



STATE OF NORTH CAROLINA

FINANCIAL STATEMENT REVIEW REPORT OF DAVIDSON COUNTY COMMUNITY COLLEGE

LEXINGTON, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2003

OFFICE OF THE STATE AUDITOR

RALPH CAMPBELL, JR.

STATE AUDITOR

FINANCIAL STATEMENT REVIEW REPORT OF

DAVIDSON COUNTY COMMUNITY COLLEGE

LEXINGTON, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2003

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Ralph Campbell, Jr.
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Office of the State Auditor

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REVIEWER'S TRANSMITTAL

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

This report presents the results of our financial statement review of Davidson County 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 Davidson County 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 Davidson County 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)

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*.

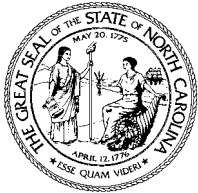
North Carolina General Statutes require the State Auditor to make reports available to the public. Copies of review reports issued by the Office of the State Auditor may be obtained through one of the options listed in the back of this report.



Ralph Campbell, Jr.
State Auditor

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Trustees
Davidson County Community College
Lexington, North Carolina

We have reviewed the accompanying Statement of Net Assets of Davidson County 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

May 20, 2004

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis section of Davidson County Community College's Annual Financial Report presents the College's financial activity for the fiscal year ended June 30, 2003. This section should be read in conjunction with the College's basic financial statements and the notes to the financial statements.

The financial statements focus on the College as a whole. As such, 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. The basic financial statements consist of 3 statements.

Statement of Net Assets - shows, at a glance, the financial position of the College. The Statement of Net Assets is presented in a "classified" format. This means that assets are classified by current-unrestricted, current-restricted, or noncurrent.

Statement of Revenues, Expenses, and Changes in Net Assets - presents the revenues and expenses for the fiscal year. Revenues and expenses are classified as operating or nonoperating.

Statement of Cash Flows - presents the sources from which the College received its cash and uses for which cash was spent. The Cash Flow Statement is presented using the direct method, with a reconciliation between operating income (loss) and net cash provided (used) by operating activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Financial Highlights:

The following chart shows changes between the Statement of Net Assets for fiscal years 2003 and 2002:

	FY2002-2003	FY2001-2002	Difference	% Difference
ASSETS				
Current assets:				
Cash and cash equivalents.....	\$ 2,389,648.80	\$ 2,267,791.57	\$ 121,857.23	5.37%
Restricted cash and cash equivalents.....	319,049.39	317,410.10	1,639.29	0.52%
Receivables.....	501,791.65	347,829.92	153,961.73	44.26%
Inventories.....	32,749.45	47,529.96	(14,780.51)	(31.10)%
Total current assets.....	<u>3,243,239.29</u>	<u>2,980,561.55</u>	<u>262,677.74</u>	8.81%
Noncurrent assets:				
Restricted cash and cash equivalents.....	1,529,935.33	1,423,018.90	106,916.43	7.51%
Restricted due from primary government.....	625,684.66	102,536.95	523,147.71	510.20%
Capital assets - nondepreciable.....	2,338,484.18	863,429.97	1,475,054.21	170.84%
Capital assets - depreciable, net.....	15,533,184.64	13,706,367.95	1,826,816.69	13.33%
Total noncurrent assets.....	<u>20,027,288.81</u>	<u>16,095,353.77</u>	<u>3,931,935.04</u>	24.43%
Total Assets.....	<u>23,270,528.10</u>	<u>19,075,915.32</u>	<u>4,194,612.78</u>	21.99%
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued liabilities.....	582,317.03	336,404.52	245,912.51	73.10%
Funds held for others - current.....	34,080.00	40,072.64	(5,992.64)	(14.95)%
Long-term liabilities - current portion.....	171,620.40	17,878.81	153,741.59	859.91%
Total current liabilities.....	<u>788,017.43</u>	<u>394,355.97</u>	<u>393,661.46</u>	99.82%
Noncurrent Liabilities:				
Long-term liabilities.....	2,362,171.07	354,490.17	2,007,680.90	566.36%
Total noncurrent liabilities.....	<u>2,362,171.07</u>	<u>354,490.17</u>	<u>2,007,680.90</u>	566.36%
Total Liabilities.....	<u>3,150,188.50</u>	<u>748,846.14</u>	<u>2,401,342.36</u>	320.67%
NET ASSETS:				
Invested in capital assets, net of related debt.....	16,011,851.47	14,567,036.04	1,444,815.43	9.92%
Restricted for:				
Nonexpendable:				
Scholarships and fellowships.....	53,341.89	59,609.66	(6,267.77)	(10.51)%
Expendable:				
Loans.....	9,744.96	9,498.01	246.95	2.60%
Capital projects.....	1,865,515.16	1,504,204.26	361,310.90	24.02%
Other.....	400,202.18	275,397.76	124,804.42	45.32%
Unrestricted.....	1,779,683.94	1,911,323.45	(131,639.51)	(6.89)%
Total net assets.....	<u>\$ 20,120,339.60</u>	<u>\$ 18,327,069.18</u>	<u>\$ 1,793,270.42</u>	9.78%

Total assets increased \$4,194,612.78 (21.99%) in fiscal year 2003, due primarily to the following:

- 1) The College entered into a guaranteed energy savings contract that retrofitted the College facilities in order to save on energy costs. The cost of this project was \$2,144,494.00.
- 2) Two large construction projects, which began at the end of fiscal year 2002, are well underway. Expenditures on these projects in fiscal year 2003 amounted to \$1,783,771.56.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- 3) Investment income of \$174,804.72, coupled with auxiliary enterprise earnings of \$176,214.54, increased the College's cash balances.

