



# STATE OF NORTH CAROLINA

## FINANCIAL STATEMENT REVIEW REPORT OF SOUTH PIEDMONT COMMUNITY COLLEGE

POLKTON, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2003

OFFICE OF THE STATE AUDITOR

RALPH CAMPBELL, JR.

STATE AUDITOR

**FINANCIAL STATEMENT REVIEW REPORT OF**

**SOUTH PIEDMONT COMMUNITY COLLEGE**

**POLKTON, NORTH CAROLINA**

**FOR THE YEAR ENDED JUNE 30, 2003**

**STATE BOARD OF COMMUNITY COLLEGES**

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Ralph Campbell, Jr.  
State Auditor

STATE OF NORTH CAROLINA  
Office of the State Auditor

2 S. Salisbury Street  
20601 Mail Service Center  
Raleigh, NC 27699-0601  
Telephone: (919) 807-7500  
Fax: (919) 807-7647  
Internet <http://www.ncauditor.net>

## REVIEWER'S TRANSMITTAL

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The Honorable Michael F. Easley, Governor  
The General Assembly of North Carolina  
Board of Trustees, South Piedmont Community College

This report presents the results of our financial statement review of South Piedmont Community College, a component unit of the State of North Carolina, for the year ended June 30, 2003. Our review was made by authority of Article 5A of Chapter 147 of the *North Carolina General Statutes*.

The accounts and operations of the College are an integral part of the State's reporting entity represented in the State's *Comprehensive Annual Financial Report (CAFR)* and the State's *Single Audit Report*. In those reports, the State Auditor expresses an opinion on the State's financial statements. In the *Single Audit Report*, the State Auditor also presents the audit results on the State's internal controls and on the State's compliance with laws, regulations, contracts, and grants applicable to the State's financial statements and to its federal financial assistance programs.

As part of the work necessary for the CAFR and the *Single Audit Report*, the accounts and operations of the College were subjected to review procedures as we considered necessary. In addition, we performed review procedures that we considered necessary for us to report on the accompanying financial statements that relate solely to South Piedmont Community College. The review procedures were conducted in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

The purpose of this report is to present the results of our review of the accompanying financial statements that relate solely to South Piedmont Community College. Our reporting objectives and review results are:

- 1. Objective** - To disclose any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

**Results** - We are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. These matters are more fully described in the Independent Accountant's Review Report on the financial statements.

## REVIEWER'S TRANSMITTAL (CONCLUDED)

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2. **Objective** – To present significant deficiencies, if any, in internal control over financial reporting which could adversely affect the College's ability to record, process, summarize, and report financial data in the financial statements and present instances of noncompliance, if any, with laws, regulations, contracts, or grants that came to our attention during our review of the financial statements.

**Results** - Our review disclosed no material weaknesses in internal control over financial reporting and no instances of noncompliance which require disclosure herein under *Government Auditing Standards*.

*North Carolina General Statutes* require the State Auditor to make reports available to the public. Copies of review reports issued by the Office of the State Auditor may be obtained through one of the options listed in the back of this report.

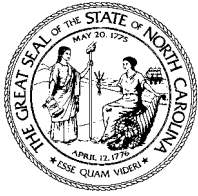


Ralph Campbell, Jr.  
State Auditor

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Ralph Campbell, Jr.  
State Auditor

STATE OF NORTH CAROLINA  
Office of the State Auditor

2 S. Salisbury Street  
20601 Mail Service Center  
Raleigh, NC 27699-0601  
Telephone: (919) 807-7500  
Fax: (919) 807-7647  
Internet <http://www.ncauditor.net>

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**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

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Board of Trustees  
South Piedmont Community College  
Polkton, North Carolina

We have reviewed the accompanying Statement of Net Assets of South Piedmont Community College, a component unit of the State of North Carolina, as of June 30, 2003, and the related Statement of Revenues, Expenses, and Changes in Net Assets and Statement of Cash Flows for the year then ended, in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the College's management.

A review consists principally of inquiries of College personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis (MD&A), as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we are not aware of any material modifications that should be made thereto.

Our review was conducted for the purpose of expressing limited assurance that there are no material modifications that should be made to the basic financial statements in order for them to be in conformity with generally accepted accounting principles. Schedule 1 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we are not aware of any material modifications that should be made thereto.

A handwritten signature in black ink that reads "Ralph Campbell, Jr." in a cursive script.

Ralph Campbell, Jr.  
State Auditor

April 12, 2004

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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The Management of South Piedmont Community College provides this Management's Discussion and Analysis for readers of the College's financial statements. This narrative overview and analysis of the financial activities of South Piedmont Community College is for the fiscal year ended June 30, 2003. We encourage readers to consider this information in conjunction with the additional information that is furnished in the College's financial statements.

### **Overview of the Financial Statements**

The College's financial statements include three components: 1) Statement of Net Assets; 2) Statement of Revenues, Expenses, and Changes in Net Assets; and 3) Statement of Cash Flows.

As required by GASB Statement No. 34 and the Office of the State Controller, Statement of Net Assets replaces the Balance Sheet presented in prior years. The term "Net Assets" replaces "Fund Equity." The College's net assets are classified as Invested in Capital Assets; Restricted Net Assets – Nonexpendable; Restricted Net Assets – Expendable; and Unrestricted Net Assets. Significant changes in capital asset valuation include the removal of library books and the application of accumulated depreciation.

The Statement of Revenues, Expenses, and Changes in Net Assets replaces the Statement of Changes in Fund Equity and the Statement of Current Funds Revenues, Expenditures, and Other Changes presented in prior years. As previously stated, depreciation is now presented as an operating expense under the new format.

The Statement of Cash Flows using the direct method measures cash flows from operating activities, cash flows from noncapital financing activities, cash flows from capital and related financing activities, and cash flows from investing activities. Supplemental disclosures include a reconciliation of operating loss to net cash used by operating activities and noncash investing, capital, and financing activities.

