

# TRI-COUNTY TECHNICAL COLLEGE COMPREHENSIVE ANNUAL FINANCIAL REPORT

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Fiscal Year Ended June 30, 2011

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



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The State of South Carolina

Prepared by  
The Division of Business Affairs



COMPREHENSIVE ANNUAL FINANCIAL REPORT  
**TRI-COUNTY TECHNICAL COLLEGE**  
 For the Fiscal Year ended June 30, 2011

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# INTRODUCTION

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Fiscal Year Ended June 30, 2011



COMMISSION MEMBERS – ADMINISTRATIVE STAFF – SERVICE AREA  
**TRI-COUNTY TECHNICAL COLLEGE**  
 For the Year Ended June 30, 2011

<i>AREA COMMISSION MEMBERS</i>	<i>COUNTY</i>	<i>TERM*</i>
Ms. Helen Rosemond–Saunders, Chair	Oconee	04/97-
Mr. William H. Hudson	Oconee	04/01-
Mr. John Powell	Oconee	01/10-
Mr. George N. Acker	Pickens	04/09-04/12
Mr. Thomas F. Strange	Pickens	04/11-04/14
Mr. Milton Ponder, II	Pickens	04/10-04/13
Mr. Leon Harris, III	Anderson	05/08-05/11
Mr. J. Allard Young	Anderson	04/11-04/13
Mr. Pruitt Martin	Anderson	04/09-04/12

\*Ending term is to be determined by legislature.

*KEY ADMINISTRATIVE STAFF*

Dr. Ronnie Booth	President
Dr. Phil Buckhiester	Provost/Vice President for Academic Affairs
Mr. Gregg Stapleton	Vice President for Business Affairs
Mr. Dan Holland	Vice President for Student Affairs
Mr. John Lummus	Vice President for Economic and Institutional Advancement
Ms. Rebecca Eidson	Director of Public Relations and Communications
Ms. Sharon Colcolough	Director of Personnel
Ms. Faye Allen	Director of Fiscal Affairs

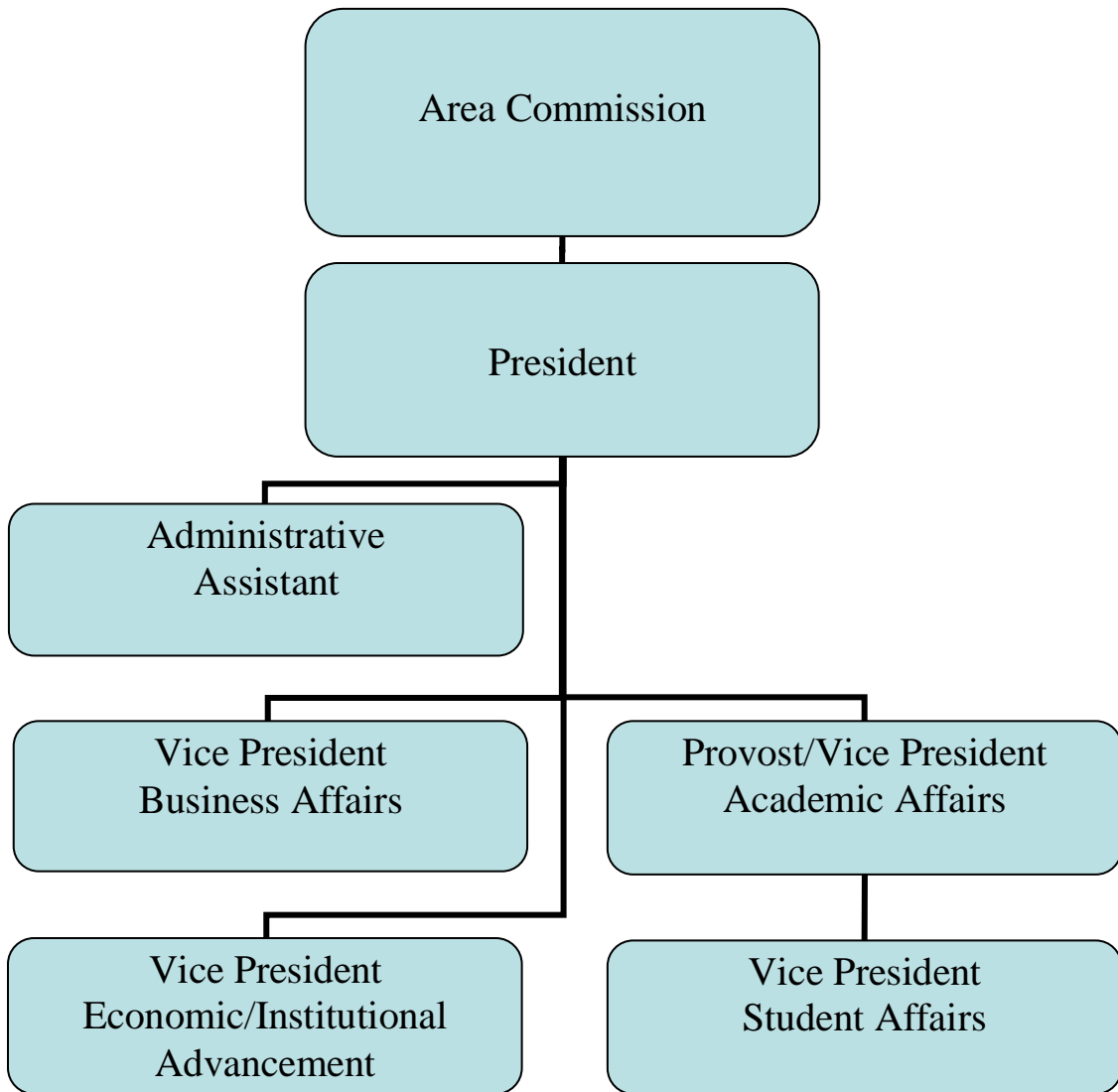
*AREA SERVED BY THE COMMISSION*

Anderson County  
 Oconee County  
 Pickens County

*COUNTIES PROVIDING FINANCIAL SUPPORT*

Anderson County  
 Oconee County  
 Pickens County

TRI-COUNTY TECHNICAL COLLEGE  
SUMMARY ORGANIZATIONAL CHART





September 30, 2011

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

It is our pleasure to present the Comprehensive Annual Financial Report of Tri-County Technical College for the year ended June 30, 2011. The report of our independent public accountants, Cline, Brandt, Kochenower Co. P.A., expresses an unqualified opinion on the basic financial statements. The management of the College assumes responsibility the accuracy, completeness, and fairness of the data presented, including all disclosures. To the best of our knowledge and belief, the information presented is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the College at the end of that fiscal year.

**This Comprehensive Annual Financial Report is presented in four sections:**

The **Introductory Section** includes: the transmittal letter, the Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended June 30, 2010, a listing of the members of the College's governing board and principal officials, and an organizational chart that outlines the structure of the College.

The **Financial Section** includes the independent auditors' report, the Management's Discussion and Analysis (MD&A) section, the basic financial statements, notes to the financial statements, and additional financial schedules. The MD&A provides a narrative overview and analysis of financial activities of the College for fiscal year ended June 30, 2011 with comparison to fiscal years ended June 30, 2010 and 2009. Basic financial statements are prepared in accordance with generally accepted accounting principles for public colleges and universities, as defined by GASB, and the National Association of College and University Business Officers in *College and University Business Administration*. These statements allow for reasonable comparisons of the College's financial position as well as revenues, expenses, transfers and other changes in net assets with peer institutions.

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

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

**Entity**

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

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

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

## **History**

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

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

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

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

On April 10, 1974, the S.C. Board for Technical and Comprehensive Education approved the request of the Anderson-Oconee-Pickens Technical Education and Training Commission (The Area Commission) to change the name of the institution from Tri-County Technical Education Center to Tri-County Technical College. This change allowed the addition of the two-year associate degree programs in the Arts and Sciences to complement the technical and vocational training, developmental programs in adult education, manpower developmental training act programs, and more than 2,300 non-credit courses, seminars and workshops in continuing education.



In the past four decades enrollment has increased from 1,836 in credit and non-credit programs to over 20,000 students. The College has expanded its teaching methods from the traditional classroom and lab setting to on-line distance learning credit and non-credit courses. The main campus at Pendleton has grown from one building to fourteen buildings and has gained a national reputation for excellence. Visitors from colleges in other states and other countries regularly come to observe our academic and support programs.

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

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

### **Economic Condition and Outlook**

A primary mission of the South Carolina technical colleges is to support economic development through education and training for the citizens of South Carolina. Tri-County Technical College’s financial health is closely linked to the economic conditions of the State and the local communities served by the College.

Mr. Richard Eckstrom, the state’s Comptroller General stated in his year-end press release,

“The state ended the fiscal year with an unobligated surplus of \$122.7 million. While that’s certainly good news, there’s far more reason for caution than for celebration.

All signs point to continued economic and financial volatility – signs such as stock market turmoil, high and unstable gas prices, unsustainable debt, and low economic growth. And this month, we were once again reminded of the daunting challenges we face when the state unemployment rate climbed to 10.9 percent.

Again, although the unobligated surplus is a positive development, going forward it’d be unwise to take anything less than a frugal approach to spending. We must recommit to the state’s historically conservative budgeting practices. “

The college’s administration and board are, also, dedicated to sound planning and budget management, believing these are critical to operating the college.

They took decisive action in fiscal year 2011 by:

- implementing a linear tuition model,
- adopting a ten year financial planning model as a key decision support tool,
- establishing a contingency budget,
- executing a zero-based budget process for fiscal year 2012, and
- making mid-year budget corrections to compensate for revenue short-falls from budgeted appropriations.

## **Major Initiatives/Achievements Fiscal Year 2011**

**Enrollment Hits Record Highs:** Fall Semester 2010 enrollment reached 6,941 students, topping last fall's enrollment of 6,758 students.

**College Dedicates New Campus in Easley:** College and community leaders joined local citizens and business leaders to celebrate the opening of the new Easley Campus December 10. The Powdersville Road academic building is a 40,000-square-foot facility housing credit and non-credit programs. Next to the academic building is a Quick-Jobs Training Center, designed to assist in workforce training and skills development for the College and for Pickens County. The "first" Easley student to come through the door was Melissa Snider, a medical office specialist major from Williamston. She is among the 440 students who registered for spring semester classes at Easley.

**Tri-County Is Only SC Applicant Awarded Title III Grant:** Tri-County was among the 48 institutions nationwide and the only applicant from South Carolina to receive five-year funding from the U.S. Department of Education Title III Strengthening Institutions Program. The nearly \$2 million grant will focus on student learning and success for first-time postsecondary students. Instructors are working to design courses for the Learning Through Connections and Community (LC<sup>2</sup>) initiative. Each of these instructors will teach a section of COL 105 with their theme.

**NASA Astronaut Kicks off STEM Conference:** NASA Astronaut Patrick G. Forrester delivered the keynote address at the STEM conference held at Borg Warner. Around 100 educators from Anderson, Oconee, and Pickens Counties, along with educators from Tri-County and Clemson University, attended. He discussed the importance of promoting science, technology, engineering, and mathematics (STEM) at all levels of education, and he shared experiences from his most recent trip to space.

**Work to Begin on Industrial Technology Center:** Tri-County recently purchased approximately five acres of land and a 43,000-square-foot building located in Sandy Springs, which will be retrofitted to serve as the new location for the College's Welding and HVAC programs. Targeted completion date is Summer Semester 2012.

**Lady Hawks Soccer and Basketball Begins:** Tri-County's women's basketball team began its inaugural season November 6 by playing Catawba Community College. The women's soccer team made its debut on August 27 in a home game against USC – Salkehatchie.

**Hundreds Attend Annual Report Luncheon:** Hundreds of business and industry leaders came to the Pendleton Campus on October 28 for the College's annual report luncheon at which Dr. Booth showcased the 2009-10 annual report titled *A Smart Investment*.

**CCE Offers New Weatherization Certificate:** The College's new Weatherization program will be housed at Tri-County's Easley Campus and is designed to put people back to work by retraining them for home energy improvement and inspection jobs. Collaborating with CCE on this program are the Industrial and Engineering Technology Division's Construction Management students, who are building a small house for students to get hands-on experience in these weatherization classes.

**Tri-County Offers DOT Training:** In September the College began offering courses in the South Carolina Department of Transportation's statewide technician certification program. The program has been transferred to Tri-County from Clemson University and provides the requirements an individual needs to seek certification as an SC DOT-certified inspector for the work performed on construction projects.

## **Major Initiatives/Achievements Fiscal Year 2011-continued**

**Veterinary Technology Advisory Committee Receives Top Honor:** The Veterinary Technology Advisory Committee was named Advisory Committee of the Year for 2010. This is the fifth time the committee has received the trophy.

**Open Houses & Career Fair Showcase Campuses:** An August Open House event at our Anderson Campus offered tours, admission and financial aid information, as well as presentations on various career fields. Nearly 100 prospective students attended an Enrollment Event/Open House at the Easley Campus on November 9. Around 250 prospective students attended the College's Pendleton Campus Open House on February 25. The College's March 2 Annual College Fair also showcased the campus and provided an opportunity for students to have direct contact with admissions counselors from more than 20 colleges and universities. The April Career Fair gave nearly 500 students the opportunity to speak with 35 area employers.

**Broadband Grant Extends Computer Service to the Community:** Tri-County received a portion of a \$5.9 million grant from the National Telecommunications and Information Administration to expand broadband access in the State. Over the next two years, Tri-County will add computer workstations at both Pendleton and Anderson Campuses and expand wireless service to cover the entire Pendleton Campus, thus making internet access more readily available to community residents.

**Tri-County Campuses Are Sites for Quick-Jobs Training Fairs:** Tri-County's campuses were the sites for three pre-employment fairs held for job seekers looking for work in advanced manufacturing or truck driving. These training fairs provided information about certifications for MSSC production technician, mechatronics technician, CNC operator, and CDL truck drivers.

**Kay Rhodes Receives Presidential Medallion:** Kay Rhodes, admissions liaison for the Nursing department, received the Presidential Medallion for Staff Excellence, the highest award given for staff excellence at the College.

**New Commissioners Named:** Dacusville native and former Pickens County School District Hearing Officer and Director of Student Services W. Milton Ponder, III, was appointed to the Tri-County Technical College Commission, which is the governing body of the College. His appointment is through April 2013. J. Allard (Al) Young, president and CEO of The Commercial Bank in Honea Path, was also appointed through April 2013. Thomas F. Strange, Senior Director of Research and Development at St. Jude Medical, was appointed through April 2014.

**Ben R. Childress Honored with Order of Merit:** The College honored former Commission member and Easley resident Ben Childress with the highest award given by the College's nine-member Commission. The Order of Merit is an honorary society that recognizes community and State leaders who have contributed to the development of the College and the State Technical College System.

**Schneider Electric Is Named Philanthropist of the Year:** Schneider Electric was named the College's Philanthropist of the Year for 2010. This award is the highest and most prestigious honor reserved for those who make a substantial contribution to the Foundation in support of the College's programs and services.

**Itron Pledges \$100,000 to Major Gifts Campaign:** Itron pledged \$100,000, the company's largest gift to the College to date, to support the Improving Technology and Equipment Fund.

## **Major Initiatives/Achievements Fiscal Year 2011-continued**

**U.S. Engine Valve Contributes \$15,000 for Mechatronics:** The two joint owners of U.S. Engine Valve donated \$7,500 from the Eaton Charitable Fund and \$7,500 from Nittan Valve Company towards the purchase of equipment for the Mechatronics Program.

**Pickens County Adult Learning and Tri-County Offer Bridge Program:** Tri-County partnered with Pickens County School District's Adult Education Office to form the Adult Learning Bridge, a program designed to build a seamless transfer from the time a student enters the Pickens County Adult Education program through their completion of a Tri-County QuickJobs program.

**USC President Visits Tri-County:** Dr. Harris Pastides, president of the University of South Carolina, visited campus on January 31 to extend the hand of partnership and friendship. Dr. Pastides commended the College for its Bridge to Clemson and Gateway to College Programs.

**College Partners with USC:** Tri-County partnered with USC to form *Upstate Direct Connect*<sup>®</sup>, an exclusive opportunity for two-year colleges partnering with the University of South Carolina Upstate. Any student who graduates with an Associate of Arts, Associate of Sciences, or select Associate of Applied Science degree from a partner school is guaranteed admission to the University of South Carolina Upstate. The College also signed an articulation agreement with USC's College of Engineering on May 3, which will allow Tri-County students who earn an engineering certificate to transfer those credits to the USC College of Engineering and Computing.

**Bluegrass under the Stars:** High winds did not keep an estimated 1,000 fans from attending the sixth annual Bluegrass under the Stars event, a free concert supported by Clemson Area Transit and other community sponsors. The event was held April 2 in the outdoor amphitheater on Pendleton Campus.

**College Hosts Third Annual Regional Robotics Tournament:** On January 29, seventeen teams of area middle school students came to Pendleton Campus to compete in a regional qualifying event for FIRST (For Inspiration and Recognition of Service and Technology) LEGO League. The event promotes science and technology and was sponsored by Robert Bosch, LLC. For the second consecutive year, The Aliens from Lakeside Middle School in Anderson were named the champions.

**Class of 2011 Celebrates Accomplishment:** Nearly 600 students graduated during the Spring Commencement ceremony held May 10. Pamela Lackey, President of AT&T South Carolina, was the keynote speaker.

**Business Programs Receive Reaccreditation by ACBSP:** The Accounting, Business Technology, and Automated Office Technology Programs received ten-year reaccreditation from the Accreditation Council of Business Schools and Programs.

**Health Ed Grads Boast 100% Pass Rate on Certification Exams:** Recent graduates of Practical Nursing, Dental Assisting, Medical Assisting, and Medical Laboratory Technology boasted a 100% pass rate on certification exams, and the pass rate of Associate Degree Nursing grads surpassed the national average pass rate.

**Tri-County and Anderson County Sheriff's Office Host ALERRT Training:** Tri-County and the Anderson County Sheriff's Office were the first in the Upstate to host a two-day class on Advanced Law Enforcement Rapid Response Training (ALERRT). Rick Clark, the College's director of public safety, was one of five certified ALERRT instructors who taught the class to certify 27 local officers on the latest techniques in responding to active shooter situations.

## **Major Initiatives/Achievements Fiscal Year 2011-continued**

**Tri-County Celebrates Black History Month:** On February 16, the College celebrated the achievements, contributions, and culture of African Americans throughout time.

**Sargent Metal Signs on for Apprenticeship Training:** Twelve production operators from Sargent Metal voluntarily signed up for a two-year apprenticeship program taught by CCE instructor Ron Humphries. The first year of the program covers manufacturing skills (Manufacturing Skill Standards Council or MSSC), and job-specific skills are the focus of the second year. The program is paid for by a grant from Apprenticeship Carolina. Apprenticeship programs help employees to raise their skills levels and earn a nationally recognized credential from the Department of Labor.

**The Late Rosemary Lindley Honored at Tree-Planting Ceremony:** Friends and family gathered at the Anderson Campus on March 24 to celebrate the life of the late Rosemary Lindley, who served on the College's Commission from 2001 until her death in September 2010.

**Williams Receives Presidential Medallion:** Christee Williams, coordinator of instructional activities for Veterinary Technology, received the highest award presented to the faculty, the Presidential Medallion for Instructional Excellence, at the College's Spring Commencement ceremony held May 10.

**Burgess Receives Alumni Award:** Hugh Burgess, president and managing partner of Consolidated Southern Industries, was named the Distinguished Alumni of the Year at the College's Spring Commencement ceremony.

**Morgan Receives Adjunct Award:** Betty Morgan, an adjunct instructor in the Health Education Division, was honored with the Adjunct Presidential Award at the Faculty/Staff Spring Convocation held May 3.

**SCAPA Donates \$100,000 to College:** The SC Asphalt Pavement Association (SCAPA), a statewide trade association of contractors engaged in the production of high quality hot mix asphalt, presented Tri-County Technical College with a \$100,000 donation. The money will support the creation of an asphalt materials lab on the College's Pendleton Campus.

**Anderson Campus Partners with Anderson County Museum:** An exhibit of Anderson County's Rosenwald Schools, which were built primarily for the education of African Americans in the early twentieth century, is the first of many collaborative projects between Tri-County Technical College and the Anderson County Museum. The mini exhibit of the Rosenwald Schools is displayed on the Anderson Campus.

**Partnership Results in Free Training for Those in Need:** Sunbelt Human Advancement Resources, Inc. (SHARE) partnered with the College to offer free tuition through American Recovery Reinvestment Act funds for a limited number of qualified applicants interested in short-term skills training. This QuickJobs training included certified nurse aide, truck driving, office skills, and certified production technician and was designed for those who are unemployed or those looking to upgrade their skills.

**Reliable Automatic Sprinkler Donates \$50,000:** Reliable Automatic Sprinkler Company continued its commitment to Tri-County Technical College by making a \$50,000 gift to name the Manufacturing Resource Center on the Pendleton Campus. The Center is filled with sophisticated equipment that includes a HAAS 5 axis vertical machining center, a rapid prototyping center, and a ROMER seven axis scanner arm.

## **Major Initiatives/Achievements Fiscal Year 2011-continued**

**Clemson University and Tri-County Technical College Launch Joint Program in Medical Laboratory Science:** Beginning in Fall 2011, Tri-County Technical College graduates with an Associate in Applied Science degree in medical laboratory technology, who meet specific criteria, can enroll as juniors at Clemson University. Qualified students will be accepted in the Bachelor of Science in microbiology degree program, with a concentration in biomedicine. Similar agreements with Clemson University include articulated pathways for graduates of an early childhood development, associate degree nursing, and associate in science programs.

**169 Participate in Second Annual Road Race:** 169 runners and walkers participated in the second annual Tri-County Road Race on May 21 at the Anderson Campus.

**Smart Fun Camps Attract Children:** During June and July, the Corporate and Community Education Division held SmartFun, a series of week-long summer programs for kids ranging in ages from 5-14. These camps were held on three campuses and provided a fun alternative during summer vacation while encouraging learning.

