules in this section are additional information that is not required by GASB 44 Statement but is of interest to those reading the report.	

STATISTICAL SECTION:

Financial Trends

A COMPONENT UNIT OF THE STATE OF SOUTH CAROLINA

GREENVILLE TECHNICAL COLLEGE

Schedule 1

Net Position and Changes in Net Position

	For the Years Ended June 30				
	2010	**2011**	**2012**	**2013**	**2014**
Income Before Other Revenues, Expenses, Gains or Losses	$ 4,561,595	$ 2,156,545	$ 3,329,375	$ 1,578,940	$ 4,811,538
State Capital Appropriation	824,512	614,729	1,742,744	1,731,185	1,245,739
Grant Funded Capital Donations	41,052	7,200	-	-	-
Capital Grants and Gifts	-	-	-	-	-
Total Increase in Net Position	**$ 5,427,159**	**$ 2,778,474**	**$ 5,072,119**	**$ 3,310,125**	**$ 6,057,277**
Invested in Capital Assets, Net of Related Debt	55,644,652	56,691,405	53,659,781	53,107,072	59,901,947
Restricted For:					
Expendable					
Capital Projects	6,297,742	4,063,072	6,829,289	7,928,184	7,675,000
Loans	21,293	21,293	21,327	21,080	21,080
Debt Service	-	-	-	-	-
Other	-	-	-	-	-
Unrestricted	20,580,296	24,546,687	29,884,179	32,206,476	31,722,062
Total College Net Position	**$ 82,543,983**	**$ 85,322,457**	**$ 90,394,576**	**$ 93,262,812**	**$ 99,320,089**

	For the Years Ended June 30				
	2015	**2016**	**2017**	**2018**	**2019**
Income Before Other Revenues, Expenses, Gains or Losses	$ (564,134)	$ 930,432	$ (2,378,771)	$ 315,452	$ (5,045,890)
State Capital Appropriation	594,390	1,094,390	6,369,531	1,247,350	1,166,982
Grant Funded Capital Donations	-	18,160	(1,205,506)	-	204,577
Capital Grants and Gifts	360,893	-	1,101,000	-	-
Total Increase in Net Position	**$ 391,149**	**$ 2,042,982**	**$ 3,886,254**	**$ 1,562,802**	**$ (3,674,331)**
Net Investment in Capital Assets	59,330,388	62,768,885	71,218,446	71,698,662	71,136,871
Restricted For:					
Expendable					
Capital Projects	10,216,883	8,714,325	1,026,436	767,159	3,752,004
Loans	-	-	-	-	-
Debt Service	-	-	-	-	-
Other	-	-	-	-	-
Unrestricted	(42,961,625)	(42,854,582)	(114,115,005)	(112,773,142)	(118,870,527)
Total College Net Position	**$ 26,585,646**	**$ 28,628,628**	**$ (41,870,123)**	**$ (40,307,321)**	**$ (43,981,652)**

Notes: Encumbrances and inventories were reclassified to Unrestricted in fiscal year 2011. Prior years were re-stated for comparison.
Beginning in fiscal year 2013, net assets were reclassified to net position per GASB Statement No. 63.
In fiscal year 2014, the college implemented GASB Statement No. 65. Fiscal year 2013 was re-stated for comparison.
In fiscal year 2015, the college implemented GASB Statement No. 68 whereby the college will now report a proportionate share of the State of South Carolina's net pension liability. Unrestricted net assets in fiscal year 2015 reflect this change.

Source: Greenville Technical College Audited Financial Statements for years indicated

Schedule 2

GREENVILLE TECHNICAL COLLEGE
Operating Expenses by Function
Last Ten Fiscal Years

	2010	2011	2012	2013	2014
Instruction	$ 43,240,090	$ 45,586,216	$ 45,179,977	$ 44,933,704	$ 42,509,055
Academic Support	11,861,907	10,691,933	10,029,086	10,552,156	14,110,382
Student Support	6,740,121	7,106,668	6,672,249	6,550,777	6,546,229
Maint/Operations	9,970,797	11,188,394	11,141,199	10,599,078	9,412,202
Institutional Support	5,379,401	7,569,812	6,215,513	5,501,535	5,603,242
Scholarships	19,405,001	20,936,713	19,654,204	18,612,902	16,306,996
Auxiliary Enterprises	7,526,264	7,819,553	7,384,518	6,946,418	6,700,780
Depreciation	4,908,497	5,853,045	4,792,751	4,728,514	4,604,244
Total Expenses	$109,032,078	$116,752,334	$111,069,497	$108,425,084	$105,793,130

(Percent of Total)

	2010	2011	2012	2013	2014
Instruction	39.67%	39.05%	40.68%	41.44%	40.18%
Academic Support	10.88%	9.16%	9.03%	9.73%	13.34%
Student Support	6.18%	6.09%	6.01%	6.04%	6.19%
Maint/Operations	9.14%	9.58%	10.03%	9.78%	8.90%
Institutional Support	4.93%	6.48%	5.60%	5.07%	5.30%
Scholarships	17.80%	17.93%	17.70%	17.17%	15.41%
Auxiliary Enterprises	6.90%	6.70%	6.64%	6.41%	6.33%
Depreciation	4.50%	5.01%	4.31%	4.36%	4.35%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%

Continued on Next Page

GREENVILLE TECHNICAL COLLEGE **Schedule 2**

(continued)

Operating Expenses by Function

Last Ten Fiscal Years

	2015	2016	2017	2018	2019
Instruction	$ 44,625,817	$ 44,393,954	$ 46,316,842	$ 46,737,096	$ 45,717,305
Academic Support	12,868,513	10,337,835	8,557,354	7,914,521	8,145,949
Student Support	7,478,863	7,543,145	7,468,286	7,330,400	7,173,861
Maint/Operations	9,089,730	10,468,347	12,756,779	10,297,753	12,633,441
Institutional Support	7,058,272	7,482,398	9,190,298	9,410,816	8,723,201
Scholarships	15,533,288	13,461,864	12,014,463	10,962,370	9,346,983
Auxiliary Enterprises	6,212,683	6,198,594	5,891,120	5,576,804	4,783,808
Depreciation	4,901,028	4,787,517	5,254,629	5,479,476	6,203,295
Total Expenses	$107,768,194	$104,673,654	$107,449,771	$103,709,236	$ 102,727,843

(Percent of Total)

	2015	2016	2017	2018	2019
Instruction	41.41%	42.41%	43.12%	45.08%	44.51%
Academic Support	11.94%	9.88%	7.96%	7.63%	7.93%
Student Support	6.94%	7.21%	6.95%	7.07%	6.98%
Maint/Operations	8.43%	10.00%	11.87%	9.93%	12.30%
Institutional Support	6.55%	7.15%	8.55%	9.07%	8.49%
Scholarships	14.41%	12.86%	11.18%	10.57%	9.10%
Auxiliary Enterprises	5.76%	5.92%	5.48%	5.38%	4.66%
Depreciation	4.56%	4.57%	4.89%	5.27%	6.03%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Greenville Technical College Audited Financial Statements

Charts 1 & 2

GREENVILLE TECHNICAL COLLEGE

Expenses by Function
For the Year Ended June 30, 2019

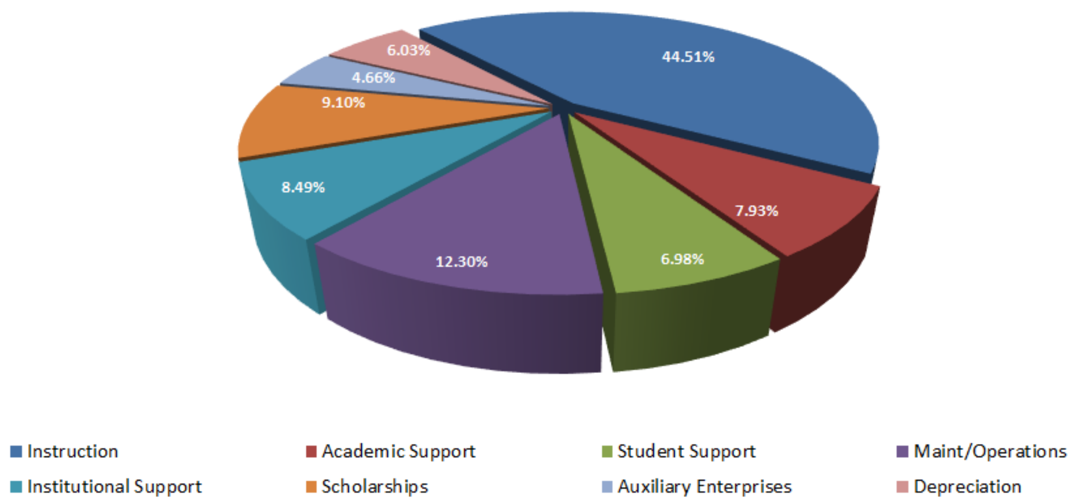


Chart 1

Auxiliary Enterprises Revenue/Expense Comparison, Last 10 Years
Ended June 30, 2019

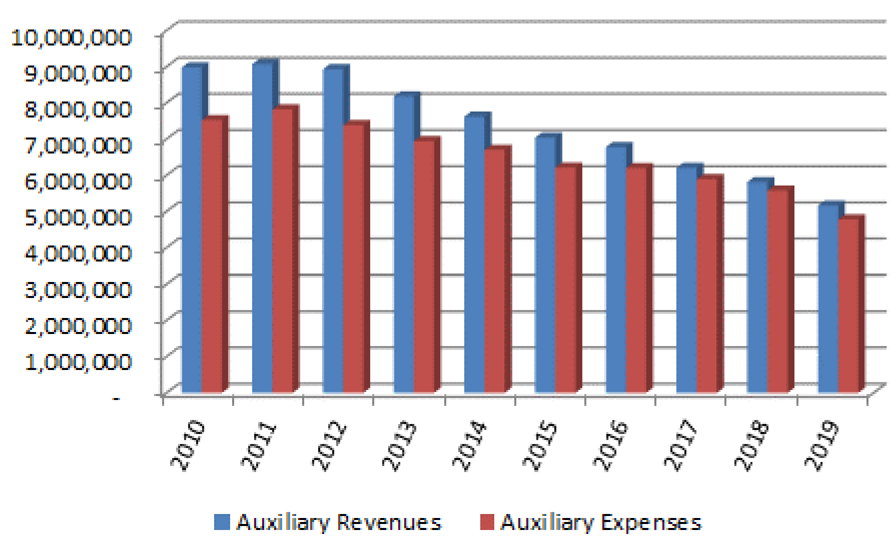


Chart 2

Ten Year Expense Comparison
Instruction, Academic Support, Student Support
Ended June 30, 2019

