

**TENNESSEE BOARD OF REGENTS
VOLUNTEER STATE COMMUNITY COLLEGE
STATEMENTS OF NET ASSETS
JUNE 30, 2010, AND JUNE 30, 2009**

	Volunteer State Community College		Component Unit	
			Volunteer State Community College Foundation	
	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
ASSETS				
Current assets:				
Cash and cash equivalents (Notes 2 and 17)	\$ 7,233,611.12	\$ 11,566,496.87	\$ 962,660.86	\$ 1,134,138.59
Short-term investments (Note 3)	4,000,000.00	2,000,000.00	-	-
Accounts, notes, and grants receivable (net) (Note 4)	947,141.88	9,845,093.45	5,801.75	-
Due from primary government	310,040.71	-	-	-
Due from foundation	4,930.02	2,911.88	-	-
Pledges receivable (net) (Note 17)	-	-	19,020.00	42,076.64
Inventories	765.82	1,919.01	-	-
Prepaid expenses and deferred charges	230,872.78	128,303.11	823.28	-
Accrued interest receivable	7,746.85	13,660.27	-	-
Total current assets	12,735,109.18	23,558,384.59	988,305.89	1,176,215.23
Noncurrent assets:				
Cash and cash equivalents (Notes 2 and 17)	15,911,284.99	9,143,928.14	-	56,022.51
Investments (Notes 3 and 17)	-	2,000,000.00	4,021,868.97	3,705,448.33
Pledges receivable (net) (Note 17)	-	-	1,326.39	8,365.55
Capital assets (net) (Note 5)	35,094,288.35	34,144,434.55	-	-
Other assets	-	8,141.35	12,810.52	20,765.07
Total noncurrent assets	51,005,573.34	45,296,504.04	4,036,005.88	3,790,601.46
Total assets	63,740,682.52	68,854,888.63	5,024,311.77	4,966,816.69
LIABILITIES				
Current liabilities:				
Accounts payable (Note 6)	704,726.54	10,397,408.27	533.50	-
Accrued liabilities	1,529,722.29	1,439,542.42	-	-
Due to primary government	-	1,029,035.66	-	-
Deferred revenue	2,287,295.52	1,514,752.94	1,850.00	-
Due to college	-	-	4,930.02	2,911.88
Compensated absences (Note 7)	377,824.41	345,404.03	-	-
Accrued interest payable	448.02	1,328.13	-	-
Long-term liabilities, current portion (Note 7)	14,427.58	131,048.55	-	-
Deposits held in custody for others	4,442,898.76	4,044,669.46	-	-
Other liabilities	920.62	1,117.58	-	-
Total current liabilities	9,358,263.74	18,904,307.04	7,313.52	2,911.88
Noncurrent liabilities:				
Net OPEB obligation (Notes 7 and 11)	1,639,036.14	1,198,710.28	-	-
Compensated absences (Note 7)	990,858.91	989,560.14	-	-
Long-term liabilities (Note 7)	47,222.59	61,650.17	-	-
Due to grantors (Note 7)	4,061.30	3,427.62	-	-
Total noncurrent liabilities	2,681,178.94	2,253,348.21	-	-
Total liabilities	12,039,442.68	21,157,655.25	7,313.52	2,911.88
NET ASSETS				
Invested in capital assets, net of related debt	35,032,638.18	33,951,735.83	-	-
Restricted for:				
Nonexpendable:				
Scholarships and fellowships	120,107.75	118,713.01	3,898,597.77	3,859,432.23
Expendable:				
Scholarships and fellowships	46,004.30	37,924.24	813,377.41	737,882.63
Instructional department uses	106,812.13	3,503.26	31,605.26	31,605.26
Loans	118.13	118.13	-	-
Capital projects	-	-	10,499.10	12,049.07
Other	171,243.04	106,517.42	20,751.91	22,830.29
Unrestricted (Note 9)	16,224,316.31	13,478,721.49	242,166.80	300,105.33
Total net assets	\$ 51,701,239.84	\$ 47,697,233.38	\$ 5,016,998.25	\$ 4,963,904.81

The notes to the financial statements are an integral part of this statement.