**Bridge to Clemson Enters Fifth Year:** The Bridge to Clemson program enrolled 550 students – the largest class ever in the program’s five-year history. This invitation-only program blends the traditional academic experience at Tri-County with the social and cultural experiences of being a Clemson University student. Bridge students must earn 30 transfer credits at Tri-County during their two semesters and transfer to Clemson with a 2.5 GPA.

**Partnership Results in Training for High School Dropouts:** Gateway to College renegotiated its WorkLink/WIA Youth Services contract and started a new partnership with Palmetto Youth Connections to provide WIA-funded support services. Tri-County’s Gateway program serves high school dropouts ages 17 – 20 who have demonstrated academic ability and meet specific eligibility criteria. Using a dual credit model, students earn both high school and college credit and may simultaneously complete both the high school diploma (meeting all requirements of the South Carolina Department of Education) and a postsecondary credential.

**Hispanic Heritage Celebrated:** In recognition of Hispanic Heritage Month, the SGA/Student Life, the Enrichment Series Committee, and the Spanish Club hosted a Hispanic Fest in the Amphitheater. In addition to salsa dancing lessons, participants enjoyed live entertainment, music, and refreshments.

**BEST Program Trains Technicians for Local Company:** Six Machine Tool Technology students were selected for CNC operator/machinist positions at BorgWarner’s Seneca plant through a cooperative education venture established with the College. The BorgWarner Education and Skills Training, or BEST program, is a partnership with Tri-County to recruit potential candidates for employment.

**College Launches Dream It Do It! Initiative:** Tri-County partnered with other upstate technical colleges to launch the Dream It Do It! initiative. An initiative of the Manufacturing Institute/ National Association of Manufacturers, this recruitment strategy was developed to let students know about valuable opportunities in manufacturing.

**Fall Classic Raises Funds for College Initiatives:** The Sixth Annual Fall Classic Golf Tournament raised \$32,230 to support special initiatives at the College. Since 2005, the Tri-County Technical College Foundation has hosted this tournament and has raised nearly \$184,000.

## **Major Initiatives/Achievements Fiscal Year 2011-continued**

**Surgical Technology Granted Reaccreditation:** In October of 2010, the Surgical Technology Department received a 10-year continuing accreditation by the Commission on Accreditation of Allied Health Education Programs. Accreditation evaluators complimented the department on its clinical procedures and state-of-the-art equipment.

**LEI Results in Greater Retention:** Tri-County continued to see positive retention results from its Learning Excellence Initiative (LEI), a program for first-time college students that focuses on improving learning and the transition to college. The LEI was developed as part of the Colleges' Quality Enhancement Program.

**Parking Facilities Expanded:** Work was completed on a 400-space parking lot on Mechanic Street in Pendleton to be used by the College during peak enrollment periods.

**Students Support LTA Rally at State Capital:** Tri-County students gathered with several College Commissioners at the State House January 25 to voice their support for Lottery Tuition Assistance (LTA). One third of technical college students relies on Lottery Tuition Assistance (LTA) to achieve their career goals.

**College Provides OSHA Updates:** Fifty-three individuals attended an OSHA Update seminar in the Industrial and Business Development Center. Paul Schlumper, CSP, P.E., of the Georgia Tech Research Institute, led the seminar, which focused on new development with OSHA and opportunities for training at the Institute in Atlanta.

**College Excels in SCTRAC:** Tri-County became the first technical college in South Carolina to implement AcademyOne's Equivalency Synchronizer. This application allows for Tri-County's representatives to update equivalencies by adding, removing, or adjusting data in their student information system and then see the changes that were made automatically reflected on sctrac.org. SCTRAC provides transfer information for public colleges in SC and helps students plan their coursework to avoid taking classes that will not count toward a specific degree.

**Nurse Aide Training Approved:** The Oconee Nurse Aide program was approved again for the maximum time period of 24 months by the S.C. Department of Health and Human Services.

**WIA Participants Get Readiness Training in Honea Path:** The College offered a "Computer Readiness for Job Seekers" class for WIA participants at the College's classroom at the Watkins Center. The One Stop Center sponsored these classes in Anderson, Oconee and Pickens counties.

**Interior Designer Honored with National Award:** Wanda Morgan, who has taught Interior Design classes for our Corporate and Community Education Division for 29 years, was named 2010 – 2011 Woman of the Year by the National Association of Professional Women. She is the President and Designer of Wanda S. Morgan Designs, Inc., located in Westminster.

**College, Anderson University Partner to Recognize Law Enforcement Officials:** Tri-County and Anderson University co-hosted an annual awards banquet March 3 to recognize all of the deputies, officers, and probation agents in Anderson, Oconee, and Pickens counties. Many graduates of the College's Criminal Justice Program transfer to Anderson University to obtain a bachelor's degree.

## **Major Initiatives/Achievements Fiscal Year 2011-continued**

**Career Fair Promotes Law Enforcement Careers:** Criminal Justice students had a chance to talk to law enforcement agencies about potential jobs and hiring practices at the College's Annual Criminal Justice Career Fair. Representatives from all levels of law enforcement agencies, probation and parole agencies, private investigation and security were on hand to answer questions and to talk about job opportunities.

**College Hosts Forum for Community:** Senator Lindsey Graham, right, addressed an audience of manufacturing, government and business leaders and gave them a Washington legislative update at a meeting sponsored by Oconee Alliance and held in partnership with the Anderson, Oconee and Pickens county chambers of commerce and county economic development departments.

**Plans Show Potential Redevelopment of Pendleton Campus:** The College is in the final stages of developing a comprehensive master facilities plan for the Pendleton Campus. Once completed, the plan will provide guidance and direction for short- and long-term improvements and construction for the Pendleton Campus.

**Conference Held for Educators:** The Early Childhood programs of Tri-County and Clemson University co-sponsored a professional development conference for teachers, parents, and college students. More than 100 educators attended the program.

**MLT Students Receive Top Honors at Annual Competition:** Sue Avenall and Brian Moroney took top honors at the S.C. Society of Clinical Laboratory Science (SCSCLS) State Student Bowl at Midlands Technical College April 15. Brian, of Clemson, was named Student Bowl champion for the State. He answered the most questions correctly. Sue, of Anderson, received the "Keys to the Future" award. This honor is awarded to one technical college student in the State.

**Welding Students Take Top Honors at Competition:** Welding students won three first-place and two second-place awards in the State Technical College's Annual Welding Skills Competition at Spartanburg Community College. First- and second-year welding students competed in six categories: MIG, TIG and stick, welding process, and structural and pipe application.

## **Major Priorities and Critical Initiatives Fiscal Year 2012**

*(Excerpt from FY 2012 – 2014 Three Year Strategic Plan)*

- Develop a College-wide student retention plan.
- Formulate a project charter to evaluate changes to the student enrollment process (enroll for success).
- Design and implement an Academic Advising Center.
- Consolidate tutoring, make-up testing, and academic student support services into a "One-Stop" Center. Create plans to incorporate a Writing Center and Learning Lab services into the One-Stop Center.
- Establish essential services and resources for the Oconee Campus.
- Create process and methodology to track success of non-credential seeking students, including those seeking job skills via Corporate and Continuing Education.
- Establish minimum criteria and develop a student readiness assessment as a prerequisite for enrollment in online instruction.
- Secure County financial commitment for Pendleton Student Success Center.
- Resolve long-term housing for the Bridge to Clemson program.



## **Major Priorities and Critical Initiatives Fiscal Year 2012-continued**

- Work with Anderson County to secure funding for a QuickJobs Center at the Anderson Campus.
- Develop baseline metrics regarding workforce diversity and a biannual review process.
- Create a diversity curriculum to provide learning opportunities for employees and students.
- Implement a leadership development program for all supervisors.
- Leverage Tri-County's 50th anniversary celebration to promote the College to local communities.
- Complete construction and up-fit of the College's new Industrial Technology Center and successfully relocate Welding, HVAC, and Construction programs to the Center.
- Develop a project charter to determine best course of action to address Veterinary Technology kennel and cat holding needs: renovate or replace current facilities, or build new facilities on another part of the Pendleton Campus.
- Raise \$7-9 million from major gifts campaign by TCTC's 50th anniversary.
- Successfully transition to the SC Technical College System's new tuition model.
- Design a robust Institutional Effectiveness Process.

## **Internal Control Structure and Budgetary Control**

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

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

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

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

## **Independent Audit**

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

## **Certificate of Achievement for Excellence in Financial Reporting**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Tri-County Technical College for its *Comprehensive Annual Financial Report* (CAFR) for the fiscal year ended June 30, 2010. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports. This was the ninth year the College prepared and submitted the CAFR to GFOA and received the award.

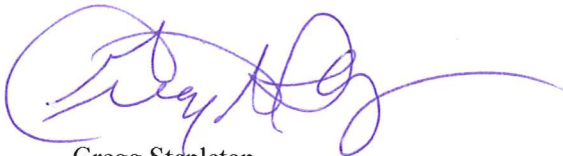
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized *Comprehensive Annual Financial Report* whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal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

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

### **Acknowledgments**

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

Sincerely,



Gregg Stapleton  
Vice President Business Affairs



Faye O. Allen, CGFO  
Director of Fiscal Affairs

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

Tri-County Technical College  
South Carolina

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2010

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



President

Executive Director

# FINANCIAL

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Fiscal Year Ended June 30, 2011



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Independent Auditors' Report

Tri-County Technical College  
Pendleton, South Carolina

We have audited the accompanying financial statements of the business-type activities of Tri-County Technical College as of and for the years ended June 30, 2011 and June 30, 2010, which collectively comprise the College's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit, the Tri-County Technical College Foundation, Inc. and Subsidiary. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for the discretely presented component unit, the Tri-County Technical College Foundation, Inc. and Subsidiary, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *State Board for Technical and Comprehensive Education Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Tri-County Technical College Foundation, Inc. and Subsidiary were not audited in accordance with Government Auditing Standards. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

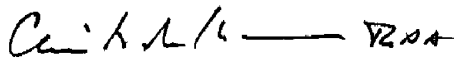
In our opinion, based on our audit and the report of other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Tri-County Technical College and its discretely presented component unit, as of June 30, 2011 and June 30, 2010 and the changes in financial position, and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 6, 2011 on our consideration of Tri-County Technical College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant and agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

We have also issued our report dated September 6, 2011 on our consideration of Tri-County Technical College administration of the State Lottery Assistance Program and on our test of its compliance with certain provisions of State law and policy 3-2-307 and Procedure 3-2-307.1 of the State Board for Technical and Comprehensive Education.

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

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

 — R. J. A.

September 6, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
*TRI-COUNTY TECHNICAL COLLEGE*  
June 30, 2011

As management of Tri-County Technical College, ("*the College*") we offer readers of the College's financial statements this narrative overview and analysis of the financial activities of the College for the fiscal year ended June 30, 2011. This discussion should be read in conjunction with the financial statements and the notes thereto, which follow this section.

**Financial Highlights**

- The assets of Tri-County Technical College exceeded its liabilities at June 30, 2011 by \$55,727,772 (net assets). Of this amount, \$5,508,915 (unrestricted net assets) may be used to meet the College's ongoing obligations.
- The College's net assets increased by \$3,577,576 or 6.9%, primarily in the category of current assets and a reduction of current liabilities.
- The College experienced an operating loss of \$25,509,432 as reported in the Statement of Revenues, Expenses, and Changes in Net Assets. The operating loss increased by \$1,767,722 from fiscal year 2010 due to increase in scholarships awarded to students. However, State appropriations of \$6,346,295, local appropriations of \$3,909,984, State grants and contracts of \$500,435, Federal grants and contracts of \$16,763,431, other non-operating revenues of \$970,182, and capital appropriations of \$869,383 for a total of \$29,359,710 offset this operating loss.

**Overview of the Financial Statements**

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

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

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

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

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

**Financial Analysis**

**Statement of Net Assets:**

Net assets may serve over time as a useful indicator of an entity's financial position. In the case of the College, assets exceeded liabilities by \$55,727,772 at the close of fiscal year 2011, by \$52,150,196 at the close of fiscal year 2010, and by \$48,008,225 at the close of fiscal year 2009.

By far the largest portion of the College's net assets (56.8%) reflects its *investment in capital assets* (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The College uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the College's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

*Unrestricted net assets* of \$5,508,915 (9.9%) may be used to meet the College's ongoing obligations.

*Restricted net assets* of \$18,589,537(33.3%) will be used to meet the College's capital project needs to provide academic space and long-term maintenance of physical plant.

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

**Net Assets**  
**As of June 30, 2011, June 30, 2010 and June 30, 2009**  
 (In millions)

	30-Jun 2011	30-Jun 2010	Increase (Decrease) 2011 to 2010	30-Jun 2009	Increase (Decrease) 2010 to 2009
<b>ASSETS</b>					
Current Assets	\$29.53	\$26.86	\$2.67	\$26.19	\$0.67
Non-current Assets	\$0.05	\$0.05	\$-0-	\$0.04	\$0.01
Capital Assets, Net of Depreciation	\$38.09	\$37.83	\$0.26	\$34.20	\$3.63
<b>TOTAL ASSETS</b>	<b>\$67.67</b>	<b>\$64.74</b>	<b>\$2.93</b>	<b>\$60.43</b>	<b>\$4.31</b>
<b>LIABILITIES</b>					
Current Liabilities	\$4.72	\$4.87	(\$0.15)	\$4.28	\$0.59
Non-current Liabilities	\$7.22	\$7.72	(\$0.50)	\$8.14	(\$0.42)
<b>TOTAL LIABILITIES</b>	<b>\$11.94</b>	<b>\$12.59</b>	<b>(\$0.65)</b>	<b>\$12.42</b>	<b>\$0.17</b>
<b>NET ASSETS</b>					
Investment in Capital Assets	\$31.63	\$30.88	\$0.75	\$26.86	\$4.02
Restricted	\$18.59	\$15.91	\$2.68	\$16.37	(\$0.46)
Unrestricted	\$5.51	\$5.36	\$0.15	\$4.78	\$0.58
<b>TOTAL NET ASSETS</b>	<b>\$55.73</b>	<b>\$52.15</b>	<b>\$3.58</b>	<b>\$48.01</b>	<b>\$4.14</b>

Highlights of changes:

Total assets increased by 4.5%, the result of:

- Increase in cash and investments needed for FY2012 projects.
- Increase in capital assets with the completion of the Easley campus

Total liabilities decreased by 5.2%, the result of:

- Current accounts payable obligations decreased due in large part to completion of Easley campus.
- Noncurrent capital lease payable decreased due to the removal of leased equipment in print-shop and mail-room.



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

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

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

**Summary of Revenue**  
 As of June 30, 2011, June 30, 2010 and June 30, 2009  
 (In millions)

	30-Jun 2011	30-Jun 2010	Incr(Decr) 2010 To 2011	30-Jun 2009	Incr(Decr) 2009 To 2010
<b>Operating Revenue</b>					
Tuition and Fees(net of scholarship allow)	\$19.56	\$14.45	\$5.11	\$10.97	\$3.48
Grants, Contracts and other	\$11.18	\$13.37	(\$2.19)	\$13.24	\$0.13
Auxiliary(net of book allowance)	\$2.82	\$2.44	\$0.38	\$2.35	\$0.09
<b>Total Operating Revenue</b>	<b>\$33.56</b>	<b>\$30.26</b>	<b>\$3.30</b>	<b>\$26.56</b>	<b>\$3.70</b>
Less Operating Expenses	\$59.07	\$54.00	\$5.07	\$43.98	\$10.02
<b>Net Operating Loss</b>	<b>(\$25.51)</b>	<b>(\$23.74)</b>	<b>(\$1.77)</b>	<b>(\$17.43)</b>	<b>(\$6.31)</b>
<b>Non-Operating Revenue</b>					
State Appropriations	\$6.35	\$7.20	(\$0.85)	\$7.57	(\$0.37)
Local Appropriations	\$3.91	\$3.60	\$0.31	\$3.53	\$0.07
Other Grants and Contracts	\$18.08	\$16.20	\$1.89	\$8.26	\$7.94
Investment Income	\$0.14	\$0.05	\$0.09	\$0.12	(\$0.07)
<b>Total Non-Operating Revenue</b>	<b>\$28.48</b>	<b>\$27.05</b>	<b>\$1.44</b>	<b>\$19.47</b>	<b>\$7.58</b>
Less Interest on Capital Debt	\$.27	\$.44	(\$0.17)	\$.35	\$.09
<b>Net Revenues over Expenses before</b>	<b>\$2.71</b>	<b>\$2.87</b>	<b>(\$0.16)</b>	<b>\$1.69</b>	<b>\$1.18</b>
<b>Capital Contributions</b>					
Capital Appropriations, Grants and Contracts, Gains/Losses	\$0.87	\$1.27	(\$0.40)	\$1.55	(\$0.28)
<b>Increase in Net Assets</b>	<b>\$3.58</b>	<b>\$4.14</b>	<b>(\$0.56)</b>	<b>\$3.24</b>	<b>\$0.90</b>
<b>Net Assets, Beginning of Year</b>	<b>\$52.15</b>	<b>\$48.01</b>	<b>\$4.14</b>	<b>\$44.77</b>	<b>\$3.24</b>
<b>Net Assets, End of Year</b>	<b>\$55.73</b>	<b>\$52.15</b>	<b>\$3.58</b>	<b>\$48.01</b>	<b>\$4.14</b>
<b>Total Revenues</b>	<b>\$62.92</b>	<b>\$58.58</b>	<b>\$4.34</b>	<b>\$47.57</b>	<b>\$11.01</b>

Highlights of changes:

-The College experienced a small enrollment growth of .6% for FY11, after experiencing extraordinary enrollment growth in fiscal years 2009 and 2010.

-Tuition increased by an average of \$8 per credit hour.

-Operating grants and contracts decreased by 16.4% due to the Workforce Investment Act program being awarded to another provider. However, expenses also decreased in proportion to the revenue reduction.

-State appropriations decreased 11.8%.

-The College received Stimulus funds (ARRA) and recorded them as non-operating grants and contracts per State guidelines.

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

**Summary of Expenses**  
 As of June 30, 2011, June 30, 2010 and June 30, 2009  
 (In millions)

	30-Jun 2011	30-Jun 2010	Incr(Decr) 2010 To 2011	30-Jun 2009	Incr(Decr) 2009 To 2010
<b>Operating Expenses</b>					
Instruction	\$20.65	\$18.59	\$2.06	\$17.01	\$1.58
Academic Support	\$2.91	\$2.93	(\$0.02)	\$2.77	\$0.16
Student Services	\$5.01	\$6.75	(\$1.74)	\$6.13	\$0.62
Operations and Maintenance of Plant	\$6.27	\$3.99	\$2.28	\$3.51	\$0.48
General Administration	\$3.24	\$3.34	(\$0.10)	\$2.88	\$0.46
Scholarships	\$12.79	\$10.50	\$2.29	\$4.95	\$5.55
Auxiliary	\$5.47	\$5.28	\$0.19	\$3.71	\$1.57
Depreciation	\$2.72	\$2.63	\$0.09	\$3.02	(\$0.39)
<b>Total Operating Expenses</b>	<b>\$59.06</b>	<b>\$54.00</b>	<b>\$5.06</b>	<b>\$43.98</b>	<b>\$10.02</b>
<b>Total all Expenses</b>	<b>\$59.34</b>	<b>\$54.44</b>	<b>\$4.90</b>	<b>\$44.33</b>	<b>\$10.11</b>

Highlights of changes:

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

Instruction expenses increased due to:  
 -hiring of new full-time faculty,  
 -beginning operations at Easley campus,  
 -refurbishment or creation of new instructional space such as science labs, a learning/collaboration center, and purchase of non-capitalized furnishings for the Easley campus classrooms.

Student service expenses decreased because of reduced deferred maintenance projects within the student services area.

The Operation and Maintenance of Plant expenses increased due to numerous projects such as the quick-job centers, energy projects, and renovations to campus infrastructure.