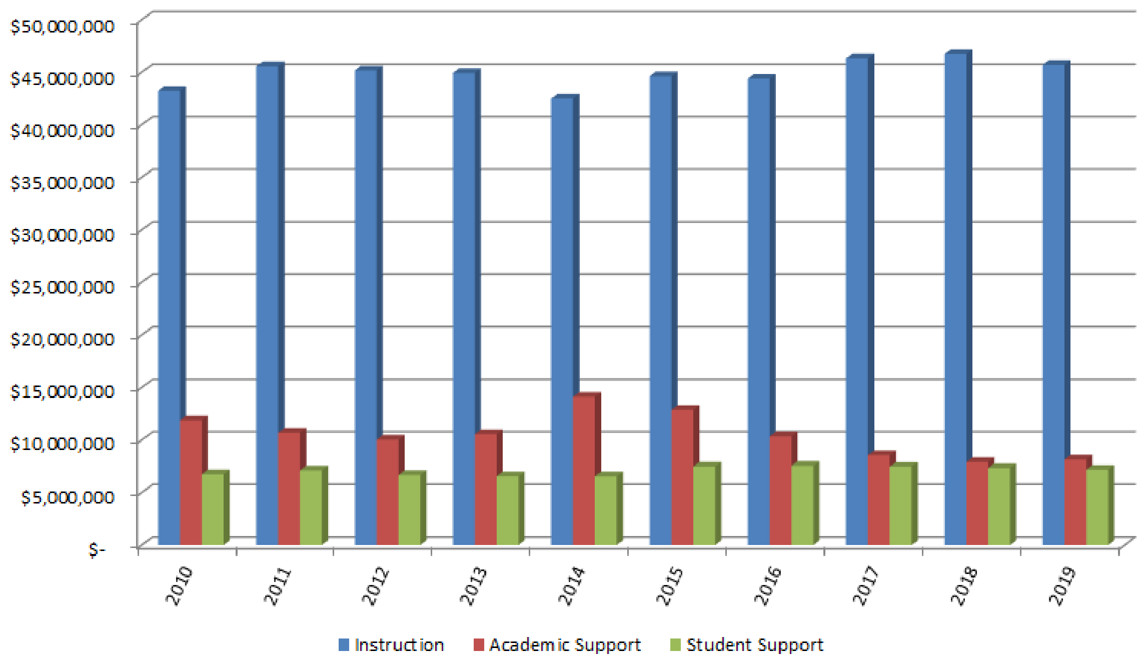


Chart 3

Ten Year Expense Comparison
Other Functional Areas
Ended June 30, 2019

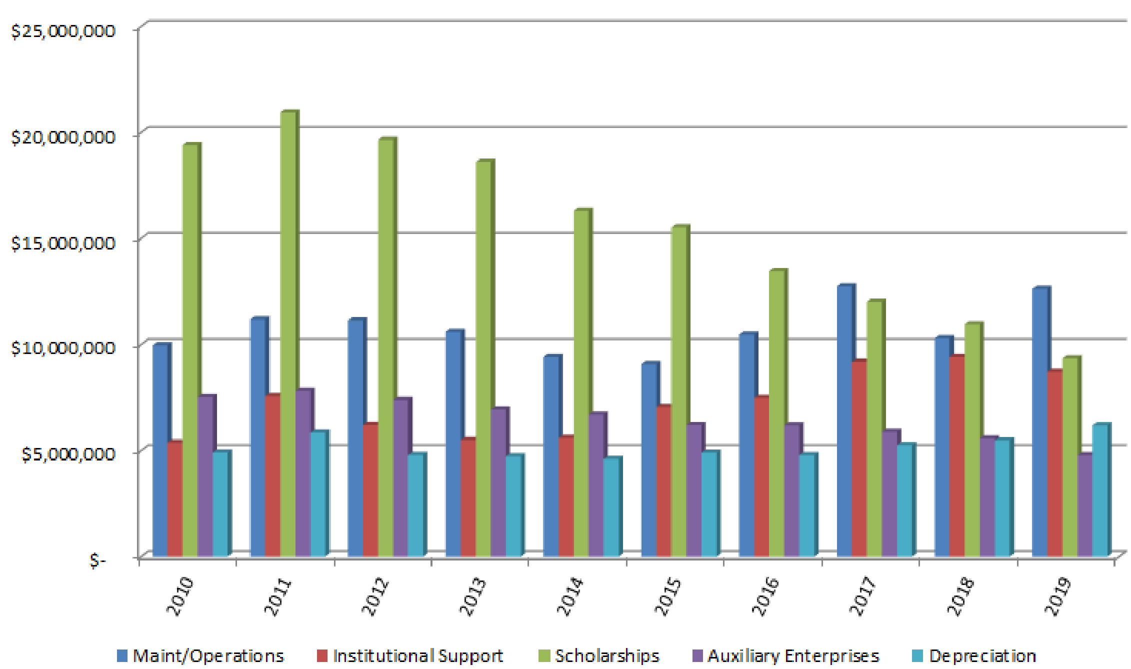


Chart 4

Schedule 3

GREENVILLE TECHNICAL COLLEGE
Expenses by Use

	For the Year Ended June 30				
Expenses:	**2010**	**2011**	**2012**	**2013**	**2014**
Salaries	$ 47,238,522	$ 47,875,256	$ 48,210,417	$ 48,829,931	$ 48,334,643
Benefits	11,924,571	12,607,130	13,062,761	14,009,887	14,585,224
Scholarships	19,405,001	20,936,713	19,654,204	18,612,902	16,306,996
Utilities	2,730,827	2,842,110	2,934,408	2,827,177	2,961,593
Supplies and Other Services	22,824,660	26,638,080	22,414,956	19,432,118	19,000,430
Depreciation	4,908,497	5,853,045	4,792,751	4,728,514	4,604,244
Total Operating Expenses	$ 109,032,078	$ 116,752,334	$ 111,069,497	$ 108,440,529	$ 105,793,130
Loss on Disposal of Fixed Assets	401,314	-	-	8,873	171,821
Interest Expense on Capital Asset Related Debt	2,196,495	1,738,675	2,008,894	1,759,205	1,567,181
Total Expenses	$ 111,629,887	$ 118,491,009	$ 113,078,391	$ 110,208,607	$ 107,532,132

	(Percent of Total)				
Expenses:	**2010**	**2011**	**2012**	**2013**	**2014**
Salaries	42.31%	40.39%	42.63%	44.31%	44.95%
Benefits	10.68%	10.64%	11.55%	12.71%	13.56%
Scholarships	17.38%	17.67%	17.38%	16.89%	15.16%
Utilities	2.45%	2.40%	2.60%	2.57%	2.75%
Supplies and Other Services	20.45%	22.48%	19.82%	17.63%	17.67%
Depreciation	4.40%	4.95%	4.24%	4.28%	4.29%
Total Operating Expenses	97.67%	98.53%	98.22%	98.39%	98.38%
Loss on Disposal of Fixed Assets	0.36%	0.00%	0.00%	0.01%	0.16%
Interest Expense on Capital Asset Related Debt	1.97%	1.47%	1.78%	1.60%	1.46%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%

Continued on Next Page

GREENVILLE TECHNICAL COLLEGE **Schedule 3**

(continued)

Expenses by Use

Expenses:	For the Year Ended June 30 2015	2016	2017	2018	2019
Salaries	$ 48,120,014	$ 46,891,197	$ 46,880,379	$ 46,536,709	$ 44,913,938
Benefits	16,029,490	16,587,636	18,402,610	20,840,026	20,608,621
Scholarships	15,533,288	13,461,864	12,014,463	10,962,370	9,346,983
Utilities	2,942,115	2,913,927	2,963,151	2,946,018	2,959,031
Supplies and Other Services	20,242,259	20,031,513	21,934,540	16,944,637	18,695,975
Depreciation	4,901,028	4,787,517	5,254,629	5,479,476	6,203,295
Total Operating Expenses	$ 107,768,194	$ 104,673,654	$ 107,449,772	$ 103,709,236	$ 102,727,843
Loss on Disposal of Fixed Assets	-	-	1,205,506	-	2,300,369
Interest Expense on Capital Asset Related Debt	1,517,691	1,270,100	1,157,146	1,093,772	1,547,850
Total Expenses	$ 109,285,885	$ 105,943,754	$ 109,812,424	$ 104,803,008	$ 106,576,062

Expenses:	(Percent of Total) 2015	2016	2017	2018	2019
Salaries	44.03%	44.28%	42.69%	44.40%	42.14%
Benefits	14.67%	15.66%	16.76%	19.89%	19.35%
Scholarships	14.21%	12.71%	10.94%	10.46%	8.77%
Utilities	2.69%	2.75%	2.70%	2.81%	2.78%
Supplies and Other Services	18.52%	18.91%	19.97%	16.17%	17.54%
Depreciation	4.49%	4.52%	4.79%	5.23%	5.82%
Total Operating Expenses	98.61%	98.83%	97.85%	98.96%	96.40%
Loss on Disposal of Fixed Assets	0.00%	0.00%	1.10%	0.00%	2.16%
Interest Expense on Capital Asset Related Debt	1.39%	1.17%	1.05%	1.04%	1.44%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Greenville Technical College Audited Financial Statements

STATISTICAL SECTION:

Revenue Capacity

A COMPONENT UNIT OF THE STATE OF SOUTH CAROLINA

Schedule 4

GREENVILLE TECHNICAL COLLEGE
Schedule of Revenue by Source
Last Ten Fiscal Years

	2010	2011	2012	2013	2014
Tuition and Fees	$ 30,307,515	$ 29,025,781	$ 31,405,195	$ 30,112,506	$ 28,466,428
Federal Grants/Contracts	6,227,075	5,593,759	4,769,158	4,799,920	9,410,829
State Grants/Contracts	12,538,718	12,262,899	12,010,898	12,714,728	12,589,868
Sales/Serv. Of Educ. Depts.	639,379	646,839	612,583	680,739	643,827
Auxiliary Enterprises	5,948,067	5,766,792	5,988,750	5,569,743	5,231,081
Other	927,181	1,059,622	1,209,979	1,400,820	1,510,084
Total Operating Revenue	$ 56,587,935	$ 54,355,692	$ 55,996,563	$ 55,278,456	$ 57,852,117
State Appropriations	$ 17,595,128	$ 15,033,690	$ 15,314,378	$ 15,962,461	$ 16,696,570
Local Appropriations	10,009,941	10,547,851	10,515,010	10,720,917	11,107,712
Investment Income	218,871	294,276	89,621	118,678	123,070
Gain on Disposal of Capital Assets	-	1,448	-	-	-
Federal Grants/Contracts	30,734,132	39,650,020	33,609,133	28,846,140	25,691,963
State Grants/Contracts	1,045,475	764,577	883,061	860,895	872,238
Total Nonoperating Revenue	$ 59,603,547	$ 66,291,862	$ 60,411,203	$ 56,509,091	$ 54,491,553
State Capital Appropriation	$ 824,512	$ 614,729	$ 1,742,744	$ 1,731,185	$ 1,245,739
Grant-Funded Capital Assets Donated	41,052	7,200	-	-	-
Capital Grants and Gifts	-	-	-	-	-
Total Revenues	$117,057,046	$121,269,483	$118,150,510	$113,518,732	$113,589,409

(Percent of Total)

	2010	2011	2012	2013	2014
Tuition and Fees	25.89%	23.93%	26.58%	26.53%	25.06%
Federal Grants/Contracts	5.32%	4.61%	4.04%	4.23%	8.28%
State Grants/Contracts	10.71%	10.11%	10.17%	11.20%	11.08%
Sales/Serv. Of Educ. Depts.	0.55%	0.53%	0.52%	0.60%	0.57%
Auxiliary Enterprises	5.08%	4.76%	5.07%	4.91%	4.61%
Other	0.79%	0.88%	1.01%	1.23%	1.33%
Total Operating Revenue	48.34%	44.82%	47.39%	48.70%	50.93%
State Appropriations	15.03%	12.40%	12.96%	14.06%	14.70%
Local Appropriations	8.55%	8.70%	8.90%	9.44%	9.77%
Investment Income	0.19%	0.24%	0.07%	0.10%	0.11%
Gain on Disposal of Capital Assets	0.00%	0.00%	0.00%	0.00%	0.00%
Federal Grants/Contracts	26.26%	32.70%	28.45%	25.41%	22.62%
State Grants/Contracts	0.89%	0.62%	0.75%	0.76%	0.77%
Total Nonoperating Revenue	50.92%	54.66%	51.13%	49.77%	47.97%
State Capital Appropriation	0.70%	0.51%	1.48%	1.53%	1.10%
Grant-Funded Capital Assets Donated	0.04%	0.01%	0.00%	0.00%	0.00%
Capital Grants and Gifts	0.00%	0.00%	0.00%	0.00%	0.00%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%

Continued on Next Page

GREENVILLE TECHNICAL COLLEGE

Schedule 4

(continued)

Schedule of Revenue by Source
Last Ten Fiscal Years

	2015	2016	2017	2018	2019
Tuition and Fees	$ 28,306,907	$ 26,390,115	$ 26,805,391	$ 24,546,247	$ 23,649,887
Federal Grants/Contracts	8,221,947	6,576,908	4,176,398	3,881,802	3,711,113
State Grants/Contracts	12,101,577	13,522,823	15,311,732	15,810,843	15,385,137
Sales/Serv. Of Educ. Depts.	599,605	630,280	626,660	606,070	652,164
Auxiliary Enterprises	5,138,739	4,891,989	4,511,004	4,153,177	3,685,884
Other	1,435,052	1,636,967	1,823,198	2,485,369	2,523,277
Total Operating Revenue	$ 55,803,827	$ 53,649,082	$ 53,254,383	$ 51,483,508	$ 49,607,462
State Appropriations	$ 16,943,392	$ 17,841,748	$ 19,599,193	$ 18,581,382	$ 18,628,758
Local Appropriations	11,341,851	11,971,900	12,039,129	12,746,627	13,281,879
Investment Income	268,596	327,898	379,154	599,628	1,059,386
Gain on Disposal of Capital Assets	-	-	-	82,978	-
Federal Grants/Contracts	23,581,574	22,218,173	20,322,041	20,909,400	17,878,848
State Grants/Contracts	782,511	832,445	634,247	714,937	1,073,839
Total Nonoperating Revenue	$ 52,917,924	$ 53,192,164	$ 52,973,764	$ 53,634,952	$ 51,922,710
State Capital Appropriation	$ 594,390	$ 1,094,390	$ 6,369,531	$ 1,247,350	$ 1,166,982
Grant-Funded Capital Assets Donated	-	18,160	-	-	-
Capital Grants and Gifts	360,893	-	1,101,000	-	204,577
Total Revenues	$109,677,034	$107,953,796	$113,698,678	$106,365,810	$102,901,731