Total liabilities increased \$2,401,342.36 (320.67%) in fiscal year 2003, due primarily to the following:

- 1) The College financed the guaranteed energy savings contract described above by securing a note payable in the face amount of \$1,984,494.00, of which \$1,859,817.35 was still due at June 30, 2003.
- 2) Accrued vacation leave increased \$304,367.02 due to the College granting a one-time annual leave bonus of 10 days for full-time employees, and a pro rata amount for part-time permanent employees and 9 or 10-month employees.
- 3) Accounts payable and accrued liabilities increased primarily due to \$332,238.01 of invoices due for the two large construction projects described above.

Total net assets represent total assets minus total liabilities. Therefore, the \$1,793,270.42 (9.78%) increase in total net assets is explained by the above discussion.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The following chart shows changes between the Statement of Revenues, Expenses, and Changes in Net Assets for fiscal years 2003 and 2002:

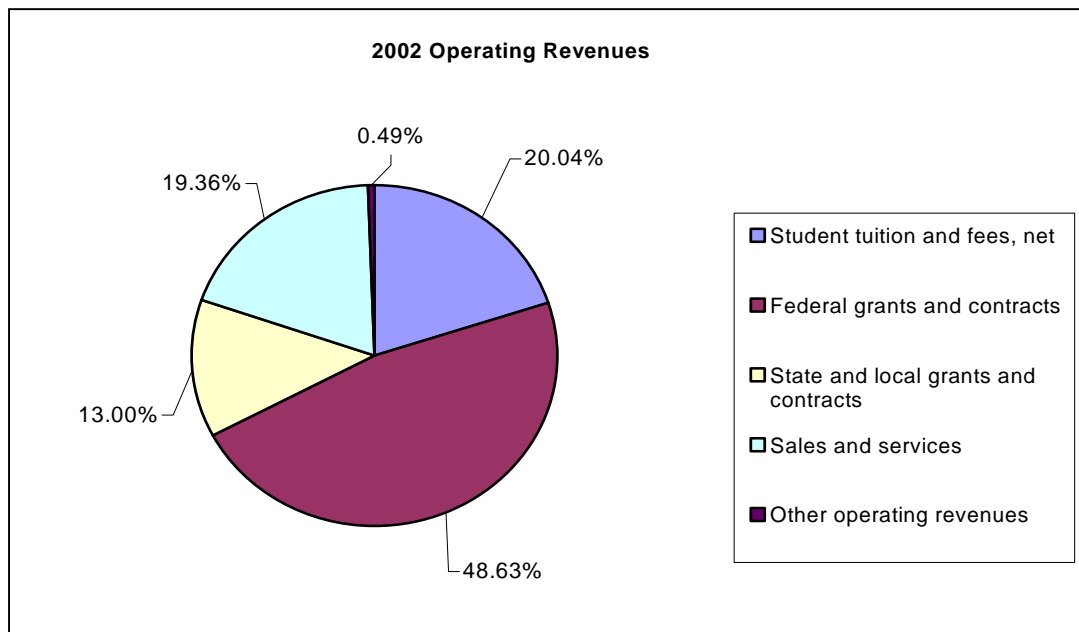
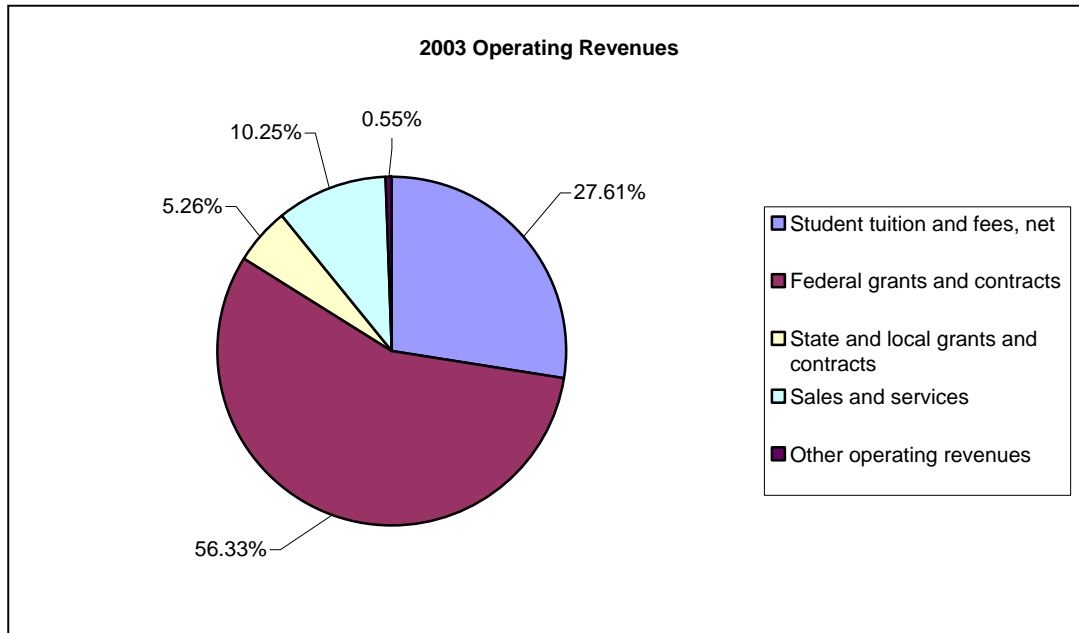
	FY2002-2003	FY2001-2002	Difference	% Difference
REVENUES				
Operating Revenues:				
Student tuition and fees, net.....	\$ 1,560,359.53	\$ 1,175,910.57	\$ 384,448.96	32.69%
Federal grants and contracts.....	3,183,887.51	2,765,284.07	418,603.44	15.14%
State and local grants and contracts.....	297,149.79	763,062.42	(465,912.63)	(61.06)%
Sales and services.....	579,390.39	1,135,985.74	(556,595.35)	(49.00)%
Other operating revenues.....	31,190.05	28,568.32	2,621.73	9.18%
Total operating revenues.....	<u>5,651,977.27</u>	<u>5,868,811.12</u>	<u>(216,833.85)</u>	<u>(3.69)%</u>
EXPENSES				
Operating Expenses:				
Personal Services.....	12,754,586.98	12,402,028.93	352,558.05	2.84%