**Statement of Cash Flows:**

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

**Summary of Cash Flows**  
 As of June 30, 2011, June 30, 2010 and June 30, 2009  
 (In millions)

	30-Jun 2011	30-Jun 2010	Difference 2010 To 2011	30-Jun 2009	Difference 2009 To 2010
<b>Net cash used by operating activities</b>	<b>(\$25.92)</b>	<b>(\$21.31)</b>	<b>(\$4.61)</b>	<b>(\$13.93)</b>	<b>(\$7.38)</b>
<b>Net cash flows from non-capital financing activities</b>	<b>\$28.35</b>	<b>\$27.01</b>	<b>\$1.34</b>	<b>\$19.34</b>	<b>\$7.67</b>
<b>Net cash flows used by capital and related financing activities</b>	<b>(\$0.59)</b>	<b>(\$2.69)</b>	<b>\$2.10</b>	<b>(\$1.83)</b>	<b>(\$0.86)</b>
<b>Net cash flows from investing activities</b>	<b>\$0.14</b>	<b>\$0.05</b>	<b>\$0.09</b>	<b>\$0.14</b>	<b>(\$0.09)</b>
<b>Net increase(decrease) in cash</b>	<b>\$1.99</b>	<b>\$3.06</b>	<b>(\$1.07)</b>	<b>\$3.72</b>	<b>(\$0.66)</b>

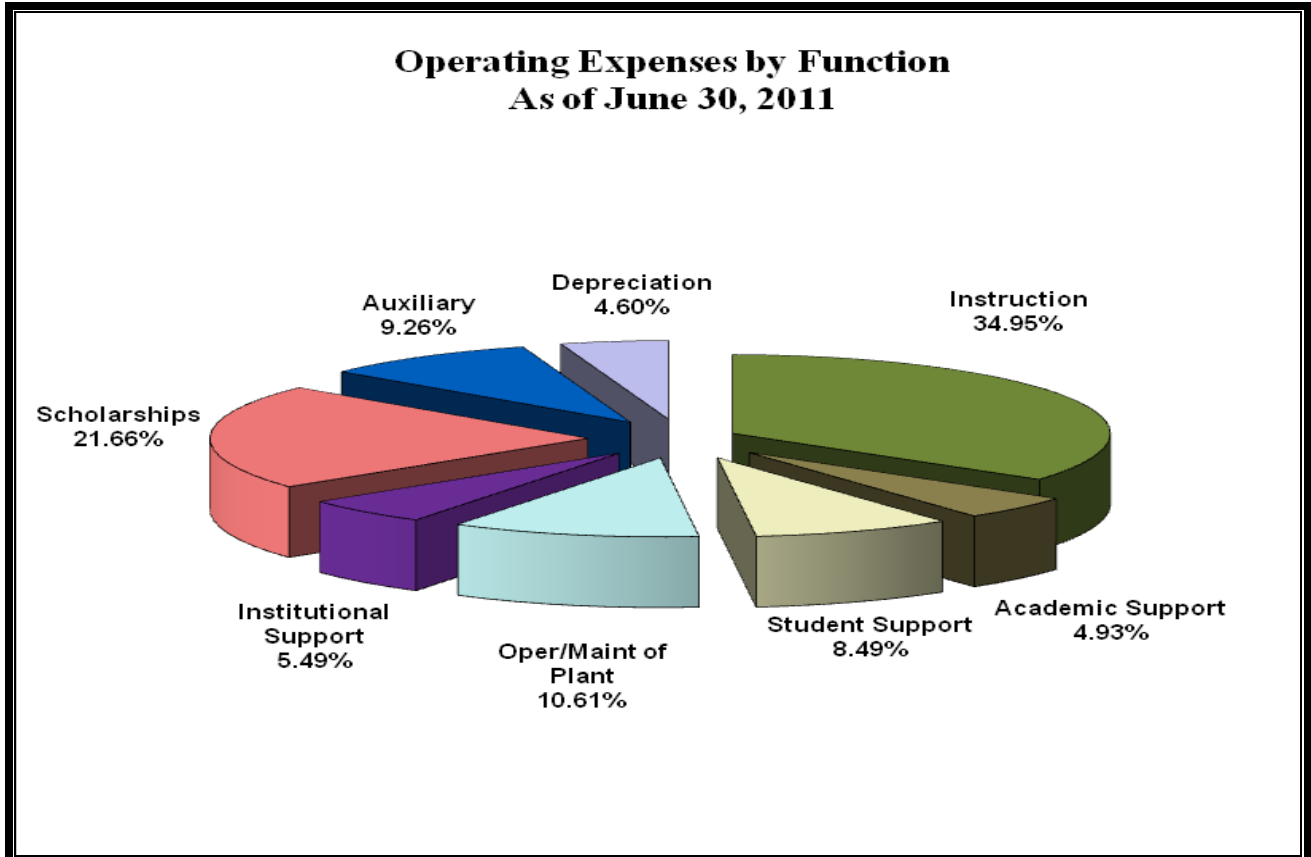
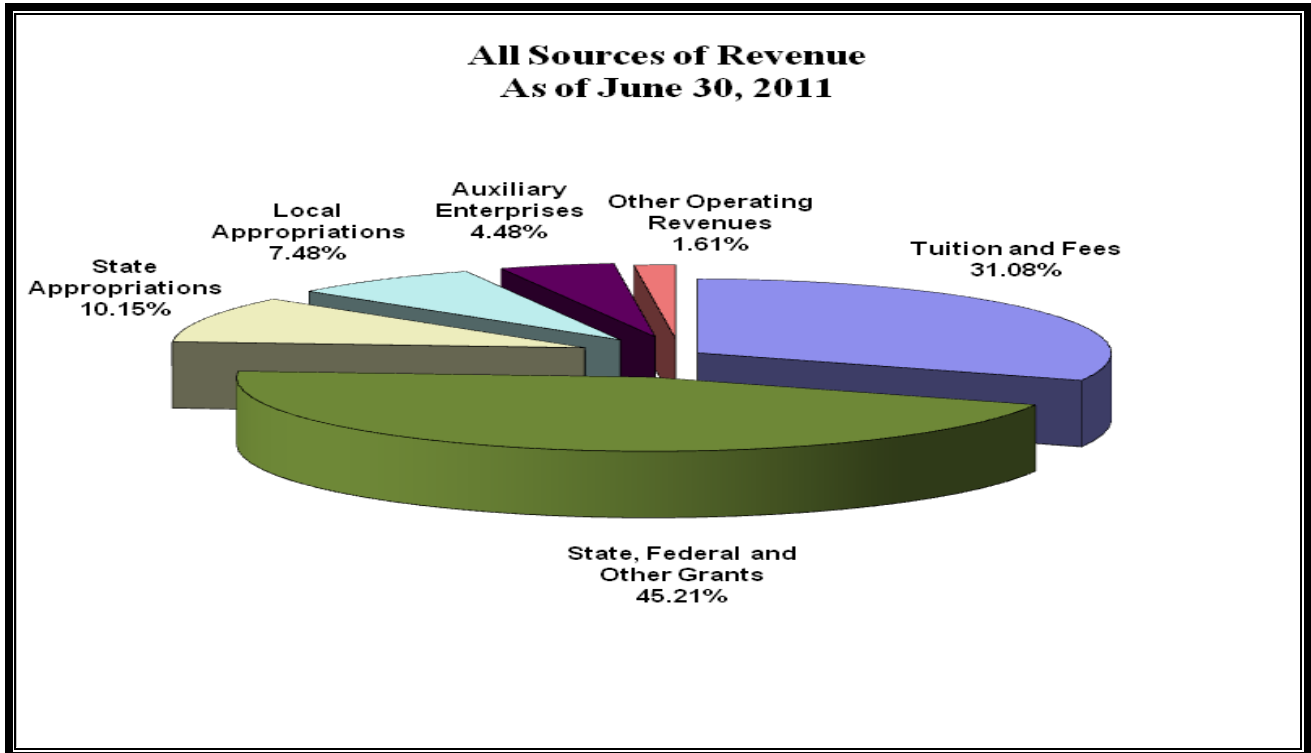
Highlights of changes:

*Cash used (outflow)* by operating activities increased due to scholarships awarded to students and supplies for deferred maintenance increasing by 21.9% and 19.7%, respectively.

*Cash inflow* from non-capital financing activities increased due to a corresponding 21.9% increase of scholarship funds for students.

*Net cash flows used* by capital and related financing activities decreased due to the reduction in the amount of purchases for capitalized items and the completion of the Easley campus.

*Cash inflow* from investing activities increased due to earning a greater amount of interest income in FY11.



### **Capital Asset and Debt Administration**

The College's capital assets total \$38,094,320, a .7% increase over fiscal year 2010. More detailed information on capital asset activity can be found in notes 2, 6, and 12 following the basic financial statements.

As of June 30 2011 the only long term debt for the College is capital lease payable of \$6,465,000. More detailed information on long-term debt activity can be found in notes 2, 6, and 12 following the basic financial statements.

### **Economic Factors**

The economic condition of the College is dependent to a large degree on that of the state and local governments. The state of South Carolina was forced to cut funding to higher education in the wake of state revenue shortfalls. Current operations experienced an 11.8% (\$847,621) reduction in state operational funding.

Local government support provided funding for ongoing maintenance and plant operations even though the tax base remained relatively flat. Unemployment in the College's service area still remains at unhealthy levels at June 30 2011; 11.1% for Anderson county, 11.3% for Oconee county, and 10.1% for Pickens county.

The college continues to operate on a fiscally sound basis due to modest tuition increases and sound fiscal planning and budget management that offset reductions in FY 2011 state funding.

# BASIC FINANCIAL STATEMENTS

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Fiscal Year Ended June 30, 2011



**Statement of Net Assets**  
**Tri-County Technical College**  
**June 30, 2011 and June 30, 2010**

<b>ASSETS</b>	<u>FY11</u>	<u>FY10</u>
<b>Current assets:</b>		
Cash and cash equivalents--Note 3	\$ 21,855,383	\$ 19,868,694
Accounts receivable, net of allowance--Note 4	6,237,831	6,193,464
Inventories	696,011	597,737
Prepaid expenses - other assets	743,107	203,974
<b>Total Current Assets</b>	<u>29,532,332</u>	<u>26,863,869</u>
<b>Noncurrent assets:</b>		
Restricted cash and cash equivalents--Note 3	48,581	47,183
Capital assets, net of accumulated depreciation--Note 6	38,094,320	37,830,291
<b>Total Noncurrent Assets</b>	<u>38,142,901</u>	<u>37,877,474</u>
<b>TOTAL ASSETS</b>	<u>\$ 67,675,233</u>	<u>\$ 64,741,343</u>
 <b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable--Note 5	\$ 1,153,392	\$ 1,571,505
Accrued liabilities	61,883	41,789
Accrued annual leave-current portion--Note 12	123,401	122,919
Unearned Revenue	3,007,232	2,790,907
Loan payable--Note 11	25,939	9,469
Capital lease payable-current portion--Note 10	350,000	335,000
<b>Total Current Liabilities</b>	<u>\$ 4,721,847</u>	<u>\$ 4,871,589</u>
<b>Noncurrent Liabilities</b>		
Accrued annual leave--Note 12	\$ 1,110,614	\$ 1,106,273
Capital lease payable--Note 10 and 12	6,115,000	6,613,285
<b>Total Noncurrent Liabilities</b>	<u>7,225,614</u>	<u>7,719,558</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 11,947,461</u>	<u>\$ 12,591,147</u>
 <b>NET ASSETS</b>		
Invested in capital assets, net of related debt	\$ 31,629,320	\$ 30,882,006
Restricted for:		
Expendable:		
State Capital Project fund	48,581	47,183
Capital Projects	18,252,239	15,860,040
Reserved for Encumbrance-Capital Projects	288,717	-
Unrestricted	5,508,915	5,360,967
<b>Total Net Assets</b>	<u>55,727,772</u>	<u>52,150,196</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 67,675,233</u>	<u>\$ 64,741,343</u>

See accompanying notes to financial statements.

**Statement of Revenues, Expenses, and Changes in Net Assets**  
**Tri-County Technical College**  
**For the years ended June 30, 2011 and June 30, 2010**

<b>REVENUES</b>	<u>FY11</u>	<u>FY10</u>
<b>Operating Revenues:</b>		
Student tuition and fees (net of \$7,265,571 scholarship allowances)	\$ 19,555,685	\$ 14,446,672
Federal grants and contracts	2,067,514	4,841,904
State grants and contracts	8,176,987	6,985,097
Non-governmental contracts	898,654	1,459,367
Auxiliary enterprises (net of \$3,228,785 scholarship book allowance)	2,817,497	2,443,019
Other operating revenues	<u>40,975</u>	<u>86,087</u>
<b>TOTAL OPERATING REVENUES</b>	<u>33,557,312</u>	<u>30,262,146</u>
<b>EXPENSES</b>		
<b>Operating Expenses</b>		
Salaries	20,088,380	19,575,222
Benefits	5,394,587	5,120,425
Scholarships	12,794,016	10,498,294
Utilities	884,250	834,952
Supplies and other services	12,594,696	10,838,092
Auxiliary resale costs	4,592,902	4,511,442
Depreciation	<u>2,717,913</u>	<u>2,625,429</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>59,066,744</u>	<u>54,003,856</u>
<b>OPERATING LOSS</b>	(25,509,432)	(23,741,710)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations	6,343,689	7,191,310
State appropriations-CHE	2,606	3,791
Local appropriations	3,909,984	3,600,226
Federal grants and contracts	16,763,431	15,045,123
State grants and contracts	500,435	548,619
Other nonoperating revenues	814,457	630,140
Interest income	142,176	54,296
Gain(Loss) on disposal of leased asset	13,549	(26,237)
Interest on capital asset-related debt	<u>(272,702)</u>	<u>(438,060)</u>
<b>NET NONOPERATING REVENUES</b>	<u>28,217,625</u>	<u>26,609,208</u>
<b>INCOME BEFORE OTHER REVENUE, EXPENSES AND GAINS OR LOSSES</b>	2,708,193	2,867,498
NSF-CORD	10,228	12,848
State appropriations-Lottery Technology	38,894	198,537
Foundation Technology	25,000	-
Local capital appropriations	<u>795,261</u>	<u>1,063,088</u>
<b>TOTAL OTHER</b>	<u>869,383</u>	<u>1,274,473</u>
<b>INCREASE IN NET ASSETS</b>	<u>3,577,576</u>	<u>4,141,971</u>
<b>NET ASSETS</b>		
<b>NET ASSETS - BEGINNING OF THE YEAR</b>	52,150,196	48,008,225
<b>NET ASSETS - END OF THE YEAR</b>	<u>\$ 55,727,772</u>	<u>\$ 52,150,196</u>

See accompanying notes to financial statements.

**Statement of Cash Flows**  
**Tri-County Technical College**  
**For the years ended June 30, 2011 and June 30, 2010**

	<u>FY11</u>	<u>FY10</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Tuition and fees	\$ 20,140,819	\$ 14,231,623
Federal grants & contracts	(12,159,300)	(5,571,310)
State grants & contracts	7,460,915	6,965,639
Non governmental grants & contracts	(49,479)	1,295,241
Auxiliary Enterprise	(1,873,679)	(2,100,882)
Payments to suppliers	(14,018,079)	(11,508,504)
Payments to employees	(25,458,050)	(24,703,528)
Other receipts	40,975	86,087
	<u>40,975</u>	<u>86,087</u>
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<u>(25,915,878)</u>	<u>(21,305,634)</u>
 <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State appropriations	6,361,944	7,183,059
Local appropriations	3,909,984	3,600,226
Federal grants and contracts	16,763,431	15,045,123
State grants and contracts	500,435	548,619
Other grants and contracts	814,467	630,140
	<u>814,467</u>	<u>630,140</u>
<b>NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	<u>28,350,261</u>	<u>27,007,167</u>
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
County appropriations for capital	795,261	1,063,088
Federal grants for capital	10,228	12,848
Local grants for capital	25,000	-
State lottery technology	38,894	198,537
Purchases of capital assets	(2,948,164)	(6,616,406)
Disposal of capital assets	-	(26,237)
Proceeds from capital assets	2,229,671	3,497,136
Principle paid on capital debt	(466,815)	(385,267)
Interest paid on capital debt	(272,702)	(438,060)
	<u>(272,702)</u>	<u>(438,060)</u>
<b>NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>\$ (588,627)</u>	<u>\$ (2,694,361)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investments	142,331	54,276
	<u>142,331</u>	<u>54,276</u>
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<u>\$ 142,331</u>	<u>\$ 54,276</u>
<b>NET INCREASE IN CASH</b>	1,988,087	3,061,448
<b>CASH - BEGINNING OF THE YEAR</b>	<u>19,915,877</u>	<u>16,854,429</u>
<b>CASH - END OF YEAR</b>	<u>\$ 21,903,964</u>	<u>\$ 19,915,877</u>

See accompanying notes to financial statements.



**Statement of Cash Flows**  
**Tri-County Technical College**  
**For the years ended June 30, 2011 and June 30, 2010**

	<u>FY11</u>	<u>FY10</u>
<b>RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
Operating expenses over revenues	\$ (25,509,432)	\$ (23,741,710)
Depreciation expense	2,717,913	2,625,429
 <b>CHANGES IN ASSETS AND LIABILITIES</b>		
Accounts receivable	(2,340,807)	(906,597)
Inventory	(98,274)	(32,459)
Prepaid expenses	(539,133)	164,540
Accounts payable	(387,386)	529,591
Unearned revenue	216,324	63,453
Accrued liabilities	20,094	6,540
Compensated absences	4,823	(14,421)
 <b>NET CASH (USED) BY OPERATING ACTIVITIES</b>	 <u>\$ (25,915,878)</u>	 <u>\$ (21,305,634)</u>

See accompanying notes to financial statements.

Component Unit of  
Tri-County Technical College

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

	JUNE 30,	
	2011	2010
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 377,418	\$ 134,399
Board-designated Cash	11,471	2,790
Pledges Receivable, Net	694,341	475,013
Accrued Interest Receivable	77,596	67,514
Student Loans Receivable	4,255	5,787
Investments	16,562,580	14,389,869
Property, Plant and Equipment, Net	7,993,209	7,734,160
Bond Issue Costs, Net	44,851	48,001
<b>TOTAL ASSETS</b>	<b>\$ 25,765,721</b>	<b>\$ 22,857,533</b>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts Payable	\$ 46,063	\$ 120,319
Bonds Payable	6,465,000	6,800,000
<b>Total Liabilities</b>	<b>6,511,063</b>	<b>6,920,319</b>
<b>Net Assets</b>		
Unrestricted	1,867,597	1,867,016
Unrestricted, Board-designated	1,157,819	969,951
Temporarily Restricted	4,187,557	1,875,510
Permanently Restricted	12,041,685	11,224,737
<b>Total Net Assets</b>	<b>19,254,658</b>	<b>15,937,214</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 25,765,721</b>	<b>\$ 22,857,533</b>

Component Unit of  
Tri-County Technical College

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

	YEAR ENDED JUNE 30,				
	2011			2010	
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	COMBINED TOTAL	COMBINED TOTAL
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>					
Contributions	\$ 110,298	\$ 398,572	\$ 811,168	\$ 1,320,038	\$ 1,241,661
Net Unrealized Gains (Losses) on Investments	-	2,071,061	-	2,071,061	968,038
Net Realized Gains on Investments	-	282,802	-	282,802	84,754
Investment Income	-	299,274	-	299,274	280,185
Interest Income	1,322	3,061	-	4,383	1,189
Partnership Income (Loss)	-	(1,216)	-	(1,216)	(9,257)
Rental Income	641,680	-	-	641,680	603,968
Other Income	-	36,839	-	36,839	19,855
<b>Total Revenues, Gains, and Other Support</b>	<b>753,300</b>	<b>3,090,393</b>	<b>811,168</b>	<b>4,654,861</b>	<b>3,190,393</b>
<b>Net Assets Released from Restrictions</b>	<b>746,066</b>	<b>(746,066)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENSES</b>					
<b>Program Services</b>					
Scholarships	363,457	-	-	363,457	351,746
Educational Support	238,129	-	-	238,129	479,950
Pledge Discount	18,758	-	-	18,758	1,690
Depreciation and Amortization	164,985	-	-	164,985	165,072
<b>Management and General</b>	170,805	-	-	170,805	168,533
<b>Interest Expense</b>	288,469	-	-	288,469	283,968
<b>Fundraising</b>	92,814	-	-	92,814	70,615
<b>Total Expenses</b>	<b>1,337,417</b>	<b>-</b>	<b>-</b>	<b>1,337,417</b>	<b>1,521,574</b>
<b>Change in Net Assets from Operations</b>	<b>161,949</b>	<b>2,344,327</b>	<b>811,168</b>	<b>3,317,444</b>	<b>1,668,819</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	2,836,967	1,875,510	11,224,737	15,937,214	14,268,395
<b>Non-Operating Reclassifications of Net Assets</b>	26,500	(32,280)	5,780	-	-
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 3,025,416</b>	<b>\$ 4,187,557</b>	<b>\$ 12,041,685</b>	<b>\$ 19,254,658</b>	<b>\$ 15,937,214</b>

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

NOTES TO THE FINANCIAL STATEMENTS  
TRI-COUNTY TECHNICAL COLLEGE  
June 30, 2011 and June 30, 2010

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

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

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

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

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

However, significant note disclosures to the Foundation’s financial statements have been incorporated into the College’s notes to the financial statements. (See the Component Unit Section within this Summary of Significant Accounting Policies and Notes 13 and 17.)

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

NOTES TO THE FINANCIAL STATEMENTS  
TRI-COUNTY TECHNICAL COLLEGE

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

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

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

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

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

**Investments:** Deposits and investments for the College are governed by the South Carolina Code of Laws, Section 11-9-660, “Investments of Funds”. During the year ended June 30, 2005, the College implemented GASB Statement No. 40, *Deposits and Investment Risk Disclosures – an amendment to GASB Statement No. 3*. This statement requires disclosures related to deposit risks, such as custodial credit risk, and investment risks, such as credit risk (including custodial credit risk and concentrations of credit risks) and interest rate risk. The college accounts for its investments at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Changes in unrealized gain (loss) on the fair value of investments are reported as a component of investment income in the statement of revenues, expenses and changes in net assets.

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

Allowances for losses for student accounts receivable are established based upon actual losses experienced in prior years and evaluations of the current account portfolio. At June 30, 2011, the allowance for uncollectible student accounts is \$482,441. At June 30, 2010, the allowance for uncollectible student accounts is \$105,000.

NOTES TO FINANCIAL STATEMENTS  
TRI-COUNTY TECHNICAL COLLEGE

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

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

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

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 15 to 50 years for buildings and improvements and land improvements and 2 to 25 years for machinery, equipment, and vehicles. A full year of depreciation is taken the year the asset is placed in service and no depreciation is taken in the year of disposition.

**Deferred Revenues and Deposits:** Deferred 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. Deferred revenues also include amounts received from grant and contract sponsors that have not yet been earned. At June 30, 2011, deferred revenue for tuition and fees totaled \$1,176,683 and other deferred revenue totaled \$1,830,548. At June 30, 2010, deferred revenue for tuition and fees totaled \$1,201,546 and other deferred revenue totaled \$1,589,361.

**Compensated Absences:** Employee vacation pay expense is accrued at year-end for financial statement purposes. The liability and expense incurred are recorded at year-end as a component of long-term liabilities in the statement of net assets and as a component of benefit expenses in the statement of revenues, expenses, and changes in net assets. At June 30, 2011, accumulated unpaid vacation time amounted to \$1,234,015. At June 30, 2010, accumulated unpaid vacation time amounted to \$1,229,192.

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

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

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

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

*Restricted net assets – non-expendable:* Non-expendable restricted net assets consist of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift

NOTES TO FINANCIAL STATEMENTS  
TRI-COUNTY TECHNICAL COLLEGE

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

instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS  
 TRI-COUNTY TECHNICAL COLLEGE

**Scholarship Discounts and Allowances** Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statement of revenues, expenses and changes in net assets. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, and other federal, state or non-governmental programs, are recorded as operating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship discount and allowance.