**TENNESSEE BOARD OF REGENTS
VOLUNTEER STATE COMMUNITY COLLEGE
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2010, AND JUNE 30, 2009**

	Volunteer State Community College		Component Unit Volunteer State Community College Foundation	
	Year Ended June 30, 2010	Year Ended June 30, 2009	Year Ended June 30, 2010	Year Ended June 30, 2009
REVENUES				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$8,331,725.19 for the year ended June 30, 2010, and \$4,647,121.06 for the year ended June 30, 2009)	\$ 13,146,881.27	\$ 12,333,397.03	\$ -	\$ -
Gifts and contributions	-	-	284,880.19	199,342.87
Endowment income	-	-	118,363.39	118,630.00
Governmental grants and contracts	576,189.22	814,429.09	4,947.48	5,090.50
Sales and services of educational departments	25,570.00	28,575.00	-	-
Auxiliary enterprises:				
Bookstore	325,000.00	315,000.00	-	-
Food service	32,058.70	695.44	-	-
Interest earned on loans to students	663.40	564.94	-	-
Other operating revenues	285,270.96	255,704.10	106,138.08	131,198.37
Total operating revenues	14,391,633.55	13,748,365.60	514,329.14	454,261.74
EXPENSES				
Operating expenses (Note 15):				
Salaries and wages	21,066,806.66	20,474,704.88	-	-
Benefits	7,206,787.56	7,563,325.98	-	-
Utilities, supplies, and other services	7,953,017.42	6,510,843.98	63,361.72	38,877.93
Scholarships and fellowships	10,176,468.04	6,312,862.41	-	-
Depreciation expense	1,857,524.93	1,759,458.39	-	-
Payments to or on behalf of Volunteer State Community College (Note 17)	-	-	589,464.54	428,293.76
Total operating expenses	48,260,604.61	42,621,195.64	652,826.26	467,171.69
Operating income (loss)	(33,868,971.06)	(28,872,830.04)	(138,497.12)	(12,909.95)
NONOPERATING REVENUES (EXPENSES)				
State appropriations	17,112,318.00	18,463,518.00	-	-
Gifts, including \$470,088.54 from component unit for the year ended June 30, 2010, and \$428,293.76 for the year ended June 30, 2009	494,934.88	449,130.07	-	-
Grants and contracts	18,547,533.79	9,731,146.86	-	-
Investment income (loss) (net of investment expense of \$0.00 for the college and \$15,565.23 for the component unit for the year ended June 30, 2010, and \$0.00 for the college and \$14,559.89 for the component unit for the year ended June 30, 2009)	182,552.81	396,914.95	164,992.21	(296,384.60)
Interest on capital asset-related debt	(6,910.45)	(13,730.38)	-	-
Other nonoperating revenues (expenses)	(91,874.71)	(31,755.05)	-	-
Net nonoperating revenues (expenses)	36,238,554.32	28,995,224.45	164,992.21	(296,384.60)
Income (loss) before other revenues, expenses, gains, or losses	2,369,583.26	122,394.41	26,495.09	(309,294.55)
Capital appropriations	1,072,293.90	1,015,411.51	-	-
Capital gifts and grants, including \$119,376.00 from component unit for the year ended June 30, 2010, and \$0.00 for the year ended June 30, 2009	119,376.00	-	150.00	1,150.00
Additions to permanent endowments	1,349.00	1,579.00	26,448.35	21,966.95
Other capital	441,404.30	448,333.74	-	-
Total other revenues	1,634,423.20	1,465,324.25	26,598.35	23,116.95
Increase (decrease) in net assets	4,004,006.46	1,587,718.66	53,093.44	(286,177.60)
NET ASSETS				
Net assets - beginning of year	47,697,233.38	46,109,514.72	4,963,904.81	5,250,082.41
Net assets - end of year	\$ 51,701,239.84	\$ 47,697,233.38	\$ 5,016,998.25	\$ 4,963,904.81

The notes to the financial statements are an integral part of this statement.