### **Comparative Data**

A comparative analysis of key elements of the financial statements relative to the previous fiscal year is presented in this analysis.

### **Financial Highlights**

A number of capital construction projects were completed this fiscal year, including the Garibaldi Remodeling Project, construction of the Learning Resources Center, and the major renovation of the Lockhart Taylor Continuing Education Center. The Lockhart Taylor Center Project is the first of several planned construction projects as approved by the General Assembly general obligation bond issuance in 1999-2000. Construction projects that were begun during the 2002-2003 fiscal year included the new construction of a 42,000 square foot classroom/Learning Resources Center on the Monroe Campus. This project, which is



## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

expected to be completed in August, 2003, has a budget of \$5.5 million. Further, the current building at that site, an 82,000 square foot classroom/office building, will undergo a \$3 million dollar renovation to its roofing and HVAC Systems.

Tuition increased 8.25% per credit hour for in-State rates.

### Analysis of Financial Position

#### Analysis of Current Assets and Net Assets

For the year ended June 30, 2003, the College had an increase in Total Net Assets in the amount of \$843,460.31. This increase is largely due to additions to noncurrent assets in the area of construction in progress.

	2003	2002	Change
Assets			
Current Assets	\$ 456,622.78	\$ 250,272.21	\$ 206,350.37
Noncurrent Assets:			
Capital Assets - Depreciable, Net	16,362,393.96	14,198,219.58	2,164,174.38
Other	1,144,723.38	2,569,824.23	(1,425,100.85)
Total Assets	17,963,740.12	17,018,316.02	945,423.90
Liabilities			
Current Liabilities	816,879.19	725,846.60	91,032.59
Noncurrent Long-Term Liabilities	235,860.24	224,929.24	10,931.00
Total Liabilities	1,052,739.43	950,775.84	101,963.59
Net Assets			
Invested in Capital Assets	16,362,393.96	14,198,219.58	2,164,174.38
Restricted for:			
Nonexpendable	51,557.98		51,557.98
Expendable:			
Scholarships and Fellowships	1,360.67		1,360.67
Loans	13,435.81	14,182.56	(746.75)
Capital Projects	597,048.82	2,430,388.02	(1,833,339.20)
Other	23,435.43	67,011.49	(43,576.06)
Unrestricted	(138,231.98)	(642,261.27)	504,029.29
Total Net Assets	\$ 16,911,000.69	\$ 16,067,540.38	\$ 843,460.31

#### Analysis of Liabilities

Long-term liabilities include accrued vacation leave of \$256,383.07 of which \$20,522.83 is shown as current. Accounts payable and other accrued liabilities increased by \$95,501.90 largely due to an increase in construction project activity at the close of the fiscal year-end.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

	<u>2003</u>	<u>2002</u>	<u>Change</u>
<b>Current Liabilities:</b>			
Accounts Payable and Other Accrued Liabilities	\$ 796,356.36	\$ 700,854.46	\$ 95,501.90
Long-Term Liabilities - Current Portion	<u>20,522.83</u>	<u>24,992.14</u>	<u>(4,469.31)</u>
Total Current Liabilities	816,879.19	725,846.60	91,032.59
Total Noncurrent Long-Term Liabilities	<u>235,860.24</u>	<u>224,929.24</u>	<u>10,931.00</u>
Total Liabilities	<u>\$ 1,052,739.43</u>	<u>\$ 950,775.84</u>	<u>\$ 101,963.59</u>

### Analysis of Revenues

Total Operating Revenues and Nonoperating Revenues combined for an increase of \$2,538,790.04 or 21% from the previous year. This increase was largely due to an increase in State aid, State and Local Grants and Contracts, and Student Tuition and Fees.

	<u>2003</u>	<u>2002</u>	<u>Change</u>
Total Operating Revenues	\$ 3,379,652.74	\$ 2,959,164.80	\$ 420,487.94
Less Operating Expenses	<u>13,549,905.87</u>	<u>12,080,527.15</u>	<u>1,469,378.72</u>
Operating Loss	(10,170,253.13)	(9,121,362.35)	(1,048,890.78)
Total Nonoperating Revenues	<u>11,013,713.64</u>	<u>8,895,411.54</u>	<u>2,118,302.10</u>
Increase (Decrease) in Net Assets	<u>\$ 843,460.51</u>	<u>\$ (225,950.81)</u>	<u>\$ 1,069,411.32</u>

### Analysis of Expenses

Total Operating Expenses increased \$1,469,378.72. The largest increased expenses were in the categories of supplies and materials, services, scholarships and fellowships, and depreciation. Depreciation increased because of the increase to buildings from construction in progress.

	<u>2003</u>	<u>2002</u>	<u>Change</u>
Personal Services	\$ 7,857,738.55	\$ 7,941,218.59	\$ (83,480.04)
Supplies and Materials	1,750,845.38	1,377,990.76	372,854.62
Services	1,222,576.76	1,042,466.00	180,110.76
Scholarships and Fellowships	1,298,941.39	1,000,070.80	298,870.59
Utilities	327,363.61	352,965.00	(25,601.39)
Depreciation	<u>1,092,440.18</u>	<u>365,816.00</u>	<u>726,624.18</u>
Total Expenses	<u>\$ 13,549,905.87</u>	<u>\$ 12,080,527.15</u>	<u>\$ 1,469,378.72</u>

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (CONCLUDED)**

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### **Capital Asset Activity**

South Piedmont Community College's capital assets as of June 30, 2003 amount to \$16,362,393.96, with net accumulated depreciation of \$3,398,920.10. This increase is largely due to the completion of several construction projects and assumption of other construction projects, and amounted to \$2,164,174.38.