**NOTE 2 -- STATE APPROPRIATIONS**

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

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

**NON-CAPITAL APPROPRIATIONS**

Appropriations per Annual Appropriations Act .....	\$ 6,343,689
From Commission on Higher Education:	
Academic Endowment .....	<u>2,606</u>

<b>Total Non-Capital Appropriations Recorded as Current Year Revenue</b>	<u>\$ 6,346,295</u>
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**CAPITAL APPROPRIATIONS**

State Lottery Technology Appropriations .....	<u>38,894</u>
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<b>Total Capital Appropriations Recorded as Current Year Revenue</b>	<u>\$ 38,894</u>
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The following is a detail schedule of State appropriations revenue reported in the financial statements for the **fiscal year ended June 30, 2010:**

**NON-CAPITAL APPROPRIATIONS**

Appropriations per Annual Appropriations Act .....	\$ 7,191,310
From Commission on Higher Education:	
Academic Endowment .....	<u>3,791</u>

<b>Total Non-Capital Appropriations Recorded as Current Year Revenue</b>	<u>\$ 7,195,101</u>
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**CAPITAL APPROPRIATIONS**

State Lottery Technology Appropriations .....	<u>198,537</u>
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<b>Total Capital Appropriations Recorded as Current Year Revenue</b>	<u>\$ 198,537</u>
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NOTES TO FINANCIAL STATEMENTS  
 TRI-COUNTY TECHNICAL COLLEGE

**NOTE 3 – CASH, DEPOSITS AND INVESTMENTS**

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

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

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

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

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

**Fiscal year 2011 information:**

Statement of Net Assets:

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

Deposit and Investments Note:

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

**Fiscal year 2010 information:**

As a result of this cash management policy, the College's deposits at **June 30, 2010** were (\$597,503) which represents checks written by the College that had not cleared the payment process. Bank deposits are entirely covered by federal depository insurance or by collateral held by the College's custodial bank in the College's name.

NOTES TO FINANCIAL STATEMENTS  
 TRI-COUNTY TECHNICAL COLLEGE

**NOTE 3 – CASH, DEPOSITS AND INVESTMENTS-continued**

Fiscal year 2010 information continued:

Deposits include cash and cash equivalents on deposits in banks and held by the State Treasurer. At June 30, 2010, the State Treasurer held \$47,183 in its pooled cash in accounting funds in the College’s name. State law requires full collateralization of all State Treasurer bank balances. The State Treasurer must correct any deficiencies in collateral within seven days. At June 30, 2010, all State Treasurer bank balances were fully insured or collateralized with securities held by the State or by agents in the State’s name.

Statement of Net Assets:

Cash and cash equivalents	\$ 19,868,694
Restricted cash and cash equivalents:	
<u>Capital Projects</u>	<u>47,183</u>
Total Statement of Net Assets	\$ 19,915,877

Deposit and Investments Note:

Petty cash on hand	\$ 3,250
Bank accounts	(46,962)
Investments	19,912,406
<u>Held by State Treasurer</u>	<u>47,183</u>
Total Deposits and Investments Note	\$ 19,915,877

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

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

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

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

The College’s investments at June 30, 2010, that are *not* with the State Treasurer’s Office are presented below. All investments are presented by investment type and debt securities are presented by maturity.

<u>Investment Type</u>	Fair Value <u>Amount</u>	<u>Investment Maturities (in years)</u>		
		Less <u>Than 1</u>	<u>1 – 5</u>	<u>6 – 10</u>
<u>Debt Securities</u>				
Repurchase agreements	\$19,912,406	X		

NOTES TO FINANCIAL STATEMENTS  
 TRI-COUNTY TECHNICAL COLLEGE

**NOTE 4 -- ACCOUNTS RECEIVABLE**

Receivables at <b>June 30, 2011:</b>	
Student Accounts	\$ 1,914,849
Other Accounts	60,704
Due from Federal and Other Grantors	<u>4,744,719</u>
	Gross Receivables \$ 6,720,272
Less: Allowance for Uncollectible Accounts:	
Student Accounts	<u>\$ 482,441</u>
	Net Receivables <u>\$ 6,237,831</u>

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Receivables at <b>June 30, 2010:</b>	
Student Accounts	\$ 1,860,130
Other Accounts	345,590
Due from State Capital Reserve Fund	2,229,671
Due from Federal and Other Grantors	<u>1,863,073</u>
	Gross Receivables \$ 6,298,464
Less: Allowance for Uncollectible Accounts:	
Student Accounts	<u>\$ 105,000</u>
	Net Receivables <u>\$ 6,193,464</u>

**NOTE 5 – ACCOUNTS PAYABLE**

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

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

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Accounts payable as of **June 30, 2010**, is summarized as follows:

Operations-Accounts Payable	\$ 804,343
Due to Federal and Other Grantors	688,602*
Other	<u>78,560</u>
	Total Accounts Payable <u>\$ 1,571,505</u>

\*Numerous physical plant projects funded by ARRA and other restricted funding sources were in process at year end, therefore, a large accounts payable had to be recorded.

NOTES TO FINANCIAL STATEMENTS  
 TRI-COUNTY TECHNICAL COLLEGE

**NOTE 6 -- CAPITAL ASSETS**

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

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

NOTES TO FINANCIAL STATEMENTS  
 TRI-COUNTY TECHNICAL COLLEGE

**NOTE 6 -- CAPITAL ASSETS-continued**

The activity in the College's capital assets for the fiscal year ended **June 30, 2010** is as follows:

	Beginning Balance 30-Jun-09	Increases	Decreases	Ending Balance 30-Jun-10
<b>Capital Assets not being depreciated:</b>				
Land	2,112,310	-	-	2,112,310
<b>Total Capital Assets not being depreciated</b>	<b>2,112,310</b>	<b>-</b>	<b>-</b>	<b>2,112,310</b>
<b>Other Capital Assets:</b>				
Buildings	24,860,191	-	-	24,860,191
Depreciable Building Improvements	8,893,475	-	-	8,893,475
Depreciable Land Improvements	3,603,831	-	-	3,603,831
Construction in Progress	36,809	5,601,269	-	5,638,078
Machinery, equipment, other	7,749,187	617,634	275,382	8,091,439
Vehicles	413,547	59,578	58,000	415,125
Capital Lease Assets	8,377,236	-	-	8,377,236
Capital Leasehold Improvement	2,531,661	-	-	2,531,661
<b>Total Other Capital Assets at Historical Costs</b>	<b>56,465,937</b>	<b>6,278,481</b>	<b>333,382</b>	<b>62,411,036</b>
<b>Less Accumulated Depreciation for:</b>				
Buildings	-11,861,392	-596,630	-	-12,458,022
Depreciable Building Improvements	-2,513,369	-355,739	-	-2,869,108
Depreciable Land Improvements	-1,565,605	-154,793	-	-1,720,398
Machinery, equipment, and other	-6,480,662	-795,735	287,811	-6,988,586
Vehicles	-129,619	-69,211	19,334	-179,496
Capital Lease Assets	-1,431,178	-496,499	-	-1,927,677
Capital Leasehold Improvements	-392,947	-156,821	-	-549,768
<b>Total Accumulated Depreciation</b>	<b>-24,374,772</b>	<b>-2,625,428</b>	<b>307,145</b>	<b>-26,693,055</b>
<b>Other Capital Assets, net</b>	<b>32,091,165</b>	<b>3,653,053</b>	<b>26,237</b>	<b>35,717,981</b>
<b>Capital Assets, Net</b>	<b>\$34,203,475</b>	<b>3,653,053</b>	<b>26,237</b>	<b>\$37,830,291</b>

NOTES TO FINANCIAL STATEMENTS  
*TRI-COUNTY TECHNICAL COLLEGE*

**NOTE 7 -- PENSION PLAN(S)**

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

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

**South Carolina Retirement System**

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

Since July 1, 1988 to June 30, 2005 employees participating in the SCRS were required to contribute 6.0 percent of all compensation. On July 1, 2005, the required employee contribution increased to 6.25 percent. On July 1, 2006, the required employee contribution increased to 6.50 percent. Effective July 1, 2007, the employer contribution rate became 12.48 percent which included a 3.42 percent surcharge to fund retiree health and dental insurance coverage. On July 1, 2009, the employer contribution rate became 12.74 percent. This increase included a .18 percent increase in the employer retirement contribution and .08 percent increase in the surcharge to fund the retiree health and dental insurance coverage. The College's actual contributions to the SCRS for the most recent fiscal years ending June 30, 2010, 2009, 2008, and 2007, were \$1,324,221, \$1,283,977, \$1,237,825, \$956,966, respectively, and equaled the required contributions of 8.05 percent (excluding the surcharge) for fiscal year 2007, 9.06 percent (excluding the surcharge) for fiscal year 2008 and 9.24 percent (excluding the surcharge) for fiscal year 2009, and 9.24 percent (excluding the surcharge) for fiscal year 2010. Also, the College paid employer group-life insurance contributions of \$21,497 in fiscal year 2010, \$20,844 in fiscal year 2009 and \$20,494 in fiscal year 2008 at the rate of .15 percent of compensation.

Since July 1, 1988 to June 30, 2005 employees participating in the SCRS were required to contribute 6.0 percent of all compensation. On July 1, 2005, the required employee contribution increased to 6.25 percent. On July 1, 2006, the required employee contribution increased to 6.50 percent. Effective July 1, 2007, the employer contribution rate became 12.48 percent which included a 3.42 percent surcharge to fund retiree health and dental insurance coverage. On July 1, 2009, the employer contribution rate became 12.74 percent. This increase included a .18 percent increase in the employer retirement contribution and .08 percent increase in the surcharge to fund the retiree health and dental insurance coverage. Effective July 1, 2010, the employer contribution increased to 13.14 percent. This .4 percent increase in the surcharge was to cover the rising costs in the retirees covered by State health and dental plans. The College's actual contributions to the SCRS for the most recent fiscal years ending June 30, 2011, 2010, 2009, and 2008, were \$1,342,951,

NOTES TO FINANCIAL STATEMENTS  
TRI-COUNTY TECHNICAL COLLEGE

**NOTE 7 -- PENSION PLAN(S)-continued**

\$1,324,221, \$1,283,977, \$1,237,825, respectively, and equaled the required contributions of 9.06 percent (excluding the surcharge) for fiscal year 2008, 9.24 percent (excluding the surcharge) for fiscal year 2009, and 9.24 percent (excluding the surcharge) for fiscal year 2010 and 2011. Also, the College paid employer group-life insurance contributions of \$21,801 in fiscal year 2011, \$21,497 in fiscal year 2010, and \$20,844 in fiscal year 2009 at the rate of .15 percent of compensation.

**Police Officers Retirement System**

The South Carolina Police Officers Retirement System (PORS) is a cost-sharing multiple-employer defined benefit public employee retirement plan administered by the Retirement Division. Generally all full-time employees whose principal duties are the preservation of public order or the protection or prevention and control of property destruction by fire are required to participate in and contribute to the System as a condition of employment. This plan provides annuity benefits as well as disability and group-life insurance benefits to eligible employees and retirees. In addition, participating employers in the PORS contribute to the accidental death fund which provides annuity benefits to beneficiaries of police officers and firemen killed in the actual performance of their duties. These benefits are independent of any other retirement benefits available to the beneficiary.

Since July 1, 1988, employees participating in the PORS have been required to contribute 6.5 percent of all compensation. Effective July 1, 2007, the employer contribution rate became 13.72 percent which, as for the SCRS, included the 3.42 percent surcharge. On July 1, 2008 the employer contribution rate increased to 10.65 percent and the insurance surcharge increased to 3.5 percent. The College's actual contributions to the PORS for the fiscal years ending June 30, 2010, 2009, 2008 and 2007 were \$14,636, \$10,983, \$8,340, and \$7,127 respectively, and equaled the required contributions of 10.65% for fiscal year 2010 and 2009 and 10.3 percent (excluding the surcharge) for the prior fiscal years. Also, the College paid employer group-life insurance contributions of \$275 in fiscal year 2010, \$206 in fiscal year 2009 and \$162 in fiscal year 2008 and accidental death insurance contributions of \$275 in fiscal year 2010, \$206 in fiscal year 2009 and \$162 in fiscal year 2008 for PORS participants. The rate for each of these insurance benefits is .20 percent of compensation.

Since July 1, 1988, employees participating in the PORS have been required to contribute 6.5 percent of all compensation. Effective July 1, 2007, the employer contribution rate became 13.72 percent which, as for the SCRS, included the 3.42 percent surcharge. On July 1, 2008 the employer contribution rate increased to 10.65 percent and the insurance surcharge increased to 3.5 percent. On July 1, 2010 the employer contribution rate increased to 11.13 percent and the insurance surcharge increased to 3.90 percent to cover the rising costs of the retirees State health and dental benefits. The College's actual contributions to the PORS for the fiscal years ending June 30, 2011, 2010, and 2009 were \$17,196, \$14,636, \$10,983, and \$8,340 respectively, and equaled the required contributions of 11.13 percent for fiscal year 2011 (excluding the surcharge), 10.65 percent for fiscal year 2010 and 2009 (excluding the surcharge) and 10.3 percent (excluding the surcharge) for the prior fiscal years. Also, the College paid employer group-life insurance contributions of \$309 in fiscal year 2011, \$275 in fiscal year 2010, \$206 in fiscal year 2009 and accidental death insurance contributions of \$309 in fiscal year 2011, \$275 in fiscal year 2010, and \$206 in fiscal year 2009 for PORS participants. The rate for each of these insurance benefits is .20 percent of compensation.

**Optional Retirement Program**

The State Optional Retirement Program (State ORP) was first established as the Optional Retirement Program for Higher Education in 1987. In its current form, the State ORP is an alternative to the defined benefit SCRS plan offered to certain state, public school and higher education employees of the State. The

**NOTE 7 -- PENSION PLAN(S)-continued**

State ORP, which is administered by the South Carolina Retirement Systems, is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by investment providers. The State assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers and are governed by the terms of the contracts issued by them. Under State law, contributions to the ORP are required at the same rates as for the SCRS, 9.24 percent plus the retiree surcharge of 3.50 percent from the employer in fiscal year 2010 and 2009. Under State law, contributions to the ORP are required at the same rates as for the SCRS, 9.06 percent plus the retiree surcharge of 3.42 percent from the employer in fiscal year 2008. Employees are eligible for group-life insurance benefits while participating in the State ORP. However, employees who participate in the State ORP are not eligible for postretirement group-life insurance benefits. The total contribution requirements for the ORP were \$102,200 for fiscal year 2010(excluding the surcharge) from the College as employer and \$156,674 from its employees as plan members. For fiscal year 2009, total contribution requirements to the ORP were \$91,908 (excluding the surcharge) from the College as employer and \$140,897 from its employees as plan members. For fiscal year 2008, total contribution requirements to the ORP were \$79,588 (excluding the surcharge) from the College as employer and \$127,419 from its employees as plan members. In addition, the College paid to the SCRS employer group-life insurance contributions of \$3,616 in fiscal year 2010, \$3,251 in fiscal year 2009 and \$2,940 in fiscal year 2008 at the rate of .15 percent of compensation.

Under State law, contributions to the ORP are required at the same rates as for SCRS. The contribution rate for fiscal year 2011 was 9.24 percent plus 3.9 percent insurance surcharge, which included a .4 percent increase due to rising costs in the retirees State health and dental insurance rates. The contribution rate was 9.24 percent plus the retiree surcharge of 3.50 percent from the employer in fiscal year 2010 and 2009. Employees are eligible for group-life insurance benefits while participating in the State ORP. However, employees who participate in the State ORP are not eligible for postretirement group-life insurance benefits. In fiscal year 2011 the total contribution requirements for the ORP were \$113,268 (excluding the surcharge) and \$173,643 from its employees as plan members. The total contribution requirements for the ORP were \$102,200 for fiscal year 2010 (excluding the surcharge) from the College as employer and \$156,674 from its employees as plan members. For fiscal year 2009, total contribution requirements to the ORP were \$91,908 (excluding the surcharge) from the College as employer and \$140,897 from its employees as plan members. In addition, the College paid to the SCRS employer group-life insurance contributions of \$4,007 in fiscal year 2011, \$3,616 in fiscal year 2010, and \$3,251 in fiscal year 2009 at the rate of .15 percent of compensation.

**Deferred Compensation Plans**

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

**Teacher and Employee Retention Incentive**

Effective January 1, 2001, Section 9-1-2210 of the South Carolina Code of Laws allows employees eligible for service retirement to participate in the Teacher and Employee Retention Incentive (TERI) Program. TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years. Upon termination of employment or at the end of the TERI



**NOTE 7 -- PENSION PLAN(S)-continued**

period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost of living adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not make SCRS contributions, do not earn service credit, and are ineligible to receive group life insurance benefits or disability retirement benefits. Effective July 1, 2005, employees who choose to participate in the TERI Program will be required to make SCRS contributions. Due to the South Carolina Supreme Court decision in *Layman et al v. South Carolina Retirement System and the State of South Carolina*, employees who chose to participate in the TERI Program, prior to July 1, 2005 will not be required to make SCRS contributions. SCRS employer contribution will increase by .26% effective July 1, 2008.

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

**a. Plan Description**

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

**b. Funding Policies**

Section 1-11-710 and 1-11-720 of the South Carolina Code of Laws of 1976, as amended, requires these postemployment healthcare and long-term disability benefits be funded through annual appropriations by the General Assembly for active employees to the EIP and participating retirees to the SBCB except the portion funded through the pension surcharge and provided from other applicable sources of the EIP for its active employees who are not funded by State General Fund appropriations. Employers participating in the RMP are mandated by State statute to contribute at a rate assessed each year by the Office of the State Budget, 3.50 percent of the annual covered payroll for 2010 and 2009 and 3.42 percent of annual covered payroll for 2008. The EIP sets the employer contribution rate based on a pay-as-you-go basis. Tri-County Technical College recorded benefit expenses for these insurance benefits (health and dental) for active employees in the amount of \$1,406,842 for the year ended June 30, 2010, \$1,329,118 for the year ended June 30, 2009 and \$1,058,941 for the year ended June 30, 2008. As discussed in Note 7, the College paid \$501,599 applicable to the 3.50 percent surcharge included with the employer contributions for retirement benefits in fiscal year 2010 and \$486,355 applicable to the 3.50 percent surcharge included with the employer contributions for retirement benefits in fiscal year 2009 and \$467,258 applicable to the 3.42 percent surcharge included with the employer contributions for retirement benefits in fiscal year 2008. These amounts were remitted to the South Carolina Retirement Systems for distribution to the Office of Insurance Services for retiree health and dental insurance benefits.

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

Employers participating in the RMP are mandated by State statute to contribute at a rate assessed each year by the Office of the State Budget, 3.90 percent of the annual covered payroll for 2011, 3.50 percent of the annual covered payroll for 2010 and 2009. The EIP sets the employer contribution rate based on a pay-as-you-go basis. Tri-County Technical College recorded benefit expenses for these insurance benefits (health and dental) for active employees in the amount of \$1,406,842 for the year ended June 30, 2010, \$1,329,118 for the year ended June 30, 2009 and \$1,058,941 for the year ended June 30, 2008. As discussed in Note 7, the College paid \$677,041 (\$566,830 for SCRS, \$6,025 for PORS, and \$104,186 for ORP) applicable to the 3.90 percent surcharge included in the retirement benefits in fiscal year 2011. In fiscal year 2010, the College paid \$590,772 (\$501,599 for SCRS, \$4810 for PORS, and \$84,363 for ORP) applicable to the 3.50 percent surcharge included with the employer contributions for retirement benefits. The College paid \$565,832 (\$486,355 for SCRS, \$3,609 for PORS, and \$75,868 for ORP) applicable to the 3.50 percent surcharge included with the employer contributions for retirement benefits in fiscal year 2009. These amounts were remitted to the South Carolina Retirement Systems for distribution to the Office of Insurance Services for retiree health and dental insurance benefits.

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS  
 TRI-COUNTY TECHNICAL COLLEGE

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

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

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

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

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

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

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

Necessary funding has been obtained for the acquisition, construction, renovation, and equipping of certain facilities, which were capitalized in the applicable capital asset categories during fiscal year end 2010. Other capital projects, which are not capitalized when completed, are for replacements, repairs, and/or renovation to existing facilities.

At **June 30, 2010**, the College began the construction of the Easley campus Occupational Center building. The costs are recorded in the asset, Construction in Progress until completion of the project.

The College anticipates funding this project out of current resources.

Project Name and Number	Estimated Project Cost	Expenditures Through June 30, 2010
TCTC Easley Occupational Center	\$ 8,567,200	\$ 5,638,078

Construction contracts were awarded in August 2009. The remaining commitment as of June 30 2010 on the construction contracts is \$1,332,958.

**NOTE 10 -- LEASE OBLIGATIONS**

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

NOTES TO FINANCIAL STATEMENTS  
 TRI-COUNTY TECHNICAL COLLEGE

**NOTE 10 -- LEASE OBLIGATIONS—continued**

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

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

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

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

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

Year Ended <u>June 30,</u>	Capital leases with external parties
2012	606,632
2013	607,046
2014	606,848
2015	606,038
2016	604,616
2017-2021	3,031,352
2021-2025	<u>2,422,170</u>
TOTAL	\$8,484,702
Less: Interest	<u>2,019,702</u>
Present value of net minimum lease payments	<u>\$6,465,000</u>

Fiscal Year <b>2011</b>	
<u>Capital lease assets with external parties</u>	
Assets acquired under capital lease:	
Anderson Campus building	\$8,000,000
Total assets acquired under capital lease	\$8,000,000
Less: accumulated depreciation	<u>(2,105,260)</u>
Assets acquired under capital leases, net	<u>\$5,894,740</u>

NOTES TO FINANCIAL STATEMENTS  
 TRI-COUNTY TECHNICAL COLLEGE

**NOTE 10 -- LEASE OBLIGATIONS—continued**

For fiscal year ending **June 30, 2010**, Tri-County Technical College has Operating leases and three (3) capital lease obligations. Current year operating lease expenses were \$332,728. The following are the operating lease obligations of the College:

Year Ended <u>June 30,</u>	Operating leases <u>with external parties</u>
2011	\$ 170,497
2012	\$ 23,370
2013	-0-

The College also rents certain office equipment based on usage. The current year expense for these contingent rentals was \$57,628.