	(Percent of Total)				
	2015	2016	2017	2018	2019
Tuition and Fees	25.81%	24.45%	23.83%	23.08%	22.98%
Federal Grants/Contracts	7.50%	6.09%	3.71%	3.65%	3.62%
State Grants/Contracts	11.03%	12.53%	13.61%	14.86%	14.95%
Sales/Serv. Of Educ. Depts.	0.55%	0.58%	0.56%	0.57%	0.63%
Auxiliary Enterprises	4.69%	4.53%	4.01%	3.90%	3.58%
Other	1.31%	1.52%	1.62%	2.34%	2.45%
Total Operating Revenue	50.89%	49.70%	47.34%	48.40%	48.21%
State Appropriations	15.45%	16.53%	17.42%	17.47%	18.10%
Local Appropriations	10.34%	11.09%	10.70%	11.98%	12.91%
Investment Income	0.24%	0.30%	0.34%	0.56%	1.03%
Gain on Disposal of Capital Assets	0.00%	0.00%	0.00%	0.08%	0.00%
Federal Grants/Contracts	21.50%	20.58%	18.07%	19.66%	17.37%
State Grants/Contracts	0.71%	0.77%	0.56%	0.67%	1.04%
Total Nonoperating Revenue	48.24%	49.27%	47.09%	50.42%	50.45%
State Capital Appropriation	0.54%	1.01%	5.66%	1.18%	1.14%
Grant-Funded Capital Assets Donated	0.00%	0.02%	-1.07%	0.00%	0.00%
Capital Grants and Gifts	0.33%	0.00%	0.98%	0.00%	0.20%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Greenville Technical College Audited Financial Statements.
Note: Pell was reclassified from operating to non-operating revenue in the year ended June 30, 2010.

Chart 5 **GREENVILLE TECHNICAL COLLEGE**

Revenues by Source
For the Year Ended June 30, 2019

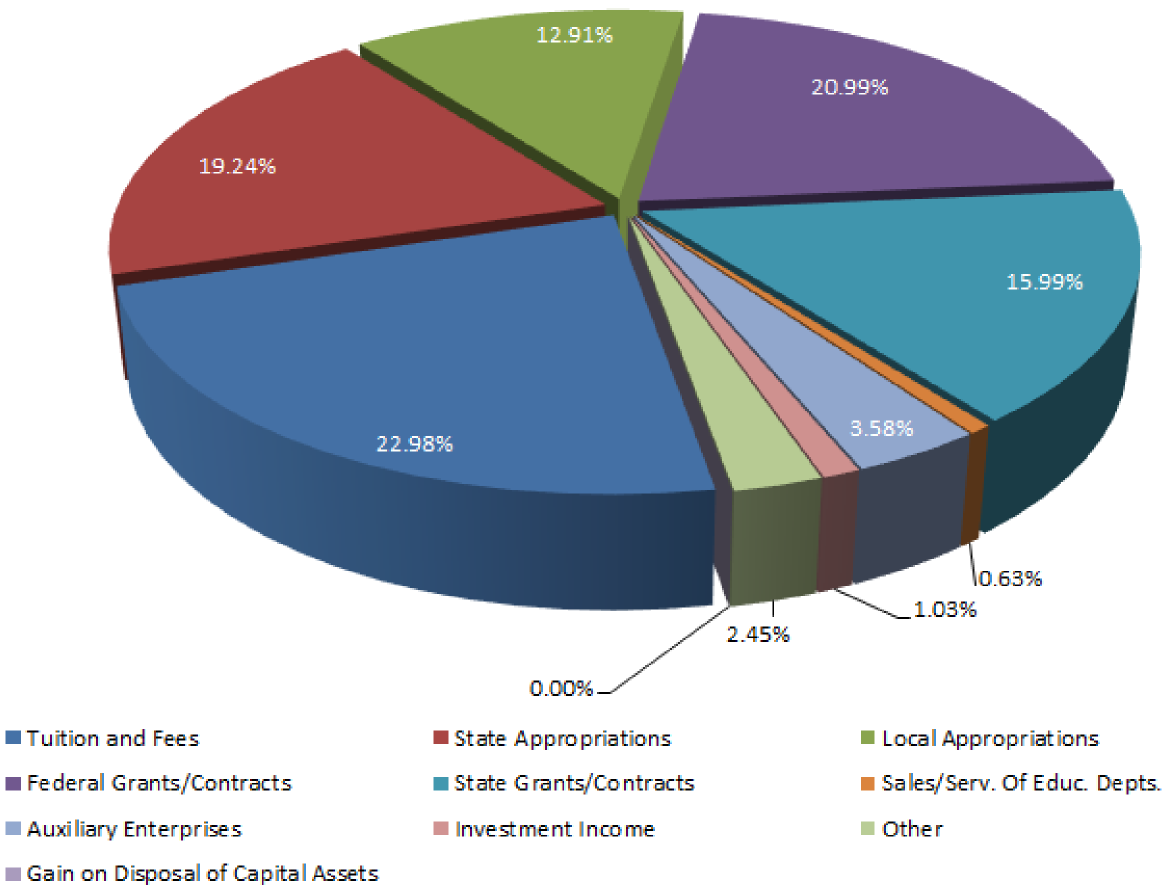


Chart 5

Revenues by Source
For the Year Ended June 30, 2019

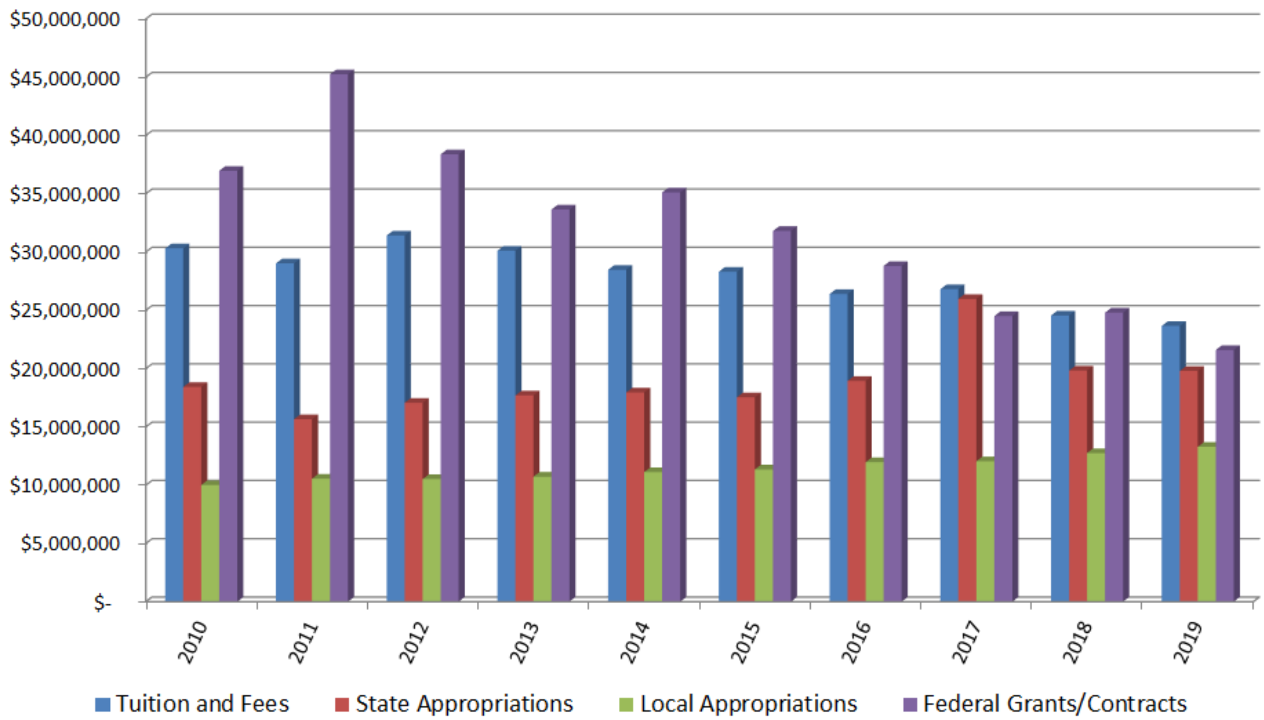
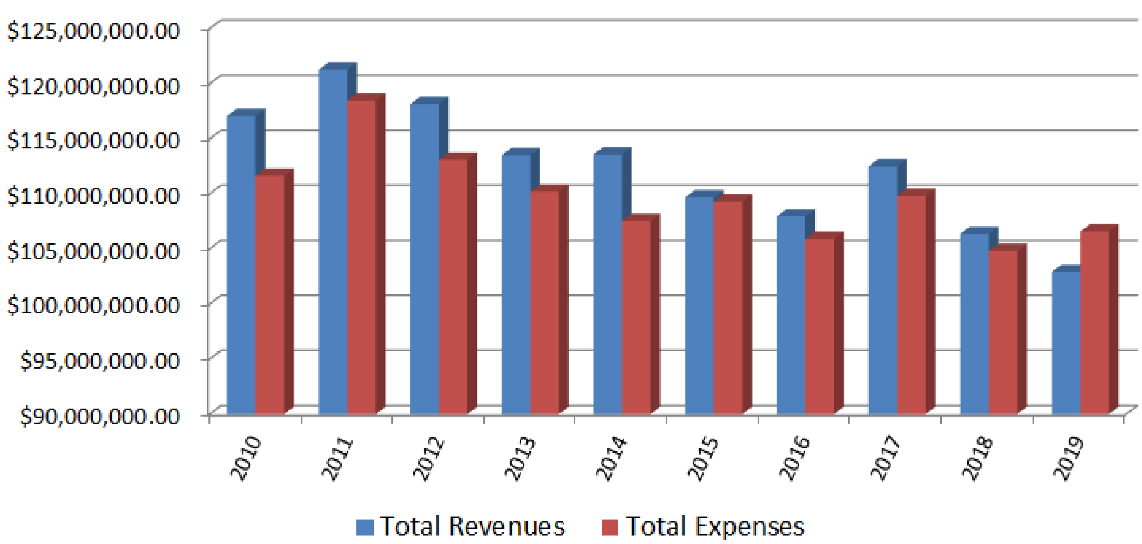


Chart 6

Total Revenue/Expense Comparison, Last Ten Fiscal Years
Ended June 30, 2019

Chart 7



Schedule 5 **GREENVILLE TECHNICAL COLLEGE**

Annual Tuition and Fees
Last Ten Years

Technical Colleges

In-County Tuition and Fees	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Aiken TC	$ 3,626	$ 3,706	$ 3,722	$ 3,866	$ 3,972
Central Carolina TC	3,308	3,380	3,476	3,584	3,720
Denmark TC	2,492	2,500	2,500	2,568	2,568
Florence-Darlington TC	3,302	3,526	3,658	3,766	3,886
Greenville TC	**3,492**	**3,616**	**3,748**	**3,866**	**3,974**
Horry-Georgetown TC	3,206	3,357	3,530	3,530	3,590
Midlands TC	3,608	3,680	3,706	3,788	3,838
Northeastern TC	3,342	3,342	3,438	3,534	3,630
Orangeburg-Calhoun TC	3,218	3,434	3,554	3,650	3,770
Piedmont TC	3,334	3,540	3,572	3,714	3,850
Spartanburg TC	3,434	3,576	3,740	3,820	3,940
TC of the Lowcountry	3,382	3,556	3,676	3,772	3,940
Tri-County TC	3,168	3,465	3,570	3,648	3,744
Trident TC	3,450	3,530	3,600	3,712	3,823
Williamsburg TC	3,042	3,264	3,438	3,540	3,650
York TC	3,352	3,496	3,628	3,712	3,744
System Average	**$ 3,297**	**$ 3,436**	**$ 3,535**	**$ 3,629**	**$ 3,727**