	<u>2003</u>	<u>2002</u>	<u>Change</u>
Capital Assets:			
Land	\$ 1,165,160.17	\$ 1,165,160.17	\$ 0.00
Buildings	14,071,921.81	12,193,751.81	1,878,170.00
Machinery and Equipment	953,309.05	971,377.66	(18,068.61)
General Infrastructure	87,700.00	75,500.00	12,200.00
Constuction in Progress	<u>3,483,223.03</u>	<u>2,098,909.86</u>	<u>1,384,313.17</u>
Total	19,761,314.06	16,504,699.50	3,256,614.56
Less - Accumulated Depreciation	<u>3,398,920.10</u>	<u>2,306,479.92</u>	<u>1,092,440.18</u>
Net Capital Assets	<u>\$ 16,362,393.96</u>	<u>\$ 14,198,219.58</u>	<u>\$ 2,164,174.38</u>

### **Economic Factors and Next Year's Budget**

The State of North Carolina has experienced a revenue shortfall during the past three years and this may have a significant impact on future budgets. The College is required to hold back 4.5% of its State allocation, \$313,000, as a potential reversion in the expectation of continued revenue shortfalls. This revenue shortfall also directly affects the potential funding of the counties that support South Piedmont Community College.

<b>South Piedmont Community College</b>		
<b>Statement of Net Assets</b>		
<b>June 30, 2003</b>		<b>Exhibit A</b>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$	104,857.00
Restricted Cash and Cash Equivalents		99,662.07
Receivables, Net (Note 4)		149,376.13
Inventories		102,727.58
Total Current Assets		456,622.78
Noncurrent Assets:		
Restricted Due from Primary Government		1,121,080.00
Endowment Investments		23,643.38
Capital Assets - Nondepreciable, Net (Note 5)		4,648,383.20
Capital Assets - Depreciable, Net (Note 5)		11,714,010.76
Total Noncurrent Assets		17,507,117.34
Total Assets		17,963,740.12
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable and Accrued Liabilities (Note 6)		783,123.81
Funds Held for Others		13,232.55
Long-Term Liabilities - Current Portion (Note 7)		20,522.83
Total Current Liabilities		816,879.19
Noncurrent Liabilities:		
Long-Term Liabilities (Note 7)		235,860.24
Total Noncurrent Liabilities		235,860.24
Total Liabilities		1,052,739.43
<b>NET ASSETS</b>		
Invested in Capital Assets		16,362,393.96
Restricted for:		
Nonexpendable:		
Other		51,557.98
Expendable:		
Scholarships and Fellowships		1,360.67
Loans		13,435.81
Capital Projects		597,048.82
Other		23,435.43
Unrestricted		(138,231.98)
Total Net Assets	\$	16,911,000.69
The accompanying notes to the financial statements are an integral part of this Statement.		

<b>South Piedmont Community College</b>		
<b>Statement of Revenues, Expenses, and</b>		
<b>Changes in Net Assets</b>		
<b>For the Fiscal Year Ended June 30, 2003</b>		<b>Exhibit B</b>
<b>REVENUES</b>		
Operating Revenues:		
Student Tuition and Fees, Net (Note 9)	\$	708,069.21
Federal Grants and Contracts		2,003,392.77
State and Local Grants and Contracts		336,494.85
Sales and Services, Net (Note 9)		325,623.53
Other Operating Revenues		6,072.38
Total Operating Revenues		3,379,652.74
<b>EXPENSES</b>		
Operating Expenses:		
Personal Services		7,857,738.55
Supplies and Materials		1,750,845.38
Services		1,222,576.76
Scholarships and Fellowships		1,298,941.39
Utilities		327,363.61
Depreciation		1,092,440.18
Total Operating Expenses		13,549,905.87
Operating Loss		(10,170,253.13)
<b>NONOPERATING REVENUES</b>		
State Aid		7,179,334.60
County Appropriations		953,681.27
Noncapital Grants		388,439.60
Noncapital Gifts, Net (Note 9)		505,919.64
Investment Income, Net		2,522.04
Other Nonoperating Revenues		47.50
Net Nonoperating Revenues		9,029,944.65
Loss Before Other Revenues, Expenses, Gains, and Losses		(1,140,308.48)
State Capital Aid		233,457.67
County Capital Appropriations		532,751.62
Capital Grants		1,200,918.00
Capital Gifts, Net (Note 9)		16,641.70
Increase in Net Assets		843,460.51
<b>NET ASSETS</b>		
Net Assets, July 1, 2002		16,067,540.18
Net Assets, June 30, 2003	\$	16,911,000.69
The accompanying notes to the financial statements are an integral part of this Statement.		

<b>South Piedmont Community College</b>		
<b>Statement of Cash Flows</b>		
<b>For the Fiscal Year Ended June 30, 2003</b>		<b>Exhibit C</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Received from Customers	\$	3,347,241.67
Payments to Employees and Fringe Benefits		(7,810,028.10)
Payments to Vendors and Suppliers		(3,266,190.74)
Payments for Scholarships and Fellowships		(1,298,941.39)
Other Receipts		7,773.05
Net Cash Used by Operating Activities		(9,020,145.51)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State Aid Received		7,179,334.60
County Appropriations		953,681.27
Noncapital Grants Received		392,721.21
Noncapital Gifts and Endowments Received		503,410.18
Net Cash Provided by Noncapital Financing Activities		9,029,147.26
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
State Capital Aid Received		1,658,341.40
County Capital Appropriations		532,751.62
Capital Grants Received		1,200,918.00
Capital Gifts Received		16,641.70
Proceeds from Sale of Capital Assets		18,068.51
Acquisition and Construction of Capital Assets		(3,274,683.07)
Net Cash Provided by Capital and Related Financing Activities		152,038.16
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment Income		2,522.04
Purchase of Investments and Related Fees		(217.12)
Net Cash Provided by Investing Activities		2,304.92
Net Increase in Cash and Cash Equivalents		163,344.83
Cash and Cash Equivalents, July 1, 2002		40,740.00
Cash and Cash Equivalents, June 30, 2003	\$	204,084.83
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>		
Operating Loss	\$	(10,170,253.13)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation Expense		1,092,440.18
Miscellaneous Nonoperating Income		47.50
Changes in Assets and Liabilities:		
Receivables, Net		(32,411.07)
Inventories		(11,932.58)
Accounts Payable and Accrued Liabilities		87,776.35
Funds Held for Others		7,725.55
Compensated Absences		6,461.69
Net Cash Used by Operating Activities	\$	(9,020,145.51)