Supplies and materials.....	1,058,485.15	1,079,394.69	(20,909.54)	(1.94)%
Services.....	1,857,816.08	1,797,939.24	59,876.84	3.33%
Scholarships and fellowships.....	2,546,564.56	2,245,996.55	300,568.01	13.38%
Utilities.....	424,857.09	555,618.46	(130,761.37)	(23.53)%
Depreciation.....	837,582.09	736,729.13	100,852.96	13.69%
Total operating expenses.....	<u>19,479,891.95</u>	<u>18,817,707.00</u>	<u>662,184.95</u>	<u>3.52%</u>
Operating loss.....	<u>(13,827,914.68)</u>	<u>(12,948,895.88)</u>	<u>(879,018.80)</u>	<u>6.79%</u>
NONOPERATING REVENUES (EXPENSES)				
State aid.....	9,684,313.75	9,787,274.33	(102,960.58)	(1.05)%
County appropriations.....	2,563,435.00	2,549,785.00	13,650.00	0.54%
Noncapital grants.....	294,975.98		294,975.98	
Noncapital gifts.....	246,389.47	434,295.79	(187,906.32)	(43.27)%
Investment income, net.....	171,463.12	171,267.82	195.30	0.11%
Interest and fees on capital-asset related debt.....	(99,224.70)		(99,224.70)	
Other nonoperating expenses.....		(14,131.79)	14,131.79	
Net nonoperating revenues (expenses).....	<u>12,861,352.62</u>	<u>12,928,491.15</u>	<u>(67,138.53)</u>	<u>(0.52)%</u>
Loss before other revenues, expenses, gains, or losses.....	(966,562.06)	(20,404.73)	(946,157.33)	4636.95%
State capital aid.....	423,394.96	624,693.86	(201,298.90)	(32.22)%
County capital appropriations.....	609,000.00	638,900.00	(29,900.00)	(4.68)%
Capital grants.....	1,722,437.52		1,722,437.52	
Capital gifts.....	5,000.00		5,000.00	
Increase in net assets.....	<u>1,793,270.42</u>	<u>1,243,189.13</u>	<u>550,081.29</u>	<u>44.25%</u>
NET ASSETS				
Net assets - beginning of year.....	18,327,069.18	26,248,841.32	(7,921,772.14)	(30.18)%
Restatements.....		(9,164,961.27)	9,164,961.27	
Net assets - end of year.....	<u>\$ 20,120,339.60</u>	<u>\$ 18,327,069.18</u>	<u>\$ 1,793,270.42</u>	<u>9.78%</u>