The College returned one piece of leased mail-room equipment during fiscal year 2009 but retained the other equipment that was included in the original capital lease. The returned asset with corresponding accumulated depreciation and lease payment were removed. The remaining equipment has one year left on the lease.

The College acquired a five-year capital lease during fiscal year 2008. The financing portion was the present value of \$334,412 with an implicit interest rate of 3.410%. The maintenance agreement for the equipment is expensed as well as the portion based on usage identified as contingent rentals. The current year expense for contingent rental was \$23,966 and the maintenance agreement expense was \$6,132.

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

The following is the capital lease obligations of the College as of **June 30 2010**:

Year Ended <u>June 30,</u>	Capital leases with external parties
2011	694,020
2012	686,788
2013	614,492
2014	614,600
2015	614,096
2016-2020	3,075,072
2021-2025	<u>3,084,556</u>
TOTAL	\$9,383,624
Less: Interest	<u>2,435,339</u>
Present value of net minimum lease payments	<u>\$6,948,285</u>

NOTES TO FINANCIAL STATEMENTS  
 TRI-COUNTY TECHNICAL COLLEGE

**NOTE 10 -- LEASE OBLIGATIONS—continued**

	Fiscal Year <b>2010</b>
	Capital lease assets with external parties
Assets acquired under capital lease:	
Machinery, equipment and other	\$ 377,236
Anderson Campus building	<u>8,000,000</u>
Total assets acquired under capital lease	\$8,377,236
Less: accumulated depreciation	<u>(1,927,677)</u>
Assets acquired under capital leases, net	<u>\$6,449,559</u>

**NOTE 11 -- LOAN PAYABLE-SHORT TERM**

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

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

Short term Loan payable as of June 30, 2010, is summarized as follows:

State Energy Program	\$ 9,469
Total Accounts Payable	<u>\$ 9,469</u>

**NOTE 12 -- LONG-TERM LIABILITIES**

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

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

Long-term liability activity for the year ended June 30, 2010 was as follows:

	June 30, <u>2009</u>	<u>Additions</u>	<u>Reductions</u>	June 30, <u>2010</u>	Due Within <u>One Year</u>
Capital Lease Payable	7,343,021	-	394,736	6,948,285	335,000
Accrued Compensated Absences	1,243,613	73,799	88,220	1,229,192	122,919
Total Long-term Liabilities	<u>\$ 8,586,634</u>	<u>\$ 73,799</u>	<u>\$482,956</u>	<u>\$ 8,177,477</u>	<u>\$ 457,919</u>

Additional information regarding Lease Payable is in Note 10

NOTES TO FINANCIAL STATEMENTS  
*TRI-COUNTY TECHNICAL COLLEGE*

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

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

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

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

**NOTE 14 -- RISK MANAGEMENT**

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS  
 TRI-COUNTY TECHNICAL COLLEGE

**NOTE 15 -- OPERATING EXPENSES BY FUNCTION**

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

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

Operating expenses by functional classification for the year ended **June 30, 2010** are summarized as follows:

	<u>Salaries</u>	<u>Benefits</u>	<u>Scholarships</u>	<u>Utilities</u>	<u>Resale</u>	<u>Supplies/ Services</u>	<u>Depreciation</u>	<u>Total</u>
Instruction	\$12,212,604	\$3,003,307				\$3,376,585		\$18,592,496
Academic Support	1,596,149	438,731				896,466		\$2,931,346
Student Services	2,939,016	846,542				2,962,872		\$6,748,430
Operation and Maintenance of Plant	565,635	186,642		\$834,952		2,400,772		\$3,988,001
Institutional Support	2,091,020	595,655				650,298		\$3,336,973
Scholarships			\$10,498,294					\$10,498,294
Auxiliary Enterprises	170,798	49,548			\$4,511,442	551,099		\$5,282,887
Depreciation							\$2,625,429	\$2,625,429
<b>Total Operating Expenses</b>	<b>\$19,575,222</b>	<b>\$5,120,425</b>	<b>\$10,498,294</b>	<b>\$834,952</b>	<b>\$4,511,442</b>	<b>\$10,838,092</b>	<b>\$2,625,429</b>	<b>\$54,003,856</b>



NOTES TO FINANCIAL STATEMENTS  
 TRI-COUNTY TECHNICAL COLLEGE

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

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

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

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

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

**USE OF ARRA FUNDS**

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

NOTES TO FINANCIAL STATEMENTS  
 TRI-COUNTY TECHNICAL COLLEGE

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

**Fiscal year ending June 30 2010 information:**

The College incurred expenditures of \$1,216,732 during fiscal year 2010 under American Recovery and Reinvestment Act (ARRA) funding. These funds were awarded to the College via pass-through funding from the U.S. Department of Education (State Fiscal Stabilization Funds), U.S. Department of Labor (Workforce Investment Act), and the U.S. Department of Energy (State Energy Program). ARRA funds were expended primarily for building and classroom renovations at the Pendleton and Anderson Campuses. In addition, ARRA funds provided WIA scholarships and student support, as well as instructional capacity-build funding for the Division of Corporate and Community Education.

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

<b>Fund</b>	<b>Funds used through June 30 2010</b>
ARRA Pathways	\$ 6,079
ARRA WIA Adult Workers(09-10)	65,804
ARRA WIA Dislocated(09-10)	292,773
ARRA WIA State Reserve Funds	91,462
ARRA Energy Project	211,044
ARRA IBDC/Halbert Bldg Renovations	136,112
ARRA Anderson Campus Renovations	293,149
ARRA QuickJobs-Advanced Mfg	4,632
ARRA QuickJobs-Trans & Logistics	37,225
ARRA QuickJobs-Construction Trades	4,868
ARRA QuickJobs-Health Care	21,637
ARRA QuickJobs-Administration	9,331
ARRA State Energy Program	42,616
ARRA Broadband Tech Grant	-0-
Total expenditures incurred through June 30 2010	<u>\$1,216,732</u>

**Please note that all expenses, excluding the capitalized amount, are included in the schedule presented in NOTE 15 for year ended June 30 2010.**

**USE OF ARRA FUNDS**

	<u>Salaries</u>	<u>Benefits</u>	<u>Scholarships</u>	<u>Supplies / Services</u>	<u>Capitalized</u>	<u>Total</u>
Instruction	\$16,219	\$ 4,060		\$340,644	\$16,000	\$376,923
Student Services	43,724	14,752		106,887		165,363
Operation and Maintenance of Plant	1,320	115		388,336		389,771
Scholarships			\$284,675			284,675
<b>Total Operating Expenses</b>	<b>\$61,263</b>	<b>\$18,927</b>	<b>\$284,675</b>	<b>\$835,867</b>	<b>\$16,000</b>	<b>\$1,216,732</b>

NOTES TO FINANCIAL STATEMENTS  
 TRI-COUNTY TECHNICAL COLLEGE

**NOTE 17 -- BUSINESS TYPE ACTIVITIES**

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

REQUIRED INFORMATION ON BUSINESS-TYPE ACTIVITIES FOR INCLUSION IN STATE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES <u>FISCAL YEAR ENDING JUNE 30</u>			
	<u>2010</u>	<u>2009</u>	Increase/ Decrease
Charges for services	\$30,262,146	\$26,553,523	\$3,708,623
Non-operating grants and contributions	19,852,167	11,903,621	7,948,546
Capital grants and contributions	1,274,473	1,549,453	(274,980)
Less: expenses	<u>(54,441,916)</u>	<u>(44,330,482)</u>	<u>(10,111,434)</u>
Net program revenue (expense)	<u>(3,053,130)</u>	<u>(4,323,885)</u>	<u>1,270,755</u>
<b>Transfers:</b>			
State appropriations	<u>7,195,101</u>	<u>7,566,955</u>	<u>(\$371,854)</u>
Total transfers	<u>7,195,101</u>	<u>7,566,955</u>	<u>(\$371,854)</u>
Change in net assets	4,141,971	3,243,070	\$898,901
Net assets-beginning	<u>48,008,225</u>	<u>44,765,155</u>	<u>\$3,243,070</u>
Net assets-ending	<u>\$52,150,196</u>	<u>\$48,008,225</u>	<u>\$4,141,971</u>

**NOTE 18 - COMPONENT UNIT INFORMATION**

**Nature of Operations**

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

Scholarship Program – benefits eligible students who attend the College.

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

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

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

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

**Summary of Significant Accounting Policies**

**Principles of Consolidation**

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

**Basis of Accounting**

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

**Financial Statement Presentation**

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

Unrestricted – Net assets with no donor-imposed restrictions.

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

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

**Contributions**

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

**NOTE 18 - COMPONENT UNIT INFORMATION – continued**

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

**Cash and Cash Equivalents**

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

**Investments**

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

**Pledges and Accounts Receivable**

Pledges receivable consist of unconditional promises to give that have met the criteria for recording as contributions. Pledges extending beyond one year are recorded at the present value of the expected future cash flows, using risk-adjusted discount rates derived from observed returns for comparable assets. Student loans receivable consist of amounts on loan to students of the College. Such loans were made from contributions received from the Scurry Foundation and the Bradford Foundation. The Foundation uses the allowance method to recognize the effect of pledges and accounts receivable deemed to be uncollectible. No allowance was recorded at June 30, 2011 or 2010.

**Property, Plant and Equipment**

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

**Donated Material, Equipment, Services and Supplies**

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

**Income Taxes**

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

**Reclassifications**

Certain 2010 amounts have been reclassified to conform to the 2011 classifications. These reclassifications had no effect on the change in net assets.

NOTES TO FINANCIAL STATEMENTS  
 TRI-COUNTY TECHNICAL COLLEGE

**NOTE 18 - COMPONENT UNIT INFORMATION – continued**

**Management Estimates**

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

**Pledges Receivable**

Pledges receivable at June 30, 2011 and 2010 consist of the following:

	<b>June 30,</b>	
	<b>2011</b>	<b>2010</b>
Unconditional Promises to Give	\$ 742,253	\$ 504,167
Less Unamortized Discount	( 47,912 )	( 29,154 )
Net Unconditional Promises to Give	<b>\$ 694,341</b>	<b>\$ 475,013</b>
Amounts due in:		
Less than one year	\$ 274,991	\$ 209,675
One to five years	467,262	294,492
	<b>\$ 742,253</b>	<b>\$ 504,167</b>

Pledges receivable at June 30, 2011 and 2010 are reflected at the present value of estimated future cash flows using discount rates of 3.16% and 2.96%, respectively.

**Investments**

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

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

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

NOTES TO FINANCIAL STATEMENTS  
 TRI-COUNTY TECHNICAL COLLEGE

**NOTE 18 - COMPONENT UNIT INFORMATION – continued**

The Foundation’s investments at June 30, 2011 and 2010 were as follows:

	June 30,	
	2011	2010
Commonfund Investments	\$ 13,195,697	\$ 11,506,040
Private Equities	1,114,777	1,032,716
Short-term Treasury Investments	1,112,202	1,450,405
Morgan Keegan Alternative Funds	719,059	-
Liongate Commodities	420,845	400,708
<b>Total Investments</b>	<b>\$ 16,562,580</b>	<b>\$ 14,389,869</b>
Limited Partnership Interests Included in Private Equity Investments	<b>\$ 1,114,777</b>	<b>\$ 1,032,716</b>
Fair Market Value of Investments	\$ 16,562,580	\$ 14,389,869
Cost of Investments	10,424,898	10,199,019
Unrealized Gains	<b>\$ 6,137,682</b>	<b>\$ 4,190,850</b>

The Foundation subscribed to and maintains interests in six restricted limited partnerships. The Foundation is restricted by the partnership agreements from divesting its interests without approval from the general partners. The Foundation bears all risks of investment in the partnerships for their duration, a date no later than June 30, 2020. The Foundation’s subscription commitments total \$2,124,205 and range from \$230,000 to \$540,000 for each partnership. As of June 30, 2011, the Foundation’s remaining commitments to the partnerships totaled \$129,190.

**Property, Plant and Equipment**

Property, plant and equipment, held in the LLC, consist of the following at June 30, 2011 and 2010:

	June 30,	
	2011	2010
Land	\$ 2,382,951	\$ 1,962,067
Building	6,303,247	6,303,247
Signs	2,459	2,459
	8,688,657	8,267,773
Less Accumulated Depreciation	( 695,448 )	( 533,613 )
	<b>\$ 7,993,209</b>	<b>\$ 7,734,160</b>

NOTES TO FINANCIAL STATEMENTS  
 TRI-COUNTY TECHNICAL COLLEGE

**NOTE 18 - COMPONENT UNIT INFORMATION – continued**

**Bond Payable**

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

Annual principal and interest requirements for the bond at June 30, 2011 were:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 350,000	\$ 256,632	\$ 606,632
2013	365,000	242,046	607,046
2014	380,000	226,848	606,848
2015	395,000	211,038	606,038
2016	410,000	194,616	604,616
2017 and Thereafter	4,565,000	888,522	5,453,522
	<u>\$ 6,465,000</u>	<u>\$ 2,019,702</u>	<u>\$ 8,484,702</u>

**Endowment Challenge Grants**

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

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

**Related Party Transactions**

The Foundation supports many projects of Tri-County Technical College. Predominantly all revenues raised and expenditures disbursed are for the benefit of the College. During the years ended June 30, 2011 and 2010, the Foundation recognized \$641,680 and \$603,968, respectively, in rental income from the College related to its Anderson, South Carolina campus. During the years ended June 30, 2011 and 2010, the Foundation provided scholarships to students of the College totaling \$363,457 and \$351,746, respectively, and provided educational support totaling \$238,129 and \$479,950, respectively. Several employees of the



NOTES TO FINANCIAL STATEMENTS  
 TRI-COUNTY TECHNICAL COLLEGE

**NOTE 18 - COMPONENT UNIT INFORMATION – continued**

College perform services for the Foundation. During the years ended June 30, 2011 and 2010, the Foundation recognized \$170,805 and \$168,533, respectively, for administrative costs. At June 30, 2011 and 2010, \$36,122 and \$112,213, respectively, were recorded as payable to the College.

**Restrictions on Net Assets**

Temporarily restricted net assets totaled \$4,187,557 and \$1,875,510 at June 30, 2011 and 2010, respectively, and carried a variety of purpose and time restrictions.

Permanently restricted net assets were available for the following purposes at June 30, 2011 and 2010:

	<b>June 30,</b>	
	<b>2011</b>	<b>2010</b>
Technology	\$ 1,023,287	\$ 863,205
Professional Development	2,680,804	2,655,914
Scholarships	6,097,701	5,749,582
Priority Needs	2,239,893	1,956,036
	<b>\$ 12,041,685</b>	<b>\$ 11,224,737</b>

**Concentrations**

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

At June 30, 2011, the Foundation had investments totaling \$16,562,580 that were subject to normal declines in value due to market conditions. In addition, the Foundation may, at times, carry balances of cash in financial institutions in excess of federally insured limits.

**Reclassifications of Net Assets**

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

# STATISTICAL

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Fiscal Year Ended June 30, 2011



# SCHEDULES

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Fiscal Year Ended June 30, 2011



Statistical Section Content Explanation  
***Tri-County Technical College***

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

**Contents**

**Financial Trends**

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

**Revenue Capacity**

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

**Debt Capacity**

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

**Demographic and Economic Information**

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

**Operating Information**

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

**Other Information**

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

# FINANCIAL TRENDS

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**Schedule 1    Schedule of Net Assets and Changes in Net Assets**

**Schedule 2    Schedule of Expenses by Function**

**Schedule 3    Schedule of Expenses by Use**

Fiscal Year Ended June 30, 2011



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

**Schedule 1**

	2002	2003	2004	2005	For the Year Ended June 30,		2008	2009	2010	2011
					2006	2007				
<b>Income Before Other Revenues, Expenses,</b>										
<b>Gains or Losses</b>	\$ (284,207)	\$ 51,600	\$ 1,810,899	\$ 544,727	\$ 1,636,262	\$ (89,897)	\$ 2,542,180	\$ 1,693,617	\$ 2,867,498	\$ 2,708,193
Federal capital appropriations	\$ 116,833	\$ 112,211	\$ 117,097	\$ 8,804	\$ -	\$ 32,492	\$ 147,986	\$ -	\$ 12,848	\$ 10,228
State capital appropriations	\$ 41,942	\$ 6,250	\$ -	\$ -	\$ -	\$ 1,037,655	\$ 6,366,135	\$ 302,540	\$ 198,537	\$ 38,894
Local/Other capital appropriations	\$ 675,000	\$ 675,000	\$ 1,019,501	\$ 1,636,251	\$ 1,188,750	\$ 1,455,225	\$ 957,562	\$ 1,246,913	\$ 1,063,088	\$ 820,261
Gain non disposal of leased asset	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,254	\$ -	\$ -	\$ -
Proceeds from State Capital Improvement Bonds	\$ 2,496,362	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total increase in net assets</b>	<b>\$ 3,045,930</b>	<b>\$ 845,061</b>	<b>\$ 2,947,497</b>	<b>\$ 2,189,782</b>	<b>\$ 2,825,012</b>	<b>\$ 2,435,475</b>	<b>\$ 10,038,117</b>	<b>\$ 3,243,070</b>	<b>\$ 4,141,971</b>	<b>\$ 3,577,576</b>
<b>Invested in capital assets, net of related debt</b>	\$ 19,782,728	\$ 22,140,013	\$ 23,507,148	\$ 24,150,572	\$ 23,877,105	\$ 25,270,429	\$ 26,318,626	\$ 26,860,454	\$ 30,882,006	\$ 31,629,320
<b>Restricted for Expendable:</b>										
Capital projects	\$ -	\$ 172,211	\$ 8,016	\$ 9,790	\$ 10,235	\$ 10,771	\$ 21,396	\$ 10,718,387	\$ 15,907,223	\$ 18,589,537
Debt service	\$ 9,986	\$ 11,962	\$ 13,910	\$ 16,193	\$ 19,332	\$ 25,214	\$ 19,814	\$ 495	\$ -	\$ -
Capital reserve fund							\$ 6,046,642	\$ 5,650,433	\$ -	\$ -
<b>Unrestricted</b>	<b>\$ 3,983,139</b>	<b>\$ 2,296,728</b>	<b>\$ 3,752,380</b>	<b>\$ 5,294,681</b>	<b>\$ 8,389,576</b>	<b>\$ 9,420,624</b>	<b>\$ 12,358,677</b>	<b>\$ 4,778,456</b>	<b>\$ 5,360,967</b>	<b>\$ 5,508,915</b>
<b>Total College net assets</b>	<b>\$ 23,775,853</b>	<b>\$ 24,620,914</b>	<b>\$ 27,281,454</b>	<b>\$ 29,471,236</b>	<b>\$ 32,296,248</b>	<b>\$ 34,727,038</b>	<b>\$ 44,765,155</b>	<b>\$ 48,008,225</b>	<b>\$ 52,150,196</b>	<b>\$ 55,727,772</b>

Source: Tri-County Technical College Audited Financial Statements

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

Schedule 2

For the Year Ended June 30,

Expenses:	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Instruction	\$ 11,039,557	\$ 12,160,352	\$ 11,681,904	\$ 12,972,599	\$ 13,897,292	\$ 14,965,567	\$ 17,008,625	\$ 17,008,692	\$ 18,592,496	\$ 20,646,144
Academic Support	\$ 2,260,140	\$ 2,049,966	\$ 1,935,055	\$ 1,808,853	\$ 2,231,549	\$ 2,453,552	\$ 2,665,606	\$ 2,772,075	\$ 2,931,346	\$ 2,911,763
Student Services	\$ 4,095,137	\$ 4,053,704	\$ 3,906,067	\$ 4,579,564	\$ 5,066,430	\$ 4,636,110	\$ 4,953,081	\$ 6,129,651	\$ 6,748,430	\$ 5,014,805
Operation and Maintenance of Plant	\$ 2,027,439	\$ 2,016,712	\$ 2,019,095	\$ 2,935,202	\$ 2,473,504	\$ 4,894,894	\$ 4,084,208	\$ 3,512,916	\$ 3,988,001	\$ 6,269,709
Institutional Support	\$ 2,231,263	\$ 2,502,236	\$ 2,358,069	\$ 2,389,285	\$ 2,429,604	\$ 2,654,282	\$ 2,544,123	\$ 2,878,065	\$ 3,336,973	\$ 3,240,723
Scholarships	\$ 1,233,499	\$ 2,245,120	\$ 2,161,024	\$ 2,430,505	\$ 2,485,774	\$ 2,906,153	\$ 3,505,098	\$ 4,948,979	\$ 10,498,294	\$ 12,794,016
Auxiliary Enterprises	\$ 1,531,590	\$ 1,813,543	\$ 1,937,530	\$ 2,191,638	\$ 2,334,125	\$ 2,635,338	\$ 3,144,158	\$ 3,706,501	\$ 5,282,887	\$ 5,471,671
Depreciation	\$ 1,004,053	\$ 1,070,006	\$ 1,593,790	\$ 1,793,189	\$ 1,691,262	\$ 2,260,354	\$ 2,545,300	\$ 3,026,719	\$ 2,625,429	\$ 2,717,913
Total Operating Expenses	\$ 25,422,678	\$ 27,911,639	\$ 27,592,534	\$ 31,100,835	\$ 32,609,540	\$ 37,406,250	\$ 40,450,199	\$ 43,983,598	\$ 54,003,856	\$ 59,066,744
Interest on capital asset-related debt	\$ 234,500	\$ 210,250	\$ 184,750	\$ 161,279	\$ 136,804	\$ 269,875	\$ 395,901	\$ 346,884	\$ 438,060	\$ 272,702
Total Expenses	\$ 25,657,178	\$ 28,121,889	\$ 27,777,284	\$ 31,262,114	\$ 32,746,344	\$ 37,676,125	\$ 40,846,100	\$ 44,330,482	\$ 54,441,916	\$ 59,339,446

