COLLEGE OF CHARLESTON
CHARLESTON, SOUTH CAROLINA

Cougar Mall, the outdoor common area located between Maybank Hall and the Robert Scott Small Building

COMPREHENSIVE ANNUAL FINANCIAL REPORT
Included in the Higher Education Fund, an Enterprise Fund of the State of South Carolina
FOR THE YEAR ENDED JUNE 30, 2012

PREPARED BY
THE OFFICE OF THE CONTROLLER
COLLEGE OF CHARLESTON

COLLEGE OF CHARLESTON
CHARLESTON, SOUTH CAROLINA

COMPREHENSIVE ANNUAL REPORT

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

FOR THE YEAR ENDED JUNE 30, 2012

PREPARED BY
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COLLEGE OF CHARLESTON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2012

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COLLEGE OF CHARLESTON
COMPREHENSIVE ANNUAL FINANCIAL REPORT

Opening of the School of the Arts' Barnet Courtyard, made possible by the generosity of Bill and Valerie Manatis Barnet '84.

INTRODUCTORY SECTION

COLLEGE of CHARLESTON
FOUNDED 1770

P. George Benson
President

66 George St.
Charleston, SC 29424
843.953.5500
bensong@cofc.edu

September 28, 2012

Dear Friends of the College of Charleston:

It is my pleasure to present the Comprehensive Annual Financial Report of the College of Charleston for the fiscal year ending on June 30, 2012. It documents the fiscal stability of the institution and our accountability in managing assets of the College. We have made progress on numerous fronts, such as continuing the implementation of our 10-year Strategic Plan and the development of a new Campus Master Plan. In addition, we secured approval for and are in the early stages of implementing the first Diversity Strategic Plan in the College's 242-year history.

We continue planning for a national comprehensive fundraising campaign; progressing toward our goal of offering academic programs at Dixie Plantation; and maintaining our competitive edge in the education marketplace.

For Fall 2012, the College received over 14,000 total applications and roughly 12,000 freshman applications. In May 2012, the College awarded more than 1,400 undergraduate degrees in two ceremonies on the College's historic Cistern Yard. We also celebrated the largest graduating class ever for our Graduate School. A total of 160 students received degrees in master's programs such as marine biology, environmental studies, communication, historic preservation, and other majors.

These graduates joined the College's network of more than 54,000 alumni around the world. They moved on to a wide range of pursuits -- from service in the Peace Corps, to professional sports, to corporate America, to master's and doctoral programs.

Budget

Demonstrating the institution's fiscal stability in spite of state budget cuts, the College has continued to see growth in its net assets. The College's net assets of $263,011,439 grew by $19,049,703 or 7.8% in fiscal year 2012. We owe much of our financial health to the remarkable efforts of our faculty and staff. They remain committed to constantly improving our efficiency and quality and acquiring the external resources needed for the College to meet and exceed its goals.

Among the measures the College has taken to improve operating efficiency is the Comprehensive Program for Quality and Efficiency (CPQE). Launched in August 2010, CPQE is a mechanism for the ongoing, internal review of quality and efficiency in the processes, management, offices, and programs of each campus division. In June 2011, the Board of Trustees adopted our budget for the 2012 fiscal year, which included more than $900,000 in recurring savings and efficiencies as a result of CPQE.

In an effort to identify potential additional savings and operating efficiencies, the College is conducting an external review of the costs, efficiency, and effectiveness of certain units and processes at the College. The primary objectives of this project focus on identifying revenue enhancements, cost reductions, operational improvements, structural alignment, and the best practices of our aspirational and peer institutions.

The College's Division of Institutional Advancement, in collaboration with our Division of Academic Affairs, is working hard to seek out alternative sources of funding for the College. The College had an outstanding fundraising year. We raised over $14.7 million, which is an increase of more than 50% over the previous year. In fact, philanthropic support for the College has risen for four consecutive years despite the recession.

The College must continue to strengthen its commitment to philanthropy as part of our efforts to move toward greater self-sufficiency. To that end, the College is planning for a national comprehensive fundraising campaign. The campaign has five priorities: to significantly increase merit-based and need-based scholarships; to recruit and retain distinguished faculty, endowed chairs, and visiting scholars; to follow our new Campus Master Plan and modernize our facilities and upgrade our technology infrastructure; to develop distinctive academic programs and expand student services to better prepare our students for professional success in our global society; and to continue to grow our base of philanthropic support from our network of alumni, parents, and friends.

Strategic Planning

The College remains focused on implementing our 10-year Strategic Plan, which was approved by our Board of Trustees on October 16, 2009. The plan lays out a vision for the year 2020 and identifies specific goals and strategies to help us achieve that vision.

At the plan's heart are the College's three core values: academic excellence; student-focused community; and the history, traditions, culture, and environment of Charleston and the Lowcountry, and the opportunities they afford our students for learning and our faculty for scholarship.

Our third core value, which can be summarized as "the power of place," will serve as a prioritization mechanism, helping us to decide which academic programs to support. It will help us focus our energy and resources on the existing and emerging assets of Charleston. Existing assets include the Port; historic preservation; the arts community; the natural environment of the Lowcountry; the tourism industry; urban planning; African American history; and Southern Jewish history. Emerging assets include digital media and technology; aerospace; and healthcare and biosciences. Our reciprocal relationship with these existing and emerging assets will help us differentiate the College from other universities in the state and nation.

To realize our envisioned future, we must align our strategic priorities with our financial resources. Thus, we have established a new year-long planning and budgeting cycle. This cycle begins with the revision of the Strategic Plan in the fall semester and is followed by the development of an annual action plan and a budget to support that plan. The final step is the establishment of tuition and fees to support the budget. A condensed version of that cycle was employed in 2011–12.

Campus Master Plan and Facilities

In February 2011, the College began the process of updating our 2004 Facilities Master Plan. This plan, which is now called the Campus Master Plan, was approved in April 2012 by the Board of Trustees. The plan describes options for addressing our space needs, including the improvement of our existing facilities and the creation of new living, learning, and administrative spaces. Major projects identified in the plan include the completion of our School of Sciences and Mathematics Building; the renovation of the Hollings Science Center; and the renovation of the Simons Center for the Arts. The plan also identifies possible new facilities: a residence hall; a student fitness center; an active-learning, high-tech classroom building; an alumni center; and an additional building for our business school.

Over the past year, the College continued to make progress toward the goal of developing a satellite campus at Dixie Plantation. The 881-acre property, which is located along the Stono River about 17 miles south of Charleston, was bequeathed to the College of Charleston Foundation in 1995 by the late conservationist, ornithologist, and artist John Henry Dick. The College's vision for the property revolves around environmental sciences and sustainability. A 4.3-mile nature trail has already been completed using institutional, private, and federal funding. The trail offers visitors access to Dixie's diverse ecology and features interpretive signage detailing the property's unique environmental landscapes and history. In July 2011, the College received a $1 million grant from the Spaulding-Paolozzi Foundation to build two field research stations at Dixie Plantation. The field research stations will be constructed within the next 18 months. In addition, the College has finalized designs to rebuild the barn at Dixie as an air-conditioned, multi-purpose meeting space and to convert John Henry Dick's art studio into a museum. These projects should be completed within the next 15 months. Each of the steps in the development plan -- the research stations, nature trial, and other enhancements -- will position the College of Charleston and the region for national distinction in environmental education and sustainability research.

Diversity Strategic Plan

The first Diversity Strategic Plan in the College's 242-year history was approved by the Board of Trustees on April 20, 2012. The plan will guide the College as we diversify our students, faculty, and staff; incorporate diversity into our curriculum; enhance the data we use to measure diversity; and create a more welcoming and inclusive campus for all of our constituents. New funding was provided by the Board of Trustees and implementation of the plan has begun.

Advice and counsel relative to the development and implementation of the Diversity Strategic Plan are provided internally by the President's Commission on Diversity, Access, Equity, and Inclusion; and externally by the President's Community Advisory Board.

New Academic Programs and North Campus

Over the past year, the College continued to strengthen its academic portfolio with the addition of new degree programs. Programs that were added include a Cohort Program Certificate in Gifted Education for Teachers; a Bachelor of Arts in Mathematics; a Bachelor of Arts in Archeology; a Bachelor of Science in Finance; a Bachelor of Science in Marketing; a Bachelor of Science Cognate Degree Program in Foreign Language Education; a combined Bachelor of Science/Master of Science in Mathematics; and a revised Master of Public Administration.

In April 2012, following a national search, the College announced the appointment of Godfrey Gibbison as the new Dean of our North Campus. Dean Gibbison will be responsible for academic program development aimed at meeting the educational needs of traditional and non-traditional students, including those interested in the College's new Bachelor of Professional Studies (BPS). Beginning in August 2013, the BPS program will enable adult learners (age 24 or older) with prior college experience to complete a bachelor's degree. All required courses for this program will be offered at the North Campus. Due to the proximity of the North Campus to the new Boeing facility in North Charleston, we believe this program will be attractive to Boeing employees.

As the fiscal agent for the Lowcountry Graduate Center (LGC), which is co-located with our North Campus, the College continues to work closely and cooperatively with the center's other member institutions -- MUSC and The Citadel -- to advance and strengthen graduate education and economic development initiatives in the Charleston region. In March 2012, the member institutions developed a revised consortium agreement to establish the terms and conditions for offering academic and professional development programs at the LGC. Importantly, the revised agreement established a new organizational structure in which the Director of the LGC, an employee of the College, will report to the new Dean of the North Campus. In addition, a new Strategic Plan is being developed for the LGC.

Student Achievements

Our students continue to be instrumental in making the College a special university and Charleston a world-class city. From their thousands of hours of community service and volunteer work in local schools to internships in local businesses and field research projects throughout the Lowcountry, our undergraduate and graduate students enrich our community with their intelligence, youth, athleticism, diversity and energy.

In February 2012, students organized and participated in the annual Dance Marathon, which is the College's largest student-run fundraising event. The Dance Marathon raised more than $36,000 for the Medical University of South Carolina Children's Hospital. Since the event was established in 2007, it has raised more than $290,000.

This past year a number of our athletic teams and individual student-athletes competed for Southern Conference and National Championships. In June, our Sailing Team won the Team Race national championship. Our Baseball Team competed in the NCAA Regionals; our Softball team made it to the finals of the Southern Conference Tournament; and our Men's and Women's Tennis Teams both won Southern Conference Championships and moved on to the NCAA Tournament.

Caroline Newman, team captain of the Women's Tennis Team, was the recipient of the 2012 Intercollegiate Tennis Association Arthur Ashe Jr. Award for Leadership and Sportsmanship. She also received the 2012 Bishop Robert Smith Award, the College's highest undergraduate award, which recognizes exceptional academic performance and student leadership.

Many of our student-athletes were named to the 2012 Southern Conference Spring Academic All-Conference Team. Three student-athletes who were on that list had perfect 4.0 GPAs and were all members of our Women's Tennis Team and our Honors College.

In addition, two College of Charleston student-athletes competed in the 2012 Summer Olympic Games in London. Andrew Lawrence, a native of London and a point guard on our Men's Basketball team, was a member of Great Britain's National Basketball Team. Juan Maegli, a member of our sailing team who is originally from Guatemala, placed an Olympic career-best ninth overall in the Men's Laser Class competition.

Faculty Achievements and Grants

Our distinguished faculty help set us apart from our competitors. The personalized education they provide our students is one of the College's defining attributes. Many of our faculty are leaders in their respective fields and receive national recognition for their research, published findings, and general expertise. For 2012-2013, College of Charleston faculty member, Cara Delay of the Department of History was awarded a Fulbright Scholarship to investigate women's issues in late twentieth-century Ireland.

Our faculty also take time to mentor and expand opportunities for students to engage in research projects. Over the summer, our undergraduate and graduate students participated in a variety of research and learning activities with their professors, including taking part in a biomechanics study, conducting oceanography research on an expedition in the North Atlantic, and collecting oral histories of the Civil Rights movement in Charleston.

In September 2011, the College established a small grants pilot program to encourage and support faculty in the development of new initiatives that support the liberal arts and sciences. In 2011-12, 14 grants were awarded for work over the summer and fall semester of 2012.

In 2011-12, the College received 110 external grant awards totaling $6,017,850. This is an increase of nearly 43% over the number of awards received in fiscal year 2011.

National Recognition

The College continues to receive national recognition and exposure through a variety of university rankings. The College remains ranked among the nation's best institutions for quality and affordability. In August 2012, The Princeton Review named the College to its list of "The Best 371 Colleges" for the ninth consecutive year. This month, U.S. News and World Report ranked the College the fourth best public university in the South region and sixth on the "Up and Comers" regional universities list. This well-deserved national recognition affirms the significant accomplishments and dedication of our students, faculty, and staff.

In closing, I believe that the success of the College should be measured in terms of not only its contributions toward specific academic goals, and to the enrichment of the lives of our students, but to the broader benefits it brings to the life and culture of Charleston, the Lowcountry, and the State of South Carolina.

Sincerely,

LETTER OF TRANSMITTAL

October 10, 2012

To President Benson,
Members of the Board of Trustees, and
Citizens of South Carolina

FORMAL TRANSMITTAL REQUIREMENTS

We proudly present to you the Comprehensive Annual Financial Report (CAFR) for the College of Charleston for the year ended June 30, 2012. This report contains the financial statements as well as other information useful to those we serve and to whom we are accountable. The annual report encompasses three major sections, Introductory, Financial, and Statistical, as well as all disclosures necessary for the reader to gain an understanding of the College's financial operations.

The ***Introductory Section*** offers insight regarding the organization, structure, and scope of operations of the College. It also provides a message from the President, this transmittal letter, listings of the members of the Board of Trustees, an organizational chart of the institution, the business and finance officers, and the certificate of achievement for excellence in financial reporting. The ***Financial Section*** presents management's discussion and analysis (MD&A) which, when read in conjunction with the financial statements and the notes to the financial statements, provide a more complete picture of the financial health of the institution. In addition to the financial statements and accompanying notes, this section includes the report of the independent auditors. The ***Statistical Section*** is the chief source of information regarding the College's economic condition. It is organized around five objectives which cover information on financial trends, revenue capacity, debt capacity, demographics and economics, and operations.

Legal Requirement

As a lump-sum agency of the State of South Carolina, the College is required to provide a complete set of audited financial statements by October of each year for incorporation into the statewide Comprehensive Annual Financial Report. This report fulfills that requirement for the fiscal year ended June 30, 2012.

Assumption of Responsibility

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, is assumed by the College of Charleston. We believe that, to the best of our knowledge and based upon a strong system of internal controls, the data contained herein is accurate in all material respects and is reported in a manner designed to present fairly the College's financial position as well as revenues, expenses, changes in net assets, and cash flows.

Internal Control

The management of the College is responsible for the establishment and maintenance of internal control policies and procedures designed to safeguard the College's assets. As part of this responsibility, the management ensures that its financial statements are prepared in conformity with generally accepted accounting principles (GAAP). In addition, reasonable controls are in place to ensure that: access to the College's assets is granted only with appropriate management authorization; transactions are executed in accordance with the authorization of management; transactions are recorded timely and based on criteria applicable to state guidelines, GAAP, GASB (Governmental Accounting Standards Board), and developed by the National Association of College and University Business Officers; and general ledger accounts are reconciled timely.

The College of Charleston's Office of Internal Audit periodically reviews procedures and issues reports with recommended improvements to the system. This office reports directly to the Executive Vice President for Business Affairs. In addition, annual audits are conducted by independent auditors which include testing to ensure the adequacy of internal controls and the College's compliance with applicable laws and regulations.

Independent Audit

Audits are conducted on an annual basis by an independent audit firm. For the fiscal year ended 2012, the audit was conducted by Elliott Davis LLC. The audited report appears in the front of the Financial Section and expresses an unqualified opinion on the College's financial statements.

Furthermore, Elliott Davis LLC audits the College's federal programs to ensure compliance with the requirements of the Single Audit Act of 1984 as provided under Federal Circular A-133 for federal grants and contracts. In accordance with NCAA (National Collegiate Athletic Association) Bylaw 6.2.3.1, Elliott Davis will perform the engagement work of the agreed upon procedures of the College's Department of Athletics. The most recent engagements (fiscal year 2011) detected no institutional liabilities related to the College's federal and athletic programs. Finally, the College is audited on a periodic basis by the South Carolina Budget and Control Board Division of General Services to ensure compliance with the provisions of the South Carolina Procurement Code.

Reference to Management's Discussion & Analysis

The letter of transmittal complements and should be read in conjunction with MD&A. The discussion focuses on recent activities, accounting changes, and currently known facts.

PROFILE OF GOVERNMENT

Basic Information

The College of Charleston is a state-supported, coeducational institution of higher education. The Board of Trustees is the governing body for the College and is responsible for the administration and management thereof. Founded in 1770, and chartered in 1785, the College is the oldest institution of higher education in South Carolina and the thirteenth oldest in the United States. Today, this thriving academic institution offers a superlative liberal arts and sciences education for more than 11,100 undergraduate and graduate students.

The College of Charleston is committed to attracting the most promising students from South Carolina as well from other states and nations. The average combined SAT scores of entering freshmen for the Fall 2012 was 1,209 and the average ACT score was 25, far exceeding the state and national averages for the past several years. Out-of-state and international students comprise 38% of the student enrollment with 48 states and U. S. possessions and 49 foreign countries represented.

Component Units

The College of Charleston and its graduate school are considered to be part of the State of South Carolina primary entity. The funds of the College of Charleston are included in the Comprehensive Annual Financial Report of the State of South Carolina. In addition, the College of Charleston Foundation and the College of Charleston Cougar Club are component units of the College whose financial statements are discretely presented in the College's CAFR.

Budget

The College prepares, on an annual basis, a budget that provides reasonable estimates of revenues and expenditures. The budgetary process encompasses all operating budgets of the College, to include educational and general activities, the operations of auxiliary enterprises, all sponsored-program activities, and all capital projects. Executive management, academic officials, and department heads develop a programmatic budget and present it to the Board of Trustees for approval. Using a comprehensive account classification and tracking system, the responsibility for budgetary control rests at the departmental level with appropriate oversight provided by the executive management of the College. Any adjustments, and/or revisions to the budget, are approved by the Board on a quarterly basis.

Finally, the College prepares annual budgetary reports that are available to the General Assembly of South Carolina and the public for review. These reports provide information that demonstrates the ability of the College to accomplish its mission in a manner that ensures legislative compliance and prudent management of public funds.

INFORMATION USEFUL FOR ASSESSING ECONOMIC CONDITION

Local Economy

The country has and continues to progress very slowly from the recession. Most economic indicators remain flat or slightly higher compared to a year ago. There continues to be some volatility in the international financial markets in addition to political unrest. The sluggish U.S. economy is currently in the spotlight with the upcoming U.S. presidential election, which brings corresponding cause for concern and cautiousness. The Consumer Price Index for All Urban Consumers (CPI-U) increased 1.7% over the past 12 months[1]. More recently, the monthly increase in the CPI-U from July 2012 to August 2012 was 0.6%, which was mostly affected by increasing gasoline prices. The Employment Cost Index, which includes wages, salaries and benefits, has risen only 0.5% during the last quarter of fiscal year 2012[2]. Similar to last year, consumer prices are increasing more than individual earnings. Mortgage interest rates remain historically low, which has contributed to improved housing sales.

The economy in South Carolina is following the same path as the U.S. economy. Home sales and median sales prices have increased slightly over the past year. The median sales price rose from $149,000 in August 2011 to $155,000 in August 2012[3]. In addition, foreclosures have decreased 5.5% from the previous year. Building permits have risen, resulting in more construction employment. Other positive signs that the economy is slowly growing in the state are increases in retail sales, the South Carolina Stock Index, and personal income. One disheartening statistic is the average hourly earnings rate for all employees has slowly fallen over the past year and a half across the state.

[1] Bureau of Labor Statistics, U.S. Department of Labor, News Release, September 14, 2012
[2] Bureau of Labor Statistics, Economic News Release, July 31, 2012
[3] S.C. Department of Commerce, South Carolina Economic Outlook, September, 2012

The number of nonfarm jobs in South Carolina also increased slightly from last year. The total number of nonfarm jobs increased by 0.8% resulting in 1,854,600 total jobs as of August 2012[3]. The industries with the most growth were information (+6.2%), educational and health services (+1.89%), and professional and business services (+1.57%). The natural resources and mining industry sector had the largest percentage decrease (-7.7%), while the government sector decreased slightly (-0.61%). Looking at the Charleston/North Charleston Metropolitan Statistical Area (MSA) specifically[4], the industries showing the most growth over the prior year were manufacturing (+8.8%), mining, logging, and construction (+6.9%), and professional and business services (+5.6%). Government and trade, transportation, and utilities are the two largest industries in the Charleston/North Charleston MSA, accounting for 19% of jobs each, followed by professional and business services with 15%, and leisure and hospitality with 12%. It is interesting to note that the number of jobs in the leisure and hospitality industry decreased this year (-8.7%), while it was one of the industries that increased last year.