<b>South Piedmont Community College</b>		
<b>Statement of Cash Flows</b>		<b>Exhibit C</b>
<b>For the Fiscal Year Ended June 30, 2003</b>		<b>Page 2</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>		
Current Assets:		
Cash and Cash Equivalents	\$	104,857.00
Restricted Cash and Cash Equivalents		99,662.07
Total Cash and Cash Equivalents - June 30, 2003	\$	204,519.07
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>		
Change in Fair Value of Investments	\$	(217.42)
Increase in Receivables Related to Nonoperating Income		(1,424,883.73)
The accompanying notes to the financial statements are an integral part of this Statement.		

**SOUTH PIEDMONT COMMUNITY COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2003**

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**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

- A. Financial Reporting Entity** - The concept underlying the definition of the financial reporting entity is that elected officials are accountable to their constituents for their actions. As required by accounting principles generally accepted in the United States of America, the financial reporting entity includes both the primary government and all of its component units. An organization other than a primary government serves as a nucleus for a reporting entity when it issues separate financial statements. South Piedmont Community College is a component unit of the State of North Carolina and an integral part of the State's *Comprehensive Annual Financial Report*.

The accompanying financial statements present all funds for which the College's Board of Trustees is financially accountable. Related foundations and similar nonprofit corporations for which the College is not financially accountable are not part of the accompanying financial statements. These entities are not included because they are separately incorporated and there are neither common directors nor other evidence of common control.

- B. Basis of Presentation** - The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

Pursuant to the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*, the full scope of the College's activities is considered to be a single business-type activity (BTA) and accordingly, is reported within a single column in the basic financial statements.

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the College does not apply Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, for proprietary activities, unless the GASB amends its pronouncements to specifically adopt FASB pronouncements issued after that date.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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- C. Basis of Accounting** - The financial statements of the College have been prepared using the economic resource 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.
- D. Cash and Cash Equivalents** – This classification includes undeposited receipts, petty cash, and cash on deposit with private bank accounts.
- E. Investments** - This classification includes equity investments and certificates of deposit. Except for certificates of deposit, investments are accounted for at fair value, as determined by quoted market prices, or an amount determined by management if quoted market prices are not available. The net increase (decrease) in the fair value of investments is recognized as a component of investment income.

Certificates of deposit are reported at cost, if purchased, or at fair value or appraised value at date of gift, if donated.

- F. Receivables** – Receivables consist of tuition and fees charges to students and charges for auxiliary enterprises' sales and services. Receivables also include amounts due from private sources in connection with reimbursement of allowable expenditures made pursuant to contracts and grants, and pledges that are verifiable, measurable, and expected to be collected and available for expenditures for which the resource provider's conditions have been satisfied. Receivables are recorded net of estimated uncollectible amounts.
- G. Inventories** – Inventories, consisting of expendable supplies, are valued at cost using the first-in, first-out method.
- H. Capital Assets** – Capital assets are stated at cost at date of acquisition or fair value at date of donation in the case of gifts. The College capitalizes assets that have a value or cost in excess of \$5,000 at the date of acquisition and an expected useful life of more than one year. Library books are expensed in the year of acquisition.

Depreciation is computed using the straight-line and/or units of output method over the estimated useful lives of the assets, generally 15 to 75 years for general infrastructure, 10 to 50 years for buildings, and 3 to 15 years for equipment.

- I. Restricted Assets** – Restricted assets represents assets whose use is restricted by external parties or by law through constitutional provisions or enabling legislation.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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**J. Noncurrent Long-Term Liabilities** – Noncurrent long-term liabilities include compensated absences that will not be paid within the next fiscal year.

**K. Compensated Absences** - The College's policy is to record the cost of vacation leave when earned. The policy provides for a maximum accumulation of unused vacation leave of 30 days which can be carried forward each July 1st or for which an employee can be paid upon termination of employment. Also, any accumulated vacation leave in excess of 30 days at year-end is converted to sick leave.

When classifying compensated absences into current and noncurrent, leave is considered taken using a last-in, first-out method.

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

**Invested in Capital Assets** – This represents the College's total investment in capital assets.

**Restricted Net Assets – Nonexpendable** – Nonexpendable restricted net assets include endowments and similar type assets whose use is limited by donors or other outside sources, and, as a condition of the gift, the principal is to be maintained in perpetuity.

**Restricted Net Assets – Expendable** – Expendable restricted net assets include resources for which the College is legally or contractually obligated to spend in accordance with restrictions imposed by external parties.

**Unrestricted Net Assets** – Unrestricted net assets include resources derived from student tuition and fees, sales and services, unrestricted gifts, and interest income.

Restricted and unrestricted resources are tracked using a fund accounting system and are spent in accordance with established fund authorities. Fund authorities provide rules for the fund activity and are separately established for restricted and unrestricted activities. When both restricted and unrestricted funds are available for expenditure, the decision for funding is transactional based within the departmental management system in place at the College.