Two-Year Regional Campuses of USC

In-State Tuition and Fees	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
USC-Lancaster	$ 5,528	$ 5,864	$ 6,092	$ 6,284	$ 6,482
USC-Salkehatchie	5,528	5,864	6,092	6,284	6,482
USC-Sumter	5,528	5,864	6,092	6,284	6,482
USC-Union	5,528	5,864	6,092	6,284	6,482

Continued on Next Page

Annual Tuition and Fees
Last Ten Years

Technical Colleges

In-County Tuition and Fees	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Aiken TC	$ 4,098	$ 4,262	$ 4,348	$ 4,468	$ 4,656
Central Carolina TC	3,840	4,200	4,320	4,440	4,608
Denmark TC	2,624	2,926	3,787	4,440	4,440
Florence-Darlington TC	3,934	4,078	4,174	4,270	4,462
Greenville TC	**4,094**	**4,224**	**4,326**	**4,422**	**4,590**
Horry-Georgetown TC	3,854	3,960	4,036	4,108	4,252
Midlands TC	3,888	3,988	4,064	4,318	4,530
Northeastern TC	3,726	3,846	4,090	4,110	4,158
Orangeburg-Calhoun TC	3,890	4,010	4,130	4,250	4,466
Piedmont TC	3,958	4,084	4,228	4,300	4,456
Spartanburg TC	4,064	4,192	4,300	4,444	4,662
TC of the Lowcountry	4,060	4,180	4,276	4,516	4,684
Tri-County TC	3,852	3,967	4,050	4,172	4,327
Trident TC	3,942	4,070	4,156	4,280	4,439
Williamsburg TC	3,756	4,008	4,080	4,224	4,368
York TC	3,840	3,960	4,056	4,176	4,344
System Average	**$ 3,840**	**$ 3,997**	**$ 4,151**	**$ 4,309**	**$ 4,465**

Two-Year Regional Campuses of USC

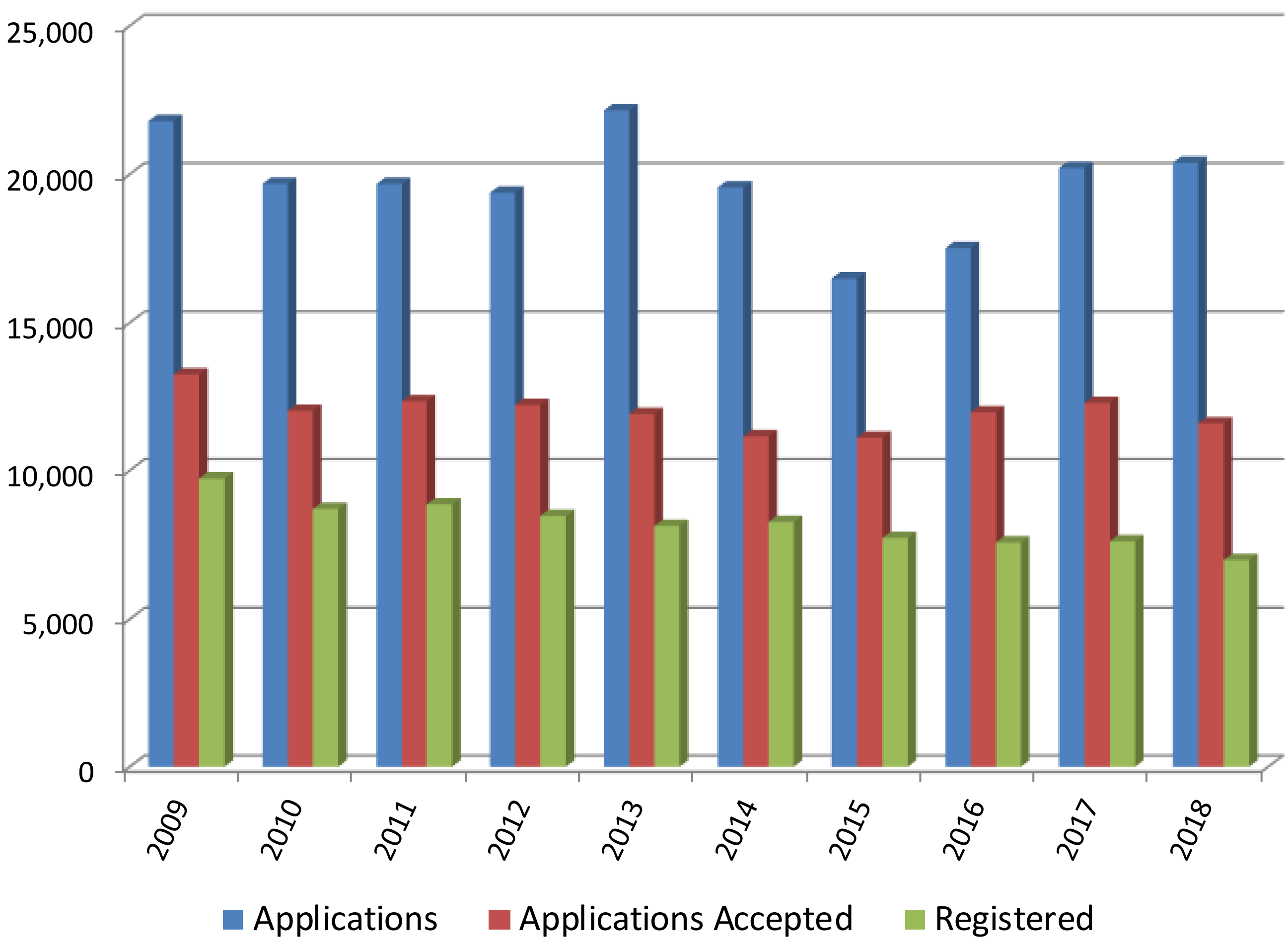
In-State Tuition and Fees	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
USC-Lancaster	$ 6,686	$ 7,008	$ 7,232	$ 7,478	$ 7,558
USC-Salkehatchie	6,686	6,918	7,233	7,478	7,558
USC-Sumter	6,686	6,928	7,152	7,438	7,558
USC-Union	6,686	6,908	7,132	7,388	7,558

Source: South Carolina Commission on Higher Education

Schedule 6

GREENVILLE TECHNICAL COLLEGE
Admissions Statistics
For Academic Years 2009-2018

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Applications	21,810	19,684	19,678	19,378	22,174	19,557	16,484	17,502	20,217	20,394
Applications Accepted	13,244	12,007	12,333	12,206	11,900	11,144	11,097	11,959	12,277	11,585
Registered	9,733	8,715	8,866	8,477	8,138	8,274	7,732	7,576	7,616	6,977
Percent Accepted	60.7%	61.0%	62.7%	63.0%	53.7%	57.0%	67.3%	68.3%	60.7%	56.8%
Percent Registered	73.5%	72.6%	71.9%	69.4%	68.4%	74.2%	69.7%	63.3%	62.0%	60.2%



Source: Greenville Technical College Office of Quality and Planning

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GREENVILLE TECHNICAL COLLEGE

Schedule 7

Student Fall Enrollment Demographics
Last Ten Years

Gender	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Female	8,702	8,948	8,974	8,856	8,368	7,862	7,322	7,150	7,070	7,027	6,477
Male	5,880	6,161	5,911	5,608	5,606	5,595	5,264	5,162	4,860	4,763	4,408
Total	**14,582**	**15,109**	**14,885**	**14,464**	**13,974**	**13,457**	**12,586**	**12,312**	**11,930**	**11,790**	**10,885**

Race	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Black	3,528	3,358	3,569	3,486	3,381	3,065	2,757	2,669	2,590	2,538	2,127
White	9,761	9,324	10,018	9,133	8,769	8,241	7,734	7,479	7,280	7,061	6,532
Other	1,293	2,427	1,298	1,845	1,797	2,151	2,095	2,164	2,060	2,191	2,226
Total	**14,582**	**15,109**	**14,885**	**14,464**	**13,947**	**13,457**	**12,586**	**12,312**	**11,930**	**11,790**	**10,885**

Residency	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
In-County	9,552	9,938	9,936	9,668	9,428	9,228	8,659	8,331	8,010	7,860	7,353
Out-of-County	4,575	4,720	4,539	4,451	4,219	3,829	3,441	3,543	3,412	3,444	3,169
Out-of-State/Foreign	455	451	410	345	327	400	486	438	508	486	363
Total	**14,582**	**15,109**	**14,885**	**14,464**	**13,974**	**13,457**	**12,586**	**12,312**	**11,930**	**11,790**	**10,885**

Headcount	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Full-time	6,284	6,910	6,985	6,265	5,922	5,448	4,873	4,784	4,823	4,785	4,262
Part-time	8,298	8,199	7,900	8,199	8,052	8,009	7,713	7,528	7,107	7,005	6,623
Total	**14,582**	**15,109**	**14,885**	**14,464**	**13,974**	**13,457**	**12,586**	**12,312**	**11,930**	**11,790**	**10,885**

FTE's *	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
	9,208.0	9,838.0	9,820.3	9,237.8	8,902.6	8,411.0	7,731.2	7,576.0	7,400.0	7,358.0	6,700.0

Ratio FTE/HC	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
	0.63	0.65	0.66	0.64	0.64	0.63	0.61	0.62	0.62	0.62	0.62

Average Credits	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
	9.47	9.77	9.90	9.58	9.56	9.38	9.21	9.23	9.30	9.36	9.23

Average Age	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
	27	27	27	27	26.6	26	26	25	25	25	24

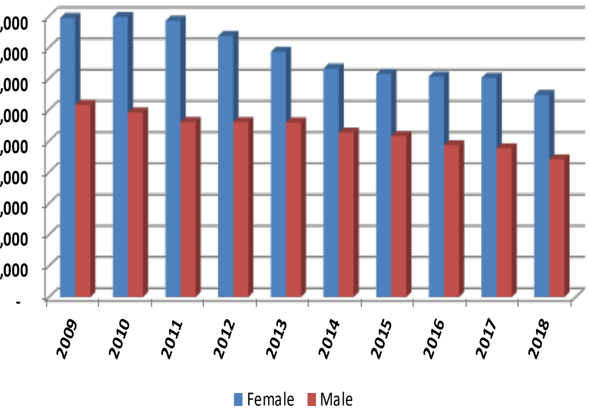
Degrees Awarded	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Associate Degrees	965	1,050	1,194	1,223	1,157	1,210	1,214	1,374	1,236	1,336	1,326
Diplomas	233	226	290	246	207	111	95	81	74	62	59
Certificates	1,259	1,255	1,475	1,355	1,029	933	1,002	961	730	686	805
Total	**2,457**	**2,531**	**2,959**	**2,824**	**2,393**	**2,254**	**2,311**	**2,416**	**2,040**	**2,084**	**2,190**

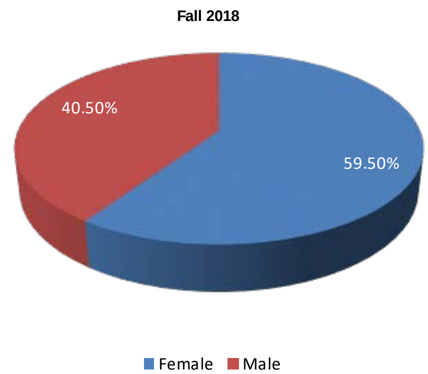
Note(s): All data presented is for fall term except Degrees Awarded which includes the entire fiscal year (July – June)
(*) FTE's are calculated by the total number of credit hours divided by 15, as published by CHE
Source: Greenville Technical College Office of Quality and Planning

Chart 8 **GREENVILLE TECHNICAL COLLEGE**

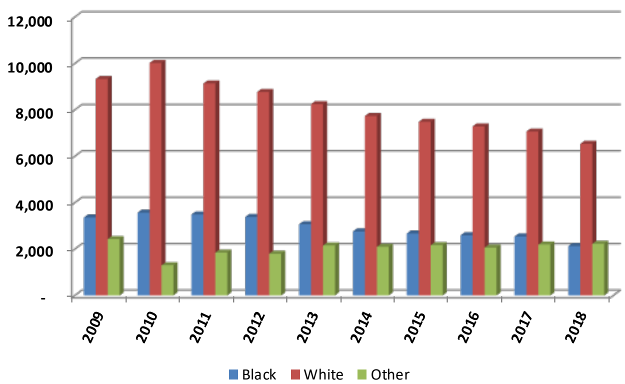
Student Fall Enrollment Demographics – Gender, Race, and Residency