**TENNESSEE BOARD OF REGENTS
VOLUNTEER STATE COMMUNITY COLLEGE
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2010, AND JUNE 30, 2009**

	Year Ended <u>June 30, 2010</u>	Year Ended <u>June 30, 2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 13,827,543.91	\$ 12,992,671.72
Grants and contracts	749,094.94	1,043,269.10
Sales and services of educational activities	25,570.00	28,575.00
Payments to suppliers and vendors	(7,921,129.14)	(5,394,346.29)
Payments to employees	(21,003,070.25)	(20,459,384.67)
Payments for benefits	(6,599,283.17)	(6,959,821.52)
Payments for scholarships and fellowships	(10,176,468.04)	(6,312,862.41)
Interest earned on loans to students	663.40	564.94
Auxiliary enterprise charges:		
Bookstore	337,247.67	269,473.41
Food services	30,399.37	3,125.63
Other receipts	293,412.31	255,429.25
Net cash used by operating activities	<u>(30,436,019.00)</u>	<u>(24,533,305.84)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	17,089,700.00	18,477,683.00
Gifts and grants received for other than capital or endowment purposes, including \$470,088.54 from Volunteer State Community College Foundation for the year ended June 30, 2010, and \$428,293.76 for the year ended June 30, 2009	17,545,290.92	11,060,068.45
Private gifts for endowment purposes	1,349.00	1,579.00
Federal student loan receipts	7,539,336.18	6,107,822.84
Federal student loan disbursements	(7,537,594.94)	(6,107,822.84)
Changes in deposits held for others	396,488.06	(466,028.48)
Other non-capital financing payments	(886.58)	(655.83)
Net cash provided by noncapital financing activities	<u>35,033,682.64</u>	<u>29,072,646.14</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital appropriations	1,072,293.90	1,015,411.51
Capital grants and gifts received, including \$119,376.00 from the component unit for the year ended June 30, 2010	119,376.00	-
Purchases of capital assets and construction	(2,965,959.36)	(1,627,079.66)
Principal paid on capital debt	(14,427.58)	(131,048.55)
Interest paid on capital debt	(6,910.45)	(14,295.75)
Other capital and related financing payments	(555,151.17)	(1,098,048.28)
Net cash provided (used) by capital and related financing activities	<u>(2,350,778.66)</u>	<u>(1,855,060.73)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Income on investments	187,586.12	560,672.30
Net cash provided by investing activities	<u>187,586.12</u>	<u>560,672.30</u>
Net increase in cash	2,434,471.10	3,244,951.87
Cash - beginning of year	20,710,425.01	17,465,473.14
Cash - end of year (Note 2)	<u>\$ 23,144,896.11</u>	<u>\$ 20,710,425.01</u>

**TENNESSEE BOARD OF REGENTS
VOLUNTEER STATE COMMUNITY COLLEGE
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2010, AND JUNE 30, 2009**

	Year Ended <u>June 30, 2010</u>	Year Ended <u>June 30, 2009</u>
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$ (33,868,971.06)	\$ (28,872,830.04)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	1,857,524.93	1,759,458.39
Gifts-in-kind	158,101.38	149,244.14
Other adjustments	17,518.00	17,518.00
Change in assets and liabilities:		
Receivables, net	9,381,857.74	263,891.32
Inventories	1,153.19	(346.17)
Prepaid/deferred items	(102,569.67)	(90,807.12)
Other assets	8,141.35	(274.85)
Accounts payable	(9,686,105.53)	1,594,942.65
Other payable	468,272.09	(569,303.35)
Accrued liabilities	90,179.87	15,684.05
Deferred revenue	772,542.58	618,373.19
Compensated absences	33,719.15	24,222.66
Other liabilities	432,616.98	556,921.29
Net cash used by operating activities	<u>\$ (30,436,019.00)</u>	<u>\$ (24,533,305.84)</u>
Non-cash transactions		
Gain (loss) on disposal of capital assets	91,210.87	(31,189.68)

The notes to the financial statements are an integral part of this statement.