**M. Scholarship Discounts** – Student tuition and fees revenues and certain other revenues from College charges are reported net of scholarship discounts in the accompanying Statement of Revenues, Expenses, and Changes in Net Assets. The scholarship discount is the difference between the actual charge for goods and services provided by the College

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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and the amount that is paid by students or by third parties on the students' behalf. Student financial assistance grants, such as Pell grants, and other federal, State, or nongovernmental programs, are recorded as either operating or nonoperating revenues in the accompanying Statement of Revenues, Expenses, and Changes in Net Assets. To the extent that revenues from these programs are used to satisfy tuition, fees, and other charges, the College has recorded a scholarship discount.

- N. Revenue and Expense Recognition** – The College classifies its revenues and expenses as operating or nonoperating in the accompanying Statement of Revenues, Expenses, and Changes in Net Assets. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the College's principal ongoing operations. Operating revenues include activities that have characteristics of exchange transactions, such as (1) student tuition and fees, (2) sales and services of auxiliary enterprises, and (3) certain federal, State and local grants and contracts. Operating expenses are all expense transactions incurred other than those related to capital and noncapital financing or investing activities as defined by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*.

Nonoperating revenues include activities that have the characteristics of nonexchange transactions. Revenues from nonexchange transactions and State aid that represent subsidies or gifts to the College, as well as investment income, are considered nonoperating since these are either investing, capital or noncapital financing activities. Capital contributions are presented separately after nonoperating revenues and expenses.

- O. County Appropriations** - County appropriations are provided to the College primarily to fund its plant operation and maintenance function and to fund construction projects, motor vehicle purchases, and maintenance of equipment. Unexpended county current appropriation and county capital appropriation do not revert and are available for future use by the College.

### NOTE 2 - DEPOSITS AND INVESTMENTS

- A. Deposits** - All funds of the College are deposited in board-designated official depositories and are required to be collateralized in accordance with General Statute 115D-58.7. Official depositories may be established with any bank or savings and loan association whose principal office is located in North Carolina or with the State Treasurer's Investment Pool. Also, the College may establish time deposit accounts, money market accounts, and certificates of deposit. At year-end, cash on hand was

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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\$1,250.00. The carrying amount of cash on deposit was \$223,482.45 and the bank balance was \$341,047.18. All of the cash was on deposit with private financial institutions.

The North Carolina Administrative Code (20 NCAC 7) requires all depositories to collateralize public deposits in excess of federal depository insurance coverage by using one of two methods, dedicated or pooled. Under the dedicated method, a separate escrow account is established by each depository in the name of each local governmental unit and the responsibility of monitoring collateralization rests with the local unit. Under the pooling method, each depository establishes an escrow account in the name of the State Treasurer to secure all of its public deposits. This method shifts the monitoring responsibility from the local unit to the State Treasurer.

Of the cash on deposit with private financial institutions at June 30, 2003, \$100,000.00 of the bank balance was covered by federal depository insurance; \$241,047.18 was covered by collateral held by an authorized escrow agent in the name of the State Treasurer (pooling method).

- B. Investments** – In addition to donated securities and real estate held by the College, the College is authorized to invest idle funds as provided by General Statute 115D-58.6. In accordance with this statute, the College and the Board of Trustees manage investments to ensure they can be converted into cash when needed.

Generally, funds belonging to the College may be invested in the form of investments pursuant to General Statute 159-30(c), as follows: obligations of or fully guaranteed by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain nonguaranteed federal agencies; prime quality commercial paper bearing specified ratings and banker's acceptances; The North Carolina Capital Management Trust, an SEC registered mutual fund; repurchase agreements; and evidences of ownership of, or fractional undivided interests in, future interest and principal payments on either direct obligations of or fully guaranteed by the United States government, which are held by a specified bank or trust company or any state in the capacity.

Except as specified by the donor, endowment funds belonging to the College may be invested pursuant to General Statute 147-69.2. This statute authorizes investments for special funds held by the State Treasurer and includes the following investments: obligations of or fully guaranteed by the United States; obligations of certain federal agencies; repurchase agreements; obligations of the State of North Carolina; certificates of deposit of specified institutions; prime quality commercial

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

paper; specified bills of exchange; asset-backed securities, corporate bonds and notes with specified ratings; general obligations of other states; general obligations of North Carolina local governments; certain venture capital limited partnerships; and the obligations or securities of the North Carolina Enterprise Corporation.

The College's investments are categorized to give an indication of the level of risk assumed by the College. The credit risk categories are concerned with custodial credit risk, which is the risk that a government will not be able to recover the value of investment or collateral securities that are in possession of an outside party if the counterparty to the investment transaction fails. Category 1 includes investments that are insured or registered or for which the securities are held by the College or agent in the College's name. Category 2 includes uninsured and unregistered investments for which the securities are held by a counterparty's trust department or agent in the College's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by a counterparty's trust department or agent, but not in the College's name.

A summary of the College's investments at June 30, 2003 is presented below:

	Fair Value			Total
	Risk Category			
	1	2	3	
<b>Categorized Investments:</b>				
Corporate Common Stock	\$ 3,430.00	\$		3,430.00
<b>Total Categorized Investments</b>	<b>\$ 3,430.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>3,430.00</b>
<b>Investments Not Categorized:</b>				
Certificates of Deposit				20,213.38
<b>Total Investments Not Categorized</b>				<b>20,213.38</b>
<b>Total Investments</b>				<b>\$ 23,643.38</b>

The above certificates of deposit are a component of the deposit totals reported in the deposits section of this note.

### NOTE 3 - ENDOWMENT INVESTMENTS

Investments of the College's endowment funds are pooled, unless required to be separately invested by the donor. If a donor has not provided specific instructions, State law permits the Board of Trustees to authorize for

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

expenditure the net appreciation, realized and unrealized, of the investments of the endowment funds.