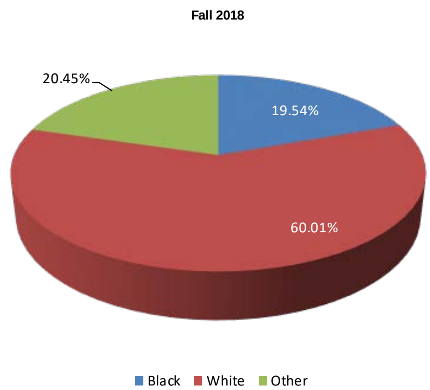
Gender



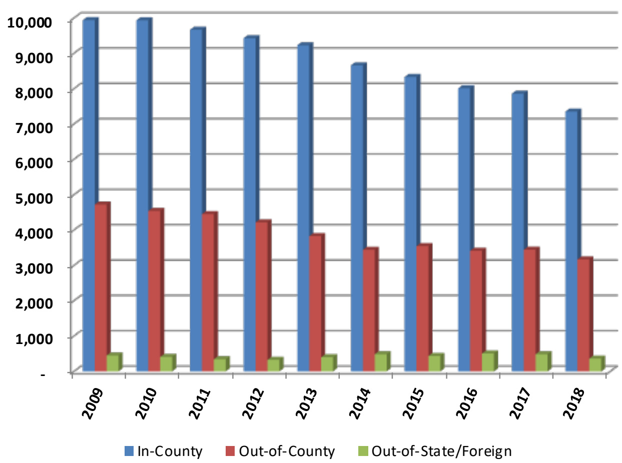


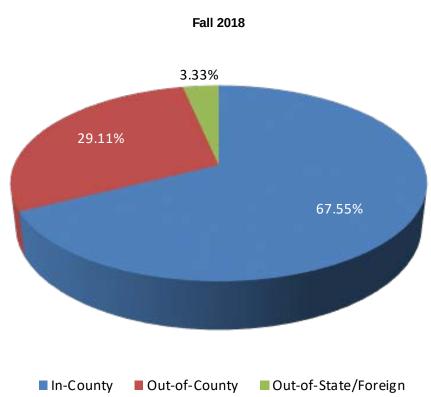
Race





Residency





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GREENVILLE TECHNICAL COLLEGE **Chart 9**

Ten Year Comparison – Student Headcount / FTE

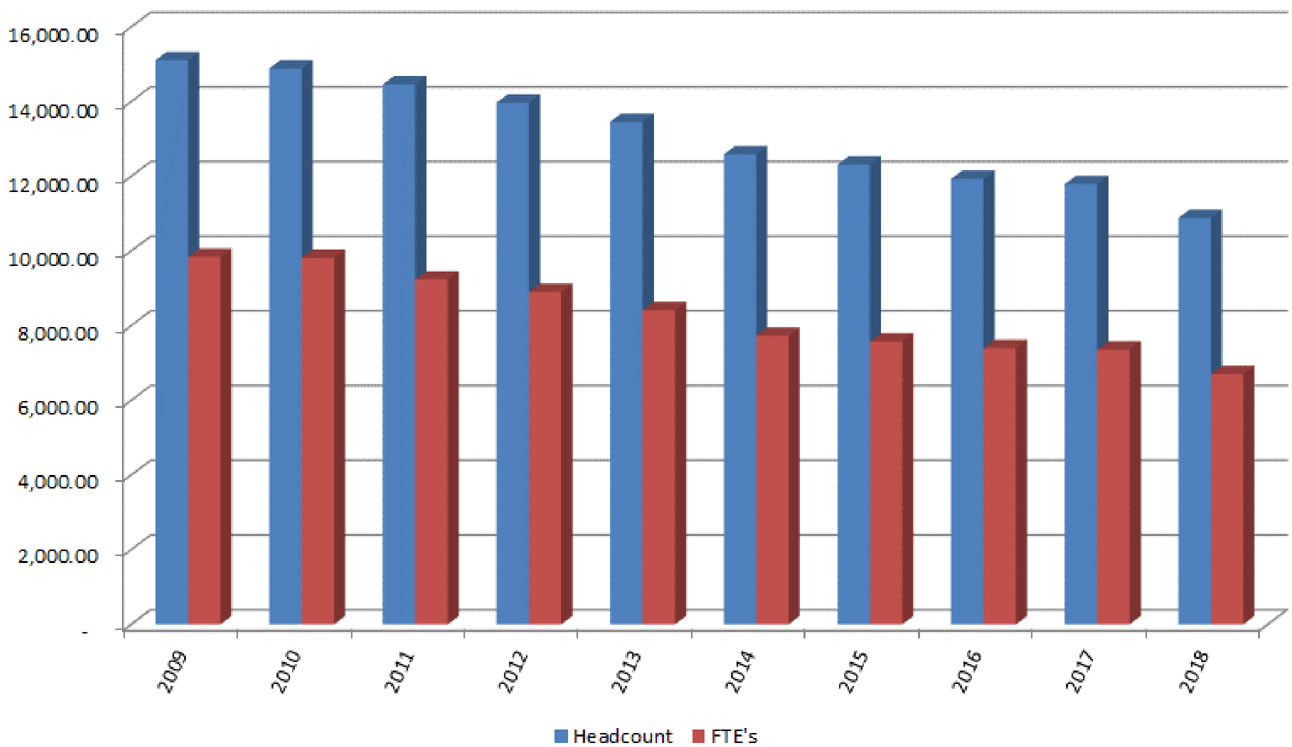
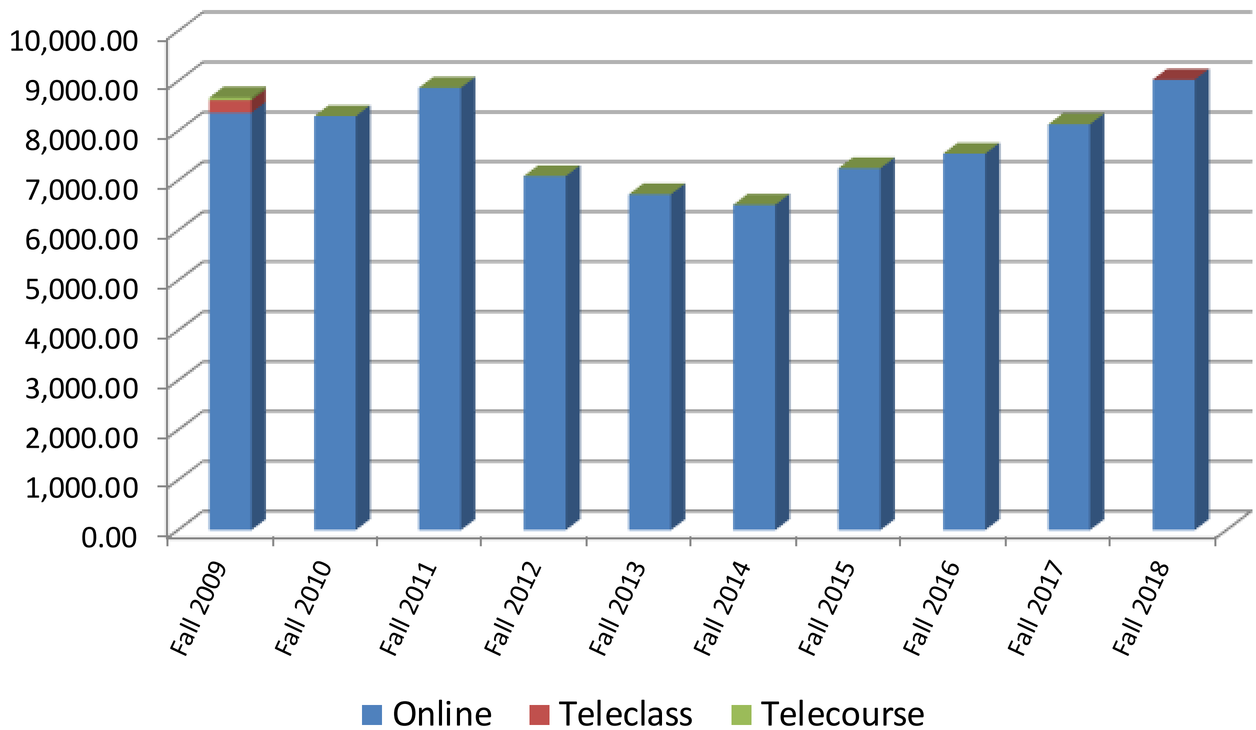


Chart 10

GREENVILLE TECHNICAL COLLEGE
Distance Learning Enrollments

	Fall 2009	Fall 2010	Fall 2011	Fall 2012	Fall 2013	Fall 2014	Fall 2015	Fall 2016	Fall 2017	Fall 2018
Online	8,368	8,300	8,867	7,090	6,726	6,516	7,247	7,540	8,137	9,030
Teleclass	250	-	-	-	-	-	-	-	-	-
Telecourse	41	55	-	-	-	-	-	-	-	-
	8,659	8,355	8,867	7,090	6,726	6,516	7,247	7,540	8,137	9,030



Note(s): Online enrollment includes GTC enrollments and students who were enrolled in online courses taught by other technical colleges.

In 2010, the names for each of the distance learning formats changed from prior editions of the CAFR to reflect the most current terminology.

Source: Greenville Technical College Office of Information Technology

 Continued on Next Page

GREENVILLE TECHNICAL COLLEGE

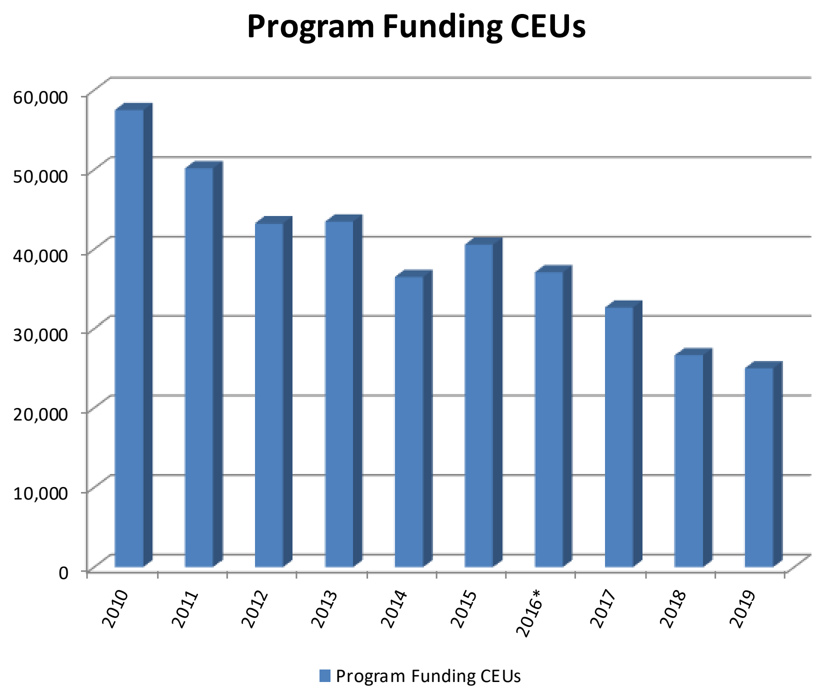
Schedule 8

Economic Development and Corporate Training Division Statistics

Audit Year	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016***	**2017**	**2018**	**2019**
Contact Hours	574,942	501,869	432,461	434,518	365,057	406,025	380,198	336,755	274,861	253,718

Audit Year	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016***	**2017**	**2018**	**2019**
Headcount	32,188	25,293	22,946	19,316	17,046	19,385	14,273	11,008	9,536	9,717

Audit Year	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016***	**2017**	**2018**	**2019**
Program Funding CEUs	57,494	50,187	43,246	43,451	36,505	40,602	37,100	32,644	26,679	25,022



Continuing Education Programs

American Heart Association CPR	Anatomy for Healthcare Professionals	Medical Interpreter	Photography
Asbestos Training	Hazardous Materials / HAZWOPER	Medical Physician Practice Clerk	Project Management
Audiometric Technician Training	Healthy Homes	Medical Scribe	Pulmonary Function Testing
Building Operator Certification	HIPAA Privacy Training	Medical Terminology	Quality Standards, Tools & Methods
Central Sterile Processing Technician	Human Resources	Motorcycle Safety	Real Estate
CNC Machine Operator	HVAC/R Certifications	National Medicare Training	ServSafe Food Safety
Defensive Driving	Indoor Air Quality / Mold Remediation	NCCER Core Introductory to Craft Skills	Sleep Technician (Polysomnography)
Dental Professionals Safety Techniques	Infection Control/Blood Borne Pathogens for Tattooists	Nurse Professional Development	Supply Chain (APICS)
Drone Academy	Lead-Based Paint Safety	Nurse Refresher and Re-licensure Program	Tax Return Professional Training
Electrical Training	Leadership	Nursing Assistant	Three-wheel Rider Education Program
Emergency Response Training	Lean Six Sigma	Ophthalmic Medical Assistant	Unit Secretary - Health Care
Energy & Environmental Management	Lean Training	OSHA Guidelines	Wedding Planner
Floral Design	Manual Machine - General Shop Basics	OSHA Training and Safety	Welding Refresher
Forklift	Medical Coding	Phlebotomy	Writing and Illustrating Children's Books

Note: (*) Change in Ezone reporting requirements starting in 2016. Restate of years 2016 through 2018 to reflect requirement.
Source: Greenville Technical College Economic Development and Corporate Training for years 2017 - 2019.
Greenville Technical College Corporate and Career Development Division for years 2010 - 2016.
Corporate and Career Development Division renamed to Economic Development and Corporate Training in June 2016.