Operating revenues decreased \$216,833.85 (3.69%) in fiscal year 2003, due primarily to the following:

- 1) Sales and services revenue decreased \$213,582.30, due to terminating operations in one of the two childcare centers operated by the College at the end of fiscal year 2002.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The following charts compare the components of operating revenues for fiscal year 2003 and 2002:

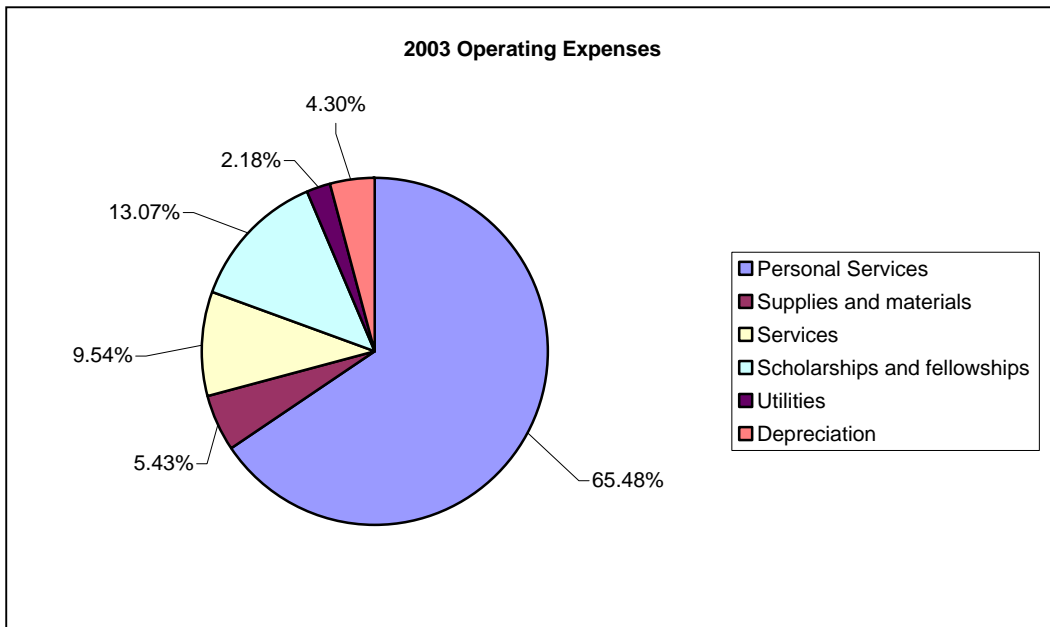


MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

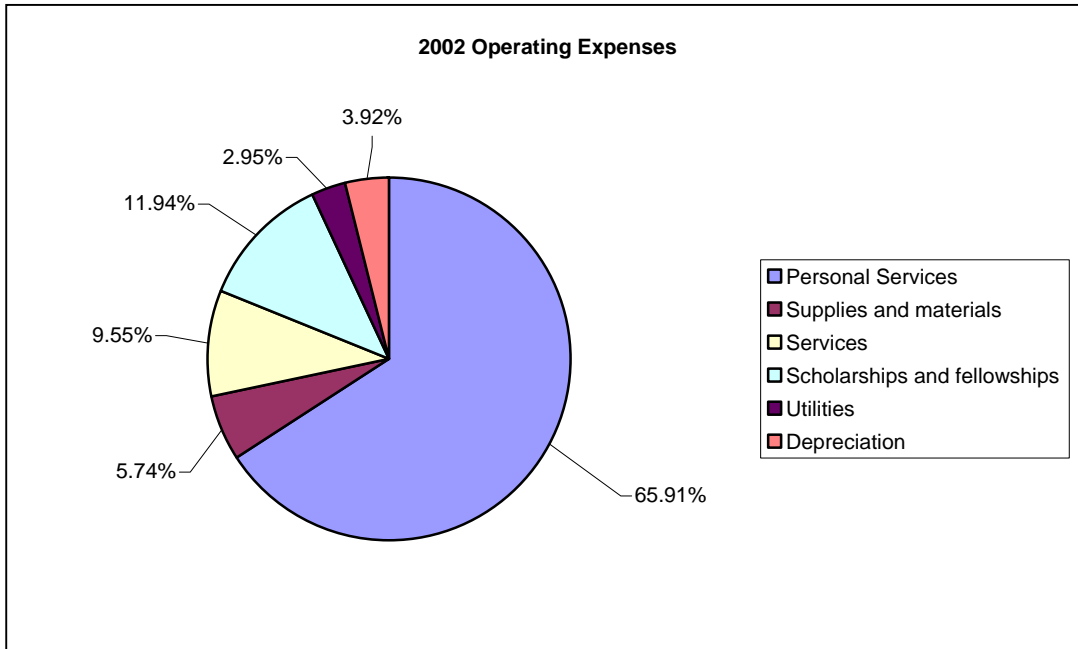
Operating expenses increased \$662,184.95 (3.52%) in fiscal year 2003, due primarily to the following:

- 1) Payroll expenses increased \$352,558.05 due to the 10-day annual leave bonus described above, and a 1.50% pay increase for full-time and permanent part-time employees.
- 2) Scholarships and fellowships increased as a direct result of the increased Pell grant funding. This increase was somewhat offset by a \$162,174.36 reduction in scholarship support from the Davidson County Community College Foundation.
- 3) Depreciation expense increased \$100,852.96 due to the completion of the Davie campus Public Safety Services building in August 2002, as well as the addition of the energy conservation upgrades, described earlier.

The following charts compare the components of operating expenses for fiscal year 2003 and 2002:



MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

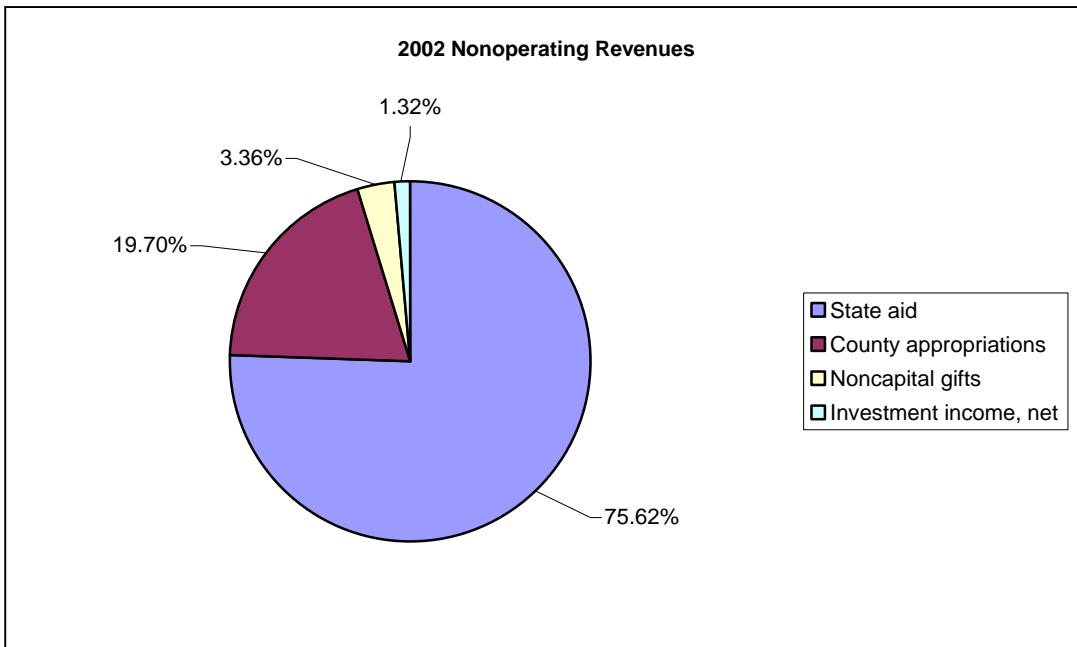
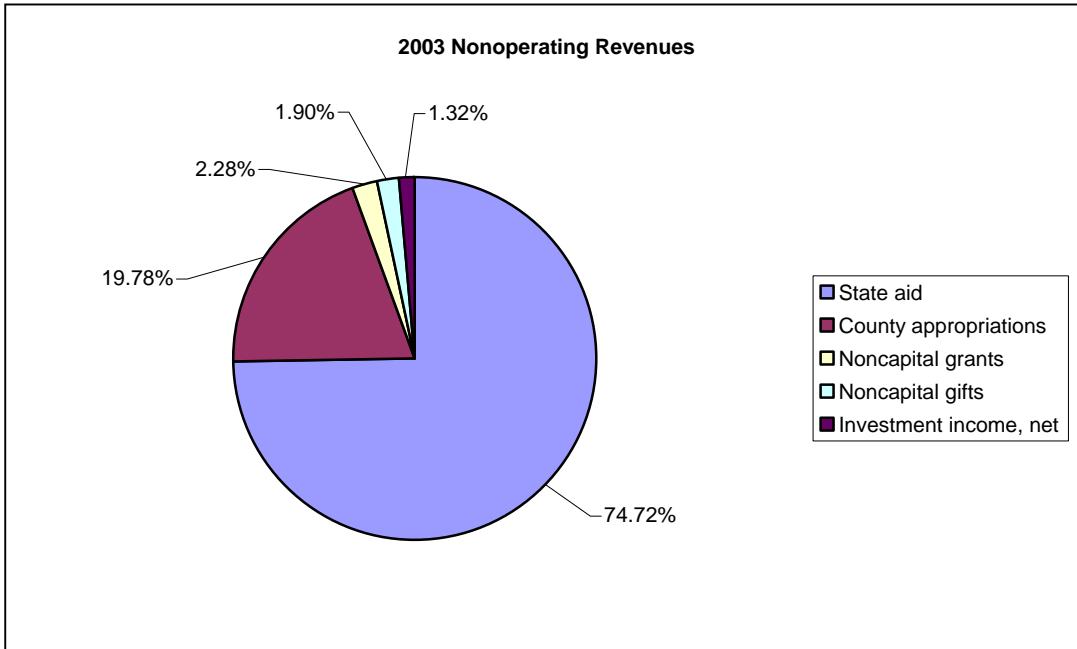


Nonoperating revenues and expenses decreased \$67,138.53 (.52%) in fiscal year 2003, due primarily to the following:

- 1) Support from the Davidson County Community College Foundation was reduced by \$162,174.36.
- 2) Interest expense, related to the \$1,984,494.00 note payable for the guaranteed energy savings contract, increased by \$99,224.70.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The following charts compare the components of nonoperating revenues for fiscal year 2003 and 2002:



MANAGEMENT'S DISCUSSION AND ANALYSIS (CONCLUDED)

Other significant changes between fiscal years 2003 and 2002 include:

- 1) State capital aid decreased \$201,298.90, due again to the status of the State budget situation in North Carolina.
- 2) Capital grants increased \$1,722,437.52 due to the 2 large bond construction projects described earlier. The funding for these bond projects are based on the cash flow model developed by the North Carolina Community College System Office.

Davidson County Community College**Statement of Net Assets****June 30, 2003****Exhibit A****ASSETS**

Current Assets:

Cash and Cash Equivalents	\$	2,389,648.80
Restricted Cash and Cash Equivalents		319,049.39
Receivables (Note 3)		501,791.65
Inventories		32,749.45
Total Current Assets		3,243,239.29

Noncurrent Assets:

Restricted Cash and Cash Equivalents		1,529,935.33
Restricted Due from Primary Government		625,684.66
Capital Assets - Nondepreciable (Note 4)		2,338,484.18
Capital Assets - Depreciable, Net (Note 4)		15,533,184.64
Total Noncurrent Assets		20,027,288.81

Total Assets**23,270,528.10****LIABILITIES**

Current Liabilities:

Accounts Payable and Accrued Liabilities (Note 5)		582,317.03
Funds Held for Others		34,080.00
Long-Term Liabilities - Current Portion (Note 6)		171,620.40
Total Current Liabilities		788,017.43

Noncurrent Liabilities:

Long-Term Liabilities (Note 6)		2,362,171.07
Total Noncurrent Liabilities		2,362,171.07
Total Liabilities		3,150,188.50

NET ASSETS

Invested in Capital Assets, Net of Related Debt

16,011,851.47

Restricted for:

Nonexpendable:

Scholarships and Fellowships 53,341.89

Expendable:

Loans 9,744.96

Capital Projects 1,865,515.16

Other 400,202.18

Unrestricted

1,779,683.94

Total Net Assets**\$ 20,120,339.60**

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

Davidson County Community College		
Statement of Revenues, Expenses, and		
Changes in Net Assets		
For the Fiscal Year Ended June 30, 2003		Exhibit B
REVENUES		
Operating Revenues:		
Student Tuition and Fees, Net (Note 8)	\$	1,560,359.53
Federal Grants and Contracts		3,183,887.51
State and Local Grants and Contracts		297,149.79
Sales and Services		579,390.39
Other Operating Revenues		31,190.05
Total Operating Revenues		5,651,977.27
EXPENSES		
Operating Expenses:		
Personal Services		12,754,586.98
Supplies and Materials		1,058,485.15
Services		1,857,816.08
Scholarships and Fellowships		2,546,564.56
Utilities		424,857.09
Depreciation		837,582.09
Total Operating Expenses		19,479,891.95
Operating Loss		(13,827,914.68)
NONOPERATING REVENUES (EXPENSES)		
State Aid		9,684,313.75
County Appropriations		2,563,435.00
Noncapital Grants		294,975.98
Noncapital Gifts		246,389.47
Investment Income, Net		171,463.12
Interest and Fees on Capital Asset-Related Debt		(99,224.70)
Net Nonoperating Revenues		12,861,352.62
Loss Before Other Revenues, Expenses, Gains, and Losses		(966,562.06)
State Capital Aid		423,394.96
County Capital Appropriations		609,000.00
Capital Grants		1,722,437.52
Capital Gifts		5,000.00
Increase in Net Assets		1,793,270.42
NET ASSETS		
Net Assets, July 1, 2002		18,327,069.18
Net Assets, June 30, 2003	\$	20,120,339.60
The accompanying notes to the financial statements are an integral part of this statement.		

Davidson County Community College
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2003

Exhibit C

CASH FLOWS FROM OPERATING ACTIVITIES

Received from Customers	\$ 5,641,714.82
Payments to Employees and Fringe Benefits	(12,498,830.25)
Payments to Vendors and Suppliers	(3,309,725.80)
Payments for Scholarships and Fellowships	(2,563,437.13)
Other Payments	(5,992.64)
Net Cash Used by Operating Activities	(12,736,271.00)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State Aid Received	9,684,313.75
County Appropriations	2,563,435.00
Noncapital Grants Received	187,232.05
Noncapital Gifts and Endowments Received	246,389.47
Net Cash Provided by Noncapital Financing Activities	12,681,370.27

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

State Capital Aid Received	423,394.96
County Capital Appropriations	609,000.00
Capital Grants Received	1,122,498.21
Acquisition and Construction of Capital Assets	(1,817,720.98)
Principal Paid on Capital Debt and Leases	(127,438.53)
Interest Paid on Capital Debt and Leases	(99,224.70)
Net Cash Provided by Capital and Related Financing Activities	110,508.96

CASH FLOWS FROM INVESTING ACTIVITIES

Investment Income	174,804.72
Net Cash Provided by Investing Activities	174,804.72

Net Increase in Cash and Cash Equivalents	230,412.95
Cash and Cash Equivalents, July 1, 2002	4,008,220.57
Cash and Cash Equivalents, June 30, 2003	\$ 4,238,633.52

RECONCILIATION OF OPERATING LOSS TO NET CASH

USED BY OPERATING ACTIVITIES

Operating Loss	\$ (13,827,914.68)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation Expense	837,582.09
Changes in Assets and Liabilities:	
Receivables, Net	(27,135.02)
Inventories	14,780.51
Accounts Payable and Accrued Liabilities	(31,958.28)
Funds Held for Others	(5,992.64)
Compensated Absences	304,367.02
Net Cash Used by Operating Activities	\$ (12,736,271.00)

Davidson County Community College		
Statement of Cash Flows		Exhibit C
For the Fiscal Year Ended June 30, 2003		Page 2
RECONCILIATION OF CASH AND CASH EQUIVALENTS		
Current Assets:		
Cash and Cash Equivalents	\$	2,389,648.80
Restricted Cash and Cash Equivalents		319,049.39
Noncurrent Assets:		
Restricted Cash and Cash Equivalents		1,529,935.33
Total Cash and Cash Equivalents - June 30, 2003	\$	4,238,633.52
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Assets Acquired through Assumption of a Liability	\$	2,316,732.01
Assets Acquired through a Gift		5,000.00
Increase in Receivables Related to Nonoperating Income		653,316.02
The accompanying notes to the financial statements are an integral part of this statement.		

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DAVIDSON COUNTY COMMUNITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

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. Davidson County 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)

- 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, cash on deposit with private bank accounts, and deposits held by the State Treasurer in the short-term investment portfolio. The short-term investment portfolio maintained by the State Treasurer has the general characteristics of a demand deposit account in that participants may deposit and withdraw cash at any time without prior notice or penalty.
- E. Receivables** – Receivables consist of tuition and fees charges to students and charges for auxiliary enterprises' sales and services. Receivables also include amounts due from the federal government, State and local governments, and private sources in connection with reimbursement of allowable expenditures made pursuant to contracts and grants. Receivables are recorded at book value with no provision for doubtful accounts considered necessary.
- F. Inventories** – Inventories, consisting of expendable supplies, are valued at cost using the last invoice cost method.
- G. 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 generally not considered to have a useful life of more than one year unless part of a collection and 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 25 years for general infrastructure, 40 years for buildings, and 3 to 15 years for equipment.