The U.S. unemployment rate dropped from 9.1% in August 2011 to 7.8% in September 2012[5]. In general, South Carolina's unemployment rate follows the U.S. unemployment rate; however, since mid-2009, the South Carolina rate has been higher. The South Carolina rate was 9.6% as of August 2012[4]. Although the rate in South Carolina was higher than the national rate, unemployment in the Charleston/North Charleston MSA fared better at 7.9%. The weekly average number of initial claims decreased 11.2% in August following several months of increasing claims[3]. Initial unemployment claims in South Carolina were lower than last year by 4%.

The 2012 PGA Championship was held on Kiawah Island in August 2012. The projected overall economic impact from this major golf event was estimated at $193 million for the state, with $92 million in direct spending, according to the College of Charleston's Office of Tourism Analysis. South Carolina continues to encourage and obtain companies to open or expand their businesses in the state. Several companies are investing billions of dollars in the state, including the creation of new jobs. Some examples of companies bringing jobs to South Carolina include Boeing, Robert Bosch, Atlantic Beverage, Inc., Amy's Kitchen, TD Bank, and Amazon. There is still improvement to be made to encourage continued future investment, but the state is moving in a positive direction.

Long term Financial Planning

The College developed and implemented a new annual planning and budgeting cycle. The new cycle will allow the College to align funding with implementation of the Strategic Plan, which was adopted in 2009. Planning continues for the comprehensive fundraising campaign, which will assist with funding the Strategic Plan initiatives.

With the update of the Facilities Master Plan, identified future capital projects of the College include progress on the development of Dixie Plantation, the Grice Marine Lab, the build-out of the new science center, and the Simmons Center for the Arts. The

[4] U.S. Bureau of Labor Statistics
[5] U.S. Bureau of Labor Statistics, Economic News Release, October 5, 2012

College will also invest in updating the wireless and classroom information technology infrastructure. There are also several deferred maintenance projects that will be completed over the next few years.

The Strategic Plan outlines funding requirements to carry out its goals and strategies. The plan involves the development of a new financial model that promotes more aggressive external fundraising; new attention to securing grant funding for teaching, research, and related activities; and careful management of enrollment and tuition. The College continues to work to expand alternative funding sources as noted above to continue to advance the strategic plan initiatives.

Relevant Financial Policies

It is noteworthy to mention at least three other policies that impact the budgetary process. These policies cover debt, cash, and risk management issues.

First, the College has developed a comprehensive debt management strategy to provide guidelines relative to acceptable levels of debt and to formulate a mechanism for calculating and monitoring debt while being cognizant of the effect of long term borrowing on its credit rating. The College will manage debt on a portfolio basis. Its continuing objective to achieve the lowest cost of capital will be balanced with the goal of limiting exposure to market shifts. The College will manage its credit to maintain the highest acceptable rating which will permit the College to issue debt and finance capital projects at favorable interest rates while meeting its strategic objectives. Overall debt will be limited to a level that will maintain an acceptable credit score with the bond rating agencies.

Secondly, as a state agency, the investment of funds is vested with the State Treasurer of South Carolina. Other than certain approved petty cash funds and two loan funds, all cash is held in a cash management pool administered by the State Treasurer. By law, the College is allowed to earn interest income on revenues derived from the operations of its residence halls, parking, and food services. Certain debt service funds also managed by the State Treasurer allow interest earnings to the credit of the College. All other interest earned from the investment of College and related fees are retained by the State Treasurer and credited to the State General Fund.

Finally, the College participates in a statewide risk management program in which the state assumes substantially all risk for unemployment and workers' compensation benefits and claims of covered employees for health, dental, and group life insurance benefits. In addition, the College pays premiums to the South Carolina Insurance Reserve Fund to cover the risk of loss related to the assets and activities including real and personal property. The College also obtains employee fidelity bond insurance coverage from a commercial insurer.

Major Initiatives

The College has advanced and will continue to make ongoing progress related to several major initiatives that began in prior years. The Facilities Master Plan was updated and finalized by the Board of Trustees in January 2012. The plan provides a roadmap for future campus development including major renovation projects and possible new facilities such as an active-learning high-tech classroom building, an alumni center, and an additional building for our business school.

The College is currently in the process of conducting external efficiency studies focusing on three major areas: information technology, academic operations, and administration. The goal of the study is to identify potential additional savings and operating efficiencies. The College continues to benefit from the results of the Comprehensive Program for Quality and Efficiency (CPQE). CPQE is a mechanism for the ongoing, internal review of quality and efficiency in the processes, management, offices, and programs of each campus division.

AWARDS AND ACKNOWLEDGEMENTS

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the College of Charleston for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011. In order to be awarded a Certificate of Achievement, an entity must publish an easily readable and efficiently organized report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current report continues to meet the Certificate of Achievement program requirements. We are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

We wish to thank the Board of Trustees and the President of the College for their continued commitment to the fiscal management of the College. Likewise, we wish to thank the members of the College community whose cooperation made the successful close of the fiscal year possible.

Stephen C. Osborne
Executive Vice President for Business Affairs

Priscilla D. Burbage
Vice President for Fiscal Services

Dawn Willan, C.P.A
Controller

Kenneth "Rick" Mims, C.P.A.
Deputy Controller

Patrick M. Fillippa, C.P.A.
Deputy Controller

Phyllis Singleton
Associate Controller

COLLEGE OF CHARLESTON
BOARD OF TRUSTEES
2011- 2012

Gregory D. Padgett, Chair
Alumni Association Trustee

G. Lee Mikell, Vice Chair
Second District

J. Philip Bell, Secretary
Third District

Donald H. Belk
Member-At-Large

John Hartnett Busch
Second District

Demetria Noisette Clemons
Sixth District

Dr. L. Cherry Daniel
First District

Frank M. Gadsden
Fifth District

James F. Hightower
Member-At-Large

William D. Johnson
Fifth District

Marie M. Land
Sixth District

Lawrence R. Miller
Fourth District

Annaliza Oehmig Moorhead
Third District

Toya D. Pound
Governor's Designee

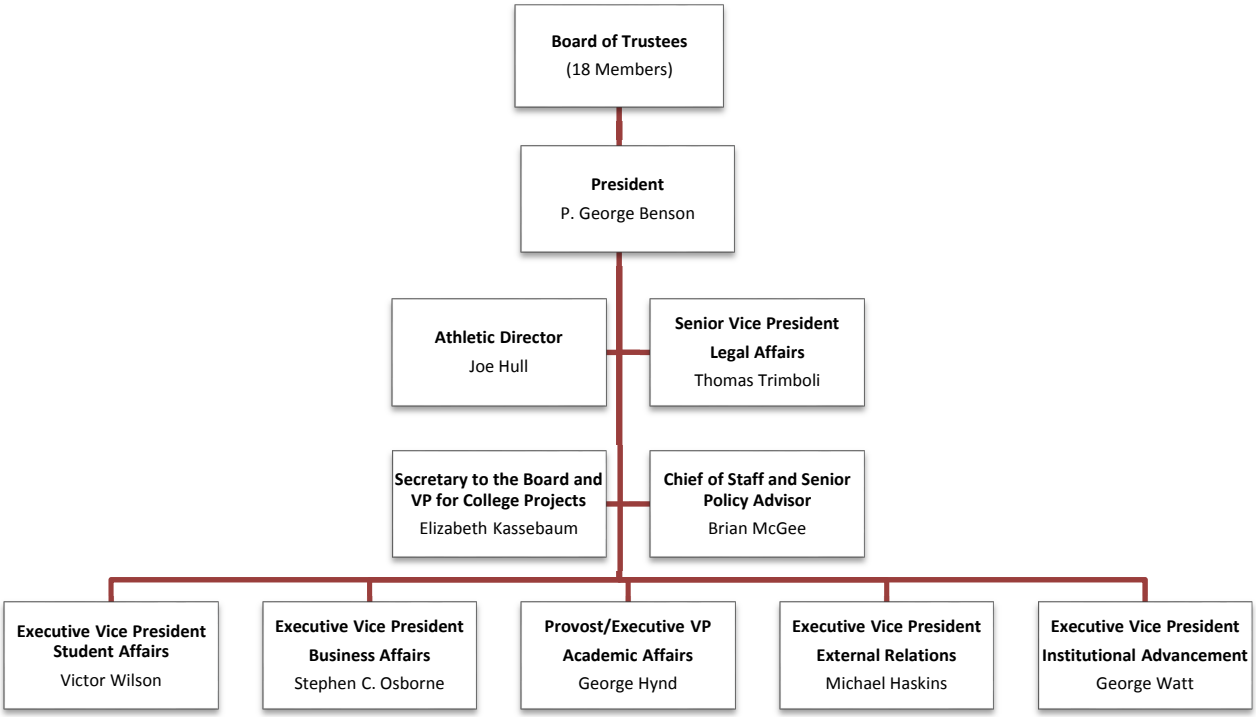
Daniel Ravenel
Member-At-Large

Jeff M. Schliz
Governor's Appointee

Joseph F. Thompson, Jr.
First District

John B. Wood, Jr.
Fourth District

COLLEGE OF CHARLESTON
PRESIDENT'S OFFICE
ORGANIZATIONAL STRUCTURE



COLLEGE OF CHARLESTON
BUSINESS AND FINANCE OFFICERS
2011-2012

Stephen C. Osborne
Executive Vice President for Business Affairs

Priscilla D. Burbage
Vice President for Fiscal Services

Dawn Willan, C.P.A.
Controller

Kenneth “Rick” Mims, C.P.A.
Deputy Controller

Patrick M. Fillippa, C.P.A.
Deputy Controller

Phyllis Singleton
Associate Controller

Samuel B. Jones
Associate Vice President for Budgeting and Payroll Services

Gail E. Long, C.P.A.
Internal Auditor

David Katz
Treasurer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

College of Charleston
South Carolina

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

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

President

Executive Director

COLLEGE OF CHARLESTON
COMPREHENSIVE ANNUAL FINANCIAL REPORT

Students working in a chemistry lab in the School of Sciences and Mathematics Building

FINANCIAL SECTION

elliott davis

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Trustees
College of Charleston
Charleston, South Carolina

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the College of Charleston, a department of the State of South Carolina, as of and for the year ended June 30, 2012, which collectively comprise the College of Charleston's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the College of Charleston's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the College of Charleston Foundation (a discretely presented component unit). The College of Charleston Foundation's financial statements reflect 97% of total assets, 97% of net assets, and 86% of total revenues of the discretely presented component units. Those financial statements were audited by another auditor whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for this discretely presented component unit, are based solely on the reports of the other auditor.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the discretely presented component units were not audited in accordance with Government Auditing Standards issued by the Comptroller General of the United States. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinion.

As discussed in Note 1, the financial statements of the College of Charleston are intended to present the financial position, and the changes in financial position and cash flows, of only that portion of the business-type activities of the State of South Carolina that is attributable to the transactions of the College of Charleston. They do not purport to, and do not, present fairly the financial position of the State of South Carolina as of June 30, 2012, and the changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2012 on our consideration of the College of Charleston's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 27 - 37 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 themselves, 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 opinions on the financial statements that collectively comprise the College of Charleston's basic financial statements. The introductory section and the statistical section as listed in the accompanying table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Elliott Davis, LLC

Greenville, South Carolina
October 10, 2012

COLLEGE OF CHARLESTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012

Introduction

The College of Charleston's (the College) Management Discussion and Analysis (MD&A) presents an overview of its financial condition and guides the reader toward significant financial matters for the year ended June 30, 2012. Management has prepared the discussion and recommends reading it in conjunction with the accompanying financial statements and notes. The responsibility for the financial statements, notes, and this discussion rests with management.

Financial and Other Highlights

- Net assets of $263.0 million in FY12 grew by $19.0 million or 7.8% in comparison to FY11.
- State appropriations totaling $18.9 million in FY12 decreased by $0.9 million or 4.7% from the prior year's appropriations.
- Tuition and fee revenue of $128.1 million for FY12 reflects an extra $9.3 million, up approximately 7.9% in relation to FY11. Total revenues increased $10.5 million, or 4.6%.
- Total operating expenses of $212.0 million in FY12 show an added 4.1% in contrast to FY11.
- The College completed major renovations to the Hungry Cougar and 5 College Way (faculty office space), upgraded the Sottile Theater and added a new arena marquee.
- The College refunded two bond series which will result in an economic gain of approximately $5.0 million. A bond anticipation note was converted to long term debt and a lease purchase agreement for $3.5 million was paid off.

Using the Annual Financial Report

The annual financial report encompasses three financial statements: the Statement of Net Assets; the Statement of Revenues, Expenses and Changes in Net Assets; and the Statement of Cash Flows. These financial statements are prepared according to the Governmental Accounting Standards Board (GASB), Statements No. 34 and 35, *Basic Financial Statements–and Management's Discussion and Analysis–for State and Local Governments and Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. They focus on the financial condition of the College, the results of operations, and its cash flows as a whole.

The three financial statements, similar to those of the private sector, should assist the reader of the annual report in assessing whether the College's overall financial condition (the Statement of Net Assets) has improved or deteriorated as a result of current year's financial activities (the Statement of Revenues, Expenses and Changes in Net Assets). In addition, the financial statements will help the reader ascertain whether the College can meet its financial obligations. The Statement of Cash Flows displays information related to both inflows and outflows of cash and further classifies activities by operating, noncapital financing, capital debt and related financing, and investing. Moreover, it answers the questions as to whether the institution is generating any extra cash that can be used to repay debt or to invest in new services, and whether the

institution is generating enough cash to purchase the additional assets required for growth and maintenance. The elimination of internal service fund transactions ensures that only transactions external to the College are shown in the statements. The following discussion elaborates further on the components and relationships of the three statements.

First, the ***Statement of Net Assets*** (the balance sheet) is separated into current and noncurrent assets and liabilities. Current assets convert to cash within one year and for the College consist mainly of cash and receivables. Current liabilities will settle within one year and consist primarily of payables, deferred revenues and accrued compensation. This data provides information on assets available to continue the operations; amounts due to vendors, investors, lending institutions; and the net assets available for expenditure by the College. All depreciable capital assets are reported net of accumulated depreciation. The College does not report any infrastructure assets as a separate line item.

In addition, the ***Statement of Net Assets*** presents three major categories of net assets. The first category, invested in capital assets, net of related debt, illustrates the College's equity in property, plant, and equipment. The next category displays the restricted net assets subdivided into expendable and nonexpendable. Expendable restricted net assets are available for expenditure but must be spent for purposes as determined by donors and/or external entities based on the defined restrictions. The amount of nonexpendable restricted resources is available solely for investment purposes. The final category is unrestricted net assets which may be expended for any lawful purpose of the institution.

Secondly, the ***Statement of Revenues, Expenses, and Changes in Net Assets*** presents the sources of revenue, types of expenses, gains or losses, and changes in net assets. Revenues and expenses are categorized as either operating or nonoperating. Significant recurring sources of the College's revenues, including State appropriations, gifts, and investment income (loss) are considered nonoperating. The dependence of public educational institutions on state funding, therefore, will normally result in operating deficits. The utilization of long-lived assets, referred to as capital assets, is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

Generally speaking, operating revenues are received for providing goods and services to the various customers and constituencies of the College. Operating revenues are classified in five major areas: student tuition and fees; federal, state, and local grants and contracts; sales and services of auxiliary enterprises; student organization revenues; and other sources.

Scholarships and fellowships applied to student accounts are shown as a reduction of student tuition and fee revenues, while stipends and other payments made directly to students continue to be presented as scholarship and fellowship expenses.

Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues and to carry out the mission of the College. Operating expenses are mainly attributable to salaries and benefits for the faculty and staff of the College. Other elements included in operating expenses are supplies and services, utilities, scholarships and fellowships, and depreciation.

Nonoperating revenues are monies received for which goods and services are not provided. State capital appropriations as well as State Capital Improvement Bond proceeds are considered neither operating nor nonoperating revenues and are reported after "Income Before Other Revenues."

Lastly, the ***Statement of Cash Flows*** presents detailed information about the cash activity of the College during the year and is divided into five sections. The operating section shows the net cash provided by or used for the operating activities of the College.

The second section presents cash flows from noncapital financing activities and reflects the cash received and spent for noncapital financing purposes. Cash used for the acquisition and construction of capital and related items is detailed in the cash flows from capital debt and related financing activities section. The section on cash flows from investing activities shows the interest received from investing activities. The fifth section reconciles the change in net cash to the operating income or loss reflected on the Statement of Revenues, Expenses, and Changes in Net Assets. This reconciliation is detailed in the financial statements of the College and is not included in this analysis.

As required by GASB, the Statement of Cash Flows was produced using the direct method. Under the direct method, net change in cash is determined by adjusting each item in the income statement from the accrual basis to the cash basis.

Statement of Net Assets

The Statement of Net Assets, which details all assets and liabilities of the College, indicates the financial position of the College at the end of the fiscal year. Net assets illustrate the difference between total assets and total liabilities.

The change in net assets during the fiscal year is an indicator of the change in the overall financial condition of the College during the year. A synopsis of the College's assets, liabilities, and net assets as of June 30, 2012 and 2011 follows.

Condensed Statement of Net Assets

	2012	2011	Increase (Decrease)	Percent Change
Assets				
Current assets	$ 133,477,331	$ 117,060,718	$ 16,416,613	14.0%
Capital assets, net of depreciation	345,162,217	350,883,964	(5,721,747)	-1.6%
Other noncurrent assets	6,251,585	5,300,604	950,981	17.9%
Total Assets	$ 484,891,133	$ 473,245,286	$ 11,645,847	2.5%
Liabilities				
Current liabilities	$ 30,102,165	$ 61,703,484	$ (31,601,319)	-51.2%
Noncurrent liabilities	191,777,529	167,580,066	24,197,463	14.4%
Total Liabilities	$ 221,879,694	$ 229,283,550	$ (7,403,856)	-3.2%
Net Assets				
Invested in capital assets, net of debt	$ 159,378,927	$ 155,328,362	$ 4,050,565	2.6%
Restricted -- expendable	50,543,709	44,321,089	6,222,620	14.0%
Restricted -- nonexpendable	1,110,167	1,174,328	(64,161)	-5.5%
Unrestricted	51,978,636	43,137,957	8,840,679	20.5%
Total Net Assets	**$ 263,011,439**	**$ 243,961,736**	**$ 19,049,703**	7.8%

A 7.8% growth in the **Total Net Assets** illustrates that the College remains financially sound even through recent years of severe economic downturns and a continuing sluggish recovery. During fiscal year 2012, the balance of total net assets of $263.0 million grew by $19.0 million.

Unrestricted net assets of $52.0 million increased $8.8 million or 20.5%. The majority of this increase is due to an increase in internal capital projects, including deferred maintenance. Increases in cash are derived from revenue streams consisting of student tuition and fees along with sales and services of auxiliary enterprises.

The aggregation of fund balances in the amount of $159.4 million for investments in capital assets, net of related debt increased by $4.1 million, or 2.6% The total balance represents capital asset accounts (net of related debt) of the College's real, personal, and intangible property. The College's capital assets include land and property in an area of approximately 11 city blocks in the center of downtown Charleston. The increase in the respective fund balance is the result of the elimination of the lease purchase agreement for $3.5 million during FY12.

Restricted nonexpendable net assets represent the College's permanent endowments. The College is the recipient of a permanent endowment of $0.1 million from the South Carolina Commission on Higher Education. The other endowment in the amount of $1.0 million is funded through the South Carolina Research Center of Economic Excellence Act of 2002. Please see note 12 of the financial statements for additional information regarding this endowment.

Restricted expendable net assets include funds for state approved capital projects. The increase in restricted expendable net assets is mainly due to the restriction of funds set aside for the final build out of the School of Science and Mathematics building.

Total Assets of $484.9 million have increased by $11.6 million or 2.5% from last fiscal year to the current fiscal year. This increase is mostly attributable to increased cash on hand at year end. Cash and cash equivalents comprise approximately 91% of current assets. Included in the current cash balance is funding for internal capital projects and deferred maintenance.

In regard to total current assets, the accounts receivable balance increased by $1.9 million as a result of $1.7 million of capital reserve fund appropriations to be received from the state. Prepaid expenses of $3.9 million in FY12 increased from $2.5 million in FY11 which can be attributed to timing differences of payments. Noncurrent assets decreased, mostly due to a reduction in capital assets net of accumulated depreciation of $5.7 million. This decrease is the net effect of current year depreciation expense and net additions throughout the year.