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

Expenses:	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Instruction	43.0%	43.2%	42.1%	41.5%	42.4%	39.7%	41.6%	38.4%	34.2%	34.8%
Academic Support	8.8%	7.3%	7.0%	5.8%	6.8%	6.5%	6.5%	6.3%	5.4%	4.9%
Student Services	16.0%	14.4%	14.1%	14.6%	15.5%	12.3%	12.1%	13.8%	12.4%	8.5%
Operation and Maintenance of Plant	7.9%	7.2%	7.3%	9.4%	7.6%	13.0%	10.0%	7.9%	7.3%	10.6%
Institutional Support	8.7%	8.9%	8.5%	7.6%	7.4%	7.0%	6.2%	6.5%	6.1%	5.5%
Scholarships	4.8%	8.0%	7.8%	7.8%	7.6%	7.7%	8.6%	11.2%	19.3%	21.6%
Auxiliary Enterprises	6.0%	6.4%	7.0%	7.0%	7.1%	7.0%	7.7%	8.4%	9.7%	9.2%
Depreciation	3.9%	3.8%	5.7%	5.7%	5.2%	6.0%	6.2%	6.8%	4.8%	4.6%
Total Operating Expenses	99.1%	99.3%	99.3%	99.5%	99.6%	99.3%	99.0%	99.2%	99.2%	99.5%
Interest on capital asset-related debt	0.9%	0.7%	0.7%	0.5%	0.4%	0.7%	1.0%	0.8%	0.8%	0.5%
Total Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Tri-County Technical College Audited Financial Statements

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

Schedule 3

	For the Year Ended June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses:</b>										
Salaries	\$ 12,428,469	\$ 12,994,685	\$ 13,000,094	\$ 14,258,159	\$ 15,324,994	\$ 16,356,160	\$ 17,804,799	\$ 18,614,189	\$ 19,575,222	\$ 20,088,380
Benefits	\$ 3,143,579	\$ 3,097,703	\$ 3,172,549	\$ 3,447,403	\$ 3,698,377	\$ 4,049,917	\$ 4,584,530	\$ 4,896,098	\$ 5,120,425	\$ 5,394,587
Scholarships	\$ 1,233,499	\$ 2,245,120	\$ 2,161,024	\$ 2,430,505	\$ 2,485,774	\$ 2,906,153	\$ 3,505,098	\$ 4,948,979	\$ 10,498,294	\$ 12,794,016
Utilities	\$ 531,713	\$ 580,110	\$ 553,012	\$ 552,310	\$ 597,062	\$ 589,162	\$ 731,931	\$ 817,889	\$ 834,952	\$ 884,250
Supplies and Other Services	\$ 5,695,140	\$ 6,240,667	\$ 5,314,076	\$ 6,645,995	\$ 6,752,212	\$ 8,961,136	\$ 8,590,743	\$ 8,385,212	\$ 10,838,092	\$ 12,594,696
Auxiliary Resale Costs	\$ 1,386,225	\$ 1,683,348	\$ 1,797,989	\$ 1,973,274	\$ 2,059,856	\$ 2,283,368	\$ 2,687,798	\$ 3,294,512	\$ 4,511,442	\$ 4,592,902
Depreciation	\$ 1,004,053	\$ 1,070,006	\$ 1,593,790	\$ 1,793,189	\$ 1,691,262	\$ 2,260,354	\$ 2,545,300	\$ 3,026,719	\$ 2,625,429	\$ 2,717,913
Total Operating Expenses	\$ 25,422,678	\$ 27,911,639	\$ 27,592,534	\$ 31,100,835	\$ 32,609,537	\$ 37,406,250	\$ 40,450,199	\$ 43,983,598	\$ 54,003,856	\$ 59,066,744
Interest on capital asset-related debt	\$ 234,500	\$ 210,250	\$ 184,750	\$ 161,279	\$ 136,804	\$ 269,875	\$ 395,901	\$ 346,884	\$ 438,060	\$ 272,702
Total Expenses	\$ 25,657,178	\$ 28,121,889	\$ 27,777,284	\$ 31,262,114	\$ 32,746,341	\$ 37,676,125	\$ 40,846,100	\$ 44,330,482	\$ 54,441,916	\$ 59,339,446

	For the Year Ended June 30, (percentage of total)									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses:</b>										
Salaries	48.4%	46.2%	46.8%	45.6%	46.8%	43.4%	43.6%	42.0%	36.0%	33.9%
Benefits	12.3%	11.0%	11.4%	11.0%	11.3%	10.7%	11.2%	11.0%	9.4%	9.1%
Scholarships	4.8%	8.0%	7.8%	7.8%	7.6%	7.7%	8.6%	11.2%	19.3%	21.6%
Utilities	2.1%	2.1%	2.0%	1.8%	1.8%	1.6%	1.8%	1.8%	1.5%	1.5%
Supplies and Other Services	22.2%	22.2%	19.1%	21.3%	20.6%	23.8%	21.0%	18.9%	19.9%	21.2%
Auxiliary Resale Costs	5.4%	6.0%	6.5%	6.3%	6.3%	6.1%	6.6%	7.4%	8.3%	7.7%
Depreciation	3.9%	3.8%	5.7%	5.7%	5.2%	6.0%	6.2%	6.8%	4.8%	4.6%
Total Operating Expenses	99.1%	99.3%	99.3%	99.5%	99.6%	99.3%	99.0%	99.2%	99.2%	99.5%
Interest on capital asset-related debt	0.9%	0.7%	0.7%	0.5%	0.4%	0.7%	1.0%	0.8%	0.8%	0.5%
Total Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Tri-County Technical College Audited Financial Statements



# REVENUE CAPACITY

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**Schedule 4    Schedule of Revenue by Source**

**Schedule 5    Annual Tuition and Fees**

**Schedule 6    Admissions Statistics**

**Schedule 7    Opening Fall Enrollment and  
Degree Statistics with Graph**

**Schedule 8    Continuing Education Division Statistics**

Fiscal Year Ended June 30, 2011



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

Schedule 4

	For the Year Ended June 30,									
Revenues:	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Student tuition and fees (net of scholarship allowances)	\$ 4,995,540	\$ 4,769,216	\$ 5,408,202	\$ 5,890,467	\$ 7,193,322	\$ 7,490,613	\$ 9,531,160	\$ 10,967,806	\$ 14,446,672	\$ 19,555,685
Federal grants and contracts	\$ 4,534,880	\$ 6,268,745	\$ 7,321,442	\$ 8,013,009	\$ 7,397,139	\$ 7,312,329	\$ 9,202,766	\$ 12,292,964	\$ 4,841,904	\$ 2,067,514
State grants and contracts	\$ 808,255	\$ 3,212,076	\$ 4,008,059	\$ 4,345,428	\$ 4,880,574	\$ 6,001,719	\$ 5,815,489	\$ 6,399,479	\$ 6,985,097	\$ 8,176,987
Nongovernmental grants and contracts	\$ 39,314	\$ 39,463	\$ 163,512	\$ 321,104	\$ 581,093	\$ 1,171,430	\$ 1,480,537	\$ 1,455,772	\$ 1,459,367	\$ 898,654
Auxiliary enterprises (net of book allowances)*	\$ 1,862,839	\$ 1,429,001	\$ 1,483,435	\$ 1,610,697	\$ 1,776,382	\$ 2,025,832	\$ 2,218,669	\$ 2,349,486	\$ 2,443,019	\$ 2,817,497
Other operating revenues	\$ 52,426	\$ 44,499	\$ 56,473	\$ 65,331	\$ 58,188	\$ 58,138	\$ 69,867	\$ 67,360	\$ 86,087	\$ 40,975
<b>Total Operating Revenues</b>	<b>\$ 12,293,254</b>	<b>\$ 15,763,000</b>	<b>\$ 18,441,123</b>	<b>\$ 20,246,036</b>	<b>\$ 21,886,698</b>	<b>\$ 24,060,061</b>	<b>\$ 28,318,488</b>	<b>\$ 33,532,867</b>	<b>\$ 30,262,146</b>	<b>\$ 33,557,312</b>
State appropriations	\$ 9,858,042	\$ 8,794,972	\$ 7,769,943	\$ 7,989,352	\$ 8,380,511	\$ 8,860,702	\$ 9,765,118	\$ 7,561,326	\$ 7,191,310	\$ 6,343,689
State appropriations-CHE	\$ 30,382	\$ 9,894	\$ 2,208	\$ 1,366	\$ 9,775	\$ 7,815	\$ 8,269	\$ 5,629	\$ 3,791	\$ 2,606
State appropriations-Deferred Maintenance	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -
Local appropriations	\$ 2,818,591	\$ 2,818,591	\$ 2,914,879	\$ 2,950,250	\$ 3,012,282	\$ 3,188,682	\$ 3,370,371	\$ 3,530,344	\$ 3,600,226	\$ 3,909,984
Investment income	\$ 166,939	\$ 98,520	\$ 69,570	\$ 166,708	\$ 412,020	\$ 601,039	\$ 455,065	\$ 116,976	\$ 54,296	\$ 142,176
Federal grants and contracts	\$ 110,984	\$ 29,235	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,045,123	\$ 16,763,431
State grants and contracts	\$ 80,461	\$ 70,606	\$ 76,029	\$ 78,910	\$ 89,523	\$ 371,392	\$ 869,351	\$ 550,710	\$ 548,619	\$ 500,435
Other nonoperating revenues	\$ 14,318	\$ 35,375	\$ 29,197	\$ 30,746	\$ 102,085	\$ 490,091	\$ 601,618	\$ 719,534	\$ 630,140	\$ 814,457
Gain/(Loss) on disposal of asset							\$ 24,254	\$ 6,713	\$ (26,237)	\$ 13,549
State capital bond fund/Capital Reserve	\$ 2,496,362	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,067,200	\$ -	\$ -	\$ -
Federal capital grants and gifts	\$ 116,833	\$ 112,211	\$ 117,097	\$ 8,804	\$ -	\$ 32,492	\$ 147,986	\$ -	\$ 12,848	\$ 10,228
State capital grants and gifts	\$ 41,942	\$ 6,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State appropriations-Lottery Technology	\$ -	\$ 553,296	\$ 285,234	\$ 343,473	\$ 291,301	\$ 294,465	\$ 298,935	\$ 302,540	\$ 198,537	\$ 38,894
State Research Infrastructure Bond Proceeds	\$ -	\$ -	\$ -	\$ -	\$ 98,408	\$ 743,190	\$ -	\$ -	\$ -	\$ -
Local/Other capital appropriations	\$ 675,000	\$ 675,000	\$ 1,019,501	\$ 1,636,251	\$ 1,188,750	\$ 1,084,354	\$ 957,562	\$ 1,246,913	\$ 1,063,088	\$ 820,261
<b>Total Nonoperating Revenues</b>	<b>\$ 16,409,854</b>	<b>\$ 13,203,950</b>	<b>\$ 12,283,658</b>	<b>\$ 13,205,860</b>	<b>\$ 13,684,655</b>	<b>\$ 15,674,222</b>	<b>\$ 22,565,729</b>	<b>\$ 14,040,685</b>	<b>\$ 28,321,741</b>	<b>\$ 29,359,710</b>
<b>Total Revenues</b>	<b>\$ 28,703,108</b>	<b>\$ 28,966,950</b>	<b>\$ 30,724,781</b>	<b>\$ 33,451,896</b>	<b>\$ 35,571,353</b>	<b>\$ 39,734,283</b>	<b>\$ 50,884,217</b>	<b>\$ 47,573,552</b>	<b>\$ 58,583,887</b>	<b>\$ 62,917,022</b>

\*Book allowances were not considered in 2002, the first year GASB 34 was implemented.

Source: Tri-County Technical College Audited Financial Statements

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

**Schedule 4**  
(continued)

Revenues:	For the Year Ended June 30,									
	<i>(percentage of total)</i>									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Student tuition and fees (net of scholarship allowances)	17.40%	16.46%	17.60%	17.61%	20.22%	18.85%	18.73%	23.05%	24.66%	31.08%
Federal grants and contracts	15.80%	21.64%	23.83%	23.95%	20.80%	18.40%	18.09%	25.84%	8.26%	3.29%
State grants and contracts	2.82%	11.09%	13.05%	12.99%	13.72%	15.10%	11.43%	13.45%	11.92%	13.00%
Nongovernmental grants and contracts	0.14%	0.14%	0.53%	0.96%	1.63%	2.95%	2.91%	3.06%	2.49%	1.43%
Auxiliary enterprises (net of book allowances)	6.49%	4.93%	4.83%	4.81%	4.99%	5.10%	4.36%	4.94%	4.17%	4.48%
Other operating revenues	0.18%	0.15%	0.18%	0.20%	0.16%	0.15%	0.14%	0.14%	0.15%	0.07%
<b>Total Operating Revenues</b>	<b>42.83%</b>	<b>54.42%</b>	<b>60.02%</b>	<b>60.52%</b>	<b>61.53%</b>	<b>60.55%</b>	<b>55.65%</b>	<b>70.49%</b>	<b>51.66%</b>	<b>53.34%</b>
State appropriations	34.34%	30.36%	25.29%	23.88%	23.56%	22.30%	19.19%	15.89%	12.28%	10.08%
State appropriations-CHE	0.11%	0.03%	0.01%	0.004%	0.03%	0.02%	0.02%	0.01%	0.01%	0.00%
State appropriations-Deferred Maintenance	-	-	-	-	0.28%	-	-	-	-	-
Local appropriations	9.82%	9.73%	9.49%	8.82%	8.47%	8.03%	6.62%	7.42%	6.15%	6.21%
Investment income	0.58%	0.34%	0.23%	0.50%	1.16%	1.51%	0.89%	0.25%	0.09%	0.23%
Federal grants and contracts	0.39%	0.10%	-	-	-	-	-	-	-	-
State grants and contracts	0.28%	0.24%	0.25%	0.24%	0.25%	0.93%	1.71%	1.16%	0.94%	0.80%
Other non-operating revenues	0.05%	0.12%	0.10%	0.09%	0.29%	1.23%	1.18%	1.51%	1.08%	1.29%
State capital bond fund/Capital Reserve	8.70%	-	-	-	-	-	-	-	-	-
Federal capital grants and gifts	0.41%	0.39%	0.38%	0.03%	-	-	-	-	-	-
State capital grants and gifts	0.15%	0.02%	-	-	-	-	-	-	-	-
State appropriations-Lottery Technology	-	1.91%	0.93%	1.03%	0.82%	0.74%	0.59%	0.64%	0.34%	0.06%
State Research Infrastructure Bond Proceeds	-	-	-	-	0.28%	1.87%	-	-	-	-
Local/Other capital appropriations	2.35%	2.33%	3.32%	4.89%	3.34%	2.73%	1.88%	2.62%	1.81%	1.30%
<b>Total Nonoperating Revenues</b>	<b>57.17%</b>	<b>45.58%</b>	<b>39.98%</b>	<b>39.48%</b>	<b>38.47%</b>	<b>39.45%</b>	<b>44.35%</b>	<b>29.51%</b>	<b>48.34%</b>	<b>46.66%</b>
<b>Total Revenues</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

\*Book allowances were not considered in 2002, the first year GASB 34 was implemented.

Source: *Tri-County Technical College Audited Financial Statements*

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

**Schedule 5**

*(Alpha Order)*

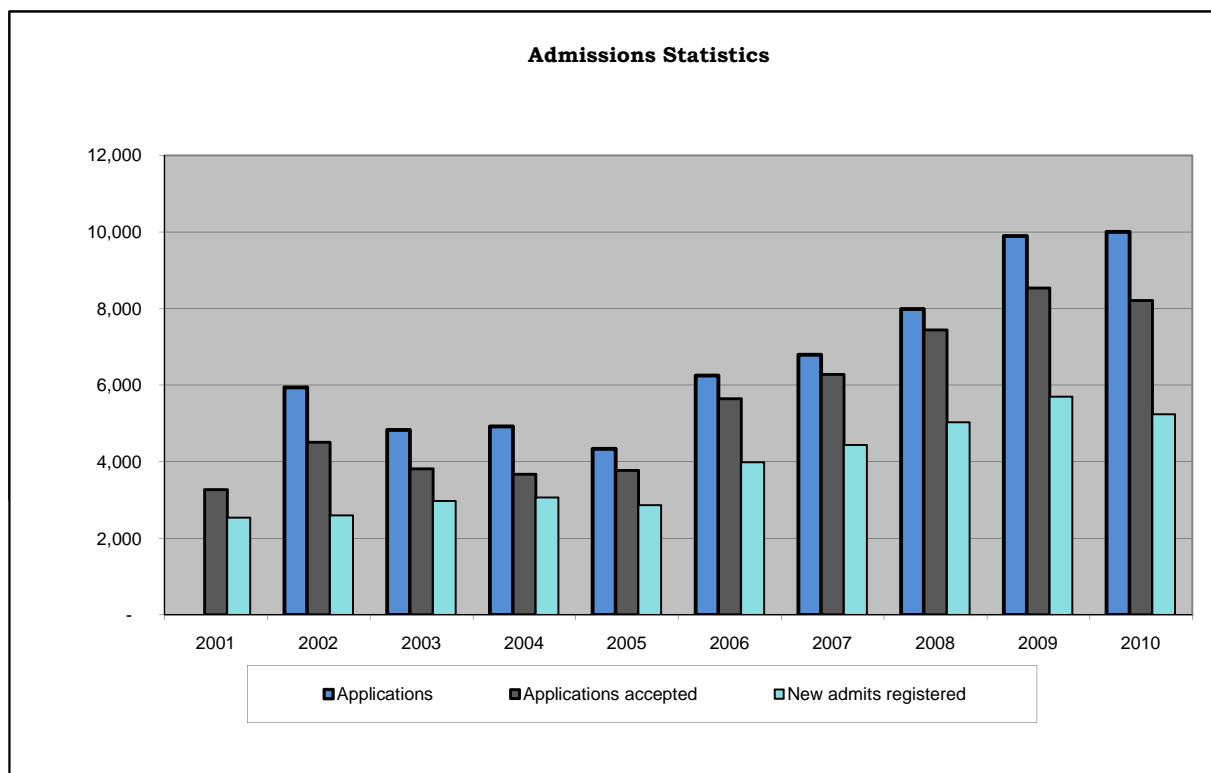
<b>Technical Colleges In-County</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Aiken	\$ 1,800	\$ 2,192	\$ 2,600	\$ 2,836	\$ 3,036	\$ 3,190	\$ 3,298	\$ 3,506	\$ 3,626	\$ 3,706
Central Carolina	\$ 1,700	\$ 2,092	\$ 2,500	\$ 2,500	\$ 2,700	\$ 2,900	\$ 2,920	\$ 3,020	\$ 3,308	\$ 3,380
Denmark	\$ 1,700	\$ 2,152	\$ 2,248	\$ 2,278	\$ 2,278	\$ 2,278	\$ 2,278	\$ 2,378	\$ 2,492	\$ 2,590
Florence-Darlington	\$ 1,720	\$ 2,112	\$ 2,976	\$ 2,986	\$ 3,026	\$ 3,190	\$ 3,190	\$ 3,190	\$ 3,302	\$ 3,526
Greenville	\$ 1,750	\$ 2,142	\$ 2,600	\$ 2,900	\$ 3,000	\$ 3,190	\$ 3,290	\$ 3,396	\$ 3,492	\$ 3,616
Horry-Georgetown	\$ 1,744	\$ 2,136	\$ 2,394	\$ 2,680	\$ 2,800	\$ 2,944	\$ 3,114	\$ 3,194	\$ 3,206	\$ 3,408
Midlands	\$ 1,800	\$ 2,192	\$ 2,836	\$ 2,908	\$ 3,004	\$ 3,100	\$ 3,244	\$ 3,360	\$ 3,608	\$ 3,680
Northeastern TC	\$ 1,705	\$ 2,092	\$ 2,346	\$ 2,346	\$ 2,526	\$ 2,646	\$ 2,982	\$ 3,270	\$ 3,270	\$ 3,342
Orangeburg-Calhoun	\$ 1,700	\$ 1,992	\$ 2,496	\$ 2,640	\$ 2,640	\$ 2,832	\$ 2,832	\$ 3,048	\$ 3,218	\$ 3,434
Piedmont	\$ 1,760	\$ 2,350	\$ 2,596	\$ 2,740	\$ 2,860	\$ 2,956	\$ 3,076	\$ 3,076	\$ 3,334	\$ 3,540
Spartanburg	\$ 1,740	\$ 2,132	\$ 2,660	\$ 2,806	\$ 2,902	\$ 3,094	\$ 3,194	\$ 3,314	\$ 3,434	\$ 3,576
TC of the Lowcountry	\$ 1,700	\$ 2,142	\$ 2,600	\$ 2,900	\$ 3,050	\$ 3,050	\$ 3,150	\$ 3,270	\$ 3,382	\$ 3,556
Tri County	\$ 1,800	\$ 2,022	\$ 2,450	\$ 2,546	\$ 2,738	\$ 2,856	\$ 2,976	\$ 3,060	\$ 3,168	\$ 3,360
Trident	\$ 1,700	\$ 2,092	\$ 2,446	\$ 2,688	\$ 2,950	\$ 3,114	\$ 3,220	\$ 3,330	\$ 3,450	\$ 3,530
Williamsburg	\$ 1,700	\$ 2,112	\$ 2,112	\$ 2,692	\$ 2,692	\$ 2,830	\$ 2,830	\$ 2,942	\$ 3,042	\$ 3,264
York	\$ 1,712	\$ 2,108	\$ 2,736	\$ 2,886	\$ 3,036	\$ 3,124	\$ 3,124	\$ 3,244	\$ 3,352	\$ 3,496
<b>System Average</b>	<b>1,733</b>	<b>2,129</b>	<b>2,537</b>	<b>2,708</b>	<b>2,827</b>	<b>2,956</b>	<b>3,045</b>	<b>3,162</b>	<b>3,293</b>	<b>3,438</b>