### NOTE 4 - RECEIVABLES

Receivables at June 30, 2003 were as follows:

	Gross Receivables	Less Allowance for Doubtful Accounts	Net Receivables
<b>Current Receivables:</b>			
Students	\$ 188,550.84	\$ 41,684.17	\$ 146,866.67
Pledges	2,509.46		2,509.46
<b>Total Current Receivables</b>	<b>\$ 191,060.30</b>	<b>\$ 41,684.17</b>	<b>\$ 149,376.13</b>

### NOTE 5 - CAPITAL ASSETS

A summary of changes in the capital assets for the year ended June 30, 2003, is presented as follows:

	Balance July 1, 2002	Adjustments	Increases	Decreases	Balance June 30, 2003
Capital Assets, Nondepreciable:					
Land	\$ 1,165,160.17	\$ 0.00	\$ 0.00	\$ 0.00	\$ 1,165,160.17
Construction in Progress	2,098,909.96	(1,751,542.49)	3,135,855.56		3,483,223.03
<b>Total Capital Assets, Nondepreciable</b>	3,264,070.13	(1,751,542.49)	3,135,855.56		4,648,383.20
Capital Assets, Depreciable:					
Buildings	12,193,751.81	1,751,542.49	126,627.61		14,071,921.91
Machinery and Equipment	971,377.56			18,068.61	953,308.95
General Infrastructure	75,500.00		12,200.00		87,700.00
Total Capital Assets, Depreciable	13,240,629.37	1,751,542.49	138,827.61	18,068.61	15,112,930.86
Less Accumulated Depreciation:					
Buildings	1,722,717.88		1,013,491.68		2,736,209.56
Machinery and Equipment	563,628.44		73,203.41		636,831.85
General Infrastructure	20,133.60		5,745.09		25,878.69
Total Accumulated Depreciation	2,306,479.92		1,092,440.18		3,398,920.10
<b>Total Capital Assets, Depreciable, Net</b>	10,934,149.45	1,751,542.49	(953,612.57)	18,068.61	11,714,010.76
<b>Capital Assets, Net</b>	<b>\$ 14,198,219.58</b>	<b>\$ 0.00</b>	<b>\$ 2,182,242.99</b>	<b>\$ 18,068.61</b>	<b>\$ 16,362,393.96</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### NOTE 6 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities at June 30, 2003 were as follows:

	Amount
Accounts Payable	\$ 442,471.36
Accrued Payroll	177,293.55
Contract Retainage	163,358.90
<b>Total Accounts Payable and Accrued Liabilities</b>	<b>\$ 783,123.81</b>

### NOTE 7 - LONG-TERM LIABILITIES

A summary of changes in the long-term liabilities is presented as follows:

	Balance July 1, 2002	Additions	Reductions	Balance June 30, 2003	Current Portion
Compensated Absences	\$ 249,921.38	\$ 230,538.28	\$ 224,076.59	\$ 256,383.07	\$ 20,522.83

### NOTE 8 - REVENUES

A summary of eliminations and allowances by revenue classification is presented as follows:

	Gross Revenues	Less Scholarship Discounts	Less Allowance for Uncollectibles	Net Revenues
<b>Operating Revenues:</b>				
<b>Student Tuition and Fees</b>	\$ 1,267,042.25	\$ 532,799.77	\$ 26,173.27	\$ 708,069.21
<b>Sales and Services:</b>				
Sales and Services of Auxiliary Enterprises:				
Bookstore	\$ 592,436.22	\$ 251,301.79	\$ 15,510.90	\$ 325,623.53
<b>Total Sales and Services</b>	\$ 592,436.22	\$ 251,301.79	\$ 15,510.90	\$ 325,623.53
<b>Nonoperating - Noncapital Gifts</b>	\$ 505,919.64	\$ 0.00	\$ 0.00	\$ 505,919.64
<b>Capital Gifts</b>	\$ 16,641.70	\$ 0.00	\$ 0.00	\$ 16,641.70

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### NOTE 9 - OPERATING EXPENSES BY FUNCTION

The College's operating expenses by functional classification are presented as follows:

	Salaries and Benefits	Supplies and Materials	Services	Scholarships and Fellowships	Utilities	Depreciation	Total
Instruction	\$ 4,888,207.82	\$ 341,735.16	\$ 317,671.83	\$ 0.00	\$ 0.00	\$ 0.00	\$ 5,547,614.81
Academic Support	842,478.25	44,140.76	62,939.68				949,558.69
Student Services	629,657.68	17,270.32	54,055.37				700,983.37
Institutional Support	1,310,896.91	822,570.97	368,905.29				2,502,373.17
Operations and Maintenance of Plant	150,683.11	41,494.30	390,897.37		327,363.61		910,438.39
Student Financial Aid				1,298,941.39			1,298,941.39
Auxiliary Enterprises	35,814.78	483,633.87	28,107.22				547,555.87
Depreciation						1,092,440.18	1,092,440.18
Total Operating Expenses	<u>\$ 7,857,738.55</u>	<u>\$ 1,750,845.38</u>	<u>\$ 1,222,576.76</u>	<u>\$ 1,298,941.39</u>	<u>\$ 327,363.61</u>	<u>\$ 1,092,440.18</u>	<u>\$ 13,549,905.87</u>

### NOTE 10 - PENSION PLANS

**A. Retirement Plans** - Each permanent full-time employee, as a condition of employment, is a member of the Teachers' and State Employees' Retirement System. The Teachers' and State Employees' Retirement System (System) is a cost sharing multiple-employer defined benefit pension plan administered by the North Carolina State Treasurer.

Benefit and contribution provisions for the Teachers' and State Employees' Retirement System are established by *North Carolina General Statutes* 135-5 and 135-8 and may be amended only by the North Carolina General Assembly. Employer and member contribution rates are set each year by the North Carolina General Assembly based on annual actuarial valuations. For the year ended June 30, 2003, the General Assembly required no contribution by employers and 6% of covered payroll for members.