Total Liabilities of $221.9 million decreased by 3.2%. The decrease in liabilities is attributable mostly to scheduled principal payments for outstanding debt.

In summary, the changes in total net assets provide an important indicator of the financial health of the College but should be considered in conjunction with other nonfinancial factors. Nonfinancial factors include the quality of applicants, student retention rates, building conditions, and campus safety.

Statement of Revenues, Expenses, and Changes in Net Assets

The results of the operations of the College are shown in the Statement of Revenues, Expenses and Changes in Net Assets which follows.

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

	2012	2011	Increase (Decrease)	Percent Change
Revenues:				
Tuition and fees*	$ 128,093,347	$ 118,767,774	$ 9,325,573	7.9%
Federal, state, and local grants and contracts	27,420,254	26,601,280	818,974	3.1%
Auxiliary services*	43,516,148	40,594,871	2,921,277	7.2%
Other	3,066,341	2,054,544	1,011,797	49.2%
Total Operating Revenues	$ 202,096,090	$ 188,018,469	$ 14,077,621	7.5%
State appropriations	$ 18,872,340	$ 19,794,261	$ (921,921)	-4.7%
Federal grants and contracts	10,216,054	14,792,183	(4,576,129)	-30.9%
State grants and contracts	5,170	184	4,986	2709.8%
Gifts	3,008,092	2,514,944	493,148	19.6%
Auxiliary enterprises interest income	163,676	206,229	(42,553)	-20.6%
Interest/investment income	1,005,561	648,785	356,776	55.0%
Nongovernmental grants and contracts	518,884	538,169	(19,285)	-3.6%
Capital appropriations	3,431,879	2,590,879	841,000	32.5%
Capital gifts	460,000	155,250	304,750	196.3%
Total Nonoperating and Other Revenues	$ 37,681,656	$ 41,240,884	$ (3,559,228)	-8.6%
Total Revenues	$ 239,777,746	$ 229,259,353	$ 10,518,393	4.6%
Expenses:				
Personnel cost	$ 95,000,246	$ 89,741,717	$ 5,258,529	5.9%
Benefits	25,436,129	23,982,928	1,453,201	6.1%
Supplies and services	52,848,449	51,464,903	1,383,546	2.7%
Utilities	7,989,850	7,970,790	19,060	0.2%
Scholarships and fellowships	15,965,283	15,676,273	289,010	1.8%
Depreciation and amortization	14,725,425	14,757,090	(31,665)	-0.2%
Total Operating Expenses	$ 211,965,382	$ 203,593,701	$ 8,371,681	4.1%
Interest expense on capital assets and related debt	$ 8,689,733	$ 8,503,098	$ 186,635	2.2%
Loss on sale or disposal of assets	72,928	70	72,858	104082.9%
Total Nonoperating Expenses	$ 8,762,661	$ 8,503,168	$ 259,493	3.1%
Total Expenses	$ 220,728,043	$ 212,096,869	$ 8,631,174	4.1%
Change in Net Assets	$ 19,049,703	$ 17,162,484	$ 1,887,219	11.0%
Net Assets, Beginning	243,961,736	226,799,252	17,162,484	7.6%
Net Assets, Ending	**$ 263,011,439**	**$ 243,961,736**	**$ 19,049,703**	**7.8%**

* Net of scholarship discounts and allowances

For fiscal year 2012, the Statement of Revenues, Expenses, and Changes in Net Assets reflects a net asset balance of $263.0 million, an augmentation of $19.0 million or 7.8% in comparison to FY2011. Total revenue summed to $239.8 million while total expenses excluding interest on debt and the loss on disposal of capital assets totaled $212.0 million. The primary streams of revenue sources consist of tuition and fees, grants and contracts, sales and services of auxiliary enterprises, and state appropriations.

Tuition and related fees of $128.1 million comprise the largest part of the total operating revenues. Tuition and related fees increased by 7.9% compared to fiscal year 2011. This is due to a Board

of Trustees approved increase of 5% for nonresident students. There were no increases to resident fees. The College also experienced some enrollment growth and increased student retention compared to the prior year. For fiscal years 2012 and 2011 tuition and fees comprise 53.4% and 51.8% of total revenue, respectively.

Operating grant revenue of $27.4 million reflects a 3.1% or $0.8 million expansion in funds. This revenue stream has increased four out of the past five years and represents an increased emphasis of obtaining additional external funding. Nonoperating federal grants and contracts revenue decreased by $4.6 million or 30.9%. The College did not receive any funding from the American Recovery and Reinvestment Act (ARRA) State Fiscal Stabilization Act Funds (stimulus) by way of the U. S. Department of Education this year.

Revenues from the auxiliary systems produced 18.1% or $43.5 million of the total revenue and show an increase of $2.9 million or 7.2% in contrast to FY11. Sales and services of auxiliary enterprises are comprised of athletics, health services, bookstore commissions, rentals, student housing, food services, vending, and parking. Housing revenue increased by $1.4 million or 7.9% which can be attributed to a Board approved increase to housing fees, and an increase in occupancy. Athletics revenues increased in FY12 from a board approved increase and additional guaranteed revenue, which can fluctuate from year to year depending on schedules and agreements.

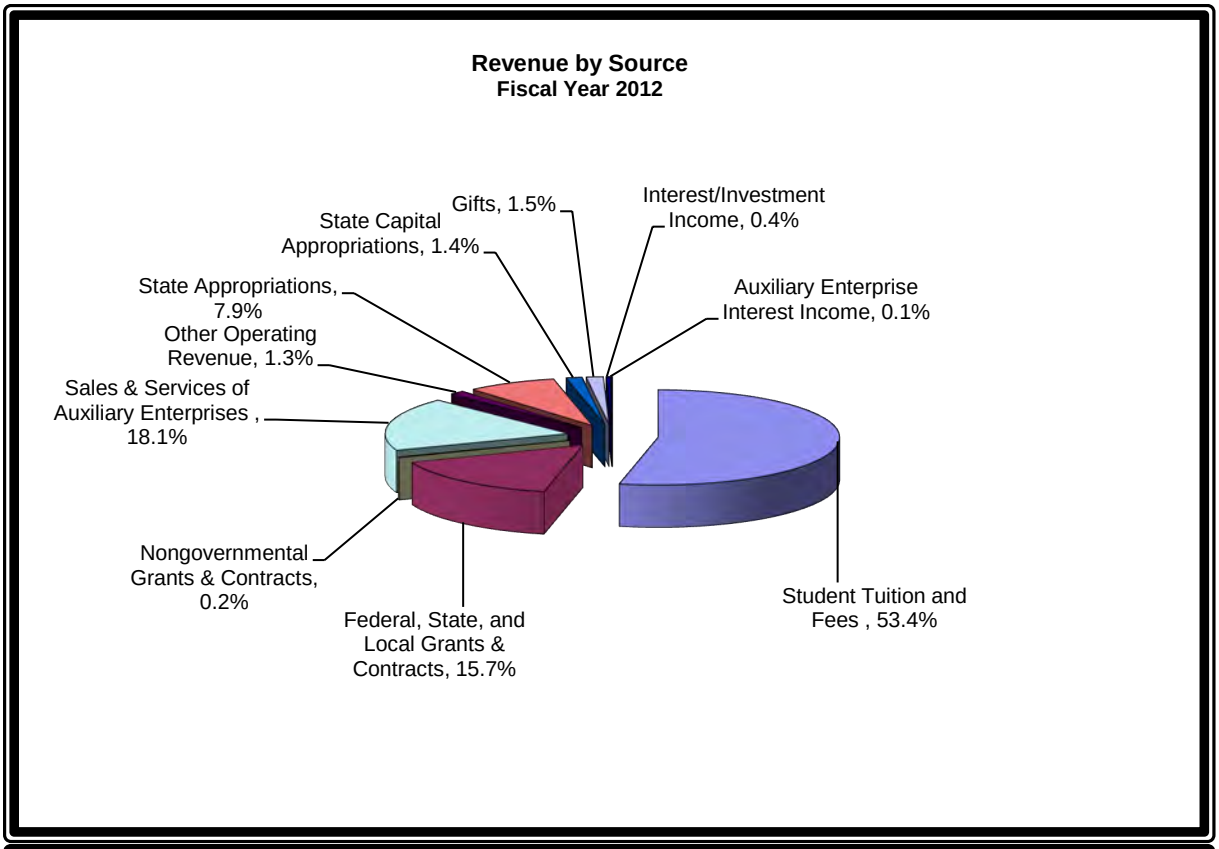
Other income increased by $1.0 million or 49.2% compared to FY11. A large portion of this increase is for revenue received for naming rights for the arena. Overall gifts were up in FY12 by $0.5 million, which is an increase of 19.6%.

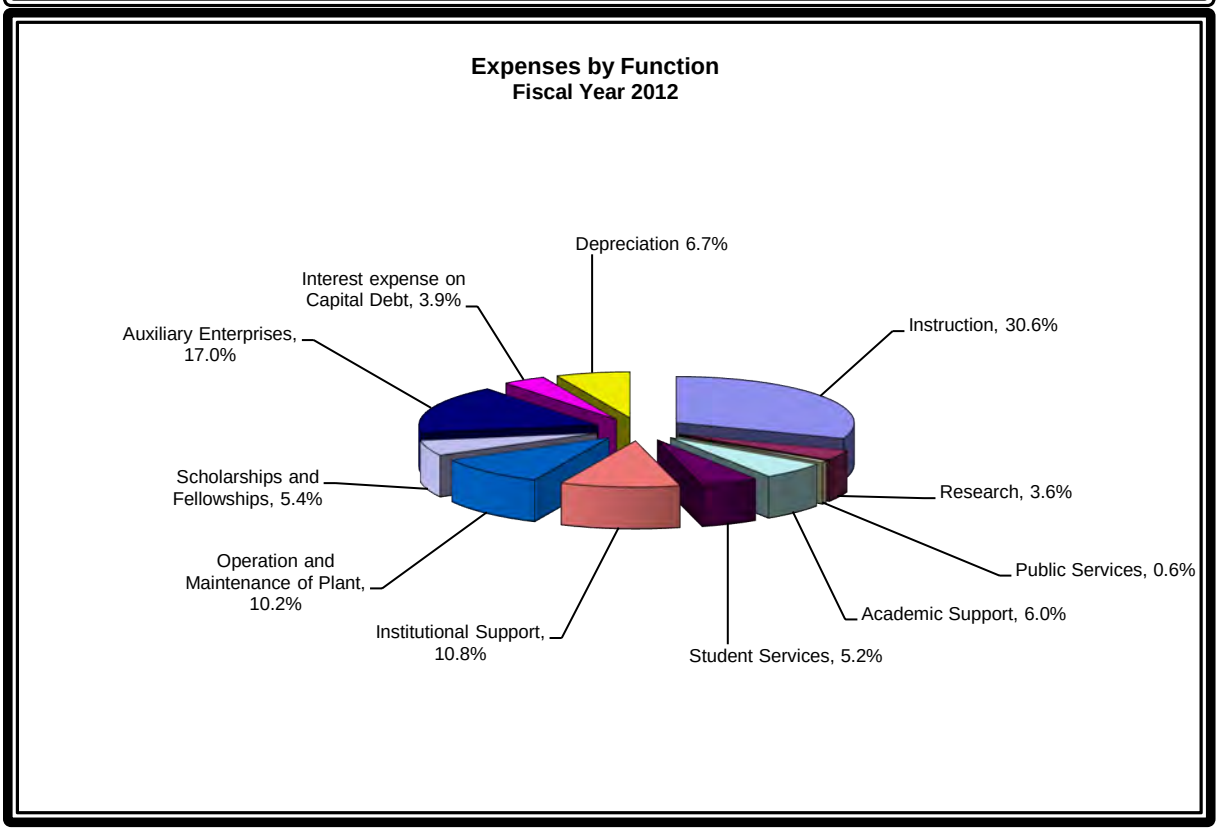
State appropriations encompass 7.9% or $18.9 million of the total revenue. The total of State appropriations was reduced by 4.7% or $0.9 million from FY11 to FY12. While the amount received for Employee Pay Plan Funds increased by $69 thousand, these funds are allocated to cover a portion of mandated increases to employer benefit expenses. The State reduced the College's base appropriation by $0.9 million, and the appropriation to the Low Country Graduate Center was also reduced by approximately $27 thousand.

Total operating expenses reported for FY12 were $212.0 million. Personnel costs and benefits comprise most of the operating expenses of the College. Approximately $120.4 million or 56.8% of the total operating expenses covered personnel costs and benefits for the fiscal year. Operating expenses increased by 4.1% or $8.4 million due mostly to increases in personnel costs and benefits. Personnel costs increased slightly due to fewer vacancies, and the related benefits costs increased respectively. There were also increases to the employer contributions for medical, dental, and retirement programs.

The College drew $1.3 million of State Capital Reserve Funds which were used for the renovation of Randolph Hall. The College did not draw any University Infrastructure Bond proceeds during the fiscal year.

(The following charts depict the revenues by source and expenses by function.)





Statement of Cash Flows

The Statement of Cash Flows also provides information about the College's financial health by reporting the cash receipts and cash payments of the College during the year ended June 30, 2012. A synopsis of the Statement of Cash Flows follows.

Condensed Statement of Cash Flows

	2012	2011	Increase (Decrease)	Percent Charge
Net cash provided by operating activities	$ 3,192,202	$ 340,155	$ 2,852,047	838.5%
Net cash provided by noncapital financing activities	32,793,115	37,539,094	(4,745,979)	-12.6%
Net cash used by capital debt and related financing activities	(23,113,174)	(17,177,160)	(5,936,014)	-34.6%
Net cash provided by investing activities	170,590	275,696	(105,106)	-38.1%
Net Increase in Cash	13,042,733	20,977,785	(7,935,052)	-37.8%
Cash and cash equivalents, Beginning of Year	109,376,785	88,399,000	20,977,785	23.7%
Cash and cash equivalents, End of Year	**$ 122,419,518**	**$ 109,376,785**	**$ 13,042,733**	**11.9%**

To begin with, cash flows from operating activities increased by $2.9 million. Increases in cash flow from operating activities include tuition and fees, and sales and services of auxiliary enterprises. Receipts for tuition and fees increased $8.8 million and receipts for sales and services of auxiliary enterprises increased by $2.4 million. These increases stem primarily from increases to board approved tuition and fee rates. Athletics and housing revenues had the greatest increases within auxiliary services. Offsetting these increases were increases to payments to employees for personnel costs and benefits, payments to suppliers, and payments to students for scholarships and fellowships.

Meanwhile, cash provided by noncapital financing activities decreased by $4.7 million or 12.6% driven by reductions to state appropriations. Cash from state appropriations of $18.9 million in 2012 was almost $1 million less than the amount received in 2011. This decrease again demonstrates a continuous downward trend in base appropriation funding from the state.

Finally, payments for capital expenditures were greater in fiscal year 2012 than in fiscal year 2011. Purchases of capital assets increased $1.6 million and a reduction of principal debt payments provided a net increase of $3.1 million, mostly due to the payoff of the lease purchase agreement with Banc of America.

As of June 30, 2012, cash and cash equivalents made up 25.2% of the total assets of the College.

Capital Asset and Debt Activity

A critical factor in continuing the quality of the College's academic and research programs and residential life experience is the acquisition, construction, and improvement of its capital assets. The College continues to implement its long-range plan to modernize its complement of older teaching and research facilities, balanced with new construction. In addition the College recently updated its master plan during FY12.

The College had approximately $345.2 million invested in capital assets, net of accumulated depreciation of $140.6 million at June 30, 2012. Total net capital assets at June 30, 2012 decreased by $5.7 million or 1.6% in comparison to June 30, 2011 due to the net effects of depreciation.

Several renovation projects were completed during the year and transferred from construction-in-progress to building improvements. These projects include the renovations to the Hungry Cougar, 5 College Way (faculty office space), the Robert Scott Smalls building, and upgrades to the Sottile Theater. In addition the College has begun renovating the Simons Center for the Arts and the build out of the Science and Mathematics building. A synopsis of the net capital assets for the fiscal years ended 2012 and 2011 further illustrates the significant changes between the accounting periods.

	Capital Assets			
	2012	2011	Increase (Decrease)	Percent Change
Land	$ 41,850,600	$ 41,850,600	$ -	0.0%
Construction in progress	4,592,460	2,771,816	1,820,644	65.7%
Land improvements	4,102,016	4,102,016	-	0.0%
Buildings	351,111,658	351,111,658	-	0.0%
Building improvements	59,201,290	54,536,262	4,665,028	8.6%
Machinery, equipment, and other	17,180,655	15,029,853	2,150,802	14.3%
Information technology equipment and software	7,180,487	7,180,487	-	0.0%
Motor vehicles	572,420	560,291	12,129	2.2%
Accumulated depreciation	(140,629,369)	(126,259,019)	(14,370,350)	11.4%
Total Capital Assets - Net	**$ 345,162,217**	**$ 350,883,964**	**$ (5,721,747)**	**-1.6%**

Debt

Outstanding long term debt was $193.3 million as of June 30, 2012. The College converted a short term bond anticipation note to long term debt during FY12, thereby increasing the long term debt balance compared to FY11. Offsetting this increase was the payoff of the lease purchase agreement for $3.5 million, and scheduled principal payments for existing debt.

See notes 5, 10, and 11 of the financial statements for additional information on capital assets and long-term debt.

Economic Outlook

As a state-supported higher education institution, the economic position of the College directly correlates to the State of South Carolina. The fiscal year end 2012 news release of the S. C. Comptroller General's Office[1] reported a $382.3 million surplus in the Budgetary General Fund. Although the existence of a surplus is a positive sign, the General Assembly had actually projected a surplus of $397 million and had authorized the surplus to be spent after September 1, 2012. Actual revenues were $14.7 million less than what was anticipated, and some of the previously approved surplus spending was reduced. In light of sustained economic uncertainty, and the fact that the General Assembly fully funded the General Reserve Fund two years ahead of schedule it appears the state is continuing to proceed cautiously in regards to the budget. The College has continued to endure several years of reductions to its appropriations but the FY12 reduction did not appear to be as substantial as in previous years.

The State approved a 3% salary increase effective July 1, 2012 but did not provide an increase to the base appropriation to fully fund the increase, which results in an additional appropriation reduction. In response to the concerns about the unfunded liability in the State Retirement System, the State approved increases to both the employee and employer contributions, to be implemented over the next two years. In addition, the State Budget and Control Board approved an increase in the employee health insurance premiums, overruling the legislature. The potential increase will be determined by court ruling.

The South Carolina unemployment rate remained steady in August, after increasing slightly in July according to the *South Carolina Employment Situation*[2]. The rate improved to 9.6% in August, 2012 compared to 11.1% in August, 2011. Although the estimated number of unemployed people dropped, employment also decreased moving the total labor force down to an estimated 2,131,536. The labor force participation rate is the lowest since 1976 and is reflective of more people choosing not to participate in the labor force. The South Carolina unemployment rate has continued to be higher than the national rate over the past few years. The national unemployment rate was 8.1% in August, 2012. The unemployment rate in the Charleston MSA was 7.9% in August, 2012. Online job ads across the country declined over the past month, as did ads in South Carolina. Online ads decreased by approximately 300 from July to August and the number of jobseekers per opening remained at 3.7.

The overall job count in South Carolina was 15,000 higher in August 2012 than it was in August 2011. Government sector employment decreased similarly to last year, while trade, transportation and utilities, and education and health services provided the majority of new jobs. The pace of economic recovery remains slow, but most signs point to continued improvement in unemployment, jobs and average home prices. The consumer confidence index

[1] News Release, Comptroller General's Office, August 29, 2012

[2] South Carolina's Employment Situation August 2012, Released: September 21, 2012, S. C. Department of Employment and Workforce

improved in September after dropping in August.

The College is moving forward to implement its strategic plan, given ongoing budget constraints. The College has established a new year-long planning and budgeting cycle to align its strategic priorities with its financial resources. As an outcome of the process, funds have been allocated to update the information technology infrastructure across campus. Planning for a national comprehensive fundraising plan continues to move forward.

In an effort to identify potential additional savings and operating efficiencies, the College is conducting an external review of the costs, efficiency, and effectiveness of certain units and processes at the College. The primary objectives of this project focus on identifying revenue enhancements, cost reductions, operational improvements, structural alignment, and the best practices of our aspirational and peer institutions.

More Information

This financial report is designed to provide a general overview of the College of Charleston's finances. Any questions or requests for information may be addressed to: Dawn Willan, Controller; College of Charleston.