**Two-Year Regional Campuses of USC**

<b>In-State</b>										
USC - Lancaster	\$ 2,410	\$ 3,080	\$ 3,656	\$ 4,058	\$ 4,324	\$ 4,652	\$ 4,868	\$ 5,264	\$ 5,528	\$ 5,864
USC - Salkehatchie	\$ 2,410	\$ 3,080	\$ 3,656	\$ 4,058	\$ 4,324	\$ 4,652	\$ 4,868	\$ 5,264	\$ 5,528	\$ 5,864
USC - Sumter	\$ 2,410	\$ 3,080	\$ 3,656	\$ 4,058	\$ 4,324	\$ 4,652	\$ 4,868	\$ 5,264	\$ 5,528	\$ 5,864
USC - Union	\$ 2,410	\$ 3,080	\$ 3,656	\$ 4,058	\$ 4,324	\$ 4,652	\$ 4,868	\$ 5,264	\$ 5,528	\$ 5,864

*Source: South Carolina Commission on Higher Education*

	<i>Academic Year Beginning in Fall</i>									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Admissions - Freshman</b>										
Applications	NA	5,942	4,834	4,922	4,338	6,251	6,793	7,987	9,898	9,999
Applications accepted	3,271	4,504	3,816	3,670	3,769	5,647	6,278	7,442	8,536	8,212
New admits registered	2,538	2,597	2,976	3,065	2,864	3,984	4,440	5,030	5,695	5,236
Accepted as a percentage of applications	NA	75.8%	78.9%	74.6%	86.9%	90.3%	92.4%	93.2%	86.2%	82.1%
Registered as a percentage of accepted	77.6%	57.7%	78.0%	83.5%	76.0%	70.6%	70.7%	67.6%	66.7%	63.8%
Registered as a percentage of applicants	NA	43.7%	61.6%	62.3%	66.0%	63.7%	65.4%	63.0%	57.5%	52.4%



**Notes :**

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

Source: TCTC admissions office

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

**Schedule 7**

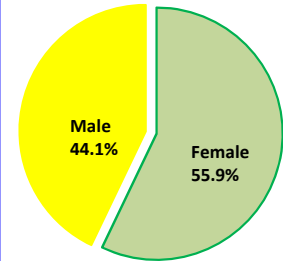
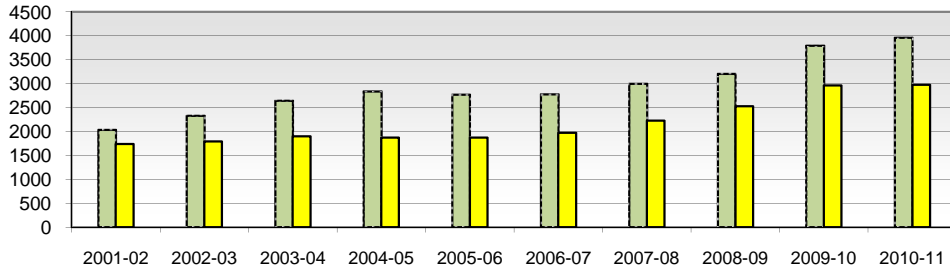
<b><u>GENDER</u></b>	<b><u>2001-02</u></b>	<b><u>2002-03</u></b>	<b><u>2003-04</u></b>	<b><u>2004-05</u></b>	<b><u>2005-06</u></b>	<b><u>2006-07</u></b>	<b><u>2007-08</u></b>	<b><u>2008-09</u></b>	<b><u>2009-10</u></b>	<b><u>2010-11</u></b>
(Term)	<b><u>(01-1)</u></b>	<b><u>(02-1)</u></b>	<b><u>(03-1)</u></b>	<b><u>(04-1)</u></b>	<b><u>(05-1)</u></b>	<b><u>(06-1)</u></b>	<b><u>(07-1)</u></b>	<b><u>(08-1)</u></b>	<b><u>(09-1)</u></b>	<b><u>(10-1)</u></b>
Female	2,036	2,333	2,646	2,838	2,775	2,780	2,997	3,204	3,796	3,963
Male	1,737	1,792	1,902	1,871	1,870	1,973	2,226	2,526	2,962	2,978
<b>Total</b>	<b>3,773</b>	<b>4,125</b>	<b>4,548</b>	<b>4,709</b>	<b>4,645</b>	<b>4,753</b>	<b>5,223</b>	<b>5,730</b>	<b>6,758</b>	<b>6,941</b>
<b><u>RACE</u></b>	<b><u>2001-02</u></b>	<b><u>2002-03</u></b>	<b><u>2003-04</u></b>	<b><u>2004-05</u></b>	<b><u>2005-06</u></b>	<b><u>2006-07</u></b>	<b><u>2007-08</u></b>	<b><u>2008-09</u></b>	<b><u>2009-10</u></b>	<b><u>2010-11</u></b>
Minority	465	572	715	751	715	679	860	1,006	1,201	1,283
White	3,161	3,388	3,661	3,775	3,738	3,844	4,238	4,605	5,448	5,590
Other(unknown)	147	165	172	183	192	230	125	119	109	68
<b>Total</b>	<b>3,773</b>	<b>4,125</b>	<b>4,548</b>	<b>4,709</b>	<b>4,645</b>	<b>4,753</b>	<b>5,223</b>	<b>5,730</b>	<b>6,758</b>	<b>6,941</b>
<b><u>COUNTY</u></b>	<b><u>2001-02</u></b>	<b><u>2002-03</u></b>	<b><u>2003-04</u></b>	<b><u>2004-05</u></b>	<b><u>2005-06</u></b>	<b><u>2006-07</u></b>	<b><u>2007-08</u></b>	<b><u>2008-09</u></b>	<b><u>2009-10</u></b>	<b><u>2010-11</u></b>
Anderson	1,629	1,785	2,122	2,162	2,066	1,821	1,975	2,164	2,616	2,738
Oconee	912	965	1,006	991	994	973	919	1,006	1,167	1,165
Pickens	812	975	1,003	1,018	1,035	996	1,092	1,143	1,250	1,314
Other	420	400	417	538	550	963	1,237	1,417	1,725	1,724
<b>Total</b>	<b>3,773</b>	<b>4,125</b>	<b>4,548</b>	<b>4,709</b>	<b>4,645</b>	<b>4,753</b>	<b>5,223</b>	<b>5,730</b>	<b>6,758</b>	<b>6,941</b>
<b><u>HEADCOUNT</u></b>	<b><u>2001-02</u></b>	<b><u>2002-03</u></b>	<b><u>2003-04</u></b>	<b><u>2004-05</u></b>	<b><u>2005-06</u></b>	<b><u>2006-07</u></b>	<b><u>2007-08</u></b>	<b><u>2008-09</u></b>	<b><u>2009-10</u></b>	<b><u>2010-11</u></b>
Full-time	1,797	2,140	2,278	2,435	2,473	2,576	2,783	3,316	4,064	4,221
Part-time	1,976	1,985	2,270	2,274	2,172	2,177	2,440	2,414	2,694	2,720
<b>Total</b>	<b>3,773</b>	<b>4,125</b>	<b>4,548</b>	<b>4,709</b>	<b>4,645</b>	<b>4,753</b>	<b>5,223</b>	<b>5,730</b>	<b>6,758</b>	<b>6,941</b>
<b><u>FTEs</u></b>	<b><u>2001-02</u></b>	<b><u>2002-03</u></b>	<b><u>2003-04</u></b>	<b><u>2004-05</u></b>	<b><u>2005-06</u></b>	<b><u>2006-07</u></b>	<b><u>2007-08</u></b>	<b><u>2008-09</u></b>	<b><u>2009-10</u></b>	<b><u>2010-11</u></b>
	2,429.1	2,765.6	3,048.0	3,175.1	3,147.1	3,293.3	3,579.0	4,086.0	4,959.7	5,152.1
<b><u>RATIO FTE/HC</u></b>	<b><u>2001-02</u></b>	<b><u>2002-03</u></b>	<b><u>2003-04</u></b>	<b><u>2004-05</u></b>	<b><u>2005-06</u></b>	<b><u>2006-07</u></b>	<b><u>2007-08</u></b>	<b><u>2008-09</u></b>	<b><u>2009-10</u></b>	<b><u>2010-11</u></b>
	0.64	0.67	0.67	0.67	0.68	0.69	0.69	0.71	0.73	0.74
<b><u>AVERAGE CREDITS</u></b>	<b><u>2001-02</u></b>	<b><u>2002-03</u></b>	<b><u>2003-04</u></b>	<b><u>2004-05</u></b>	<b><u>2005-06</u></b>	<b><u>2006-07</u></b>	<b><u>2007-08</u></b>	<b><u>2008-09</u></b>	<b><u>2009-10</u></b>	<b><u>2010-11</u></b>
	9.7	10.1	10.1	10.1	10.2	10.4	10.3	10.7	11.0	12.0
<b><u>AVERAGE AGE</u></b>	<b><u>2001-02</u></b>	<b><u>2002-03</u></b>	<b><u>2003-04</u></b>	<b><u>2004-05</u></b>	<b><u>2005-06</u></b>	<b><u>2006-07</u></b>	<b><u>2007-08</u></b>	<b><u>2008-09</u></b>	<b><u>2009-10</u></b>	<b><u>2010-11</u></b>
	24.7	25.3	25.5	25.4	25.3	24.7	24.5	24.4	25.1	24.8
<b><u>DEGREES AWARDED</u></b>	<b><u>2001-02</u></b>	<b><u>2002-03</u></b>	<b><u>2003-04</u></b>	<b><u>2004-05</u></b>	<b><u>2005-06</u></b>	<b><u>2006-07</u></b>	<b><u>2007-08</u></b>	<b><u>2008-09</u></b>	<b><u>2009-10</u></b>	<b><u>2010-11*</u></b>
Associate	403	430	486	470	460	414	511	485	554	631
Diploma	88	219	211	212	133	148	197	191	187	168
Certificate	183	105	120	119	175	175	161	173	143	329
<b>Total Awards Granted</b>	<b>674</b>	<b>754</b>	<b>817</b>	<b>801</b>	<b>768</b>	<b>737</b>	<b>869</b>	<b>849</b>	<b>884</b>	<b>1128</b>

Source: TCTC website

\*Preliminary

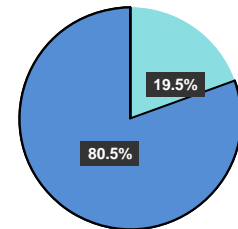
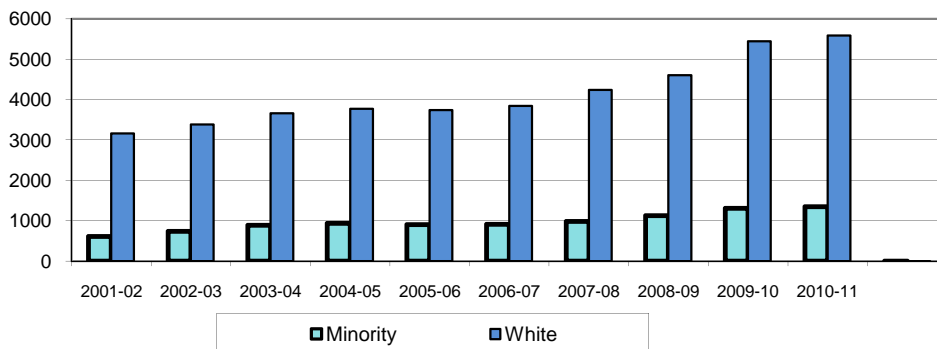
**2010-11**

**Opening Fall Enrollment By Gender**



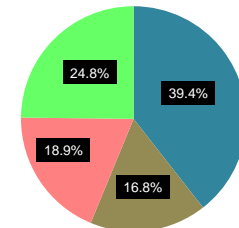
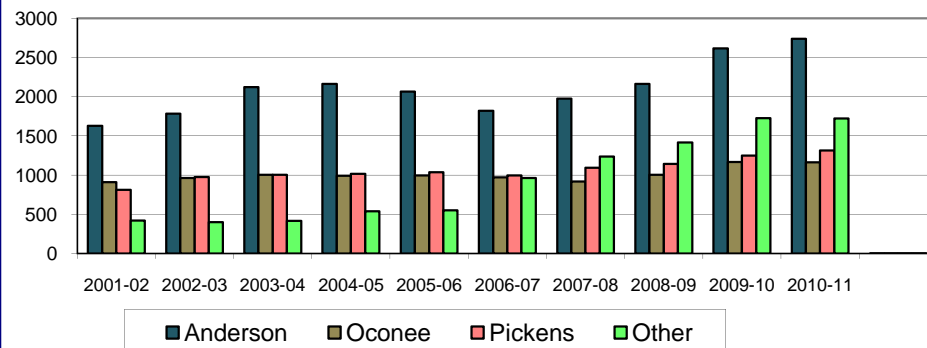
**2010-11**

**Opening Fall Enrollment by Race**



**2010-11**

**Opening Fall Enrollment by County**



**Continuing Education Programs:**

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

**Continuing Education Contact Hours**

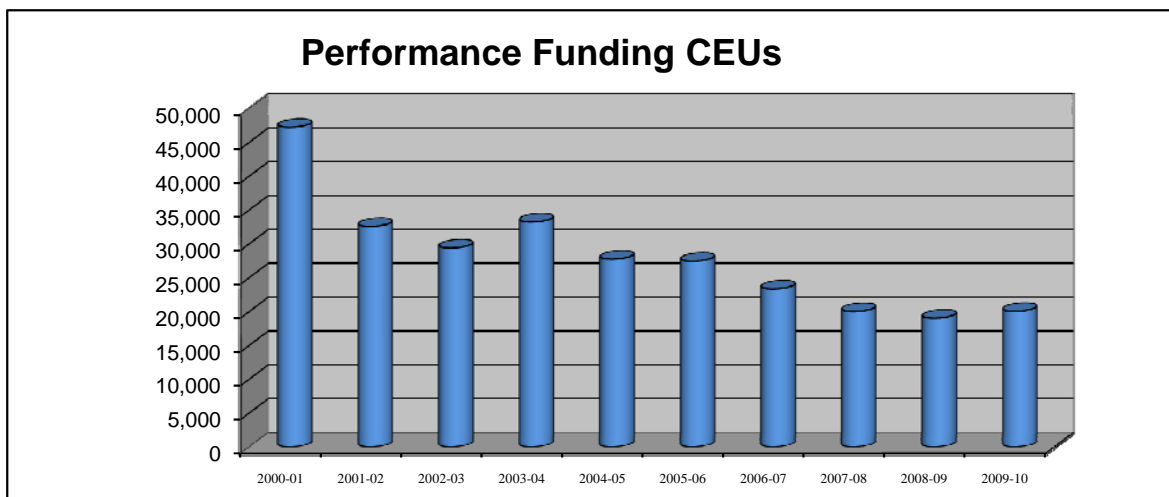
Audited Year	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
Contact Hours	472,341.5	325,909.5	294,012.0	332,449.5	277,456.5	274,448.8	233,616.0	200,268.0	190,460.5	200,561.0

**Continuing Education Headcount (Unduplicated)**

Fiscal Year-unaudited	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
Headcount	12,181	10,335	9,289	12,021	10,001	8,947	7,658	5,787	8,158	9,185

**Continuing Education Performance Funding**

Academic Year	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
Performance Funding CEUs	47,234	32,591	29,401	33,245	27,746	27,449	23,361	20,027	19,046	20,056



Source: SBTCE Factbook, Rick Pace (CE evaluation coordinator SBTCE)  
 Also TCTC formula/MRR worksheet for FY2011 funding  
 From SBTCE Enterprise Decision Support System



# DEBT CAPACITY

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Schedule 9 Schedule of Ratios of Outstanding Debt

Schedule 10 Schedule of Bond Coverage

Fiscal Year Ended June 30, 2011



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

**Schedule 9**

	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
General institution bonds	\$ 4,205,000	\$ 3,695,000	\$ 3,160,000	\$ 2,595,000	\$ 1,995,000	\$ 1,365,000	\$ 700,000	\$ -	\$ -	\$ -
Capital lease	\$ -	\$ -	\$ -	\$ 184,497	\$ 209,545	\$ 7,876,571	\$ 7,733,188	\$ 7,343,021	\$ 6,948,285	\$ 6,465,000
<b>Total outstanding debt</b>	<b>\$ 4,205,000</b>	<b>\$ 3,695,000</b>	<b>\$ 3,160,000</b>	<b>\$ 2,779,497</b>	<b>\$ 2,204,545</b>	<b>\$ 9,241,571</b>	<b>\$ 8,433,188</b>	<b>\$ 7,343,021</b>	<b>\$ 6,948,285</b>	<b>\$ 6,465,000</b>
<b>Full-time equivalent students-annual</b>										
<b>Credit</b>	<b>2,848</b>	<b>3,223</b>	<b>3,507</b>	<b>3,562</b>	<b>3,533</b>	<b>3,797</b>	<b>4,057</b>	<b>4,666</b>	<b>5,632</b>	<b>5,698</b>
<b>Outstanding debt per student FTE</b>	<b>\$ 1,476</b>	<b>\$ 1,146</b>	<b>\$ 901</b>	<b>\$ 780</b>	<b>\$ 624</b>	<b>\$ 2,434</b>	<b>\$ 2,079</b>	<b>\$ 1,574</b>	<b>\$ 1,234</b>	<b>\$ 1,135</b>

*Source: Tri-County Technical College Comprehensive Annual Financial Reports*  
*Formula Computation Allocation Worksheet provided by the System Office for years presented*

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

**Schedule 10**

**Institution Bonds**

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

Bond was paid in full in fiscal year 2009

Source: GAAPS reports and TCTC financial statements

# DEMOGRAPHIC AND ECONOMIC INFORMATION

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Schedule 11 Economic Indicators for the  
College Service Area

Schedule 12 Principal Employers by County

Fiscal Year Ended June 30, 2011



**Total Personal Income (in Millions)**

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Anderson	\$4,219	\$4,262	\$4,343	\$4,480	\$4,679	\$5,011	\$5,374	\$5,627	\$5,599	\$5,813
Oconee	\$2,080	\$2,080	\$1,990	\$1,908	\$1,798	\$1,745	\$2,219	\$2,343	\$2,324	NA
Pickens	\$2,338	\$2,481	\$2,540	\$2,599	\$2,663	\$2,778	\$3,147	\$3,291	\$3,247	\$3,340
South Carolina	\$104,198	\$106,985	\$110,644	\$117,230	\$124,379	\$134,204	\$142,167	\$ 148,892	\$ 148,265	\$ 154,568

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

**Per Capita Personal Income**

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Anderson	\$25,004	\$25,079	\$25,365	\$25,939	\$26,829	\$28,299	\$29,831	\$ 30,760	\$ 30,280	NA
Oconee	\$24,106	\$2,515	\$25,700	\$26,274	\$27,677	\$28,561	\$31,388	\$ 32,954	\$ 32,499	NA
Pickens	\$21,049	\$22,250	\$22,758	\$23,133	\$23,551	\$24,430	\$27,106	\$ 28,002	\$ 27,487	\$ 28,203
South Carolina	\$24,981	\$25,364	\$25,873	\$27,069	\$28,292	\$30,041	\$32,134	\$ 33,063	\$ 32,505	\$ 33,163

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

**Population of Service Area**

(estimates)	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Anderson	168,985	170,578	167,725	173,550	175,514	177,963	179,981	182,825	184,901	187,126
Oconee	67,407	67,918	67,841	69,057	69,577	70,567	70,753	71,274	71,514	74,273
Pickens	112,112	113,097	112,304	112,475	113,575	114,446	116,003	116,915	118,144	119,224

**Labor Market-**

**Unemployment Trends**

<i>(Annual)</i>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Anderson	4.9%	6.4%	6.6%	7.1%	7.2%	6.8%	6.0%	6.9%	13.4%	11.4%
Oconee	5.5%	7.6%	8.3%	7.5%	8.3%	9.0%	7.2%	7.5%	14.6%	11.8%
Pickens	4.3%	5.8%	6.1%	5.1%	7.3%	6.2%	5.3%	6.1%	10.8%	10.0%
South Carolina	4.8%	6.0%	6.8%	6.0%	6.5%	6.5%	5.9%	6.9%	12.6%	11.2%
United States	4.8%	5.8%	6.0%	5.0%	4.8%	4.6%	4.6%	5.8%	10.0%	9.4%

**Announced Job Creation**

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Anderson	392	1,026	250	720	760	132	452	26	47	1,216
Oconee	75	170	297	63	89	170	113	71	125	206
Pickens	217	572	35	560	NA	550	335	235	0	95

Sources:

[http://scommerce.com/sites/default/files/document\\_directory/Capital\\_Investment\\_by\\_County\\_in\\_South\\_Carolina\\_2003-2010\\_0.pdf](http://scommerce.com/sites/default/files/document_directory/Capital_Investment_by_County_in_South_Carolina_2003-2010_0.pdf)

Anderson, Oconee, Pickens County Profiles

[WWW.upstatealliance.com](http://WWW.upstatealliance.com)

Bureau of Labor Statistics

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

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

Source: Upstate Alliance website

# OPERATING INFORMATION

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Schedule 13 Faculty and Staff Statistics