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STATISTICAL SECTION:

Debt Capacity

A COMPONENT UNIT OF THE STATE OF SOUTH CAROLINA

GREENVILLE TECHNICAL COLLEGE **Schedule 9**

Ratios of Outstanding Debt

Total Outstanding Debt	**2010**	**2011**	**2012**	**2013**	**2014**
Bonds Payable	$20,840,000	$19,680,000	$24,545,000	$23,423,802	$46,864,920
Capital Leases Payable	26,800,000	24,720,000	22,750,000	20,715,000	18,620,000
Total Outstanding Debt	$47,640,000	$44,400,000	$47,295,000	$44,138,802	$65,484,920
Outstanding debt per FTE	4,842	4,521	5,120	4,958	7,786
Full-time Equivalent Students	*9,838*	*9,820*	*9,238*	*8,903*	*8,411*

Total Outstanding Debt	**2015**	**2016**	**2017**	**2018**	**2019**
Bonds Payable	$44,379,644	$41,979,505	$39,224,390	$36,410,906	$33,874,941
Capital Leases Payable	16,600,000	14,290,000	11,915,000	9,480,000	6,990,000
Total Outstanding Debt	$60,979,644	$56,269,505	$51,139,390	$45,890,906	$40,864,941
Outstanding debt per FTE	7,250	7,427	6,911	6,237	6,099
Full-time Equivalent Students	*7,731*	*7,576*	*7,400*	*7,358*	*6,700*

Source: Greenville Technical College Audited Financial Statements for years indicated and Greenville Technical College Office of Institutional Effectiveness

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Schedule 10

GREENVILLE TECHNICAL COLLEGE

Bond Coverage

				Debt Service Requirements					
Fiscal Year Ended June 30	Capital Fees Revenue	County Appropriations	State Appropriations	Principal	Interest	Fees	Total	Capital Fees Coverage Ratio	Total Coverage Ratio
2019	$ 1,575,692	$ 3,238,257	$ 1,166,982	$ 2,535,965	$ 1,150,758	$ -	$ 3,686,723	0.43	1.62
2018	$ 1,704,511	$ 3,106,509	$ 1,247,350	$ 2,813,484	$ 1,242,646	$ -	$ 4,056,130	0.42	1.49
2017	$ 1,799,918	$ 2,951,802	$ 6,369,531	$ 2,755,115	$ 1,315,270	$ -	$ 4,070,385	0.44	2.73
2016	$ 1,961,977	$ 2,935,264	$ 1,094,390	$ 2,645,139	$ 1,397,955	$ -	$ 4,043,094	0.49	1.48
2015	$ 2,068,244	$ 2,781,050	$ 594,390	$ 2,515,276	$ 1,548,238	$ -	$ 4,063,514	0.51	1.34
2014	$ 2,205,890	$ 2,693,048	$ 1,245,739	$ 1,558,882	$ 729,948	$ -	$ 2,288,830	0.96	2.68
2013	$ 2,226,125	$ 2,628,846	$ 1,731,185	$ 1,425,000	$ 880,661	$ -	$ 2,305,661	0.97	2.86
2012	$ 2,533,857	$ 2,578,403	$ 1,742,744	$ 1,200,000	$ 940,740	$ -	$ 2,140,740	1.18	3.20
2011	$ 2,652,875	$ 2,586,478	$ 614,729	$ 1,160,000	$ 847,707	$ 500	$ 2,008,207	1.32	2.92
2010	$ 2,703,379	$ 2,454,664	$ 824,512	$ 1,115,000	$ 890,850	$ 1,254	$ 2,007,104	1.35	2.98
2009	$ 2,410,430	$ 2,437,878	$ 936,200	$ 1,080,000	$ 930,434	$ 2,031	$ 2,012,465	1.20	2.87
2008	$ 2,228,024	$ 2,267,773	$ 2,985,963	$ 2,620,000	$ 1,669,506	$ 3,781	$ 1,954,884	1.14	3.83

Note(s): Greenville County supports the operations of the College with annual appropriations to meet the annual debt service requirements of the College's general obligation bonds. The State of South Carolina appropriates funds to assist with other debt service on the College's certificate of participation that was issued to allow the College to acquire a portion of the McAlister Square Mall Complex. The State also appropriates capital funds to the College to assist with other projects including capital projects and maintenance projects. The College receives capital fees from students as part of their tuition and fee payment. These funds are used to service debt and provide funding for capital projects. These funds are listed above along with all the long term debt obligations including capital leases payable.

Source: Greenville Technical College Finance Division and Ellucian Colleague

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Greenville Technical College

STATISTICAL SECTION:

Demographic & Economic Information

A COMPONENT UNIT OF THE STATE OF SOUTH CAROLINA

Schedule 11

GREENVILLE TECHNICAL COLLEGE

Economic Indicators for Service Area

Total Personal Income	2009	2010	2011	2012	2013
Greenville	15,288,231	16,127,182	17,154,415	18,469,933	18,810,392
South Carolina	145,201,638	150,451,800	159,091,000	167,538,800	169,974,000
United States	12,079,444,000	12,541,995,000	13,315,478,000	13,998,383,000	14,175,503,000
	2014	**2015**	**2016**	**2017**	**2018**
Greenville	20,315,795	21,828,894	22,356,412	23,347,725	N/A
South Carolina	181,107,900	192,879,500	199,941,700	209,179,600	217,275,600
United States	14,983,140,000	15,711,634,000	16,115,630,000	16,820,250,000	17,572,929,100

Per Capita Personal Income	2009	2010	2011	2012	2013
Greenville	34,228	35,620	37,358	39,607	39,742
South Carolina	31,635	32,455	34,056	35,517	35,678
United States	39,376	40,546	42,735	44,599	44,851
	2014	**2015**	**2016**	**2017**	**2018**
Greenville	42,179	44,475	44,799	46,066	N/A
South Carolina	37,545	39,425	40,325	41,659	42,736
United States	47,060	48,985	49,883	51,731	53,712

Population of Service Area	2009	2010	2011	2012	2013
Greenville County	446,655	452,752	459,193	466,326	473,315
	2014	**2015**	**2016**	**2017**	**2018**
Greenville County	481,656	490,816	499,034	506,837	514213*

Unemployment	2009	2010	2011	2012	2013
Greenville County	9.8%	9.6%	8.6%	7.4%	6.1%
South Carolina	11.2%	11.2%	10.6%	9.2%	7.6%
United States	9.3%	9.6%	8.9%	8.1%	7.4%
	2014	**2015**	**2016**	**2017**	**2018**
Greenville County	5.3%	4.9%	4.3%	3.7%	2.9%
South Carolina	6.5%	6.0%	5.0%	4.3%	3.4%
United States	6.2%	5.3%	4.9%	4.4%	3.9%

Announced Job Creation	2009	2010	2011	2012	2013
Greenville County	909	2,083	3,092	1,454	1,001
	2014	**2015**	**2016**	**2017**	**2018**
Greenville County	1,317	2,118	2,693	1,789	1,477

Source(s): U.S. Department of Commerce, Bureau of Economic Analysis; U.S. Department of Commerce, Census Bureau; U.S. Department of Labor, Bureau of Labor Statistics; Greenville Area Development Corporation

Note(s): * Population estimate as of July 1, 2018 provided by the US Census Bureau. Economic indicators from prior years have updated to reflect the most current figures.

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GREENVILLE TECHNICAL COLLEGE **Schedule 12**

Principal Employers in Service Area

Company Name	2019 Employment	2019 Percent of Total County Employment
Prisma Health *(formerly known as Greenville Hospital System)*	15,941	6.41%
Greenville County School District	10,095	4.06%
Michelin North America Inc	7,120	2.86%
Bi-Lo, LLC	4,600	1.85%
Bon Secours St. Francis Health System	4,355	1.75%
General Electric Power	3,400	1.37%
Duke Energy Corp	3,300	1.33%
Greenville County Government	2,685	1.08%
State of South Carolina	2,552	1.03%
Fluor Corporation	2,400	0.97%
Top 10 Total Employment	56,448	22.71%
Greenville County Total Employment	248,547	100.00%

Company Name	2010 Employment	2010 Percent of Total County Employment
School District of Greenville County	8,700	3.84%
Greenville Hospital System	7,582	3.34%
Michelin North America Inc	4,000	1.76%
Bon Secours St. Francis Health System	3,500	1.54%
SC State Government	3,238	1.43%
General Electric Co	3,200	1.41%
Fluor Corporation	2,100	0.93%
US Government	1,857	0.82%
Greenville County Government	1,672	0.74%
Bob Jones University	1,650	0.73%
Top 10 Total Employment	37,499	16.53%
Greenville County Total Employment	220,979	97.41%

Source: Current and historic rankings reported through August 2016 by the South Carolina Appalachian Council of Governments and Greenville Area Development Corporation. Greenville County Total Employment reported by the South Carolina Department of Employment and Workforce.

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STATISTICAL SECTION:

Operating Information

A COMPONENT UNIT OF THE STATE OF SOUTH CAROLINA

Schedule 13

GREENVILLE TECHNICAL COLLEGE
Faculty and Staff Statistics

Faculty	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Full-Time	347	337	349	347	346	336	324	329	319
Part-Time	445	457	434	431	402	486	483	490	470
Total Faculty	792	794	783	778	748	822	807	819	789

Staff	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Full-Time	343	353	352	376	394	387	382	363	348
Part-Time	312	300	311	311	269	226	198	232	212
Total Staff	655	653	663	687	663	613	580	595	560

Combined	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Full-Time	690	690	701	723	740	723	706	692	667
Part-Time	757	757	745	742	671	712	681	722	682
Total Employees	1,447	1,447	1,446	1,465	1,411	1,435	1,387	1,414	1,349

Average Annual Faculty Salary	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
	45,812	46,145	48,012	47,421	63,523	47,195	48,072	47,696	47,135

Source(s): Greenville Technical College Office of Quality and Planning &
South Carolina Commission on Higher Education

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GREENVILLE TECHNICAL COLLEGE

Schedule 14

Space Utilization

Instruction	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assignable Square Feet	652,447	731,684	731,684	733,590	732,521	733,483	741,364	742,002	740,070	858,035
Percentage of Total	83.3%	81.7%	80.2%	81.3%	81.2%	81.3%	81.5%	81.6%	81.5%	83.4%

Public Service	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assignable Square Feet	3,090	12,668	12,668	12,668	12,668	12,668	12,668	12,668	12,668	12,668
Percentage of Total	0.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.2%

Academic Support	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assignable Square Feet	33,003	29,811	30,436	30,387	30,387	30,171	30,171	30,171	30,171	32,156
Percentage of Total	4.2%	3.3%	3.3%	3.4%	3.4%	3.3%	3.3%	3.3%	3.3%	3.1%

Student Services	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assignable Square Feet	31,908	26,761	27,335	27,335	27,335	27,408	27,144	27,628	27,628	27,997
Percentage of Total	4.1%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	2.7%

Institutional Support	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assignable Square Feet	21,749	26,631	27,251	31,225	31,460	31,064	31,064	29,970	29,970	29,484
Percentage of Total	2.8%	3.0%	3.0%	3.5%	3.5%	3.4%	3.4%	3.3%	3.3%	2.9%

Plant Operations and Maintenance	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assignable Square Feet	14,291	7,145	7,115	7,115	7,115	7,115	6,977	6,977	6,977	7,390
Percentage of Total	1.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.7%

Auxiliary Enterprises	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assignable Square Feet	11,556	3,108	3,108	3,108	3,108	3,108	3,108	3,108	3,108	3,108
Percentage of Total	1.5%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%

Independent Operations	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assignable Square Feet	12,081	57,243	56,993	56,993	56,993	56,993	56,993	56,624	56,624	58,092
Percentage of Total	1.5%	6.4%	6.2%	6.3%	6.3%	6.3%	6.3%	6.2%	6.2%	5.6%

Unassigned	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Unassigned Square Feet	2,771	376	376	376	376	376	376	376	376	1,485
Percentage of Total	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%

Total Square Footage	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total Square Feet	782,896	895,427	912,559	902,797	901,963	902,386	909,865	909,524	907,592	1,030,415

Parking Facilities	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Parking Spaces Available	6,505	6,418	6,600	6,600	6,495	6,495	6,482	6,482	6,776	7,068
Number of Employees	1,412	1,447	1,447	1,446	1,465	1,411	1,435	1,387	1,414	1,349
Number of Students	15,109	14,885	14,464	13,947	13,457	12,586	12,312	11,930	11,790	10,885

Source: Greenville Technical College CHEMIS reports for years presented and Greenville Technical College Campus Police.