COLLEGE OF CHARLESTON
STATEMENT OF NET ASSETS
JUNE 30, 2012

Assets		
Current Assets		
Cash and cash equivalents	$	47,062,508
Cash and cash equivalents, restricted		74,016,699
Accounts receivable		4,703,591
Allowances for bad debts		(225,000)
Grants and contracts receivable		2,538,288
Component unit receivable		1,137,911
Interest income receivable		92,012
Prepaid items		3,946,533
Inventories		204,789
Total Current Assets	$	133,477,331
Noncurrent Assets		
Cash and cash equivalents, restricted	$	1,340,311
Component unit receivable		1,282,549
Student loans receivable		2,040,527
Prepaid items		375,005
Bond issue costs, net		1,213,193
Capital assets not being depreciated		46,443,060
Capital assets, net of accumulated depreciation		298,719,157
Total Noncurrent Assets	$	351,413,802
Total Assets	**$**	**484,891,133**
Liabilities And Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	$	5,994,795
Accrued payroll and related liabilities		7,746,560
Retainage payable		155,697
Unearned student revenues		3,569,698
Deposits held for others		253,922
Student deposits		1,666,714
Compensated absences payable		2,282,258
Accrued interest payable		2,043,108
Bonds payable		6,387,026
Other liabilities		2,387
Total Current Liabilities	$	30,102,165
Noncurrent Liabilities		
Compensated absences payable	$	2,427,460
Bonds payable		186,885,119
Federal capital contribution		2,464,950
Total Noncurrent Liabilities	$	191,777,529
Total Liabilities	**$**	**221,879,694**
Net Assets		
Invested in capital assets, net of related debt	$	159,378,927
Restricted for:		
Expendable		
Scholarships and fellowships		239,874
Research		50,764
Loans		13,391
Capital projects		46,249,394
Debt service		3,990,286
Nonexpendable		
Endowed professorship		112,627
Endowment other		997,540
Unrestricted		51,978,636
Total Net Assets	**$**	**263,011,439**

See Accompanying Notes to Financial Statements

COLLEGE OF CHARLESTON
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012

Operating Revenues		
Tuition and related fees ($6,731,427 pledged for debt service; net of scholarship discounts and allowances of $25,428,932)	$	128,093,347
Federal grants and contracts		8,938,862
State grants and contracts		18,139,789
Local grants and contracts		176,409
Nongovernmental grants and contracts		165,194
Educational activities revenues		673,053
Student organizations generated revenues		1,277,406
Sales and services of auxiliary enterprises		
Revenues not pledged for debt service		
Athletics (net of scholarship discounts and allowances of $1,774,126)		10,655,847
Health services (net of scholarship discounts and allowances of $239,009)		1,232,550
Rental, vending, bookstore and debit card		1,368,105
Revenues pledged for debt service		
Housing (net of scholarship discounts and allowances of $3,936,256)		19,628,629
Food service (net of scholarship discounts and allowances of $1,548,406)		8,525,866
Parking		2,105,151
Other sources		1,115,882
Total Operating Revenues	$	202,096,090
Operating Expenses		
Personnel cost	$	95,000,246
Benefits		25,436,129
Supplies and services		52,848,449
Utilities		7,989,850
Scholarships and fellowships		15,965,283
Depreciation		14,725,425
Total Operating Expenses	$	211,965,382
Operating Loss	$	(9,869,292)
Nonoperating Revenues (Expenses)		
State appropriations	$	18,872,340
Federal grants and contracts		10,216,054
State grants and contracts		5,170
Gifts		3,008,092
Auxiliary enterprises interest income		163,676
Interest/investment income		1,005,561
Interest and amortization expense on capital assets and related debt		(8,689,733)
Nongovernmental grants and contracts		518,884
Loss on disposal of capital assets		(72,928)
Total Net Nonoperating Revenues	$	25,027,116
Income Before Other Revenues	$	15,157,824
Other Revenues		
Capital appropriations	$	3,431,879
Capital gifts		460,000
Total Other Revenues	$	3,891,879
Increase In Net Assets	$	19,049,703
Net Assets, Beginning Of Year		243,961,736
Net Assets, End Of Year	**$**	**263,011,439**

See Accompanying Notes to Financial Statements

COLLEGE OF CHARLESTON
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012

Cash Flow From Operating Activities		
Tuition and fees	$	129,012,497
Grants and contracts		26,704,006
Sales and services of education and other activities		1,950,459
Sales and services of auxiliary enterprises		42,978,677
Other operating revenues		411,131
Payments to employees for salaries and benefits		(119,744,440)
Payments to suppliers		(54,199,723)
Payments for utilities		(7,989,850)
Payments to students for scholarships and fellowships		(15,965,283)
Collection of loans from students		248,576
Loans issued to students		(191,537)
Deposits held for others		(22,311)
Student direct lending receipts		65,835,425
Student direct lending disbursements		(65,835,425)
Net Cash Provided by Operating Activities	$	3,192,202
Cash Flows From Noncapital Financing Activities		
State appropriations	$	18,872,340
Proceeds from notes receivable		71,925
Gifts and grants for other than capital purpose		13,848,850
Net Cash Provided by Noncapital Financing Activities	$	32,793,115
Cash Flows From Capital Debt And Related Financing Activities		
Proceeds from state capital appropriations	$	392,518
Proceeds from state capital reserve fund appropriations		1,327,154
Proceeds from capital grants and gifts		190,000
Purchases of capital assets		(7,815,909)
Proceeds from sales of capital assets		26,794
Principal paid on capital debt		(68,869,932)
Proceeds from capital debt		59,424,551
Proceeds from investments in capital and related financing activities		1,005,561
Interest paid on capital related debt		(8,793,911)
Net Cash Used by Capital Debt And Related Financing Activities	$	(23,113,174)
Cash Flows From Investing Activities		
Interest on investments	$	170,590
Net Cash Provided by Investing Activities	$	170,590
Net change in cash and cash equivalents	$	13,042,733
Cash and cash equivalents - Beginning of the Year		109,376,785
Cash and Cash Equivalents - End of the Year	$	122,419,518
Reconciliation of net operating loss to net cash provided by operating activities		
Operating loss	$	(9,869,292)
Adjustments to reconcile net operating loss to net cash provided by operating activities		
Depreciation expense		14,725,425
Changes in assets and liabilities:		
Deposits held for others		(22,311)
Account receivable, net		(1,158,696)
Inventories		(19,234)
Student loans receivable		57,039
Prepaid expenses		(1,485,685)
Accounts payable and accrued expenses		575,788
Accrued compensated absences and related liabilities		269,790
Deferred revenue		(1,195,218)
Student and other deposits		1,314,596
Net Cash Provided by Operating Activities	$	3,192,202
Reconciliation of Cash and Cash Equivalent Balances:		
Current assets:		
Cash and cash equivalents	$	47,062,508
Cash and cash equivalents, restricted		74,016,699
Noncurrent assets:		
Restricted cash and equivalents		1,340,311
Total Cash and Cash Equivalents	$	122,419,518

See Accompanying Notes to Financial Statements

COLLEGE OF CHARLESTON FOUNDATION
NONGOVERNMENTAL DISCRETELY PRESENTED COMPONENT UNIT
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2012

Assets		
Cash and cash equivalents	$	629,356
Accounts receivable		58,664
Prepaid expenses		52,044
Other assets		30,772
Unconditional promises to give, net		7,218,911
Investments		66,824,973
Contributions receivable from remainder trusts		16,308
Cash value of life insurance		57,134
Collections		5,400,404
Property and equipment, net		5,184,481
Total Assets	**$**	**85,473,047**
Liabilities		
Accounts payable and accrued expenses	$	1,013,163
Line of credit		875,000
Annuities payable		283,794
Marine Genomics grant payable (College of Charleston)		1,282,549
Total Liabilities	$	3,454,506
Net Assets		
Unrestricted:		
Board Designated quasi-endowment	$	766,169
Reserved for portion of donor designated endowment with investment losses below gift corpus		(55,928)
Undesignated		9,383,338
	$	10,093,579
Temporarily restricted:		
Restricted for:		
Program expenses	$	9,690,374
Portion of perpetual endowment subject to a time restriction under UPMIFA and with purpose restrictions		25,353,304
Investment in property		2,900,842
	$	37,944,520
Permanently restricted:		
Permanent endowments	$	33,980,442
Total Net Assets	$	82,018,541
Total Liabilities and Net Assets	**$**	**85,473,047**

See Accompanying Notes to Financial Statements

COLLEGE OF CHARLESTON FOUNDATION
NONGOVERNMENTAL DISCRETELY PRESENTED COMPONENT UNIT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue, gains and other support:				
Contributions	$ 1,305,461	$ 8,908,748	$ 584,302	$ 10,798,511
Net interest and dividend income	321,494	1,768,162	-	2,089,656
Rental income	820,841	-	-	820,841
Net realized and unrealized gains (losses) on long term investments	(85,987)	(976,148)	-	(1,062,135)
Other income	21,946	424,927	-	446,873
Special events	-	150	-	150
Changes in value of split interest agreements	-	(48,123)	-	(48,123)
	$ 2,383,755	$ 10,077,716	$ 584,302	$ 13,045,773
Net assets released from restrictions:				
Program restrictions satisfied	$ 5,811,402	$ (5,811,402)	$ -	$ -
Payment of administrative surcharges	593,277	(593,277)	-	-
Total revenue, gains, and other support	$ 8,788,434	$ 3,673,037	$ 584,302	$ 13,045,773
Expenses:				
Program:				
Student aid and recognition	$ 2,411,703	$ -	$ -	$ 2,411,703
Faculty/ community enrichment	4,536,996	-	-	4,536,996
Total program expenses	$ 6,948,699	$ -	$ -	$ 6,948,699
Supporting Services:				
General and administrative	$ 695,752	$ -	$ -	$ 695,752
Fundraising	1,089,962	-	-	1,089,962
Total supporting services	$ 1,785,714	$ -	$ -	$ 1,785,714
Change in allowance for uncollectible promises to give	$ 297	$ 94,864	$ (91,092)	$ 4,069
Total Expenses	$ 8,734,710	$ 94,864	$ (91,092)	$ 8,738,482
Change in net assets	$ 53,724	$ 3,578,173	$ 675,394	$ 4,307,291
Net Assets, Beginning of Year (as restated)	$ 10,039,855	$ 34,366,347	$ 33,305,048	$ 77,711,250
Net Assets, End of Year	**$ 10,093,579**	**$ 37,944,520**	**$ 33,980,442**	**$ 82,018,541**

See Accompanying Notes to Financial Statements

COLLEGE OF CHARLESTON COUGAR CLUB
NONGOVERNMENTAL DISCRETELY PRESENTED COMPONENT UNIT
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2012

Assets		
Current Assets		
Cash and cash equivalents	$	1,286,341
Cash and cash equivalents, restricted		1,006,624
Accounts receivable		9,550
Unconditional promises to give, net		65,038
Prepaid expenses		6,044
Total Current Assets	$	2,373,597
Other Assets		
Investments	$	22,191
Unconditional promises to give, net		29,455
Property and equipment, net		7,202
Total Other Assets	$	58,848
Total Assets	**$**	**2,432,445**
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$	36,229
Due to related parties		17,114
Deferred revenue		1,750
Incentive compensation contract		22,191
Total Current Liabilities	$	77,284
Net Assets		
Unrestricted	$	1,277,318
Temporarily restricted		1,077,843
Total Net Assets	$	2,355,161
Total Liabilities and Net Assets	**$**	**2,432,445**

See Accompanying Notes to Financial Statements

COLLEGE OF CHARLESTON COUGAR CLUB
NONGOVERNMENTAL DISCRETELY PRESENTED COMPONENT UNIT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

UNRESTRICTED NET ASSETS		
Unrestricted revenues and gains		
Contributions and memberships	$	1,101,898
Special events net of direct expenses of $35,846		58,204
Interest		4,936
Other income		11,691
Total unrestricted revenues and gains	$	1,176,729
Net assets released from restrictions	$	965,177
Total revenue, gains and other support	$	2,141,906
Expenses:		
Program:		
Grants and support	$	1,667,454
Membership activities		91,565
Total program expenses	$	1,759,019
Supporting Services:		
Management and general	$	141,018
Fundraising		73,043
Total Expenses	$	1,973,080
Increase in unrestricted net assets	$	168,826
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	$	1,013,109
Net assets released from restrictions		(965,177)
Increase in temporarily restricted net assets	$	47,932
Increase in net assets	$	216,758
Net Assets, Beginning of Year	$	2,138,403
Net Assets, End of Year	**$**	**2,355,161**

See Accompanying Notes to Financial Statements

COLLEGE OF CHARLESTON
COMPREHENSIVE ANNUAL FINANCIAL REPORT

A group of prospective students and their families pause at the intersection of Green and College Ways

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The College of Charleston (the College) is a state-supported institution of higher education. The College's main purpose is to provide a world class liberal arts education to undergraduate and graduate students. The College is committed to attracting the most promising students from South Carolina, other states in the nation, and from around the world.

The accompanying basic financial statements present the statement of net assets, statement of revenues, expenses, and changes in net assets, and the statement of cash flows of the College. The financial statements include individual schools and departments. The financial statements also include all funds and accounts of the College, and all component units.

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationships with the primary government are such that exclusion would cause the financial statements to be misleading or incomplete. Accordingly, the financial statements include the accounts of the College, as the primary government, and the accounts of its discretely presented component units, the College of Charleston Foundation (the Foundation) and the College of Charleston Cougar Club (the Cougar Club). The College is part of the primary government of the State of South Carolina.

The Foundation is a separately chartered corporation formed primarily to provide financial assistance and scholarships to the College. The Foundation reports under the Financial Accounting Standards Board (FASB) and its fiscal year runs concurrent with that of the College.

The Cougar Club is a separately chartered corporation organized exclusively to provide financial assistance and scholarships to the Athletic Department. The Cougar Club reports under FASB, and its fiscal year runs concurrent with that of the College.

Financial Statement Presentation

The financial statement presentation for the College meets the requirements of 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. In addition and as per GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units,* its component units are discretely presented in the report.

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 reflect 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 and auxiliary enterprise fees are presented net of scholarship discounts and allowances applied to student accounts, while stipends and other payments made directly are presented as scholarship and fellowship expenses. All significant intra-agency transactions have been eliminated.

The College has elected not to apply FASB pronouncements issued after November 30, 1989.

Cash, Cash Equivalents

The amounts shown in the financial statements in the College funds as "cash and cash equivalents" represent petty cash, cash on deposits in banks, cash on deposit with the State Treasurer, cash invested in various instruments by the State Treasurer as part of the State's internal cash management pool as well as cash invested in various short term investments by the State Treasurer, and held in separate agency accounts.

Most State agencies including the College participate in the State's internal cash management pool. Because the cash management pool operates as a demand deposit account, amounts invested in the pool are classified as cash and cash equivalents. The State Treasurer administers the cash management pool. The pool includes some long term investments such as obligations of the United States and certain agencies of the United States, obligations of the State of South Carolina, and certain of its political subdivisions, certificates of deposit and certain corporate bonds.

The State's internal cash management pool consists of a general deposit account and several special deposit accounts. The State records each fund's equity interest in the general deposit account; however, all earnings on the account are credited to the General Fund of the State. The College records its deposits in the general deposit account at cost. It records and reports its special deposit account at fair value.

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

The College accounts for its investments at fair market value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting*

for Certain Investments and for External Investment Pools. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the Statement of Revenues, Expenses and Changes in Net Assets.

Accounts Receivable

Accounts receivable consist primarily of tuition and fee charges to students, gift receivables, and auxiliary enterprise services provided to students, and other outside entities. 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. Student loans receivable consist of amounts due from the Federal Perkins Loan Program.

Inventories and Prepaid Items

The College reports inventories using the consumption approach for which goods are recorded as assets at the time of purchase and recognition of the expenditures is deferred until the goods are actually consumed. Inventories are carried at the lower of cost or market. The cost of inventory is reported on a first in, first out basis. Items accounted for as inventories include maintenance, janitorial, housing, and office supplies. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

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 moveable personal property with a unit value in excess of $5,000 and a useful life in excess of one year; 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 life of the asset, generally 15 to 50 years for buildings and improvements and land improvements, and 3 to 25 years for machinery, equipment, and vehicles. For assets capitalized prior to fiscal year 2012, a full year of depreciation was taken during the year the asset was placed in service, and no depreciation was taken in the year of disposition. Beginning in fiscal year 2012, capital assets are depreciated based on the number of months the asset is in service during the fiscal year. The change in depreciation method was required by the State of South Carolina.

Unearned Revenues and Deposits

Unearned revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent

accounting period. Unearned revenues also include amounts received from grant and contract sponsors that have not yet been earned.

Deposits include residence hall deposits, advance tuition payments, and other miscellaneous deposits. Student deposits are recognized as revenue during the semester for which the fee to which the deposit relates is applicable, and earned when the deposit is nonrefundable to the student under the forfeit terms of the agreement.

Rebatable Arbitrage

Arbitrage involves the investment of proceeds from the sale of tax-exempt securities in a taxable investment that yields a higher rate of return, resulting in income in excess of interest costs. Federal law requires entities to rebate to the government such income on tax-exempt debt if the yield from these earnings exceeds the effective yield on the related tax-exempt debt issued.

Governmental units that issue no more than $5 million in total of all such debt in a calendar year are exempt from the rebate requirements. For this purpose, tax-exempt indebtedness includes bonds and certain capital leases and installment purchases. Rebates are payable every five years or at maturity of the debt, whichever is earlier. However, the potential liability is calculated annually for financial reporting purposes. The liability and expense incurred are recorded at year-end to accrued accounts payable in the Statement of Net Assets and as an expense in the Statement of Revenues, Expenses, and Changes in Net Assets.

Noncurrent Liabilities

Noncurrent liabilities include (1) principal amounts of bonds payable, (2) estimated amounts for accrued compensated absences, and (3) other liabilities that, although payable within one year, are to be paid from funds that are classified as noncurrent assets.

Compensated Absences

Generally, all permanent full time State employees and certain part time employees scheduled to work at least one half of the agency's workweek are entitled to accrue and carry forward at calendar year end maximums of 180 days sick leave and 45 days annual vacation leave. Upon termination of State employment, employees are entitled to be paid for accumulated unused annual vacation leave up to the maximum but are not entitled to any payment for unused sick leave. The compensated absences liability includes accrued annual leave. The College calculates the compensated absences liability based on recorded balances of unused leave for which the employer expects to compensate employees through cash payments at termination.

The net change in the liability is recorded in the current year in the applicable functional expense categories. The liability and expenses incurred are recorded at year end as compensated absences payable in the Statement of Net Assets, and as a component of personnel cost and benefits expense in the Statement of Revenues, Expenses, and Changes in Net Assets.

Perkins Loans Receivable and Related Liability

The loans receivable on the balance sheet is due to the College under the Perkins Loan Program. This program is funded primarily by the federal government with the College providing a required match. The amount reported

as Perkins liability is the amount of cumulative federal contributions and a pro rata share of net earnings on the loans under this program which would require repayment to the federal government if the College ceases to participate in the program. The College recognizes as revenue and expenses only the portion attributable to its matching contribution.

Net Assets

The College's net assets are classified as follows:

Invested in capital assets, net of related debt: This category 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 which the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.
Restricted net assets – nonexpendable: Nonexpendable restricted net assets consist of endowment and similar type funds which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

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

The College policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Income Taxes

The College, as a political subdivision of the State of South Carolina, is excluded from federal income taxes under Section 115 (1) of the Internal Revenue Code, as amended.

Classification of Revenues and Expenses

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

Operating revenues and expenses: Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, (3) federal, state and local grants and contracts for services that finance programs the College would not otherwise undertake, (4) receipts for scholarships where the provider has identified the student recipients, and (5) fees received from organizations and individuals in exchange for miscellaneous goods and services provided by the College. Operating expenses include all expense transactions incurred other than those related to investing, capital or noncapital financing activities.

Nonoperating revenues and expenses: Nonoperating 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. Nonoperating expenses include interest expense on capital asset related debt, losses on the disposal of capital assets, and refunds to grantors.

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, such as Pell grants, and other federal, state or nongovernmental programs, are recorded as either operating or nonoperating 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.

Sales and Services of Educational and Other Activities

Revenues from sales and services of educational and other activities generally consist of amounts received from instructional, laboratory, research, and public service activities that incidentally create goods and services which may be sold to students, faculty, staff, and the general public. The College receives such revenues primarily from the general public.

Auxiliary Enterprises and Internal Service Activities

Auxiliary enterprise revenues primarily represent revenues generated by intercollegiate athletics, parking, bookstore, food services, housing, health services, debit card, and vending. Revenues of internal auxiliary enterprise activities and the related expenditures of College departments have been eliminated.