Schedule 14 Space Utilization

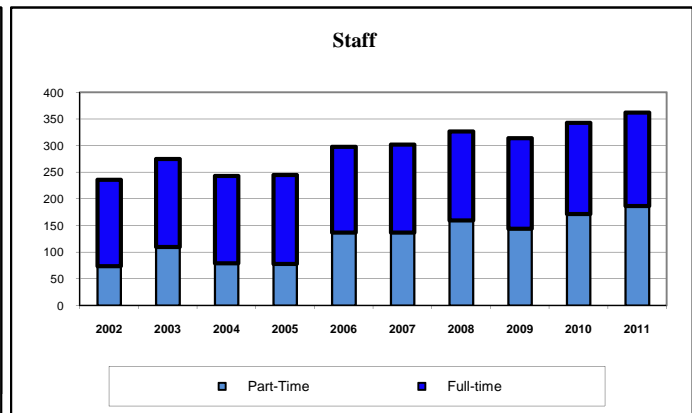
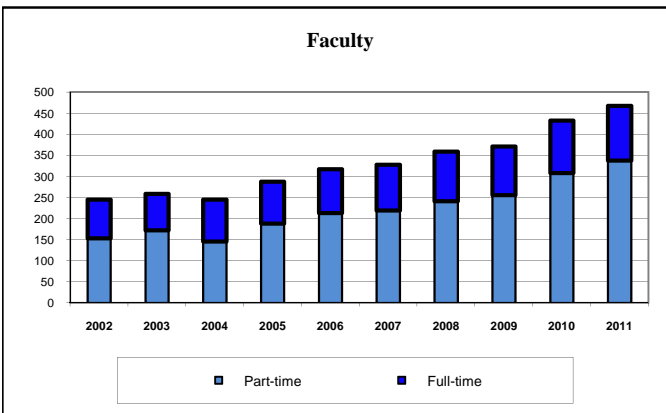
Fiscal Year Ended June 30, 2011



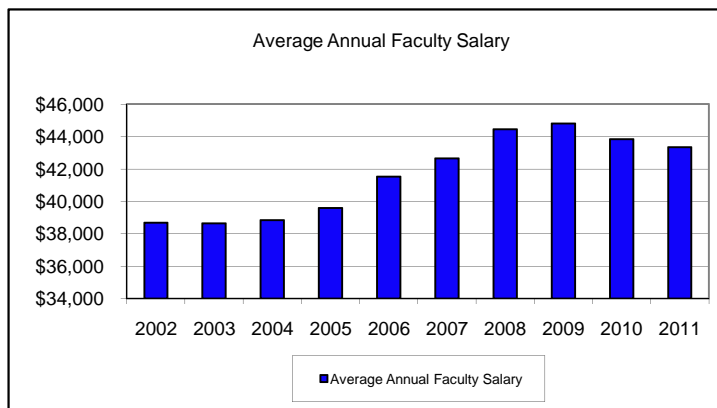
**Tri-County Technical College**  
**Faculty and Staff Statistics**  
**Last Ten Fiscal Years**

Schedule 13

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Faculty</b>										
Part-time	153	172	146	188	213	219	241	256	308	338
Full-time	92	87	99	100	104	109	118	115	125	130
<b>Staff</b>										
Part-Time	74	110	79	78	137	137	160	144	172	187
Full-time	162	165	164	167	161	165	167	170	171	175
<b>Total Employees</b>										
Part-time	227	282	225	266	350	356	401	400	480	525
Full-time	254	252	263	267	265	274	285	285	296	305
	<b>481</b>	<b>534</b>	<b>488</b>	<b>533</b>	<b>615</b>	<b>630</b>	<b>686</b>	<b>685</b>	<b>776</b>	<b>830</b>



	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Average Annual Faculty Salary</b>	\$ 38,671	\$ 38,634	\$ 38,827	\$ 39,587	\$ 41,512	\$ 42,637	\$ 44,450	\$ 44,801	\$ 43,823	\$ 43,345



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

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



**Tri-County Technical College**  
**Space Utilization**  
**Most Recent Data Available**

**Schedule 14**

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

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

\*Utilization was reassessed.

\*\*Includes Anderson Campus

Source: Facilities extract from IPEDS and SCCHE

# OTHER INFORMATION

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**Schedule 15** Schedule of Current Unrestricted Expenses  
Per Full Time Equivalent Units (FTEs)

**Schedule 16** Accreditation Information

**Schedule 17** Statement of Nondiscrimination

Fiscal Year Ended June 30, 2011



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

**Schedule 15**

<b>Current Unrestricted</b>										
<b>Educational and General:</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Instruction	\$ 7,830,923	\$ 8,185,874	\$ 8,491,103	\$ 9,817,211	\$ 10,636,321	\$ 11,315,637	\$ 12,519,469	\$ 12,960,901	\$ 14,385,333	\$ 14,508,658
Academic Support	\$ 1,468,410	\$ 1,702,630	\$ 1,625,295	\$ 1,301,239	\$ 1,632,515	\$ 1,892,243	\$ 2,114,604	\$ 2,458,279	\$ 2,157,777	\$ 2,412,337
Student Support	\$ 2,191,823	\$ 2,210,481	\$ 2,039,172	\$ 2,161,330	\$ 2,142,376	\$ 2,436,119	\$ 2,305,952	\$ 2,488,614	\$ 2,544,123	\$ 2,955,300
Operation of Maint/Plant	\$ 1,887,409	\$ 1,999,221	\$ 2,032,111	\$ 2,201,585	\$ 2,194,232	\$ 2,419,312	\$ 2,543,108	\$ 3,310,369	\$ 2,686,910	\$ 3,027,838
Administrative and General	\$ 2,119,094	\$ 1,889,302	\$ 2,269,719	\$ 2,439,769	\$ 2,441,664	\$ 2,582,223	\$ 2,735,227	\$ 3,161,215	\$ 3,545,464	\$ 3,702,558
<b>Total E &amp; G*</b>	<b>\$ 15,497,659</b>	<b>\$ 15,987,508</b>	<b>\$ 16,457,400</b>	<b>\$ 17,921,134</b>	<b>\$ 19,047,108</b>	<b>\$ 20,645,534</b>	<b>\$ 22,218,360</b>	<b>\$ 24,379,378</b>	<b>\$ 25,319,607</b>	<b>\$ 26,606,691</b>
<b>Annual <i>Credit</i> Student FTEs</b>	<b>2,848</b>	<b>3,223</b>	<b>3,507</b>	<b>3,562</b>	<b>3,533</b>	<b>3,797</b>	<b>4,057</b>	<b>4,666</b>	<b>5,632</b>	<b>5,698</b>
<b>Expense per Credit Student FTE</b> <b>(total E&amp;G/annual student FTEs)</b>	<b>\$ 5,442</b>	<b>\$ 4,960</b>	<b>\$ 4,693</b>	<b>\$ 5,031</b>	<b>\$ 5,391</b>	<b>\$ 5,437</b>	<b>\$ 5,477</b>	<b>\$ 5,225</b>	<b>\$ 4,496</b>	<b>\$ 4,669</b>

\*Note: EXCLUDES Auxiliary Enterprise, Continuing Education, Restricted and Unexpended Plant Funds.

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

### **College Accreditation**

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

### **Program Accreditations and Approvals**

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

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

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

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

The Medical Assisting degree program is accredited by the Commission on Accreditation of Allied Health Education Programs in concert with the American Association of Medical Assistants' Endowment.

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

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

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

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

**Policy on Discrimination**

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

# SINGLE AUDIT

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Fiscal Year Ended June 30, 2011



# **TRI-COUNTY TECHNICAL COLLEGE**

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

**Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2011**

# TRI-COUNTY TECHNICAL COLLEGE

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Independent Auditors' Report On Compliance With Requirements Applicable To Each Major Program And Internal Control Over Compliance In Accordance With OMB Circular A-133	1-2
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Schedule Of Expenditures Of Federal Awards	5-7
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Summary Schedule Of Prior Audit Findings	9
Schedule Of Findings And Questioned Costs	10-11
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Independent Auditors' Report On Compliance With Requirements  
Applicable To Each Major Program And Internal Control Over  
Compliance In Accordance With OMB Circular A-133

Tri-County Technical College  
Pendleton, South Carolina

Compliance

We have audited the compliance of Tri-County Technical College, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2011. Tri-County Technical College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Tri-County Technical College's management. Our responsibility is to express an opinion on Tri-County Technical College's compliance based on our audit.

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

In our opinion Tri-County Technical College complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

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

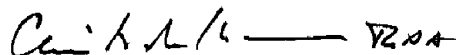
A control deficiency in an entity's internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We identified a deficiency in internal control over compliance that we consider to be material weakness, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of Tri-County Technical College as of and for the years ended June 30, 2011 and June 30, 2010, and have issued our report thereon dated September 6, 2011, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. OMB Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations, and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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



September 6, 2011

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

Tri-County Technical College  
Pendleton, South Carolina

We have audited the financial statements of the business-type activities of Tri-County Technical College as of and for the years ended June 30, 2011 and June 30, 2010, which collectively comprise the Tri-County Technical College's basic financial statements and have issued our report thereon dated September 6, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Tri-County Technical College Foundation as described in our report on Tri-County Technical College's report. The Tri-County Technical College Foundation's financial statements were not audited in accordance with Government Auditing Standards.

Internal Control Over Financial Reporting

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

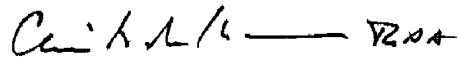
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tri-County Technical College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed a noncompliance that is required to be reported under *Government Auditing Standards*.

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

 — VRS

September 6, 2011

TRI-COUNTY TECHNICAL COLLEGE  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Fiscal Year Ended June 30, 2011

FEDERAL GRANTOR Pass-Through Entity Program Title	Fund Number	CFDA Number	Grant Period	Fund Balance 06/30/10	Revenues			Fund Balance 6/30/11
					Federal	Refunds	Federal	
						To Grantor		
<b>U.S. DEPARTMENT OF EDUCATION</b>								
Student Financial Aid								
Pell	22003	84.063	2007-08	-	(172)		(172)	0
Pell	22036	84.063	2009-10	-	(40,538)		(40,538)	0
Pell	22044	84.063	2010-11	-	14,329,607		14,329,607	0
Federal Work Study	22037	84.033	2009-10	-	(760)		(760)	0
Federal Work Study	22045	84.033	2010-11	-	103,585		103,585	0
Federal SEOG	22038	84.007	2009-10	-	5,425		5,425	0
Federal SEOG	22046	84.007	2010-11	-	178,785		178,785	0
Federal Academic Competitiveness	22039	84.375	2009-10	-	0		0	0
Federal Academic Competitiveness	22047	84.375	2010-11	-	207,094		207,094	0
Federal Direct Student Loan Program	22040	84.268	2009-10	-	(25,636)		(25,636)	0
Federal Direct Student Loan Program	22048	84.268	2010-11	-	9,360,287		9,360,287	0
TRIO Program								
Student Support Services	22041	84.042A	2009-10	-	57,547		57,547	0
Student Support Services	22049	84.042A	2010-11	-	239,786		239,786	0
Talent Search	22042	84.044A	2009-10	-	66,265		66,265	0
Talent Search	22050	84.044A	2010-11	-	299,135		299,135	0
Upward Bound	22043	84.047A	2009-10	-	150,308		150,308	0
Upward Bound	22051	84.047A	2010-11	-	205,690		205,690	0
Higher Education-Institutional Aid								
Learning Through Community and Connections	22330	84.031A	2010-11	-	128,974		128,974	0
Pass-Through State Department of Education								
Vocational Education-Basic Grants to State								
Perkins IV-Learning Lab 11VA414	22655	84.048A	2010-11	-	1,979		1,979	0
Perkins IV-Placement Coordinator 11VA414	22657	84.048A	2010-11	-	31,751		31,751	0
Perkins IV-WIDS Technology Training 11VA414	22658	84.048A	2010-11	-	26,630		26,630	0
Perkins IV-WIDS Prof Development 11VA414	22659	84.048A	2010-11	-	1,077		1,077	0
Perkins IV-Institutional Research 11VA414	22660	84.048A	2010-11	-	2,500		2,500	0
Perkins IV-Special Populations 11VA414	22662	84.048A	2010-11	-	17,175		17,175	0
Perkins IV-Academic Resource BPS 11VA414	22663	84.048A	2010-11	-	20,608		20,608	0
Perkins IV-Academic Resource I&ET 11VA414	22664	84.048A	2010-11	-	23,140		23,140	0
Perkins IV-Admissions Counselor 11VA414	22665	84.048A	2010-11	-	53,361		53,361	0
Perkins IV-Career Counselor 11VA414	22666	84.048A	2010-11	-	45,350		45,350	0

TRI-COUNTY TECHNICAL COLLEGE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Fiscal Year Ended June 30, 2011

FEDERAL GRANTOR Pass-Through Entity Program Title	Fund Number	CFDA Number	Grant Period	Fund Balance 06/30/10	Revenues			Fund Balance 6/30/11
					Federal	Refunds To Grantor	Federal Expenditures	
Perkins IV-Equipment Vet Tech 11VA414	22668	84.048A	2010-11	-	6,384		6,384	0
Perkins IV-Indirect Cost 11VA414	22669	84.048A	2010-11	-	11,775		11,775	0
Perkins IV-Faculty Return to Industry 11VA414	22675	84.048A	2010-11	-	2,050		2,050	0
Perkins IV-I&ET Real World Projects 11VA414	22679	84.048A	2010-11	-	5,000		5,000	0
Perkins IV-Culinary Arts 11VA414	22680	84.048A	2010-11	-	4,871		4,871	0
Perkins IV-IV Simulator 11VA414	22681	84.048A	2010-11	-	40,000		40,000	0
Perkins IV-Auto Technology 11VA414	22682	84.048A	2010-11	-	18,848		18,848	0
Perkins IV-Residential Wiring 11VA414	22683	84.048A	2010-11	-	16,824		16,824	0
College Access Challenge Grants								
REC College Access Challenge Grant	22313	84.378	2011-12		1,203		1,203	0
State Fiscal Stabilization Fund - Education State Grants								
ARRA-Pathways	22700	84.394	2009-11		10,476		10,476	0
ARRA-Energy Projects	22710	84.394	2009-11		531,437		531,437	0
ARRA-IBDC/Halbert Building Renovations	22711	84.394	2009-11		105,369		105,369	0
ARRA-Anderson Campus Renovations	22712	84.394	2009-11		13,982		13,982	0
ARRA-Industrial Technology Center Renovations	22714	84.394	2010-11		176,698		176,698	0
ARRA-Fiscal Stabilization Payroll	22715	84.394	2010-11		1,185,533		1,185,533	0
State Fiscal Stabilization Fund - Government Services								
ARRA-Banner Collaboration Project	22741	84.397	2010-11		100,000		100,000	0
<b>Total U.S. Department of Education</b>					<b>27,719,401</b>		<b>27,719,401</b>	<b>0</b>
<b>DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</b>								
T.E.A.C.H	22902	93.575	2010-11	-	39,820		39,820	0
Pass-Through the SC Department of Social Services								
ARRA-Early Childhood Development Grant	22750	93.713	2010-11	-	19,436		19,436	0
<b>Total Dept of Health &amp; Human Services</b>					<b>59,256</b>		<b>59,256</b>	<b>0</b>

TRI-COUNTY TECHNICAL COLLEGE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Fiscal Year Ended June 30, 2011

FEDERAL GRANTOR Pass-Through Entity Program Title	Fund Number	CFDA Number	Grant Period	Fund Balance 06/30/10	Revenues			Fund Balance 6/30/11
					Federal	Refunds To Grantor	Federal Expenditures	
<b>U.S. DEPARTMENT OF LABOR</b>								
Pass-Through South Carolina Office of the Governor/Department of Commerce								
ARRA-WIA QuickJobs-Advanced Mfg	22720	17.258	2010-11	-	10,428		10,428	0
ARRA-WIA QuickJobs-Transportation & Logistics	22721	17.258	2010-11	-	28,423		28,423	0
ARRA-WIA QuickJobs-Construction Trades	22722	17.258	2010-11	-	(1,253)		(1,253)	0
ARRA-WIA QuickJobs-Health Care	22723	17.258	2010-11	-	14,467		14,467	0
ARRA-WIA QuickJobs-Administration	22724	17.258	2010-11	-	2,079		2,079	0
WIA Manufacturing Apprenticeship	22322	17.259	2010-11	-	80,943		80,943	0
<b>Total U.S. Department of Labor</b>					<b>135,087</b>		<b>135,087</b>	<b>0</b>
<b>NATIONAL SCIENCE FOUNDATION</b>								
Pass-Through Center for Occupational Research and Development								
National Center for Optics/Photonics Education	22311	47.076	2010-11	-	1,106		1,106	0
National Center for Optics/Photonics Education	22312	47.076	2011-12	-	9,122		9,122	0
<b>Total National Science Foundation</b>					<b>10,228</b>		<b>10,228</b>	<b>0</b>
<b>U.S. DEPARTMENT OF ENERGY</b>								
Pass-Through South Carolina State Budget & Control Board/State Energy Office								
ARRA-State Energy Program (SEP)	22730	81.041	2010-11	-	46,934		46,934	0
ARRA-EETC Weatherization Development	22760	81.042	2010-11	-	73,723		73,723	0
ARRA-EETC Weatherization Tuition	22761	81.042	2010-11	-	34,400		34,400	0
ARRA-EETC Weatherization Mobile Home	22762	81.042	2010-11	-	1,500		1,500	0
ARRA-EETC Weatherization Constr. Test House	22763	81.042	2010-11	-	9,171		9,171	0
ARRA-EETC Weatherization Constr. Props	22764	81.042	2010-11	-	5,256		5,256	0
<b>Total U.S. Department of Energy</b>					<b>170,985</b>		<b>170,985</b>	<b>0</b>
<b>APPALACHIAN REGIONAL COMMISSION</b>								
ARC Gateway to College for Drop-Out Youth	22404	23.002	2009-11	-	15,369		15,369	0
<b>Total Appalachian Regional Commission</b>					<b>15,369</b>		<b>15,369</b>	<b>0</b>
<b>U.S. DEPARTMENT OF COMMERCE</b>								
ARRA-Broadband Technology Opportunities Prog	22740	11.557	2009-11	-	118,207		118,207	0
<b>Total Appalachian Regional Commission</b>					<b>118,207</b>		<b>118,207</b>	<b>0</b>
<b>TOTAL FEDERAL AWARDS</b>					<b>\$28,228,531</b>		<b>\$28,228,531</b>	<b>\$0</b>

**TRI-COUNTY TECHNICAL COLLEGE**  
Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2011

1. GENERAL

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

2. BASIS OF ACCOUNTING

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

3. FEDERAL LOAN PROGRAM

The College began participating in the Stafford/Plus Loan Program through third party lenders in July 2007. Participation in the Federal Direct Student Loan Program began in July 2009. The total loans for fiscal year ending June 30, 2011 are:

	Third Party	FDSL
Subsidized Stafford Loans	\$ -	\$ 5,764,203
Unsubsidized Stafford Loans	-	3,195,616
PLUS Loans	-	374,832
Total Stafford/Plus Loan Program	\$ -	\$ 9,334,651



**TRI-COUNTY TECHNICAL COLLEGE**  
Summary Schedule of Prior Audit Findings  
June 30, 2011

**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.

**TRI-COUNTY TECHNICAL COLLEGE**  
Schedule of Findings and Questioned Costs  
June 30, 2011

**Summary of Auditors' Results:**

GAGAS

An unqualified opinion was issued on Tri-County Technical College's financial statements dated September 6, 2011.

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

A-133

An unqualified opinion was also issued on compliance of major programs at Tri-County Technical College dated September 6, 2011. A material weakness in the internal control over major program was found. Our audit disclosed a finding that is required to be reported under OMB Circular A-133.

The major programs at Tri-County Technical College are the Student Financial Aid Cluster, ARRA SFSF-Education State Grants (CFDA # 84.394) and ARRA SFSF-Government Service (CFDA # 84.397) from the U.S. Department of Education and ARRA-Broadband Technology Opportunities Program (CFDA # 11.557) from the U.S. Department of Commerce. Type A programs are defined as those that expended \$300,000 or more and Type B programs are those that expended less than \$300,000. Tri-County Technical College's total federal awards expended for the year ended June 30, 2011 were between \$10 million and \$100 million.

Tri-County Technical College is considered to be a low risk auditee by the criteria listed in OMB Circular A-133.

**TRI-COUNTY TECHNICAL COLLEGE**  
 Schedule of Findings and Questioned Costs, Continued  
 June 30, 2011

**Findings Relating to the Financial Statements:**

There were no findings relating to the financial statements.

**Findings and Questioned Costs Relating to Federal Awards:**

**Student Financial Aid Cluster**

**Special Tests and Provision- Institutional Eligibility**

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

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

**Effect:** Any Title IV aid disbursed at this location was unauthorized as this was not an approved location.

**Cause:** The Financial Aid office was not made aware of the accrediting agency's approval to offer 50 percent of a program and thus did not know to add the location to the ECAR within the 10 days.

**Recommendation:** All accrediting agency actions of this nature need to be communicated broadly to all impacted departments including Student Financial Aid.

**Questioned Costs:** Any amount will be determined by the U.S. Department of Education

<u>Financial Aid Cluster</u>	<u>Federal CFDA Number</u>
U.S. Department of Education	
PELL	84.063
Federal Work Study	84.033
FSEOG	84.007
Federal Academic Competitiveness	84.375
Federal Direct Student Loans	84.268



Response to 2011 Financial Aid Audit Finding  
June 30, 2011

Institutional Eligibility

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

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

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Independent Accountants' Report on State Lottery Tuition Assistance

Tri-County Technical College

We have examined Tri-County Technical College's compliance with the administrative procedures and internal controls related to the State Lottery Tuition Assistance Program in order to determine that the College administered the program in accordance with State law and Policy 3-2-307 and Procedure 3-2-307.1 of the State Board for Technical and Comprehensive Education for the year ended June 30, 2011. Management is responsible for Tri-County Technical College's compliance with those requirements. Our responsibility is to express an opinion on Tri-County Technical College's compliance based on our examination.

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

The method of sample selection used was haphazard. Five students were selected for testing.

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

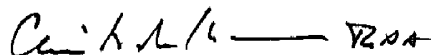
For students deemed ineligible for the Lottery Tuition Assistance Program, we determined that the students were granted the right to appeal the decision by submitting a written request to the institution's Director of Financial Aid, and determined that the students' requests were handled in accordance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

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

The result of our tests disclosed no instances of noncompliance.

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

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



September 6, 2011

# Tri-County Technical College

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