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Greenville Technical College

STATISTICAL SECTION:

Other Information

A COMPONENT UNIT OF THE STATE OF SOUTH CAROLINA

Schedule 15 **GREENVILLE TECHNICAL COLLEGE**

Instructional Programs

Associates Degrees

Local Code	Program Title	Program Code
	Arts and Science	
45600	Associate in Arts	AA.ART
45600	Associate in Arts-Art Education	AA.ART.EDUC
45600	Associate in Arts-Fine Arts	AA.ART.FINE
45600	Associate in Arts-Graphic Design	AA.ART.GRAP
45600	Associate in Arts-Photography	AA.ART.PHOTO
45600	Associate in Arts-Theatre	AA.ART.THE
45600	Associate in Arts-Web Site Design	AA.ART.WEBD
55600	Associate in Science	AS.SCI
55600	Associate in Science-Chemical Engineering	AS.SCI.CHEM
55600	Associate in Science-Civil Engineering	AS.SCI.CIVL
55600	Associate in Science-Computer Engineering	AS.SCI.COMP
55600	Associate in Science-Electrical Engineering	AS.SCI.EENG
55600	Associate in Science-Mechanical Engineering	AS.SCI.METT
35505	Criminal Justice Technology	AAS.CRJ
35508	Early Care and Education	AAS.ECE
35501	Human Services	AAS.HUS
35520	Paralegal	AAS.LEG
35520	Paralegal-Advanced Placement	AAS.LEG.APLA
	Health and Wellness	
35017	Culinary Arts Technology	AAS.CUL
35203	Dental Hygiene	AAS.DHG
35218	Diagnostic Medical Sonography	AAS.DMS
35299	Emergency Medical Technology	AAS.EMT
35213	Health Information Management	AAS.HIM
35205	Medical Laboratory Technology	AAS.MLT
35208	Nursing	AAS.NUR
35221	Occupational Therapy Assistant	AAS.OTA
35219	Physical Therapist Assistant	AAS.PTA
35207	Radiologic Technology	AAS.RAD
35215	Respiratory Care	AAS.RES
	Business and Technology	
35002	Accounting	AAS.ACC
35007	Administrative Office Technology - Business Systems	AAS.AOT.BUS
35007	Administrative Office Technology - Data Analytics	AAS.AOT.DAA
35007	Administrative Office Technology - Medical	AAS.AOT.MED
35302	Aircraft Maintenance Technology	AAS.AMT
35304	Architectural Engineering Technology	AAS.AET
35304	Architectural Engineering Technology-Transfer	AAS.AET.ARCH
35376	Auto Body Repair	AAS.ABR
35306	Automotive Technology	AAS.AUT
35306	Automotive Technology-GM Automotive Service Educ Prog	AAS.AUT.ASEP
35306	Automotive Technology-Honda/Acura	AAS.AUT.PACT
35373	Computer Numerical Control (CNC) Programming and Operations	AAS.CNC
35104	Computer Technology - Cybersecurity	AAS.CPT.CYB
35104	Computer Technology-Networking Administration	AAS.CPT.NET
35104	Computer Technology-Programming	AAS.CPT.PRG
35104	Computer Technology-Systems Administration	AAS.CPT.SYS
35308	Construction Engineering Technology	AAS.CET
35308	Construction Engineering Technology-Construc Sci Mgt	AAS.CET.CSM
35310	Electronics Engineering Technology	AAS.EET

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Associates Degrees (continued)

Local Code	Program Title	Program Code
	Business and Technology (continued)	
35307	Engineering Design Technology	AAS.EDT
35318	General Technology	AAS.GTE
35370	Machine Tool Technology	AAS.MTT
35030	Management	AAS.MGT
35004	Marketing	AAS.MKT
35315	Mechanical Engineering Technology	AAS.MET
35371	Mechatronics Technology	AAS.MEC
35006	Supply Chain Management	AAS.SCM

Certificates

Local Code	Program Title	Program Code
	Arts and Science	
70867	Fine Arts	CA.FAR7
70868	Graphic Design	CA.GRD7
70871	Photography	CA.PHO7
70986	Web Site Design	CA.WSD7
71382	Child Care Assistant	CAS.CCA6
70237	Early Childhood Development	CAS.ECD7
71053	Early Childhood Special Education	CAS.ECSE7
60894	Infant/Toddler	CAS.IT6
	Health and Wellness	
70917	Baking and Pastry Arts	CAS.BPA7
71323	Cancer Data Management	CAS.CDM7
60618	Computed Tomography	CAS.CTO6
71375	Cosmetology	CAS.COS7
60551	Culinary Education	CAS.CED7
61073	Emergency Medical Technician	CAS.EMT7
71401	EMT-Paramedic	CAS.EMTP6
60902	Esthetics	CAS.ESTH6
70543	Magnetic Resonance Imaging	CAS.MRI7
60575	Massage Therapy	CAS.MT6
71346	Medical Assistant	CAS.MED7
71383	Medical Scribe Specialist	CAS.MSS7
60634	Patient Care Technician	CAS.PCT6
71143	Pharmacy Technician	CAS.PHAR7
60858	Professional Grooming and Animal Care	CAS.SAC6
60951	Sterile Processing	CAS.SP6
71309	Sustainable Agriculture	CAS.SAG7
70963	Veterinary Assistant	CAS.VET7
	Business and Technology	
70892	Aviation Airframe Structure/Systems	CAS.AAS7
61150	Advanced Aviation Technician	CAS.AAT6
70475	Auto Body Repair	CAS.ABR7
61041	Advanced CNC Programmer	CAS.ACNC6
70330	Air Conditioning/Refrigeration Technician	CAS.ACR7
71347	Automotive Medium & Light Repair	CAS.AMLR7
70893	Aviation Pow erplant Theory/Systems	CAS.APT7
60789	Aviation Fundamentals	CAS.AVF6

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GREENVILLE TECHNICAL COLLEGE
Instructional Programs

Certificates (continued)

Local Code	Program Title	Program Code
	Business and Technology (continued)	
71279	Aircraft Electrical and Electronics Technology	CAS.AVIO7
60308	Beginning Electricity & Refrigeration	CAS.BER6
60489	Basic Machine Operations	CAS.BMO6
70176	Building Construction Technology	CAS.CAR7
60865	3-D Modeling CAD Design	CAS.CCD6
60019	CNC Machine Operator	CAS.CN6
71378	Cisco Network Administrator	CAS.CNAD7
60832	Cisco Routing/Network Configuration	CAS.CRN6
71418	Cybersecurity	CAS.CYB7
70476	Diesel Equipment Technology	CAS.DEM7
61068	Diesel Engine Performance	CAS.DEP6
70151	Industrial Electricity	CAS.ELT7
61125	Enterprise Resource Planning	CAS.ERP6
71286	Heavy Equipment Auxiliary Systems	CAS.HEAS7
71285	Heavy Equipment Chassis Systems	CAS.HECS7
71011	Human Resource Management	CAS.HUM7
70356	Medical Clerical	CAS.MC7
71126	Mechatronics I	CAS.MECA7
71142	Mechatronics II	CAS.MECB7
60766	Marketing Communications	CAS.MKC7
70957	Microsoft Network Technician	CAS.MNA7
60970	Marketing in the Non-Profit Sector	CAS.MNPS6
60767	Physician Practice Specialist	CAS.PPS6
61040	Production Technology Associate I	CAS.PTCA6
60574	Small Business Accounting	CAS.SBA6
70873	Small Business Management/Entrepreneurship	CAS.SBE7
60091	Specialized Welding	CAS.SWL6
71377	Systems Administration	CAS.SYSA7
60005	Truck Driver Training	CAS.TDR6
71376	Web Programming	CAS.WEBP7
60555	Robotic Welding Fundamentals	CAS.WF7
70113	Welding	CAS.WLD7

Diplomas

Local Code	Program Title	Program Code
	Health and Wellness	
15202	Expanded Duty Dental Assisting	DAS.EDD1
15211	Surgical Technology	DAS.SUR1
	Business and Technology	
15390	Air Conditioning/Refrigeration Technology	DAS.ACR1

Source: Greenville Technical College Office of Academic Compliance and Review

GREENVILLE TECHNICAL COLLEGE **Schedule 16**

College Accreditation and Non-Discrimination Policy

Greenville Technical College is accredited by the Southern Association of Colleges and Schools Commission on Colleges (1866 Southern Lane, Decatur, Georgia 30033-4097; telephone number (404) 679-4500) to award associate degrees, diplomas and certificates. Greenville Technical College was first accredited by SACSCOC in 1968. GTC received decennial accreditation from SACSCOC in 2013, reaffirming the college's accreditation through 2023. Since 2013, GTC submitted a Fifth-Year Interim Report in 2018 and will complete a Compliance Certification Report prior to 2023. A comprehensive compliance audit will be conducted prior to submission of the Compliance Certification Report which includes an assessment of all programs and courses including those offered through distance learning. A timeline of activities for the Compliance Certification Report will be developed soon.

Program Accrediting Agencies

Engineering Technology Accreditation Commission of ABET
415 North Charles Street
Baltimore, MD 21202
(410) 347-7700
www/abet.org

Accreditation Commission for Education in Nursing, Inc.
3343 Peachtree Road, NE, Suite 850
Atlanta, GA 30326
(404) 975-5000
www.acenursing.org

Accreditation Council for Occupational Therapy Education
c/o Accreditation Department
American Occupational Therapy Association
4720 Montgomery Lane, Suite 200
Bethesda, MD 20814-3449
(301) 652-2862
www.aota.org

Accreditation Review Committee on Education in Surgical Technology
6 West Dry Creek Circle
Suite 110
Littleton, CO 80120
(303) 694-9262
www.arcstsa.org

American Bar Association Standing Committee on Paralegals Approval Commission
321 N. Clarks Street
Chicago, IL 60654-7598
(800) 285-2221
www.americanbar.org/groups/paralegals

American Culinary Federation Education Foundation, Inc. Accrediting Commission
180 Center Place Way
St. Augustine, FL 32095
(800) 624-9458
www.acfchefs.org

American Society of Health System Pharmacists
Accreditation Services Division
4500 East-West Highway, Suite 900
Bethesda, MD 20814
(301) 664-8835
www.ashp.org

Accreditation Council for Business Schools & Programs (ACBSP)
11520 West 119th Street
Overland Park, KS 66213
(913) 339-9356
www.acbsp.org

Commission on Accreditation for Health Informatics and Information Management Education (CAHIIM)
Accreditation Services
c/o AHIMA
233 N. Michigan Avenue, 21st Floor
Chicago, IL 60601-5800
(312) 233-1134
www.cahiim.org

Commission on Accreditation in Physical Therapy Education
APTA Headquarters
Accreditation Department
111 North Fairfax Street
Alexandria, VA 22314-1488
(703) 706-3241
www.capteonline.org

Commission on Accreditation of Allied Health Education Programs (CAAHEP)
25400 US Highway 19 North, Suite 158
Clearwater, FL 35763
(727) 210-2350
www.caahep.org