Use of Estimates in Accounting

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, liabilities, revenues, and expenditures/expenses, and affect disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Estimates are used to determine the useful lives of long-lived assets such as buildings, improvements, and equipment. The College has used approximations as provided by the South Carolina Comptroller General's Office in developing the estimates of useful lives.

In addition, the College has estimated the percentage of accounts receivable that may not be collected, typically known as the allowance for bad debts. The College uses an aging analysis to estimate this allowance.

Reclassifications

Certain items in the prior year have been reclassed to conform with current year presentation.

NOTE 2 – CASH AND CASH EQUIVALENTS, OTHER DEPOSITS, AND INVESTMENTS

All deposits and investments of the College are under the control of the State Treasurer, who, by law, has sole authority for investing State funds. Information pertaining to the reported amounts, fair values, and credit risk of the State Treasurer's deposits and investments is disclosed in the Comprehensive Annual Financial Report of the State of South Carolina.

The following schedule as of June 30, 2012, reconciles deposits and investments in the notes to the Statement of Net Assets amounts:

Schedule of Deposits and Investments
As of June 30, 2012

Statement of Net Assets		
Current assets		
Cash and cash equivalents	$	47,062,508
Cash and cash equivalents, restricted		74,016,699
Noncurrent assets		
Cash and cash equivalents, restricted		1,340,311
	$	**122,419,518**
Disclosure, Deposits, and Investments		
Cash on hand	$	3,206
Deposits held by State Treasurer		122,341,054
Payroll checking account		18,884
Wells Fargo Perkins loan account		56,374
	$	**122,419,518**

Deposits Held by State Treasurer

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the deposits of the College of Charleston may not be returned to the College. For deposits held by the State Treasurer, State law requires full collateralization of all State Treasurer bank balances. The State Treasurer must correct any deficiencies in collateral within seven days. At June 30, 2012, all State Treasurer bank balances were fully insured or collateralized with securities held by the State or by its agents in the State's name.

With respect to investments in the State's internal cash management pool, all of the State Treasurer's investments are insured or registered or are investments for which the securities are held by the State or its agents in the State's name. Information pertaining to the reported amounts, fair values, credit risk, interest rate risk, and concentration risk of the State Treasurer's investments is disclosed in the Comprehensive Annual Financial Report of the State of South Carolina.

With respect to the College's other deposits at year end, all of these deposits are either insured or collateralized with securities held by the entity or by its agent in the entity's name, or collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.

Other Deposits

The College owns approximately $75,000 of other deposits which are held in checking accounts used for payroll and Perkins Loans collections. Federal Depository Insurance Corporation (FDIC) covers the deposits of the College's checking and Perkins Loans accounts up to the FDIC limit of $250,000.

Restricted Cash Deposits

Current restricted cash deposits of $74,016,699 consist of $66,585,062 for capital project accounts, $1,088,058 for debt service accounts, and $6,343,579 for other (auxiliary enterprise, grant and contract, etc.) accounts. Noncurrent restricted cash deposits of $104,663 and $1,235,648 are restricted for the endowment fund and Perkins Loan fund, respectively.

NOTE 3 – ACCOUNTS RECEIVABLE

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

Accounts Receivable
As of June 30, 2012

Student accounts	$	2,151,935
Other		2,159,505
Auxiliary enterprises		392,151
Total accounts receivable	$	4,703,591
Allowance for bad debts	$	(225,000)
Federal grants and contracts	$	2,218,840
State grants and contracts		201,260
Nongovernmental grants and contracts		118,188
Total grants and contracts receivable	$	2,538,288
Component unit receivable	$	2,420,460
Interest income receivable		92,012
Student loans receivable		2,040,527
Total other receivables	$	4,552,999
Net Accounts Receivable	**$**	**11,569,878**

Allowances for losses on student accounts receivable are established based upon actual losses incurred in prior years and/or evaluations of the current account portfolio. At June 30, 2012, the allowance for bad debts is estimated at $225,000.

NOTE 4 – LOANS RECEIVABLE

Student loans made through the federal Perkins Loan Program comprise substantially all of the loans receivable as of June 30, 2012. The Perkins Loan Program provides various repayment options. Students have the right to repay the loans over periods up to 10 years depending on the amount of the loan and loan cancellation privileges the student may exercise. These loans are classified as noncurrent receivables. If the College determines that loans are uncollectible, the loans are written off and assigned to the U.S. Department of Education.

NOTE 5 – CAPITAL ASSETS

	Beginning Balance 7/1/2011	Increases	Decreases	Ending Balance 6/30/2012
Capital assets not being depreciated:				
Land	$ 41,850,600	$ -	$ -	$ 41,850,600
Construction in progress	2,771,816	6,624,443	(4,803,799)	4,592,460
Total capital assets not being depreciated	$ 44,622,416	$ 6,624,443	$ (4,803,799)	$ 46,443,060
Other capital assets:				
Land improvements	$ 4,102,016	$ -	$ -	$ 4,102,016
Buildings	351,111,658	-	-	351,111,658
Building improvements	54,536,262	4,665,028	-	59,201,290
Machinery, equipment, and other	15,029,853	2,552,717	(401,915)	17,180,655
Information technology equipment and software	7,180,487	-	-	7,180,487
Motor vehicles	560,291	65,011	(52,882)	572,420
Total other capital assets	$ 432,520,567	$ 7,282,756	$ (454,797)	$ 439,348,526
Less accumulated depreciation for:				
Land improvements	$ 3,426,090	$ 73,755	$ -	$ 3,499,845
Buildings	83,289,890	8,874,944	-	92,164,834
Building improvements	26,172,023	1,996,617	-	28,168,640
Machinery, equipment, and other	8,046,230	1,404,966	(302,193)	9,149,003
Information technology equipment and software	4,835,736	2,344,751	-	7,180,487
Motor vehicles	489,050	30,392	(52,882)	466,560
Total accumulated depreciation	$ 126,259,019	$ 14,725,425	$ (355,075)	$ 140,629,369
Other capital assets, net	$ 306,261,548	$ (7,442,669)	$ (99,722)	$ 298,719,157
Capital assets, net	**$ 350,883,964**	**$ (818,226)**	**$ (4,903,521)**	**$ 345,162,217**

During fiscal year 2012, there was no capitalized interest. The depreciation expense was $14,725,425. In addition, the College disposed of assets with a net book value of $99,722. The loss incurred from the disposal of assets totaled $72,928.

NOTE 6 – RETIREMENT PLANS

The Retirement Division of the State Budget and Control Board maintains four independent defined benefit plans and issues its own publicly available Comprehensive Annual Financial Report (CAFR), which includes financial statements and required supplementary information. A copy of the separately issued CAFR may be obtained by writing to the Retirement Division, 202 Arbor Lake Drive, Columbia, South Carolina, 29223. Furthermore, the Division 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 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 permanent 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 adjustments, death, and incidental death benefits to eligible employees and retirees.

Since July 1, 2006, employees participating in the SCRS have been required to contribute 6.5 percent of all compensation. Effective July 1, 2011, the employer contribution rate became 13.685 percent, which includes a 4.30 percent surcharge to fund retiree health and dental insurance coverage. The College's actual contributions to the SCRS for the three most recent fiscal years ended June 30, 2012, 2011, and 2010, were $3,717,762; $3,632,418; and $3,756,466, respectively, and equaled 100 percent of the required contributions of 9.385 percent (excluding the surcharge) for each year. Also, the College paid employer incidental death benefit contributions of $59,421 in the current fiscal year at the rate of .15 percent of compensation.

Police Officers Retirement System

The South Carolina Police Officers Retirement System (PORS) is a cost-sharing multiple-employer defined benefit public employee retirement plan administered by the Retirement Division. Generally, all permanent 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 incidental death benefits to eligible employees and retirees. In addition, participating employers in the PORS contribute to the accidental death 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, 2011, the employer contribution rate became 15.663 percent, which, as for the SCRS, includes the 4.30 percent surcharge. The College's actual contributions to the PORS for the years ended June 30, 2012, 2011, and 2010, were $200,521; $212,352; and $194,939, respectively, and equaled 100 percent of the required contribution of 11.363 percent (excluding the surcharge) for each year. Also, the College paid employer incidental death benefit contributions of $3,529 and accidental death insurance contributions of $3,529 in the current fiscal year for PORS participants. The rate for each of these insurance benefits is .20 percent of compensation.

Optional Retirement Program

Certain permanent State employees may elect to participate in the Optional Retirement Program (ORP), a defined contribution plan. The ORP was established in 1987 under Title 9, Chapter 17, of the South Carolina Code of Laws. The ORP provides retirement and death benefits through the purchase of individual fixed or variable annuity contracts, which are issued to, and become the property of, the participants. The State assumes no liability for this plan other than for payment of contributions to designated insurance companies.

ORP participation is limited to faculty and administrative staff of the State's higher education institutions who meet all eligibility requirements for membership in the SCRS. To elect participation in the ORP, eligible employees must elect membership within their first thirty days of employment. If an eligible employee fails to make the initial election within the required time, the employee is considered to have elected membership in the South Carolina Retirement System. Under State law and effective fiscal year 2012, contributions to the ORP are established at the same rate as for the SCRS, 9.385 percent plus the retiree surcharge of 4.30 percent from the employer.

Certain College employees have elected to be covered under optional retirement plans. For the fiscal year 2012, total contribution requirements to the ORP were $3,833,933 (excluding the surcharge) from the College as employer and $2,655,361 from its employees as plan members. In addition, the College paid $61,278 for incidental death benefit coverage for these employees. All amounts were remitted to the Retirement Division of the State Budget and Control Board for distribution to the respective annuity policy providers. The obligation for payment of benefits resides with the insurance companies.

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, and 401 (k), are administered by third parties and are not included in the Comprehensive Annual Financial Report of the State of South Carolina. The plan sponsor for these plans is the South Carolina Deferred Compensation Commission.

Compensation deferred under the plans is placed in trust for the contributing employee. The State has no liability for losses under the plans.

Employees may withdraw the current value of their contributions when they terminate State employment. Employees may also withdraw contributions prior to termination if they meet requirements specified by the applicable plan.

Teacher and Employee Retention Incentive

Effective January 1, 2001, Section 9-1-2210 of the South Carolina Code of Laws allows employees eligible for service retirement to participate in the Teacher and Employee Retention Incentive (TERI) Program. TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost-of-living adjustments granted during the TERI period.

Participants who have entered the TERI period on or after July 1, 2005 are required to contribute 6.5 percent of gross earnings to the South Carolina Retirement System. Effective July 1, 2011, the employer contribution rate became 13.685 percent, which includes a 4.30 percent surcharge to fund the retiree health and dental insurance coverage.

NOTE 7 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides post-employment health and dental and long-term disability benefits to retired State and school district employees and their covered dependents. The College contributes to the Retiree Medical Plan (RMP) and the Long term Disability Plan (LTDP), cost-sharing multiple-employer defined benefit post employment 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 percent employer funding and fifteen through twenty-four years of

service for 50 percent employer funding. Benefits become effective when the former employee retires under a State retirement system. Basic long term disability (BLTD) benefits are provided to active state, public school district and participating local government employees approved for disability.

Funding Policies

Section 1-11-710 and 1-11-720 of the South Carolina Code of Laws of 1976, as amended, requires these post employment healthcare and long term disability benefits be funded through annual appropriations by the General Assembly for active employees to the EIP and participating retirees to the SBCB except the portion funded through the pension surcharge and provided from other applicable sources of the EIP for its active employees who are not funded by State General Fund appropriations. Employers participating in the RMP are mandated by State statute to contribute at a rate assessed each year by the Office of the State Budget, 4.30 percent and 3.90 percent of annual covered payroll for 2012 and 2011, respectively. The EIP sets the employer contribution rate based on a pay-as-you-go basis. The College of Charleston paid approximately $3,535,901 and $3,102,193 applicable to the surcharge included with the employer contribution for retirement benefits for the fiscal years ended June 30, 2012 and 2011, respectively. The College contributed 100% of the required contribution. BLTD benefits are funded through a per person premium charged to State agencies, public school districts, and other participating local governments. The monthly premium per active employee paid to EIP was $3.22 for the fiscal years ended June 30, 2012 and 2011.

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.

NOTE 8 – CONTINGENCIES, LITIGATION, PROJECT COMMITMENTS, AND SUBSEQUENT EVENTS

Litigation

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

Contingencies

The College participates in certain federal grant programs. These programs are subject to financial and compliance audits by the grantor or its representative. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant.

Management believes disallowances, if any, will not be material.

Project Commitments

The College had outstanding project commitments under contracts of approximately $2,958,414 at June 30, 2012. Of this total, $2,871,176 is attributable to capital projects and the balance of $87,238 is for noncapital project expenses. The College has current resources on hand from bond issues, private gifts, and student fees. The State has issued Research University Infrastructure bonds to advance economic development and create a knowledge-based economy, thereby increasing job opportunities, or to facilitate and increase externally funded research at the research universities, including land acquisition, acquisition or construction of buildings, equipment, furnishings, site preparation, road, highway improvements, and water and sewer infrastructure. The College has $519,452 of proceeds available to draw at June 30, 2012.

NOTE 9 – LEASE OBLIGATIONS

Future commitments for operating leases having remaining noncancelable terms in excess of one year as of June 30, 2012 are as follows:

Operating Lease Commitments

	Real Property			
Year Ending June 30,	External Parties	Other State Agencies	Component Unit CofC Foundation	Total
2013	$ 1,740,284	$ 629,899	$ 820,841	$ 3,191,024
2014	1,451,370	639,437	770,841	2,861,648
2015	1,176,427	235,865	770,841	2,183,133
2016	1,176,427	150,073	100,000	1,426,500
2017	1,176,427	150,073	100,000	1,426,500
2018-2022	5,882,135	750,365	500,000	7,132,500
2023-2027	1,323,480	750,365	500,000	2,573,845
2028-2032	-	750,365	500,000	1,250,365
2033-2037	-	750,365	500,000	1,250,365
2038-2042	-	750,365	100,000	850,365
2043-2047	-	750,365	-	750,365
2048-2052	-	750,365	-	750,365
2053-2057	-	750,365	-	750,365
2058-2061	-	562,774	-	562,774
Total minimum lease payments	$ 13,926,550	$ 8,371,041	$ 4,662,523	$ 26,960,114

Operating Leases

The College's operating leases having remaining terms of more than one year expire in various fiscal years from 2012 through 2061. In the normal course of business, operating leases are generally renewed or replaced by other leases. Operating leases are typically payable on a monthly basis for equipment and on a quarterly basis, in advance, for property. In addition, the College has copier leases payable on a per copy basis.

The College has real property operating leases for seventeen different locations with the Foundation, a component unit. In 2010 the College renewed fifteen of these leases through 2015 with two remaining renewal options of five years each. These triple net leases cover office space, student housing, and parking with annual rentals. Other leases with the Foundation that are not triple net include Dixie Plantation with a 2038 end date, and a villa in Trujillo Spain with a 2013 end date. There are no escalation clauses for Foundation leases. Under the agreements, the College paid the Foundation $820,841 in the current fiscal year.

Other operating leases for real property consist of classroom space, dorm space, parking lots, dock space, a practice golf facility, a sports complex, and a warehouse.

In August 2004, the College entered into a nine year lease for residential apartments and parking spaces with Warren Place Joint Venture (formerly known as Brumley, Meyer and Kapp). In 2011 this triple net lease was amended to extend it through 2023. The current year lease payments totaled $1,078,391.

The College leases a sports complex field from Patriots Point Development Authority, a state agency, with lease terms effective April 1, 1997 through March 31, 2062. A one time payment of $500,000 was paid in fiscal year 1998 with a corresponding charge to prepaid expenditures. It is being amortized ratably over the 65 year lease term utilizing the straight line method of calculation. The lease agreements make no provisions beyond the 65 year period. The unamortized balance at June 30, 2012 is $382,697. Amortization of the prepaid rent balance for fiscal year 2012 was $7,692 and is reported in operating expenses. The College is responsible for all maintenance and improvements as well as insurance, assessments and other fees that may be levied or invoked on the property. Rent is adjusted annually based on the Consumer Price Index for the Southeast Region. The College paid the Patriots Point Development Authority $150,073 in rent in fiscal year 2012. The College also subleases dock space at Charleston Harbor Marina located near the sports complex at Patriots Point, and the current year lease payment was $49,268. The current term of this exempt lease ends in 2013 with the option to extend for one five year period.

The College leases a golf practice facility from The Links at Stono Ferry with lease terms effective August 11, 2007 through August 10, 2014 with the option to renew for up to three consecutive periods of one year each. Rent for this facility is $150,000 per year.

The College leases the North Campus and Lowcountry Graduate Center building from the S. C. Research Authority with lease terms effective September 1, 2009 through August 31, 2014 with the option to renew for up to two consecutive terms of five years each. For fiscal year 2012, the total payment was $465,891.

The College also has a major lease for warehouse space, which is currently in holdover status. The total rental payment for fiscal year 2012 was $236,658. The College is working with

the Budget and Control Board to obtain approval to renew this lease.

The College has exempt leases for two historic houses with parking located at 29 and 31 Coming Street. The lease terms are July 1, 2011 through June 30, 2014 with the option to renew for one period of two years. For fiscal year 2012, total rent paid for these properties was $123,159. Additionally, the College's lease for a forty two space parking lot ended in 2012. Rent paid was $63,000.

Finally, the total operating lease expenditures for fiscal year 2012 were $4,919,889 of which approximately $370,000 is for the per copy charge on the copy machines. The College reports all of these operating lease costs in operating expenses.

NOTE 10 – BONDS AND NOTES PAYABLE

Bonds and notes payable consisted of the following at June 30, 2012:

	Original Balance	Fixed Interest Rates	Maturity Dates	Outstanding Balance	Debt Retired FY 2012
Revenue Bonds					
Higher Education Facilities Revenue					
Bond, Series 2002A	$ 10,620,000	4.25-5.25%	2032	$ -	$ 8,760,000
Refunding Bond, Series 2002B	12,840,000	5.0%	2012	1,565,000	1,490,000
Bond, Series 2002C	21,930,000	4.0-5.0%	2032	-	17,875,000
Bond, Series 2003D	20,000,000	3.125-5.0%	2033	13,580,000	820,000
Bond, Series 2004A	5,190,000	3.625-4.6%	2019	2,815,000	345,000
Bond, Series 2007C	55,320,000	4.0-5.0%	2037	50,625,000	1,075,000
Bond, Series 2012A	25,630,000	2.0-4.0%	2032	25,630,000	-
Academic/Administrative Facilities Revenue					
Bond, Series 2004B	27,265,000	4.0-5.375%	2034	24,685,000	370,000
Bond, Series 2007D	40,610,000	4.125-5.625%	2037	37,265,000	765,000
Bond, Series 2011A	33,745,000	2.0-5.0%	2037	33,745,000	-
Total Revenue Bonds				$ 189,910,000	$ 31,500,000
State Institutional Bonds					
Series 2003A	$ 7,200,000	3.0-4.125%	2023	$ 4,800,000	$ 320,000
Subtotal Bonds Payable				$ 194,710,000	$ 31,820,000
Less: Unamortized					
Premiums/(Discounts)				(1,007,209)	
Deferred loss on refunding				(430,646)	
Total Bonds Payable				**$ 193,272,145**	
Notes Payable					
Academic/Administrative Facilities Revenue					
Bond Anticipation Note, 2010A	$ 33,500,000	1.39%	2011	$ -	$ 33,500,000
Banc of America Public Capital Corp	5,287,036	3.621%	2015	-	3,549,932
Total Notes Payable				**$ -**	**$ 37,049,932**
Total Bonds and Notes Payable				**$ 193,272,145**	**$ 68,869,932**

Bonds issued by the College include certain restrictive covenants. Auxiliary Revenue Bonds are payable solely from and secured by a pledge of revenues of the College's residence halls, food service, and parking, and from additional funds from the capital improvement fee imposed by the Board of Trustees.

State Institution Bonds are general obligation bonds of the State backed by the full faith, credit, and taxing power of the State of South Carolina. Tuition revenue is pledged up to the annual debt requirements for the payment of principal and interest on State Institution Bonds. S.C. Code of Laws Section 59-107-90 states that the maximum amount of annual debt service on State Institution Bonds for each institution shall not exceed ninety percent of the sums received from tuition fees for the preceding fiscal year. Tuition fees for the year ended June 30, 2012 were $700,872 which results in a legal debt margin at June 30, 2012, of $630,785. Bond premiums/(discounts) and other bond issuance costs are capitalized and amortized over the life of the bonds. The amount amortized was $40,113 and $113,623 for fiscal years 2012 and 2011, respectively.