The College does not capitalize the art collection. This collection adheres to the College's policy to maintain for public exhibition, education or research; protect, keep unencumbered, care for and preserve; and requires proceeds from their sale to be used to acquire other collection items. Accounting principles generally accepted in the United States of America permit collections maintained in this manner to be charged to operations at time of purchase rather than be capitalized.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- H. Restricted Assets** – Unexpended capital contributions are classified as restricted assets because their use is limited by donor/grantor agreements. Certain other assets are classified as restricted because their use is limited by external parties or statute.
- I. Noncurrent Long-Term Liabilities** – Noncurrent long-term liabilities include notes payable and compensated absences that will not be paid within the next fiscal year.
- J. 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 fiscal year-end is converted to sick leave.

In addition to the vacation leave described above, compensated absences includes the accumulated unused portion of the special annual leave bonus awarded by the College to all full-time and part-time permanent employees as of December 2002. The unused portion of this leave remains available until used, notwithstanding the limitation on annual leave carried forward described above.

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

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

Invested in Capital Assets, Net of Related Debt – This represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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.

L. 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 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.

M. 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.

N. 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

county capital appropriation do not revert and are available for future use by the College.

NOTE 2 - DEPOSITS

All funds of the College are deposited in board-designated official depositories and are required to be collateralized in accordance with *North Carolina 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 \$4,340.53. The carrying amount of cash on deposit was \$4,234,292.99 and the bank balance was \$4,270,255.74.

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.

Cash on deposit at year end consisted of the following:

	Book Balance	Bank Balance
Cash on Deposit with State Treasurer	\$ 4,020,417.20	\$ 4,020,417.20
Cash on Deposit with Private Financial Institutions	213,875.79	249,838.54
	\$ 4,234,292.99	\$ 4,270,255.74

The cash on deposit with the State Treasurer is pooled with State agencies and similar institutions in short-term investments with the State Treasurer’s Investment Pool. These moneys are invested in accordance with *North Carolina General Statutes* 147-69.1(c) and 147-69.2, and as required by law are “readily convertible into cash.” All investments of the fund are held either by the Department of State Treasurer or agent in the State’s name. The fund’s uninvested cash is either covered by federal depository insurance or, pursuant to 20 NCAC 7, is collateralized under either the dedicated or pooling method.

The financial statements and disclosures for the State Treasurer’s Investment Pool are included in the State of North Carolina’s *Comprehensive Annual Financial Report*. An electronic version of this report is available by accessing

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

the North Carolina Office of the State Controller's Internet home page <http://www.osc.state.nc.us/> and clicking on "Financial Reports", or by calling the State Controller's Financial Reporting Section at (919) 981-5454.

Of the cash on deposit with private financial institutions at June 30, 2003, \$100,569.00 of the bank balance was covered by federal depository insurance, and \$149,269.54 was covered by collateral held by an authorized escrow agent in the name of the State Treasurer (pooling method).

NOTE 3 - RECEIVABLES

Receivables at June 30, 2003 were as follows:

	<u>Amount</u>
Current Receivables:	
Students	\$ 275,601.75
Accounts	25,307.42
Intergovernmental	187,492.46
Investment Earnings	12,355.59
Other	<u>1,034.43</u>
Total Current Receivables	<u><u>\$ 501,791.65</u></u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 4 - 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	Increases	Decreases	Balance June 30, 2003
Capital Assets, Nondepreciable:				
Land	\$ 264,141.31	\$ 0.00	\$ 0.00	\$ 264,141.31
Construction in Progress	599,288.66	1,816,497.03	341,442.82	2,074,342.87
Total Capital Assets, Nondepreciable	863,429.97	1,816,497.03	341,442.82	2,338,484.18
Capital Assets, Depreciable:				
Buildings	18,757,214.84	2,502,728.82	3,000.00	21,256,943.66
Machinery and Equipment	2,286,213.44	142,973.85	221,642.14	2,207,545.15
General Infrastructure	586,097.08	18,696.11		604,793.19
Total Capital Assets, Depreciable	21,629,525.36	2,664,398.78	224,642.14	24,069,282.00
Less Accumulated Depreciation:				
Buildings	6,436,448.23	571,467.09	3,000.00	7,004,915.32
Machinery and Equipment	1,179,485.92	236,955.17	221,642.14	1,194,798.95
General Infrastructure	307,223.26	29,159.83		336,383.09
Total Accumulated Depreciation	7,923,157.41	837,582.09	224,642.14	8,536,097.36
Total Capital Assets, Depreciable, Net	13,706,367.95	1,826,816.69		15,533,184.64
Capital Assets, Net	\$ 14,569,797.92	\$ 3,643,313.72	\$ 341,442.82	\$ 17,871,668.82

NOTE 5 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	Amount
Accounts Payable	\$ 422,984.27
Accrued Payroll	151,798.85
Intergovernmental Payables	1,513.16
Other	6,020.75
Total Accounts Payable and Accrued Liabilities	\$ 582,317.03

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 6 - LONG-TERM LIABILITIES

A. Changes in 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
Notes Payable	\$ 0.00	\$ 1,984,494.00	\$ 124,676.65	\$ 1,859,817.35	\$ 130,910.48
Capital Leases Payable	2,761.88		2,761.88		
Compensated Absences	369,607.10	678,770.49	374,403.47	673,974.12	40,709.92
Total Long-Term Liabilities	\$ 372,368.98	\$ 2,663,264.49	\$ 501,842.00	\$ 2,533,791.47	\$ 171,620.40