Committee on Accreditation for Respiratory Care (CoARC)
1248 Harwood Road
Bedford, TX 76201-4244
(817) 283-2835
www.coarc.com

Committee on Accreditation of Educational Programs for the EMS Professions (CoAEMSP)
8301 Lakeview parkway, Suites 111-312
Rowlett, TX 75088
(214) 703-8445
www.coaemsp.org

Commission on Dental Accreditation American Dental Association
211 East Chicago Avenue
Chicago, IL 60611-2678
(312) 440-4653
www.ada.org

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Program Accrediting Agencies (continued)

Federal Aviation Administration Flight Standards District Office
FAA/FSD0-13
125B Summer Lake Drive
West Columbia, SC 29170
(803) 765-5931
www.faa.gov

HVAC Excellence
P.O. Box 491
Mount Prospect, IL 60056
(800) 394-5268
www.escogroup.org

Joint Review Committee on Education in Radiologic Technology
20 North Wacker Drive, Suite 2850
Chicago, IL 60606-3182
(312) 704-5300
www.jrcert.org

National Accrediting Agency for Clinical Laboratory Sciences
5600 N. River Road, Suite 720
Rosemont, IL 60018-5119
(773) 714-8880
www.naacls.org

National Association for the Education of Young Children (NAEYC)
1313 L Street, Suite 500 NW
Washington, DC 20005-4101
(202) 232-8777
www.naeyc.org

National Automotive Technicians' Educational Foundation (NATEF)
1503 Edwards Ferry Road, NE, Suite 401
Leesburg, VA 20176
(703) 669-6650
www.natef.org

National Board for Certification in Occupational Therapy
One Bank Street, Suite 300
Gaithersburg, MD 20878
(301) 990-7979
www.nbcot.org

National Cancer Registrars Association
Formal Education Review Committee
1330 Braddock Place, Suite 520
Alexandria, VA 22314
(703) 299-6640
www.ncra-usa.org

South Carolina Department of Health and Human Services
Nurse Aide Training Program (NATP)
P.O. Box 8206
Columbia SC 29202
(803) 315-1366
www.scdhhs.gov

South Carolina Department of Labor, Licensing and Regulation
Board of Cosmetology
Synergy Business Park; Kingstree Building
110 Centerview Drive
Columbia, SC 29210
(803) 896-4300
www.llr.sc.gov

South Carolina Department of Labor, Licensing and Regulation
Board of Nursing
Kingstree Building, Suite 202
110 Centerview Drive
Columbia, SC 29211-1329
(803) 896-4550
www.llr.sc.gov

South Carolina Department of Public Safety Driver Improvement Division - DMV
P.O. Box 1498
Blythewood, SC 29016
(803) 896-5000
www.scdmvonline.com

Non-Discrimination Policy:
Greenville Technical College provides equal opportunity and affirmative action in education and employment for all qualified persons regardless of race, color, religion, sex, national origin, age, disability, sexual orientation, or veteran status.

The college complies with the provisions of Titles VI and VII of the Civil Rights Act of 1964, as amended; Title IX of the Education Amendments of 1972 and the Higher Education Amendments of 1986; Sections 503 and 504 of the rehabilitation Act of 1973, as amended; the South Carolina Human Affairs Law of 1972; and with the Americans with Disabilities Act (ADA) of 1990 as well as the ADA Amendments of 2008 (ADAA).

For additional information on nondiscrimination policies, students should contact Elaine Scott-Mattison, Student Disability Services director, who also coordinates Title II of the ADA/ADAA, Section 504. She may be reached at (864) 250-8199 v/TTY or via email at Elaine.Scott-Mattison@gvltec.edu. For additional information about Title IX policies, students contact Michael Chasteen at (864) 250-8144.

Source: Greenville Technical College 2018-2019 Catalog and Student Handbook and Greenville Technical College website, www.gvltec.edu.

Single Audit Section

A COMPONENT UNIT OF THE STATE OF SOUTH CAROLINA

MEMBERS
AMERICAN INSTITUTE OF CPAS
PRIVATE COMPANIES PRACTICE SECTION
SOUTH CAROLINA ASSOCIATION OF CPAS
GOVERNMENTAL AUDIT QUALITY CENTER

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

ALBERT B. CLINE, CPA (1923-2013)
RAYMOND H. BRANDT, CPA
BEN D. KOCHENOWER, CPA, CFE, CVA, CICA, CGMA
TIMOTHY S. BLAKE, CPA, PFS
BRANDON A. BLAKE, CPA

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

Greenville Technical College
Greenville, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely component unit of Greenville Technical College, a discretely presented component unit of the State of South Carolina, as of and for the years ended June 30, 2019 and June 30, 2018, and the related notes to the financial statements, which collectively comprise Greenville Technical College's basic financial statements, and have issued our report thereon dated September 18, 2019. Our report includes a reference to other auditors who audited the financial statements of Greenville Tech College Foundation, Inc. and Subsidiaries, as described in our report on Greenville Technical College's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The Greenville Tech College Foundation, Inc. and Subsidiaries' financial statements were not audited in accordance with *Government Auditing Standards.*

Internal Control Over Financial Reporting

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

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Post Office Box 848, 1225 West Floyd Baker Boulevard, Gaffney, SC 29342-0848, (864) 489-7121 Fax (864) 489-7123
Post Office Box 161300, 145 Rogers Commerce Boulevard, Boiling Springs, SC 29316-1300, (864) 541-0218 Fax (864) 541-0221
Internet Address: www.cbkpa.com

Greenville Technical College
Page Two

Compliance and Other Matters

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

Purpose of this Report

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

Gaffney, SC
September 18, 2019

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PRIVATE COMPANIES PRACTICE SECTION
SOUTH CAROLINA ASSOCIATION OF CPAS
GOVERNMENTAL AUDIT QUALITY CENTER

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Independent Auditors' Report On Compliance
For Each Major Program And On Internal Control Over
Compliance Required By The Uniform Guidance

Greenville Technical College
Greenville, South Carolina

Report on Compliance for Each Major Federal Program

We have audited Greenville Technical College's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Greenville Technical College's major federal programs for the year ended June 30, 2019. Greenville Technical College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 Greenville Technical College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Greenville Technical College's compliance.

Opinion on Each Major Federal Program

In our opinion, Greenville Technical College, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2019.

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Internet Address: www.cbkpa.com

Other Matters

This report is replacing the previously issued report dated September 18, 2019. Additional audit procedures were performed to obtain sufficient appropriate audit evidence for one of the major programs, the Student Financial Assistance Cluster, due to the issuance of the corrected edition of the Office of Management and Budget's (OMB) 2019 *Compliance Supplement.* No changes were made from the previously issued report.

Report on Internal Control Over Compliance

Management of Greenville Technical College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirement referred to above. In planning and performing our audit of compliance, we considered Greenville Technical College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Greenville Technical College's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Gaffney, SC
October 18, 2019

GREENVILLE TECHNICAL COLLEGE
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

DIRECT FEDERAL GRANTOR Pass-Through Grantor/Program Title	Program Period	Federal CFDA Number	Federal or Pass-Through Grantor's Number	Total Expended
U.S. DEPARTMENT OF EDUCATION				
STUDENT FINANCIAL ASSISTANCE CLUSTER				
Federal Pell Grant Program	17-18	84.063	N/A	174,581
Federal Pell Grant Program	18-19	84.063	N/A	17,099,240
Federal Work-Study Program	18-19	84.033	N/A	189,675
Federal Supplemental Education Opportunity Grant	17-18	84.007	N/A	10,763
Federal Supplemental Education Opportunity Grant	18-19	84.007	N/A	583,208
Federal Direct Student Loans	17-18	84.268	N/A	125,686
Federal Direct Student Loans	18-19	84.268	N/A	15,089,578
Total Student Financial Assistance Cluster				33,272,731
TRIO CLUSTER				
Trio_Student Support Services	18-19	84.042	P042A150740	456,409
Trio_Upward Bound	18-19	84.047	P047A170629	279,496
Total TRIO Cluster				735,905
Passed through State Department of Education				
Career and Technical Education - Basic Grants to States	17-18	84.048	17VA407	12,283
Career and Technical Education - Basic Grants to States	18-19	84.048	18VA407	662,418
Passed through State Department of Social Services				
Child Care and Development Block Grant	18-19	93.575	19 TE 407	458,328
Social Services Block Grant	18-19	93.667	19 TE 407	146,699
Total U.S. Department of Education				35,288,364
U.S. DEPARTMENT OF LABOR				
Passed Through South Carolina Technical College System				
H-1B Job Training Grants	18-19	17.268	AP-27836-15-60-A-45	130,717
Total U.S. Department of Labor				130,717
APPALACHIAN REGIONAL COMMISSION				
Passed Through South Carolina Technical College System				
Appalachian Research, Technical Assistance, and Demonstration Projects	18-19	23.011	SC-18423-16	28,858
Total Appalachian Regional Commission				28,858
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through SC Department of Social Services				
Child and Adult Care Food Program	18-19	10.558	5SC300329	16,820
Total U.S. Department of Agriculture				16,820

Continued on Next Page

GREENVILLE TECHNICAL COLLEGE
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

(continued)

DIRECT FEDERAL GRANTOR Pass-Through Grantor/Program Title	Program Period	Federal CFDA Number	Federal or Pass-Through Grantor's Number	Total Expended
NATIONAL SCIENCE FOUNDATION				
RESEARCH AND DEVELOPMENT CLUSTER				
Passed Through Clemson University				
Education and Human Resources	18-19	47.076	1861-206-2010539	7,508
Total Research and Development Cluster				7,508
Total National Science Foundation				7,508
U.S. DEPARTMENT OF VETERAN AFFAIRS				
Post - 9/11 Veterans Educational Assistance	18-19	64.028		1,332,958
Total U.S. Department of Veteran Affairs				1,332,958
TOTAL FEDERAL AWARDS				36,805,225

GREENVILLE TECHNICAL COLLEGE
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards of Greenville Technical College. The reporting entity is defined in Note 1 of the College's financial statements. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 of the College's financial statements. Greenville Technical College elected not to use the 10 percent de minimis cost rate as allowed under the Uniform Guidance.

3. FEDERAL LOAN PROGRAMS

The College has students who have approved loans which were received by those students during the current year. The College is not the lender, it only processes them for the lender the student chooses. The totals and types of loans received for the current fiscal year are:

Plus Loans		$ 407,355
Stafford / Federal Direct Loans -	Subsidized	6,083,888
Stafford / Federal Direct Loans -	Unsubsidized	8,724,021
		$ 15,215,264

GREENVILLE TECHNICAL COLLEGE
Summary Schedule of Prior Audit Findings
June 30, 2019

Findings Relating to the Financial Statements:

There were no findings relating to the financial statements.

Findings and Questioned Costs Relating to Federal Awards:

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

GREENVILLE TECHNICAL COLLEGE
Schedule of Findings and Questioned Costs
June 30, 2019

Summary of Auditor's Results:

- An unmodified opinion was issued on Greenville Technical College's basic financial statements dated September 18, 2019.

- There were no material weaknesses or significant deficiencies relating to the financial statements reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements performed in accordance with *Government Auditing Standards*

- There were no instances of noncompliance material to the financial statements of Greenville Technical College disclosed during the audit.

- The auditor's report on compliance for the major federal award programs for Greenville Technical College expresses an unmodified opinion.

- There were no material weaknesses or significant deficiencies relating to the audit of major federal awards reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance required by the Uniform Guidance.

- There were no audit findings reported relative to the major federal award programs for Greenville Technical College as depicted below in this schedule.

- Major federal programs:

Student Financial Aid Cluster from the U.S. Department of Education	
Federal Work Study	CFDA #84.033
PELL	CFDA #84.063
Federal Supplemental Educational Opportunity Grant (FSEOG)	CFDA #84.007
Federal Direct Student Loans	CFDA #84.268
U.S. Department of Veteran Affairs	
Post - 9/11 Veterans Educational Assistance	CFDA #64.028

- The threshold for distinguishing between Type A and Type B Programs was $750,000.

- Greenville Technical College is a low risk auditee according to the criteria in Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

GREENVILLE TECHNICAL COLLEGE
Schedule of Findings and Questioned Costs, Continued
June 30, 2019

Findings Relating to the Financial Statements:

There were no findings relating to the financial statements.

Findings and Questioned Costs Relating to Federal Awards:

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