The College of Charleston capitalizes as a component of construction-in-progress interest costs in excess of earnings on debt associated with capital projects; therefore, asset values in capital assets include such interest costs. Total interest and amortization expense incurred for fiscal year 2012 was $8,689,733. There was no capitalized interest during the year.

Amounts including interest required to complete payment of the Revenue Bonds as of June 30, 2012 are as follows:

Revenue Bonds

Year Ending June 30,	Principal	Interest	Total
2013	$ 6,085,000	$ 8,073,675	$ 14,158,675
2014	5,635,000	7,876,198	13,511,198
2015	5,835,000	7,676,629	13,511,629
2016	6,045,000	7,466,397	13,511,397
2017	6,255,000	7,251,641	13,506,641
2018-2022	32,210,000	32,678,429	64,888,429
2023-2027	38,820,000	25,394,563	64,214,563
2028-2032	48,220,000	15,937,470	64,157,470
2033-2037	40,805,000	5,442,881	46,247,881
Total Revenue Bonds	**$ 189,910,000**	**$ 117,797,883**	**$ 307,707,883**

Amounts including interest required to complete payment of the State Institution Bonds as of June 30, 2012 are as follows:

State Institutional Bonds

Year Ending June 30,	Principal	Interest	Total
2013	$ 340,000	$ 178,900	$ 518,900
2014	355,000	168,700	523,700
2015	370,000	156,275	526,275
2016	390,000	143,325	533,325
2017	415,000	129,675	544,675
2018-2022	2,380,000	404,775	2,784,775
2023	550,000	22,688	572,688
Total State Institutional Bonds	**$ 4,800,000**	**$ 1,204,338**	**$ 6,004,338**

In prior years the College defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for these defeased bonds are not included in the College's financial statements. At June 30, 2012, $1,215,000 of bonds outstanding is considered defeased. Management believes the College was in compliance with all applicable bond covenants as of June 30, 2012. The College paid off the entire balance of the note payable with Banc of America during the year ended June 30, 2012.

In February 2012, the College issued $25,630,000 in 2012A revenue bonds. The proceeds were used to refund the outstanding 2002A and 2002C revenue bonds. The College reduced its total debt service payments over the next 20 years by approximately $6,651,000. The economic gain resulting from the transaction totaled approximately $5,033,000. Unamortized bond issue costs and unamortized discounts on the 2002A and 2002C bonds resulted in a loss on refunding of approximately $439,000.

In December 2011, the College issued 2011A Academic and Administrative Facilities revenue bonds in the amount of $33,745,000. The proceeds were used to pay off the BAN Series 2010A note. The primary security for the bonds is the revenue derived from certain auxiliary facilities of the College (residence halls, food service, and parking) and a portion of the Capital Improvement Fee.

The following table summarizes the change in short term liabilities during the year ended June 30, 2012:

Short Term Liabilities	**July 1, 2011**	**Additions**	**Reductions**	**June 30, 2012**	**Due Within One Year**
Bond Anticipation Notes					
Series 2010A	$ 33,500,000	$ -	$ 33,500,000	$ -	$ -
Total Short Term Liabilities	**$ 33,500,000**	**$ -**	**$ 33,500,000**	**$ -**	**$ -**

NOTE 11 – LONG TERM LIABILITIES

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

Long Term Liabilities	July 1, 2011	Additions	Reductions	June 30, 2012	Due Within One Year
Bonds Payable					
State Institution Bonds	$ 5,120,000	$ -	$ 320,000	$ 4,800,000	$ 340,000
Unamortized Premiums/ (Discounts)	1,997	-	493	1,504	137
Total State Institution Bonds	$ 5,121,997	$	$ 320,493	$ 4,801,504	$ 340,137
Revenue Bonds	$ 162,035,000	$ 59,375,000	$ 31,500,000	$ 189,910,000	$ 6,085,000
Unamortized Premiums/ (Discounts)	(1,445,083)	329,096	107,274	(1,008,713)	(16,167)
Total Revenue Bonds	$ 160,589,917	$ 59,704,096	$ 31,392,726	$ 188,901,287	$ 6,068,833
Deferred Loss on refunding	$ -	$ (438,875)	$ 8,229	$ (430,646)	$ (21,944)
Total Bonds Payable	$ 165,711,914	$ 59,265,221	$ 31,704,990	$ 193,272,145	$ 6,387,026
Notes Payable					
Lease Purchase Agreement	$ 3,549,932	$ -	$ 3,549,932	$ -	$ -
Total Notes Payable	$ 3,549,932	$ -	$ 3,549,932	$ -	$ -
Total Bonds and Notes Payable	$ 169,261,846	$ 59,265,221	$ 35,254,922	$ 193,272,145	$ 6,387,026
Other Liabilities					
Federal Capital Contribution	$ 2,464,950	$ -	$ -	$ 2,464,950	$ -
Accrued Compensated Absences	4,439,928	2,209,793	1,940,003	4,709,718	2,282,258
Total Other Liabilities	$ 6,904,878	$ 2,209,793	$ 1,940,003	$ 7,174,668	$ 2,282,258
Total Long term Liabilities	**$ 176,166,724**	**$ 61,475,014**	**$ 37,194,925**	**$ 200,446,813**	**$ 8,669,284**

NOTE 12 – DONOR RESTRICTED ENDOWMENTS

The College is the recipient of two restricted endowments. One is an endowed professorship from the Commission of Higher Education in the amount of $100,000 with a stipulation that only earnings can be used to fund endowed chairs at the College. For the year ended June 30, 2012, net appreciation of $4,663 was available to be spent, which is restricted to specific purposes.

The other endowment funded through the South Carolina Research Centers of Economic Excellence Act of 2002 in the amount of $1,000,000 was received during fiscal year 2005 through a Memorandum of Understanding between the College and the Medical University of South Carolina (MUSC). The College has joined with MUSC to raise nonstate matching funds of $2,000,000 for collaborative research, the Research Center in Applied Marine Genomics. Through an agreement between the College and the College of Charleston Foundation and permissible under South Carolina Code of Laws Section 59-101-410, the College loaned the funds to the Foundation for the specific purpose of maximizing the College's investment yield. The collaborative research project is intended to be a permanent program; however, in the event the program is discontinued, the Foundation must return the funds plus any earnings less any authorized program spending and customary administrative fees.

NOTE 13 – 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 programs. They include the Foundation and the Cougar Club. Independent auditors retained by the organizations audit the financial statements of these entities.

The financial report of the Foundation may be obtained by writing to the Financial Services Office of the College of Charleston Foundation, 66 George Street Charleston, South Carolina, 29424. The financial report of the Cougar Club may be obtained by writing to the Finance Director, Cougar Club, 66 George Street, Charleston, South Carolina, 29424.

Effective fiscal year June 30, 2004 and as a result of the GASB Statement No. 39 implementation guidelines, the College began recognizing the Foundation and the Cougar Club as component units and displaying a discrete presentation format of their financial statements. Both entities report under guidelines established by the FASB.

College of Charleston Foundation

The Foundation has investments consisting of cash, debt and equity securities, mutual funds, and alternative investments which are carried at fair market value based on quoted market prices determined at the date of the Statement of Financial Position. Investments donated to the Foundation are initially recorded at market value on the date of the gift. Unrealized gains and losses are included in the change in net assets in the Statement of Activities.

The Foundation's endowment consists of approximately 400 individual funds established for a variety of purposes including both donor restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor imposed restrictions.

The Foundation maintains master investment accounts for its donor restricted and board designated endowments. Investment income and expenses, including unrealized gains and losses from securities in the master investment accounts, are allocated monthly to the individual endowments based on the relationship of the market value of each endowment to the total market value of the master investment accounts, as adjusted for additions to or deductions from those accounts.

The Foundation places its cash and cash equivalents on deposit with three different commercial banks. The Federal Deposit Insurance Corporation ("FDIC") provides for full deposit insurance coverage through December 31, 2012 for noninterest bearing accounts and covers $250,000 for each interest bearing account. The Foundation's bank accounts were covered by the FDIC as of June 30, 2012.

The Foundation is also subject to concentration of credit risk related to its unconditional promises to give. Contributions and unconditional promises to give consist of gift amounts from individuals and businesses predominantly located in the State of South Carolina. At June 30, 2012, promises from four donors were $3,026,191 or 41% of the total unconditional promises to give balance.

Investments – Nongovernmental Discretely Presented Component Units

The College of Charleston Foundation investments as of June 30, 2012, were as follows:

Investments Carried at Fair Value

	Cost	Fair value
Cash	$ 134,858	$ 134,858
Debt securities	268,961	294,125
Equity securities	174,066	191,772
Mutual funds	45,567,358	48,012,298
Alternative investments	15,915,000	18,191,920
Total	**$ 62,060,243**	**$ 66,824,973**

The following schedule details transactions between the College and the Foundation during the year ended June 30, 2012.

Transactions between the College and the Foundation for Fiscal Year 2012

The College paid the Foundation for the rental of certain real property. The amount is reported as part of operating expenses. In addition, see Note 9 regarding lease transactions with the Foundation.	$ 820,841
The Foundation reimbursed the College for scholarships awarded. The amount is reported as a part of gifts under nonoperating revenue.	$ 2,423,203
The Foundation reimbursed the College for certain expenditures that were paid by the College for the benefit of the Foundation.	$ 2,192,563
The Foundation reimbursed the College to assist with certain capital projects.	$ 175,000

Cougar Club

The Cougar Club is a separately chartered corporation organized exclusively to provide financial assistance and scholarships to the Athletic Department. The College received $1,602,031 in scholarships and other support from the Cougar Club for the year ended June 30, 2012.

The College has receivables totaling $2,420,460 with the component units. The details of the component unit receivables follow.

Component Units Receivable As of June 30, 2012		
The Foundation		
Capital Projects Receivable	$	1,120,797
Marine Genomics endowment receivable		1,282,549
Total Foundation receivable	$	2,403,346
The Cougar Club		
Operating expenses receivable	$	17,114
Total Cougar Club	$	17,114
Total Component Units Receivable	**$**	**2,420,460**

NOTE 14 – RISK MANAGEMENT

The College is exposed to various risks of loss and maintains state or commercial insurance coverage for each of these risks. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. The costs of settled claims and claim losses have not exceeded this coverage in any of the past three years. The College pays insurance premiums to certain other state agencies and commercial insurers to cover risks that may occur in normal operations. The insurers promise to pay to or on behalf of the insured for covered economic losses sustained during the policy period in accordance with the insurance policy and benefit program limits.

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 risks for the following:

Managed Risks Assumed by the State

1. Claims of State employees for unemployment compensation benefits (SC Department of Employment and Workforce);
2. Claims of covered employees for workers' compensation benefits for job related illnesses or injuries (State Accident Fund);
3. Claims of covered public employees for health and dental insurance benefits. (Employee Insurance Program); and
4. Claims of covered public employees for long term disability and group life insurance benefits. (Employee Insurance Program).

Employees elect health coverage through either a health maintenance organization or through the State's self-insured plan. All of the other types of coverage listed above are through the applicable State's self insured plan

except dependent and optional life premiums, which are remitted to commercial carriers.

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

Risks of Loss Covered by Insurance

1. Theft of, damage to, or destruction of assets;
2. Natural disasters;
3. Real property, its contents, and other equipment;
4. Motor vehicles;
5. Watercraft, artwork, equipment (inland marine);
6. Torts;
7. Business interruptions;
8. Data processing; and
9. Medical malpractice claims against covered employees.

The IRF is a self insurer and purchases reinsurance to obtain certain services and specialized coverage and to limit losses in certain areas. The IRF rates are determined actuarially. The College obtains commercial crime coverage through a commercial insurer for losses arising from employee theft.

Emergency Preparedness and Management Plan

To ensure that the College is prepared to respond to emergency and crisis situations, the President has formed a standing Emergency Management Team (EMT), and this team has developed an Emergency Preparedness and Management Plan for the College. The Plan outlines an emergency response and recovery policy which provides a consistent, coordinated approach for assessing and responding to crises and emergency situations. The Plan also defines and describes actions to be taken by the College community to mitigate, prepare for, respond to and recover from various human induced and/or natural emergencies that may affect lives, property and the institution.

NOTE 15 – OPERATING EXPENSES BY FUNCTION

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

	Personnel Costs and Benefits	Supplies and Services	Utilities	Scholarships and Fellowships	Depreciation	Total
Instruction	$ 63,239,079	$ 4,187,245	$ 22	$ -	$ -	$ 67,426,346
Research	3,750,707	4,207,776	-	-	-	7,958,483
Public Service	856,703	525,697	-	-	-	1,382,400
Academic Support	9,002,365	4,264,471	-	-	-	13,266,836
Student Services	8,779,970	2,605,228	-	-	-	11,385,198
Operation and Maintenance of Plant	8,524,569	9,305,532	4,684,202	-	-	22,514,303
Institutional Support	16,812,534	7,103,964	-	-	-	23,916,498
Scholarships and Fellowships (net of discounts and allowances)	-	-	-	11,934,679	-	11,934,679
Auxiliary Enterprises	9,470,448	20,648,536	3,305,626	4,030,604	-	37,455,214
Depreciation	-	-	-	-	14,725,425	14,725,425
Total Operating Expenses	**$ 120,436,375**	**$ 52,848,449**	**$ 7,989,850**	**$ 15,965,283**	**$ 14,725,425**	**$ 211,965,382**

NOTE 16 – STATE APPROPRIATIONS AND TRANSACTIONS WITH STATE ENTITIES

The College is granted an annual appropriation for operating purposes as authorized by the General Assembly of the State of South Carolina. State appropriations are recognized as revenue when received and available. The original appropriation is the College's base budget amount presented in the General Funds column of Section 9 of the 2011-2012 Appropriation Act. The following schedule is a reconciliation of the original appropriation as enacted by the General Assembly to State appropriations revenue reported in the financial statements for the fiscal year ended June 30, 2012.

State Appropriations

Non Capital Appropriations	
Original appropriations per annual Appropriations Act	$ 17,834,379
Less: SC Budget and Control Board mandated appropriation reduction	(34,000)
Employee Pay Plan Funds	277,525
From Commission on Higher Education:	
Academic Endowment Incentive	9,337
Low Country Graduate Center	785,099
Total State noncapital appropriations recorded as current year revenue	**$ 18,872,340**
Capital Appropriations	
From SC Education Lottery Fund	$ 392,518
From Capital Reserve Fund	3,039,361
Total State capital appropriations recorded as current year revenue	**$ 3,431,879**

The College received substantial funding from the Commission on Higher Education (CHE) for scholarships on behalf of students that are accounted for as operating state grants and contracts. Additional amounts received from the CHE are accounted for as both operating and nonoperating revenues, depending upon the requirement of deliverables with a current or potential future economic value. The College also receives state funds from various other public service projects. Following is a summary of amounts received from state agencies for scholarships, sponsored research and public service projects for the fiscal year ended June 30, 2012.

Other Amounts Received from State Agencies

	Operating Revenue	Nonoperating Revenue	Total
Received from CHE:			
Hope Scholarships	$ 386,400	$ -	$ 386,400
LIFE Scholarships	12,111,494	-	12,111,494
Palmetto Scholarships	3,954,014	-	3,954,014
Need Based Grants	968,947	-	968,947
SC National Guard Program	41,650	-	41,650
Various other CHE amounts	34,082	-	34,082
Received from Department of Education	119,296	-	119,296
Received from Winthrop University	344,264	-	344,264
Received from Various State Agencies	179,642	5,170	184,812
Total	**$ 18,139,789**	**$ 5,170**	**$ 18,144,959**

Services received at no cost from State agencies include maintenance of certain accounting records by the Comptroller General; banking, bond trustee and investment services from the State Treasurer; legal services from the Attorney General; and grant services from the Office of the Governor. Other services received at no cost from the various offices of the State Budget and Control Board include pension plan administration, insurance plans administration, audit services, personnel management, assistance in the preparation of the State budget, review and approval of certain budget amendments, procurement services, and other centralized functions.

NOTE 17 – INFORMATION FOR INCLUSION IN THE STATE GOVERNMENT WIDE STATEMENT OF ACTIVITIES

The College of Charleston's transactions are reported in the Higher Education Fund, an enterprise fund, of the State of South Carolina. Following is information needed to present the College's business-type activities in the State's government wide Statement of Activities.

	2012	2011	Increase/ (Decrease)
Charges for services	$ 202,096,090	$ 188,018,469	$ 14,077,621
Operating grants and contributions	15,304,509	18,855,744	(3,551,235)
Less: Program expenses	(220,655,115)	(212,096,869)	8,558,246
Net program expense	$ (3,254,516)	$ (5,222,656)	$ 1,968,140
Transfers:			
State appropriations	$ 18,872,340	$ 19,794,261	$ (921,921)
State capital appropriations	3,431,879	2,590,879	841,000
Total transfers	$ 22,304,219	$ 22,385,140	$ (80,921)
Change in net assets	$ 19,049,703	$ 17,162,484	$ 1,887,219
Net assets - beginning	243,961,736	226,799,252	17,162,484
Net assets - ending	**$ 263,011,439**	**$ 243,961,736**	**$ 19,049,703**

COLLEGE OF CHARLESTON
COMPREHENSIVE ANNUAL FINANCIAL REPORT

The Department of Computer Science's Software Innovations Lab in the J.C. Long Building

STATISTICAL SECTION

STATISTICAL SECTION

This section of the College of Charleston's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information conveys about the College's overall financial health.

Contents **Page**

Financial Trends **75 - 79**
These schedules contain trend information to help the reader understand how the College's financial performance has changed over time.

Revenue Capacity **80**
This schedule contain information to help the reader assess the factors affecting the College's ability to generate tuition income.

Debt Capacity **81**
This schedule present information to help the reader assess the affordability of the College's current levels of outstanding debt and its ability to issue additional debt in the future.

Demographic and Economic Information **82 - 87**
These schedules offer demographic and economic indicators to help the reader understand the environment within which the College's financial activities take place and to help make comparisons over time and with other colleges.

Operating Information **88 - 91**
These schedules contain information about the College's operations and resources to help the reader understand how the College's financial information relates to the services it provides.

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant years.

SCHEDULE OF REVENUES BY SOURCE

	For the Year Ended June 30,																			
	(amounts expressed in thousands)										(percent of total revenues)									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Operating Revenues:																				
Student tuition and fees (net of scholarship allowance)	$ 128,093	$ 118,768	$ 108,009	$ 98,406	$ 90,435	$ 82,491	$ 76,836	$ 70,209	$ 64,584	$ 53,187	54.30%	52.43%	49.59%	47.77%	44.75%	44.25%	46.73%	45.37%	45.29%	40.25%
Federal grants and contracts	8,939	8,244	7,584	12,084	15,125	9,903	9,568	9,351	9,787	9,597	3.79%	3.64%	3.48%	5.87%	7.48%	5.31%	5.82%	6.04%	6.86%	7.26%
State grants and contracts	18,140	17,981	18,448	17,868	17,996	16,347	16,136	15,398	14,715	13,311	7.69%	7.94%	8.47%	8.67%	8.91%	8.77%	9.81%	9.95%	10.32%	10.07%
Local grants and contracts	176	184	81	8	8	8	7	23	-	-	0.07%	0.08%	0.04%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%
Nongovernmental grants and contracts	165	192	105	18	102	226	300	341	283	208	0.07%	0.08%	0.05%	0.01%	0.05%	0.12%	0.18%	0.22%	0.20%	0.16%
Sales and services of educational and other activities	1,950	1,845	2,604	1,499	1,124	1,212	1,057	991	1,050	1,025	0.83%	0.81%	1.20%	0.73%	0.56%	0.65%	0.64%	0.64%	0.74%	0.78%
Sales and services of auxiliary enterprises (net of scholarship allowance)	43,517	40,593	36,453	36,531	33,550	28,476	25,029	24,412	20,206	19,157	18.45%	17.92%	16.74%	17.74%	16.60%	15.27%	15.22%	15.78%	14.17%	14.50%
Other operating revenue	1,116	211	693	2,383	2,069	1,817	1,561	1,255	1,561	1,342	0.47%	0.09%	0.32%	1.16%	1.02%	0.97%	0.95%	0.81%	1.09%	1.02%
Total Operating Revenues	$ 202,096	$ 188,018	$ 173,977	$ 168,797	$ 160,409	$ 140,480	$ 130,494	$ 121,980	$ 112,186	$ 97,827	85.67%	83.01%	79.88%	81.95%	79.38%	75.35%	79.36%	78.83%	78.68%	74.03%
Nonoperating Revenues:																				
State appropriations	$ 18,872	$ 19,794	$ 24,767	$ 27,173	$ 36,094	$ 37,806	$ 30,328	$ 28,896	$ 27,354	$ 29,682	8.00%	8.74%	11.37%	13.19%	17.86%	20.28%	18.44%	18.67%	19.18%	22.46%
Federal grants and contracts	10,216	14,792	12,576	4,583	-	-	-	-	-	-	4.33%	6.53%	5.77%	2.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Gifts	3,008	2,670	2,181	2,239	2,044	5,836	1,814	1,768	1,517	1,738	1.28%	1.18%	1.00%	1.09%	1.01%	3.13%	1.10%	1.14%	1.06%	1.32%
Interest income	1,169	855	3,758	2,712	3,204	1,739	1,141	1,503	59	1,579	0.50%	0.38%	1.73%	1.32%	1.59%	0.93%	0.69%	0.97%	0.04%	1.19%
Other nonoperating revenues	525	384	539	475	324	576	657	587	1,473	1,316	0.22%	0.17%	0.25%	0.23%	0.16%	0.31%	0.40%	0.38%	1.03%	1.00%
Total Nonoperating Revenues	$ 33,790	$ 38,495	$ 43,821	$ 37,182	$ 41,666	$ 45,957	$ 33,940	$ 32,754	$ 30,403	$ 34,315	14.33%	16.99%	20.12%	18.05%	20.62%	24.65%	20.64%	21.17%	21.32%	25.97%
Total Operating and Nonoperating Revenues	**$ 235,886**	**$ 226,513**	**$ 217,798**	**$ 205,979**	**$ 202,075**	**$ 186,437**	**$ 164,434**	**$ 154,734**	**$ 142,589**	**$ 132,142**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Source: College of Charleston Comprehensive Annual Financial Reports.