For the year ended June 30, 2003, the College had a total payroll of \$7,731,519.42, of which \$5,514,671.36 was covered under the Teachers' and State Employees' Retirement System. Total employee contributions for pension benefits for the year were \$330,880.28. No employer contributions were required. The College made one hundred percent of its annual required contributions for the years ended June 30, 2003, and 2001, which were \$0.00, \$111,829.17, and \$284,859.35, respectively.

The Teachers' and State Employees' Retirement System's financial information is included in the State of North Carolina's *Comprehensive Annual Financial Report*. An electronic version of this report is available by accessing the North Carolina Office of the State Controller's Internet home page <http://www.osc.state.nc.us/> and clicking on "Financial



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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Reports”, or by calling the State Controller’s Financial Reporting Section at (919) 981-5454.

**B. Deferred Compensation and Supplemental Retirement Income Plans** - IRC Section 457 Plan - The State of North Carolina offers its permanent employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 through the North Carolina Public Employee Deferred Compensation Plan (the Plan). The Plan permits each participating employee to defer a portion of his or her salary until future years. The deferred compensation is available to employees upon separation from service, death, disability, retirement, or financial hardships if approved by the Board of Trustees of the Plan. The Board, a part of the North Carolina Department of Administration, maintains a separate fund for the exclusive benefit of the participating employees and their beneficiaries, *the North Carolina Public Employee Deferred Compensation Trust Fund*. The Board also contracts with an external third party to perform certain administrative requirements and to manage the trust fund’s assets. All costs of administering and funding the Plan are the responsibility of the Plan participants. No costs are incurred by the College. The voluntary contributions by employees amounted to \$2,012.88 for the year ended June 30, 2003.

IRC Section 401(k) Plan - All members of the Teachers’ and State Employees’ Retirement System are eligible to enroll in the Supplemental Retirement Income Plan, a defined contribution plan, created under Internal Revenue Code Section 401(k). All costs of administering the Plan are the responsibility of the Plan participants. No costs are incurred by the College. The voluntary contributions by employees amounted to \$81,335.00 for the year ended June 30, 2003.

IRC Section 403(b) and 403(b)(7) Plans - Eligible College employees can participate in tax sheltered annuity plans created under Internal Revenue Code Sections 403(b) and 403(b)(7). The employee’s eligible contributions, made through salary reduction agreements, are exempt from federal and State income taxes until the annuity is received or the contributions are withdrawn. These plans are exclusively for employees of colleges and certain charitable and other nonprofit institutions. All costs of administering and funding these plans are the responsibility of the Plan participants. No costs are incurred by the College. The voluntary contributions by employees amounted to \$35,058.00 for the year ended June 30, 2003.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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### NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS

- A. Health Care for Long-Term Disability Beneficiaries and Retirees -** The College participates in State-administered programs which provide postemployment health insurance to eligible former employees. Eligible former employees include long-term disability beneficiaries of the Disability Income Plan of North Carolina and retirees of the Teachers' and State Employees' Retirement System. These benefits were established by Chapter 135, Article 3, Part 3, of the General Statutes and may be amended only by the North Carolina General Assembly. Funding for the health care benefit for long-term disability beneficiaries and retirees is financed on a pay-as-you-go basis. The College contributed 2.35% of the covered payroll under the Teachers' and State Employees' Retirement System for these health care benefits. For the fiscal year ended June 30, 2003, the College's total contribution to the Plan was \$129,594.78. The College assumes no liability for retiree health care benefits provided by the programs other than its required contribution. Additional detailed information about these programs can be located in the State of North Carolina's *Comprehensive Annual Financial Report*.
- B. Long-Term Disability -** The College participates in the Disability Income Plan of North Carolina (DIPNC). Established by Chapter 135, Article 6, of the General Statutes, DIPNC provides short-term and long-term disability benefits to eligible members of the Teachers' and State Employees' Retirement System. Long-term disability income benefits are advance funded on an actuarially determined basis using the one-year term cost method. The College contributes .52% of covered payroll under the Teachers' and State Employees' Retirement System to the DIPNC. For the fiscal year ended June 30, 2003, the College's total contribution to the DIPNC was \$28,672.29. The College assumes no liability for long-term disability benefits under the Plan other than its contribution. Additional detailed information about the DIPNC is disclosed in the State of North Carolina's *Comprehensive Annual Financial Report*.

### NOTE 12 - RISK MANAGEMENT

The College is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These exposures to loss are handled via a combination of methods, including participation in State-administered insurance programs, purchase of commercial insurance, and self-retention of certain risks. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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Tort claims of up to \$500,000 are self-insured under the authority of the State Tort Claims Act. In addition, the State provides excess public officers' and employees' liability insurance up to \$11,000,000 via contract with a private insurance company. The premium, based on a composite rate, is paid by the North Carolina Community College System Office directly to the private insurer.

Fire and other property losses are covered by the Public School Insurance Fund, a State-administered public entity risk pool. This fund is financed by premiums and interest and incurs a \$10 million self-insured deductible per occurrence. The excess insurer provides property coverage up to \$30 million per location annually. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

State-owned vehicles used for instructional purposes are covered by liability insurance handled by the State Department of Insurance. Liability insurance for other College-owned vehicles is covered by contracts with private insurance companies.

The College is protected for losses from employee dishonesty and computer fraud for employees paid in whole or in part from State funds. The blanket honesty bond is with a private insurance company and is handled by the North Carolina Department of Insurance with coverage of \$5,000,000 per occurrence and a \$50,000 deductible. The College is protected for losses from employee dishonesty and computer fraud for employees paid entirely from county and institutional funds by contracts with private insurance companies.

Employees and retirees are provided health care coverage by the Comprehensive Major Medical Plan (Plan), a component unit of the State. The Plan is funded by employer and employee contributions and is administered by a third-party contractor.