B. Notes Payable - The College was indebted for notes payable for the purposes shown in the following table:

Purpose	Financial Institution	Interest Rate/ Ranges	Final Maturity Date	Original Amount of Issue	Principal Paid Through 06/30/2003	Principal Outstanding 06/30/2003
Guaranteed Energy Savings Contract	Crews & Associates	5.06%	12/17/2013	<u>\$ 1,984,494.00</u>	<u>\$ 124,676.65</u>	<u>\$ 1,859,817.35</u>

The annual requirements to pay principal and interest on the notes payable at June 30, 2003 are as follows:

Fiscal Year	Annual Requirements	
	Notes Payable	
	Principal	Interest
2004	\$ 130,910.48	\$ 92,990.87
2005	137,456.01	86,445.34
2006	144,328.81	79,572.54
2007	151,545.25	72,356.10
2008	159,122.51	64,778.84
2009-2014	<u>1,136,454.29</u>	<u>206,953.81</u>
Total Requirements	<u>\$ 1,859,817.35</u>	<u>\$ 603,097.50</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 7 - OPERATING LEASE OBLIGATIONS

Future minimum lease payments under noncancelable operating leases consist of the following at June 30, 2003:

<u>Fiscal Year</u>	<u>Amount</u>
2004	\$ 125,485.16
2005	44,807.52
2006	44,807.52
2007	33,265.82
2008	<u>23,506.11</u>
Total Minimum Lease Payments	<u>\$ 271,872.13</u>

Rental expense for all operating leases during the year was \$128,446.58.

NOTE 8 - REVENUES

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

	<u>Gross Revenues</u>	<u>Less Scholarship Discounts</u>	<u>Net Revenues</u>
Operating Revenues:			
Student Tuition and Fees	<u>\$ 2,258,513.30</u>	<u>\$ 698,153.77</u>	<u>\$ 1,560,359.53</u>

NOTE 9 - OPERATING EXPENSES BY FUNCTION

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

	<u>Personal Services</u>	<u>Supplies and Materials</u>	<u>Services</u>	<u>Scholarships and Fellowships</u>	<u>Utilities</u>	<u>Depreciation</u>	<u>Total</u>
Instruction	\$ 7,481,293.89	\$ 466,521.27	\$ 337,187.22	\$ 0.00	\$ 0.00	\$ 0.00	\$ 8,285,002.38
Public Service	37,243.60	7,193.19	3,331.94				47,768.73
Academic Support	1,306,351.38	172,634.91	93,757.83				1,572,744.12
Student Services	1,163,062.83	7,892.61	102,720.05				1,273,675.49
Institutional Support	2,105,483.28	233,211.07	484,242.19				2,822,936.54
Operations and Maintenance of Plant	348,375.58	140,857.72	827,090.01		424,857.09		1,741,180.40
Student Financial Aid				2,546,564.56			2,546,564.56
Auxiliary Enterprises	312,776.42	30,174.38	9,486.84				352,437.64
Depreciation						837,582.09	837,582.09
Total Operating Expenses	<u>\$ 12,754,586.98</u>	<u>\$ 1,058,485.15</u>	<u>\$ 1,857,816.08</u>	<u>\$ 2,546,564.56</u>	<u>\$ 424,857.09</u>	<u>\$ 837,582.09</u>	<u>\$ 19,479,891.95</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 \$10,589,882.86, of which \$8,043,969.53 was covered under the Teachers' and State Employees' Retirement System. Total employee contributions for pension benefits for the year were \$482,638.21. No employer contributions were required. The College made one hundred percent of its annual required contributions for the years ended June 30, 2003, 2002, and 2001, which were \$0.00, \$162,643.99, and \$404,230.02, 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 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 \$46,002.00 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 \$125,659.36 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 \$151,507.00 for the year ended June 30, 2003.

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 \$189,033.28. 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*.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 \$41,828.64. 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.

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 contracts with private insurance companies. 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

and a \$50,000 deductible. Losses from county and institutional fund paid employees are covered 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.

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 \$5,422,562.40 and on other purchases were \$59,126.23 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

NOTES TO THE FINANCIAL STATEMENTS (CONCLUDED)

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 \$3,832,008.00 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.

NOTE 14 - DAVIDSON COUNTY COMMUNITY COLLEGE FOUNDATION, INC.

The Davidson County 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 \$237,750.49 for the year ended June 30, 2003.

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

Schedule 1

Capital Improvement Projects	Projected Start Date	General Obligation Bonds Authorized	Other Sources	Total Project Budget	Amount Expended	Percent Completed	Expected Completion Date
<i>Projects Approved by the State Board</i>							
Classrooms/Laboratories/Renovations - 1101	Oct 2000	\$ 5,795,467.00	\$ 1,700,000.00	\$ 7,495,467.00	\$ 1,740,666.59	23.22%	Sep 2004
Fire Services Laboratory - 1180	Oct 2000	325,000.00	16,473.00	341,473.00	341,473.00	100.00%	Aug 2002
Total All Projects		\$ 6,120,467.00	\$ 1,716,473.00	\$ 7,836,940.00	\$ 2,082,139.59		

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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DISTRIBUTION OF REVIEW REPORT

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.

EXECUTIVE BRANCH

The Honorable Michael F. Easley	Governor of North Carolina
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. Mary E. Rittling	President, Davidson County Community College
Mr. Roger S. White	Dean for Financial and Administrative Services Davidson County Community College
Dr. Barbara B. Leonard	Chairman, Board of Trustees Davidson County Community College

LEGISLATIVE BRANCH

Appointees to the Joint Legislative Commission on Governmental Operations

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June 28, 2004

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