Note: Beginning in 2010, Pell grant revenue is reported as nonoperating. Pell Grant amounts for 2009 were reclassified for comparative purposes.

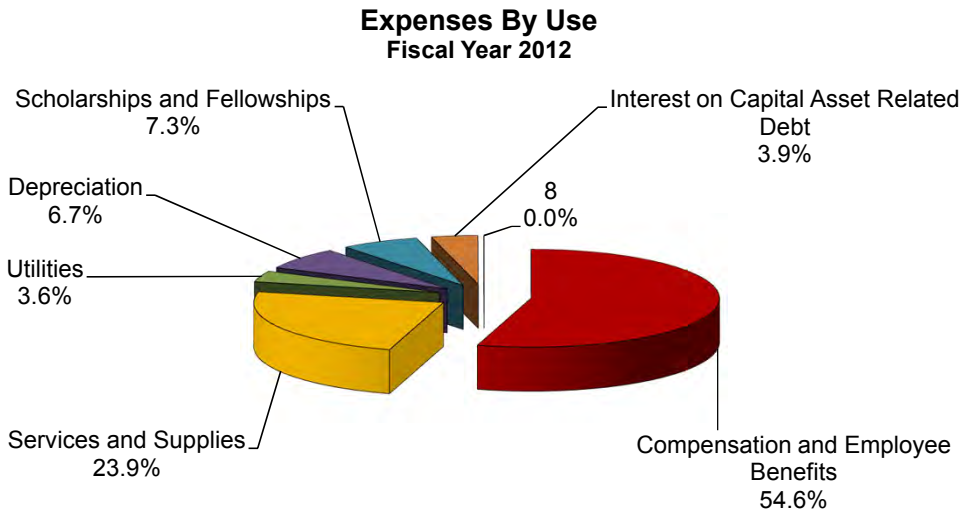
SCHEDULE OF EXPENSES BY FUNCTION

	For the Year Ended June 30,																			
	(amounts expressed in thousands)										(percent of total expenses)									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses:																				
Instruction	$ 67,426	$ 64,386	$ 62,200	$ 62,752	$ 61,877	$ 58,447	$ 55,232	$ 51,228	$ 48,051	$ 45,435	30.54%	30.36%	31.21%	32.96%	32.88%	34.86%	34.60%	33.84%	34.45%	33.23%
Research	7,959	7,227	7,931	5,592	5,647	5,974	5,662	4,650	4,750	4,356	3.61%	3.41%	3.98%	2.94%	3.00%	3.56%	3.55%	3.07%	3.41%	3.19%
Public service	1,382	1,122	4,020	1,200	1,172	865	889	955	1,120	1,299	0.63%	0.53%	2.02%	0.63%	0.62%	0.52%	0.56%	0.63%	0.80%	0.95%
Academic support	13,267	13,046	10,280	13,344	13,742	13,322	13,061	12,022	10,123	9,682	6.01%	6.15%	5.16%	7.01%	7.30%	7.94%	8.18%	7.94%	7.26%	7.08%
Student services	11,385	10,723	10,046	9,970	9,170	8,152	7,687	7,122	6,254	6,058	5.16%	5.06%	5.04%	5.24%	4.87%	4.86%	4.82%	4.70%	4.48%	4.43%
Operation and maintenance of plant	22,514	22,346	18,043	21,730	24,393	22,526	22,845	24,348	22,526	21,001	10.20%	10.54%	9.05%	11.41%	12.96%	13.43%	14.31%	16.08%	16.15%	15.36%
Institutional support	23,917	23,097	21,493	18,034	16,713	14,913	13,081	11,435	11,529	11,194	10.84%	10.89%	10.78%	9.47%	8.88%	8.89%	8.19%	7.55%	8.27%	8.19%
Scholarships and fellowships (net of discounts and allowances)	11,935	11,713	8,515	7,711	7,276	7,212	6,794	5,585	8,072	9,452	5.41%	5.52%	4.27%	4.05%	3.87%	4.30%	4.26%	3.69%	5.79%	6.91%
Auxiliary enterprises	37,455	35,176	32,963	32,409	32,189	26,068	24,776	24,087	19,321	20,979	16.96%	16.58%	16.54%	17.02%	17.10%	15.55%	15.52%	15.91%	13.85%	15.35%
Interest and amortization expense on capital assets and related debt	8,690	8,503	9,388	6,948	7,671	3,591	3,721	3,929	2,993	2,501	3.94%	4.01%	4.71%	3.65%	4.08%	2.14%	2.33%	2.60%	2.15%	1.83%
Loss on sale or disposal of capital assets	73	-	36	103	79	280	83	-	-	-	0.03%	0.00%	0.02%	0.05%	0.04%	0.17%	0.05%	0.00%	0.00%	0.00%
Depreciation	14,725	14,757	14,373	10,621	8,269	6,332	5,793	6,020	4,727	4,752	6.67%	6.96%	7.21%	5.58%	4.39%	3.78%	3.63%	3.98%	3.39%	3.48%
Total Expenses	**$ 220,728**	**$ 212,096**	**$ 199,288**	**$ 190,414**	**$ 188,198**	**$ 167,682**	**$ 159,624**	**$ 151,381**	**$ 139,466**	**$ 136,709**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Source: College of Charleston Comprehensive Annual Financial Reports.

SCHEDULE OF EXPENSES BY USE

	For the Year Ended June 30,																			
	(amounts expressed in thousands)										(percent of total expenses)									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Operating Expenses:																				
Personnel cost and benefits	$ 120,436	$ 113,725	$ 112,316	$ 109,387	$ 105,071	$ 98,115	$ 93,528	$ 85,847	$ 80,533	$ 76,082	54.57%	53.50%	56.36%	57.45%	55.83%	58.51%	58.59%	56.71%	57.74%	55.65%
Supplies and services	52,849	51,465	43,541	45,973	51,152	44,332	42,582	42,170	37,192	38,871	23.94%	24.30%	21.85%	24.14%	27.18%	26.44%	26.68%	27.86%	26.67%	28.43%
Utilities	7,990	7,971	7,458	6,759	5,878	5,384	4,778	4,648	4,105	3,471	3.62%	3.80%	3.74%	3.55%	3.12%	3.21%	2.99%	3.07%	2.94%	2.54%
Scholarships and fellowships	15,965	15,675	12,176	10,623	10,078	9,648	9,139	8,767	9,916	11,032	7.23%	7.40%	6.11%	5.58%	5.35%	5.75%	5.73%	5.79%	7.11%	8.07%
Depreciation	14,725	14,757	14,373	10,621	8,269	6,332	5,793	6,020	4,727	4,752	6.67%	7.00%	7.21%	5.58%	4.39%	3.78%	3.63%	3.98%	3.39%	3.48%
Total Operation Expenses	$ 211,965	$ 203,593	$ 189,864	$ 183,363	$ 180,448	$ 163,811	$ 155,820	$ 147,452	$ 136,473	$ 134,208	96.03%	96.00%	95.27%	96.30%	95.88%	97.69%	97.62%	97.40%	97.85%	98.17%
Nonoperating Expenses:																				
Interest and amortization expense on capital assets and related debt	$ 8,690	$ 8,503	$ 9,388	$ 6,948	$ 7,671	$ 3,591	$ 3,721	$ 3,929	$ 2,993	$ 2,501	3.94%	4.00%	4.71%	3.65%	4.08%	2.14%	2.33%	2.60%	2.15%	1.83%
Loss on sale or disposal of capital assets	73	-	36	103	79	280	83	-	-	-	0.03%	0.00%	0.02%	0.05%	0.04%	0.17%	0.05%	0.00%	0.00%	0.00%
Total Nonoperating Expenses	$ 8,763	$ 8,503	$ 9,424	$ 7,051	$ 7,750	$ 3,871	$ 3,804	$ 3,929	$ 2,993	$ 2,501	3.97%	4.00%	4.73%	3.70%	4.12%	2.31%	2.38%	2.60%	2.15%	1.83%
Total Expenses	**$ 220,728**	**$ 212,096**	**$ 199,288**	**$ 190,414**	**$ 188,198**	**$ 167,682**	**$ 159,624**	**$ 151,381**	**$ 139,466**	**$ 136,709**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**



Source: College of Charleston Comprehensive Annual Financial Reports.

SCHEDULE OF NET ASSETS AND CHANGES IN NET ASSETS

	For the Year Ended June 30, (amounts expressed in thousands)									
	2012	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**
Total revenues (from schedule of revenues by source)	$ 235,886	$ 226,513	$ 217,798	$ 205,979	$ 202,075	$ 186,437	$ 164,434	$ 154,734	$ 142,589	$ 132,142
Total expenses (from schedule of expenses by use and function)	(220,728)	(212,096)	(199,288)	(190,414)	(188,198)	(167,682)	(159,624)	(151,381)	(139,466)	(136,709)
Income before other revenues, expenses, gains or losses	$ 15,158	$ 14,417	$ 18,510	$ 15,565	$ 13,877	$ 18,755	$ 4,810	$ 3,353	$ 3,123	$ (4,567)
Capital improvement bond proceeds	-	2,373	-	-	7,889	8,992	3,295	1,670	8,098	4,831
Capital gifts	460	155	165	-	-	-	-	-	-	1,092
Capital appropriations	3,431	218	1,108	1,122	1,122	1,131	1,167	-	-	-
Additions to permanent endowments	-	-	-	-	-	-	-	1,000	-	-
Uncollectible capital gifts	-	-	-	-	-	-	-	-	(2,465)	-
University infrastructure bond proceeds	-	-	-	-	-	1,829	-	-	-	-
Prior period adjustment	-	-	-	3,617	-	-	-	-	-	-
Net assets, beginning	243,962	226,799	207,016	186,712	163,824	133,117	123,845	117,822	109,066	107,710
Net assets, ending	**$ 263,011**	**$ 243,962**	**$ 226,799**	**$ 207,016**	**$ 186,712**	**$ 163,824**	**$ 133,117**	**$ 123,845**	**$ 117,822**	**$ 109,066**
Invested in capital assets, net of related debt	$ 159,379	$ 155,328	$ 160,358	$ 156,437	$ 143,670	$ 117,272	$ 93,162	$ 101,222	$ 80,912	$ 82,002
Restricted - expendable	50,544	44,321	49,131	35,448	31,608	36,133	33,396	11,304	26,391	17,163
Restricted - nonexpendable	1,110	1,175	1,047	1,140	1,390	1,098	1,103	1,103	100	104
Unrestricted	51,978	43,138	16,263	13,991	10,044	9,321	5,456	10,216	10,419	9,797
Total	**$ 263,011**	**$ 243,962**	**$ 226,799**	**$ 207,016**	**$ 186,712**	**$ 163,824**	**$ 133,117**	**$ 123,845**	**$ 117,822**	**$ 109,066**

Source: College of Charleston Comprehensive Annual Financial Reports.

SCHEDULE OF RATIOS OF OUTSTANDING DEBT

	For the Year Ended June 30, (dollars expressed in thousands except for outstanding debt per student)									
	2012	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**
Revenue bonds	$ 188,901	$ 160,590	$ 165,699	$ 170,845	$ 175,790	$ 86,132	$ 89,316	$ 92,381	$ 62,896	$ 64,810
State institution bonds	4,802	5,122	5,674	5,981	6,267	6,260	6,514	6,753	6,983	7,200
Bond anticipation note	-	33,500	33,500	33,500	-	-	-	-	-	-
Capital lease obligations	-	3,550	4,264	4,952	-	-	-	-	-	-
Deferred loss on refunding	(431)	-	-	-	-	-	-	-	-	-
Total Outstanding Debt	$ 193,272	$ 202,762	$ 209,137	$ 215,278	$ 182,057	$ 92,392	$ 95,830	$ 99,134	$ 69,879	$ 72,010
Full time equivalent students (fiscal year)	10,589	10,206	10,191	9,806	9,904	9,802	9,883	9,942	9,860	9,947
Outstanding debt per student	$ 18,252	$ 19,867	$ 20,522	$ 21,954	$ 18,382	$ 9,426	$ 9,696	$ 9,971	$ 7,087	$ 7,239

Note: Outstanding debt per student calculated using full time equivalent enrollment data for each of the last ten years.

Source: College of Charleston Comprehensive Annual Financial Reports, College of Charleston Office of Institutional Research

TUITION AND FEES

Last Ten Academic Years

Academic Year Beginning in Fall		Undergraduate (1) Resident	Undergraduate (1) Nonresident	Undergraduate (2) Resident	Undergraduate (2) Nonresident
2011		$ 9,616	$ 24,330	$ 401	$ 1,014
2010	(3)	10,314	23,172	430	965
2009		8,988	21,846	375	910
2008		8,400	20,418	350	851
2007		7,778	18,732	324	781
2006		7,234	16,800	301	700
2005		6,668	15,342	276	637
2004		6,202	14,140	256	587
2003		5,770	13,032	238	541
2002		4,858	10,974	200	455

		Graduate (1) Resident	Graduate (1) Nonresident	Graduate (2) Resident	Graduate (2) Nonresident
2011		$ 10,580	$ 26,764	$ 441	$ 1,115
2010	(3)	11,346	25,490	473	1,062
2009		9,886	24,030	412	1,001
2008		8,820	21,438	368	893
2007		7,776	18,744	324	781
2006		7,224	16,800	301	700
2005		6,624	15,288	276	637
2004		6,144	14,088	256	587
2003		5,712	12,984	238	541
2002		4,800	10,920	200	455

Notes: (1) These amounts are for an academic year of 24 semester hours
(2) Per credit hour
(3) Tuition was subsequently reduced for the 2011 Spring semester

Source: College of Charleston Office of Institutional Research, Graduate School Office

SCHEDULE OF BOND COVERAGE

Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year Ended June 30,	Defined Net Revenue Available for Debt Service	Total Revenue Available for Debt Service	Debt Service Payment Requirements			Coverage Ratio
			Principal	Interest	Total	
Revenue Bonds						
2012	$ 19,090	$ 27,436	$ 6,085	$ 8,074	$ 14,159	1.94
2011	17,605	25,375	5,415	7,763	13,178	1.93
2010	17,196	23,855	5,215	7,974	13,189	1.81
2009	14,811	19,594	5,015	8,134	13,149	1.49
2008	12,664	15,839	4,400	7,448	11,848	1.34
2007	10,487	17,683	3,180	4,008	7,188	2.46
2006	9,993	14,492	3,070	4,085	7,155	2.03
2005	9,550	13,522	2,815	4,193	7,008	1.93
2004	8,459	8,913	2,050	2,748	4,798	1.86
2003	3,802	4,177	1,160	2,147	3,307	1.26
State Institutional Bonds						
2012	$ 701	$ 701	$ 340	$ 179	$ 519	1.35
2011	703	703	305	198	503	1.40
2010	675	675	295	207	502	1.34
2009	649	649	275	225	500	1.30
2008	537	537	265	223	488	1.10
2007	534	534	255	230	485	1.10
2006	529	656	240	240	480	1.37
2005	563	653	225	287	512	1.28
2004	522	3,582	220	254	474	7.56

Source: College of Charleston Controller's Office

Note: The State of South Carolina first issued State Institutional Bonds on behalf of the College in 2003 with debt service payment requirements beginning in 2004. In addition, each year's figures for revenue available for debt service were recalculated during fiscal year 2006 and consequently, resulted in a revised schedule for that period. The 2012 schedule reflects those revisions.

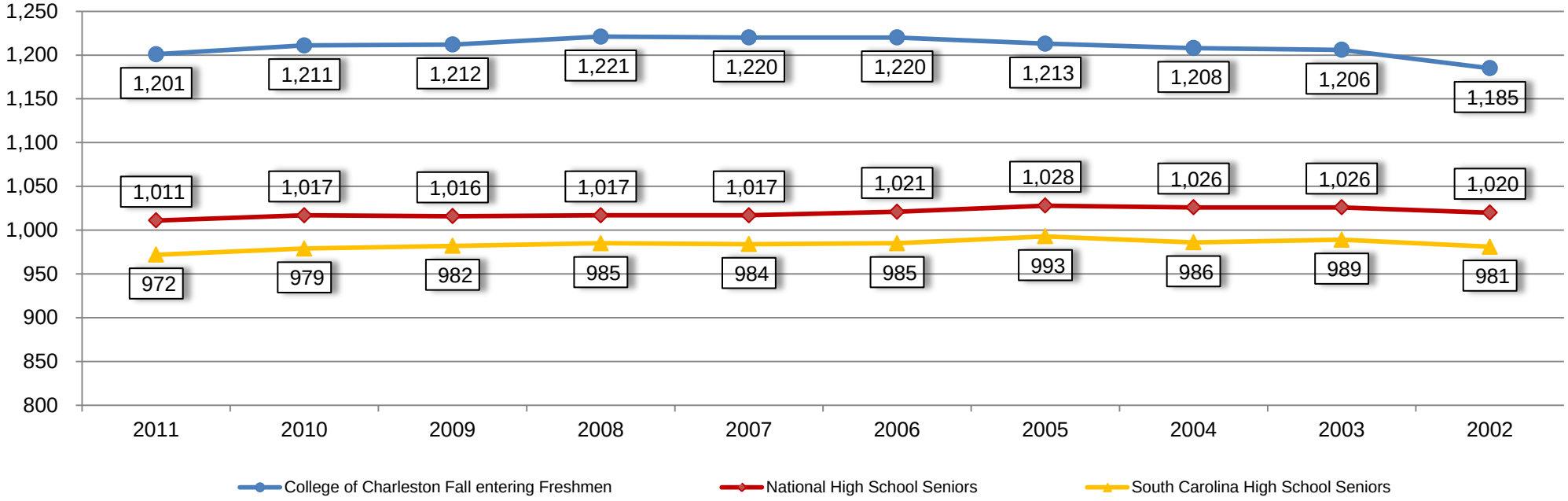
ADMISSIONS, ENROLLMENT, AND DEGREE STATISTICS