The State Board of Community Colleges makes the necessary arrangements to carry out the provisions of the Workers' Compensation Act which are applicable to employees whose wages are paid in whole or in part from State funds. The College purchases workers' compensation insurance for employees whose salaries or wages are paid by the Board entirely from county or institutional funds.

Term life insurance of \$25,000 to \$50,000 is provided to eligible workers. This self-insured death benefit program is administered by the State Treasurer and funded via employer contributions.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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Additional details on the State-administered risk management programs are disclosed in the State's *Comprehensive Annual Financial Report*, issued by the Office of the State Controller.

### NOTE 13 - COMMITMENTS AND CONTINGENCIES

- A. Commitments** - The College has established an encumbrance system to track its outstanding commitments on construction projects and other purchases. Outstanding commitments on construction contracts were \$504,751.97 at June 30, 2003.
- B. Community College General Obligation Bonds** - The 1999-2000 Session of the General Assembly of North Carolina authorized the issuance of six hundred million dollars of general obligation bonds of the State, as subsequently approved by a vote of qualified voters of the State, to provide funds for capital improvements for the North Carolina Community College System. The funds authorized are to be used solely to construct new buildings and to renovate and modernize existing buildings on the North Carolina Community College System campuses. The bond legislation specifies the amount of bond funding for each College campus as well as the intended amount for new construction and repair and replacement. The legislation further provides that the State Board of Community Colleges shall be responsible for the approval of projects in accordance with provisions of the legislation. The bonds were authorized for issuance over a six-year period beginning in 2001 at a level not to exceed amounts provided in the legislation. Using a cash flow financing approach, The Community College System's Office (CCSO) establishes annual amounts not to exceed for each approved project. The amounts not to exceed are subject to change due to actual cash availability and needs during the year. Subsequent to the bond sales and the availability of bond proceeds, CCSO notifies the Office of State Budget and Management (OSBM) of the amount not to exceed for the total of the approved projects. Within this amount, based on an official request of cash needs from the State Board of Community Colleges, OSBM authorizes allotments. These allotments are then recorded to specific community college allotment accounts by the CCSO. The College records the allotments as revenue on the accompanying financial statements. The College's remaining authorization of \$364,123.00 is contingent on future bond sales and CCSO allotment approval. Because of uncertainty and time restrictions the remaining authorization is not recorded as an asset or revenue on the accompanying financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS (CONCLUDED)**

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### **NOTE 14 - SOUTH PIEDMONT COMMUNITY COLLEGE FOUNDATION, INC.**

South Piedmont Community College Foundation, Inc. is a separately incorporated nonprofit foundation associated with the College. This organization serves as the primary fundraising arm of the College through which individuals, corporations, and other organizations support College programs by providing scholarships, fellowships, faculty salary supplements, and unrestricted funds to specific departments and the College's overall academic environment. The College's financial statements do not include the assets, liabilities, net assets, or operational transactions of the Foundation, except for the distributions made and benefits provided by the Foundation. The distributions received and/or benefits provided approximated \$15,942.11 for the year ended June 30, 2003.

**South Piedmont Community College**  
**Schedule of General Obligation Bond Project Authorizations,**  
**Budgets, and Expenditures**  
**For Project-to-Date as of June 30, 2003**

**Schedule 1**

<b>Capital Improvement Projects</b>	<b>Projected Start Date</b>	<b>General Obligation Bonds Authorized</b>	<b>Other Sources</b>	<b>Total Project Budget</b>	<b>Amount Expended</b>	<b>Percent Completed</b>	<b>Expected Completion Date</b>
<b>Projects Approved by the State Board</b>							
Continuing Education Center Renovation (#932B)	Feb 2001	\$ 300,000.00	\$ 1,483,320.00	\$ 1,783,320.00	\$ 1,783,320.00	100.00%	Aug 2002
Renovations to the Continuing Ed. Ctr. - Union (#1166)	Jan 2002	300,000.00	2,756,430.00	3,056,430.00	97,100.00	3.18%	Jun 2005
<b>Projects Pending Approval by the State Board</b>							
Union Campus Renovations	Jan 2004	79,723.00		79,723.00			Jun 2004
<b>Total All Projects</b>		<b>\$ 679,723.00</b>	<b>\$ 4,239,750.00</b>	<b>\$ 4,919,473.00</b>	<b>\$ 1,880,420.00</b>		

Note: The 1999-2000 Session of the General Assembly of North Carolina authorized the issuance of six hundred million dollars of general obligation bonds of the State, as subsequently approved by a vote of qualified voters of the State, to provide funds for capital improvements for the North Carolina Community College System. The projects listed on this Schedule are those funded or to be funded by bond proceeds from the general obligation bonds authorized by Senate Bill 912.

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In accordance with General Statutes 147-64.5 and 147-64.6(c)(14), copies of this report have been distributed to the public officials listed below. Additional copies are provided to other legislators, state officials, the press, and the general public upon request.

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The Honorable Beverly M. Perdue	Lieutenant Governor of North Carolina
The Honorable Richard H. Moore	State Treasurer
The Honorable Roy A. Cooper, III	Attorney General
Mr. David T. McCoy	State Budget Officer
Mr. Robert L. Powell	State Controller
Mr. H. Martin Lancaster	President, North Carolina Community College System
Dr. John R. McKay	President, South Piedmont Community College
Mrs. Rebecca Wall	Vice President for Finance and Administrative Services South Piedmont Community College
Mr. E. Lynn Raye	Chairman, Board of Trustees South Piedmont Community College

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### Other Legislative Officials

Mr. James D. Johnson	Director, Fiscal Research Division
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June 15, 2004



## ORDERING INFORMATION

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State of North Carolina  
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20601 Mail Service Center  
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