Last Ten Academic Years

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Admissions - Freshman										
Applications	11,086	11,280	11,083	9,964	8,941	8,673	8,217	8,076	7,606	8,635
Applications accepted	8,149	7,896	7,703	6,401	5,775	5,311	5,436	5,238	4,560	5,144
Accepted as a percentage of applications	73.5%	70.0%	69.5%	64.2%	64.6%	61.2%	66.2%	64.9%	60.0%	59.6%
Students enrolled	2,334	2,010	2,143	1,955	2,064	1,968	1,993	1,944	1,874	2,003
Enrolled as a percentage of accepted	28.6%	25.5%	27.8%	30.5%	35.7%	37.1%	36.7%	37.1%	41.1%	38.9%
SAT scores - total	1,201	1,211	1,212	1,221	1,220	1,220	1,213	1,208	1,206	1,185
Verbal	605	606	606	612	611	610	609	607	605	595
Math	596	605	606	609	609	610	604	601	601	590
South Carolina average SAT score - total	972	979	982	985	984	985	993	986	989	981
U.S. average SAT score - total	1,011	1,017	1,016	1,017	1,017	1,021	1,028	1,026	1,026	1,020
Enrollment										
Undergraduate and graduate FTE	10,589	10,206	10,191	9,806	9,904	9,802	9,883	9,942	9,860	9,947
Undergraduate and graduate headcount	11,649	11,532	11,772	11,367	11,316	11,218	11,332	11,607	11,536	11,716
Percentage of Men	36.4%	35.4%	33.0%	34.2%	34.3%	34.0%	33.9%	33.3%	34.1%	33.8%
Percentage of Women	63.6%	64.6%	63.1%	65.4%	65.7%	66.0%	66.1%	66.7%	65.9%	66.2%
Percentage of African American	5.8%	6.3%	6.3%	6.5%	6.9%	7.2%	7.7%	8.5%	9.0%	8.7%
Percentage of White	83.4%	83.3%	79.8%	82.7%	82.8%	82.5%	82.0%	83.0%	83.5%	84.9%
Percentage of Other	10.8%	10.4%	10.4%	10.8%	10.3%	10.3%	10.3%	8.4%	7.4%	6.4%
Degrees Earned										
Undergraduate	2,327	2,380	2,212	2,287	2,145	2,209	2,098	2,162	2,162	1,870
Graduate	216	246	172	189	218	204	207	192	174	154

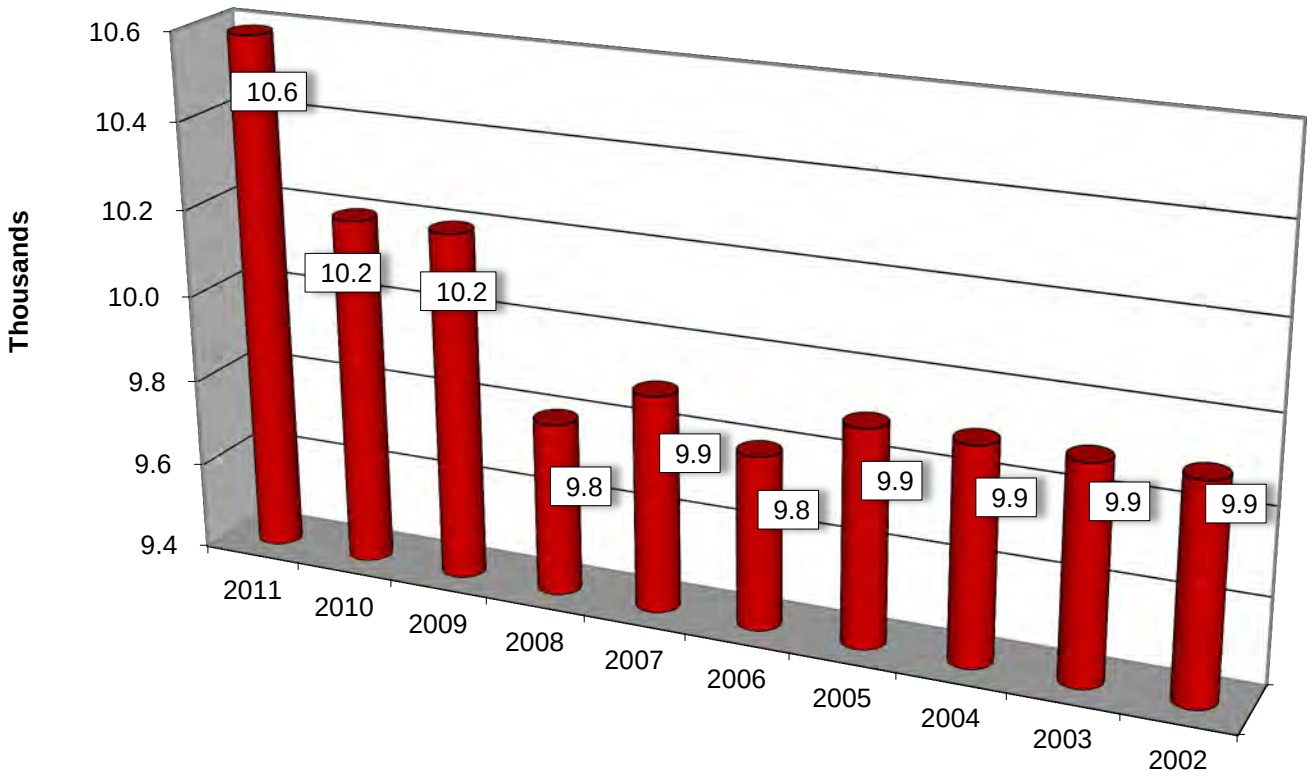
Source: College of Charleston Office of Institutional Research

College of Charleston
Average Combined SAT Scores
For The Last 10 Years

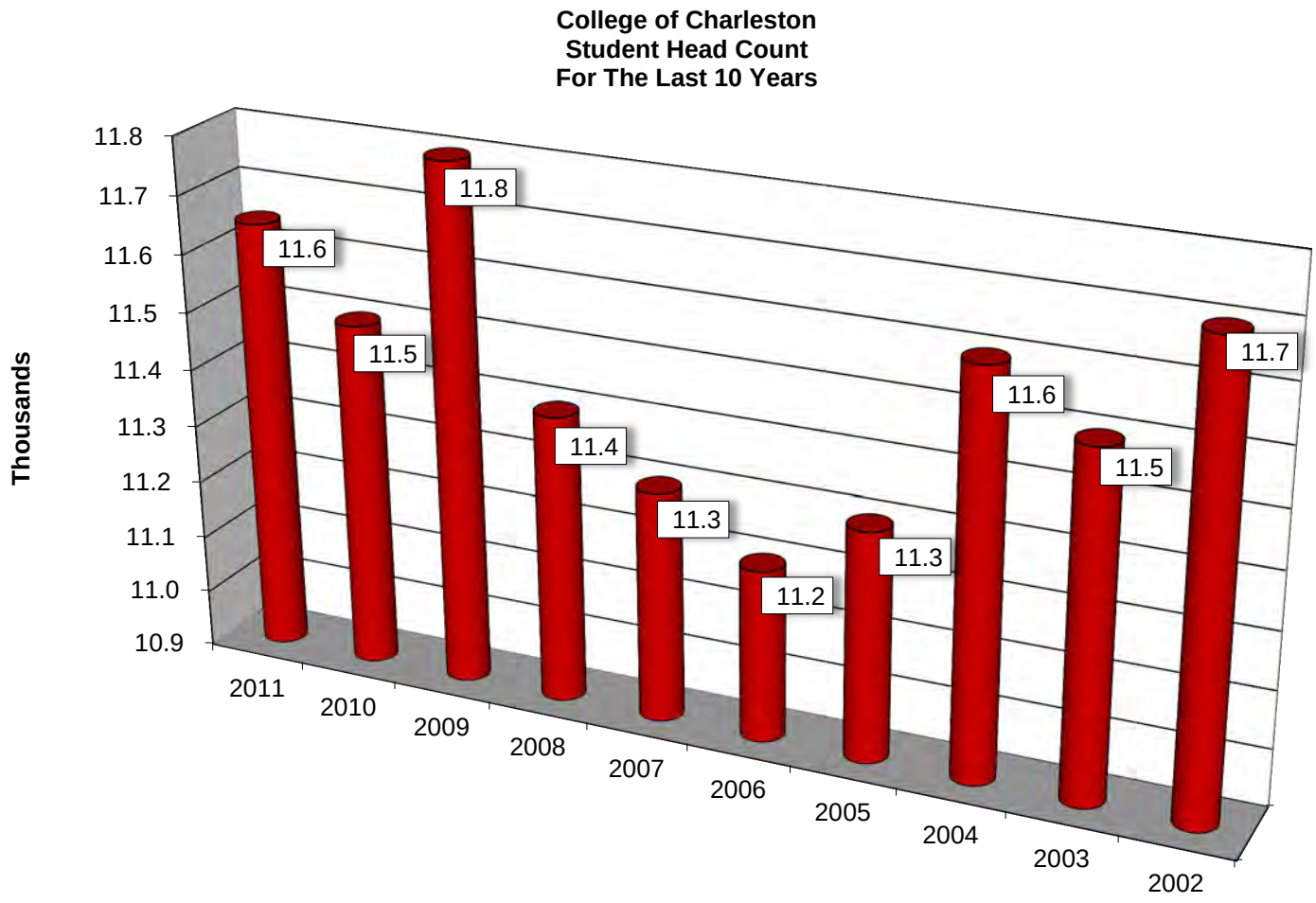


Source: College of Charleston Office of Institutional Research

College of Charleston
Student Full Time Equivalents
For The Last 10 Years



Source: College of Charleston Office of Institutional Research



Source: College of Charleston Office of Institutional Research

DEMOGRAPHIC STATISTICS

State of South Carolina

Last Ten Calendar Years

Year	Population as of July 1	Total Personal Income (in thousands)	Per Capita Income	Average Annual Unemployment Rate
2011	4,679,230	$ 157,563,712	$ 33,673	10.3%
2010	4,596,958	152,448,918	33,163	11.2%
2009	4,561,242	145,042,934	31,799	11.7%
2008	4,479,800	146,337,147	32,666	6.9%
2007	4,407,709	141,333,189	32,065	5.6%
2006	4,330,108	134,367,581	31,031	6.3%
2005	4,254,989	124,543,528	29,270	6.7%
2004	4,201,437	117,358,740	27,933	6.8%
2003	4,146,770	110,735,346	26,704	6.7%
2002	4,104,683	107,050,133	26,080	6.0%

Source: South Carolina Comptroller General's Office

Ten Largest Employers

Latest Completed Calendar Year and Ten Years Prior

(Listed alphabetically)

2011	2001
Bi-Lo, Inc.	Bi-Lo, Inc.
Blue Cross/Blue Shield of South Carolina	Blue Cross/Blue Shield of South Carolina
Greenville County School District	Greenville County School District
Greenville Hospital System	Michelin North America, Inc.
Michelin North America, Inc.	Springs Industries, Inc.
Palmetto Health Alliance, Inc.	U.S. Department of Defense
U.S. Department of Defense	U.S. Postal Service
U.S. Postal Service	University of South Carolina
University of South Carolina	Wal-Mart Associates, Inc.
Wal-Mart Associates, Inc.	Westinghouse Savannah River

Note: Due to confidentiality issues, the number of employees for each company is not available and the employers are listed alphabetically rather than in order of size.

Source: South Carolina Department of Employment and Workforce.

FACULTY AND STAFF STATISTICS

Last Ten Fiscal Years

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instructional Faculty										
Part time	354	337	342	375	378	373	343	337	366	388
Full time	542	532	525	525	521	522	515	499	487	463
Percentage tenured	62%	59%	61%	59%	60%	59%	61%	60%	59%	58%
Staff and administrators with faculty rank										
Full time	967	837	828	824	773	743	710	685	667	861
Total employees										
Part time	354	337	342	375	378	373	343	337	366	388
Full time	1,509	1,369	1,353	1,349	1,294	1,265	1,225	1,184	1,154	1,324
FTE Students per full time										
Instructional Faculty	19.5	19.2	19.4	18.7	19.0	18.8	19.0	19.8	20.4	21.3
Staff member	11.0	12.2	12.3	11.9	12.8	13.2	13.8	14.4	14.9	11.5
Average annual faculty salary	$ 65,965	$ 64,679	$ 64,707	$ 64,735	$ 62,275	$ 59,600	$ 57,965	$ 55,057	$ 52,582	$ 51,630

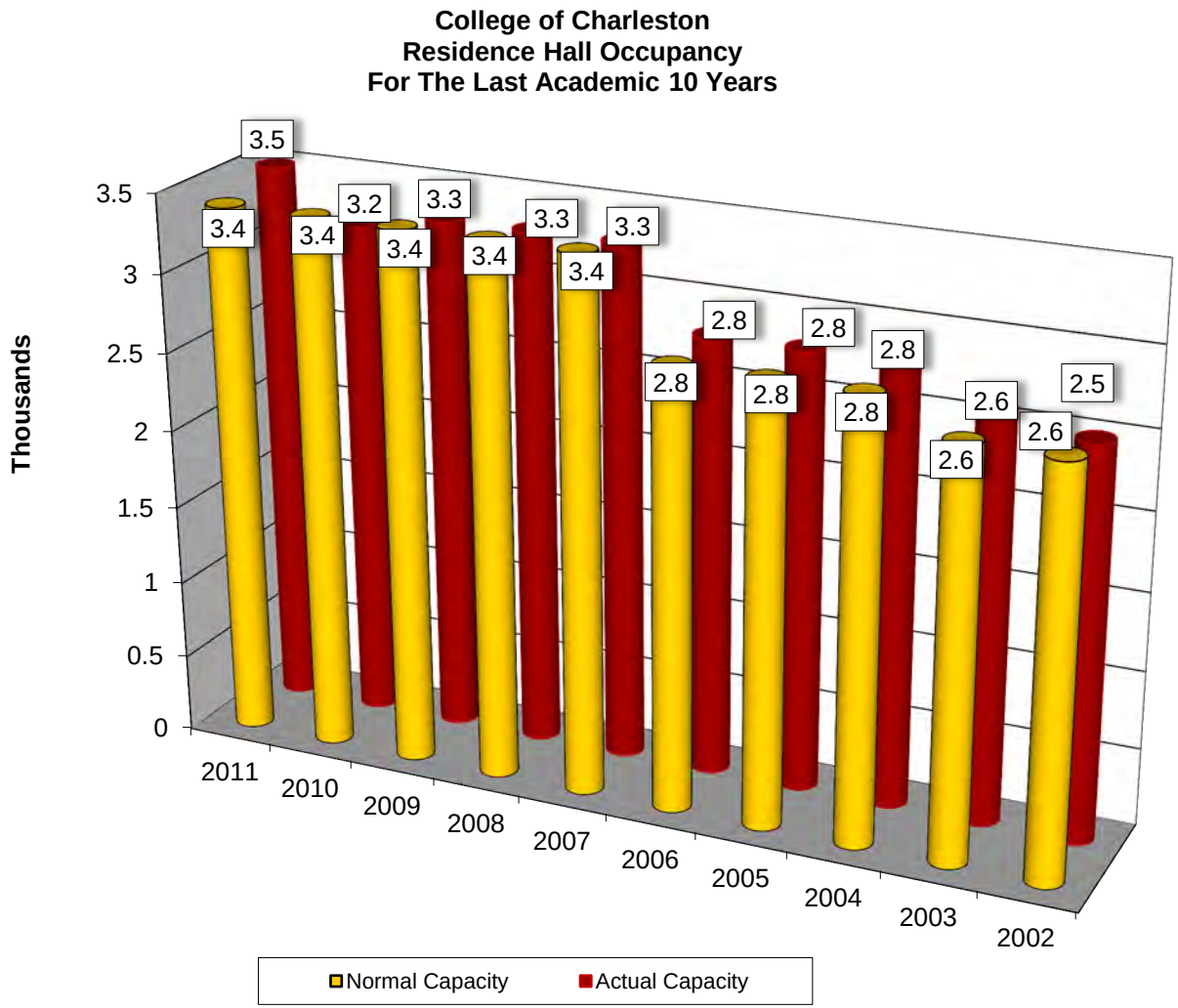
Source: College of Charleston Office of Institutional Research

SCHEDULE OF CAPITAL ASSET INFORMATION

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Academic buildings										
Net assignable square feet (in thousands)	751	722	720	708	712	705	703	605	604	611
Administrative and support buildings										
Net assignable square feet (in thousands)	168	169	167	155	155	168	160	174	174	164
Laboratories										
Net assignable square feet (in thousands)	173	173	171	121	123	122	121	126	126	125
Auxiliary and independent operations buildings										
Net assignable square feet (in thousands)	1,019	1,046	1,038	1,190	1,191	918	922	920	933	535
Libraries	1	1	1	1	1	1	1	1	1	1
Number of volumes (in thousands)	939	816	798	780	762	741	720	702	680	662
Volumes per student	89	71	68	69	67	66	64	60	59	57
Student Housing:										
Residence Halls	8	8	8	8	8	7	7	7	7	7
Apartments	3	3	3	3	3	2	2	2	1	1
Other housing options	30	30	30	29	29	30	30	31	21	23
Units available	3,375	3,375	3,375	3,402	3,402	2,840	2,842	2,770	2,550	2,644
Units in use	3,375	3,188	3,227	3,169	3,281	2,860	2,834	2,778	2,567	2,488
Percent occupancy	100.0%	94.5%	95.6%	93.2%	96.0%	100.7%	99.7%	100.3%	100.7%	94.1%
Dining facilities:										
Locations	6	6	6	6	6	6	6	4	4	4
Average daily customers	5,404	5,470	5,263	5,782	5,854	5,574	4,991	3,688	3,725	2,528
Parking facilities:										
Parking spaces available	2,224	2,269	2,249	2,300	2,287	2,232	2,372	2,534	2,550	2,675
Parking permits issued to students	989	972	1,069	1,136	1,240	1,181	1,101	1,324	1,408	1,373
Parking permits issued to faculty/ staff	938	959	924	921	934	1,053	1,030	1,004	995	1,071

Sources:

Building square footage:	College of Charleston Division of Business Affairs
Libraries:	College of Charleston Library
Student housing:	College of Charleston Residence Life and Housing
Dining and Parking facilities:	College of Charleston Business and Auxiliary Services



Source: College of Charleston Office of Institutional Research

ACADEMIC SUBJECT AREAS AND DEGREES OFFERED

Academic Year 2011-2012

UNDERGRADUATE

Accounting	A.B., B.S.	History	A.B., B.A.
Anthropology	A.B., B.S.	Hospitality and Tourism Management	A.B., B.S.
Art History	A.B., B.A.	International Business	A.B., B.S.
Arts Management	A.B., B.A.	International Studies	A.B., B.A.
Astronomy	A.B., B.A.	Jewish Studies	A.B., B.A.
Astrophysics	A.B., B.S.	Latin American and Caribbean Studies	A.B., B.A.
Athletic Training	A.B., B.S.	Marine Biology	A.B., B.S.
Biochemistry	A.B., B.S.	Mathematics	A.B., B.S.
Biology	A.B., B.A., B.S.	Middle Level Education	A.B., B.S.
Business Administration	A.B., B.S.	Music	A.B., B.A.
Chemistry	A.B., B.A., B.S.	Philosophy	A.B., B.A.
Classics	A.B., B.A.	Physical Education and Health	A.B., B.S.
Communication	A.B., B.A.	Physics	A.B., B.A., B.S.
Computer Information Systems	A.B., B.S.	Political Science	A.B., B.A.
Computer Science	A.B., B.A., B.S.	Psychology	A.B., B.S.
Computing in the Arts	A.B., B.A.	Religious Studies	A.B., B.A.
Discovery Informatics	A.B., B.S.	Secondary Education	B.S.
Early Childhood Education	A.B., B.S.	Sociology	A.B., B.S.
Economics	A.B., B.S.	Spanish	A.B., B.A.
Elementary Education	A.B., B.S.	Special Education	A.B., B.S.
English	A.B., B.A.	Studio Art	A.B., B.A.
French	A.B., B.A.	Theatre	A.B., B.A.
Geology	A.B., B.A., B.S.	Urban Studies	A.B., B.A.
German	A.B., B.A.	Women's and Gender Studies	A.B., B.A.
Historic Preservation and Community Planning	A.B., B.A.		

GRADUATE

Accounting	M.S.	History	M.A.
Arts Management	CER	Languages	M.Ed.
Business Administration	M.B.A.	Marine Biology	M.S.
Communication	M.A.	Mathematics	M.S.
Computer and Information Sciences	M.S.	Middle Grades Education	M.A.T.
Early Childhood Education	M.A.T.	Performing Arts	M.A.T.
Elementary Education	M.A.T.	Public Administration	M.P.A.
English	M.A.	Science and Math for Teachers	M.Ed.
English to Speakers of Other Languages	CER	Service-Oriented Computing	CER
Environmental Studies	M.S.	Special Education	M.A.T., CER
Gift and Talented Education	CER	Statistics	CER
Historic Preservation	M.S.	Teaching, Learning, and Advocacy	M.Ed.
		Urban and Regional Planning	CER

A.B. - Artium Baccalaureatus (classical studies)
B.A. - Bachelor of Arts
B.S. - Bachelor of Science
CER - Post-baccalaureate Certificate
M.A. - Master of Arts
M.B.A. - Master of Business Administration
M.A.T. - Master of Arts in Teaching
M.Ed.- Master of Education
M.P.A. - Master of Public Administration
M.S. - Master of Science

Source: College of Charleston Office of Institutional Research

COLLEGE OF CHARLESTON
COMPREHENSIVE ANNUAL FINANCIAL REPORT

The George Street entrance of Porters Lodge, bearing the Greek inscription, "Know Thyself"