

# STATE OF NORTH CAROLINA

**FINANCIAL STATEMENT REVIEW REPORT OF**

**PITT COMMUNITY COLLEGE**

**GREENVILLE, NORTH CAROLINA**

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

**OFFICE OF THE STATE AUDITOR**

**RALPH CAMPBELL, JR.**

**STATE AUDITOR**

**FINANCIAL STATEMENT REVIEW REPORT OF**

**PITT COMMUNITY COLLEGE**

**GREENVILLE, NORTH CAROLINA**

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

**STATE BOARD OF COMMUNITY COLLEGES**

**THE NORTH CAROLINA COMMUNITY COLLEGE SYSTEM**

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Ralph Campbell, Jr.  
State Auditor

STATE OF NORTH CAROLINA  
Office of the State Auditor

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## REVIEWER'S TRANSMITTAL

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

This report presents the results of our financial statement review of Pitt 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 Pitt 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 Pitt 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.

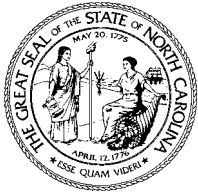


Ralph Campbell, Jr.  
State Auditor

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**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

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Board of Trustees  
Pitt Community College  
Greenville, North Carolina

We have reviewed the accompanying Statement of Net Assets of Pitt 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 18, 2004

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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Management Discussion and Analysis (aka MD&A) is a fairly new product for governmental financial statements. Fiscal year 2003 is the second year it has been required supplemental information by the Governmental Accounting Standards Board (aka GASB). The intent of MD&A is to provide a brief, objective and readable analysis of the College's financial activities based on known facts, decisions and/or conditions. The analysis requires comparison of current year data to prior year data with emphasis on the current year.

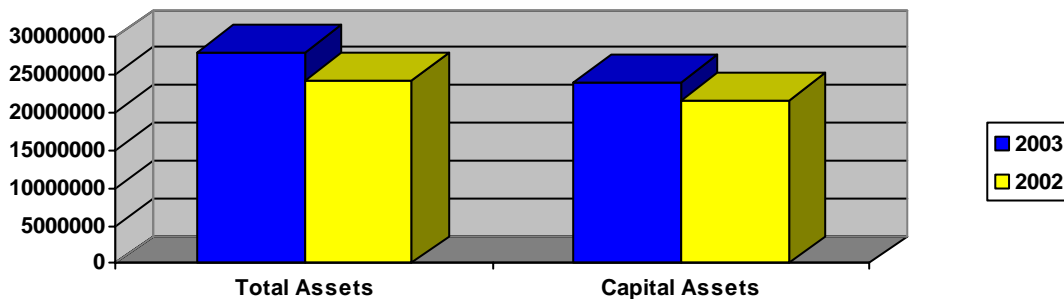
### Using This Annual Report

Fiscal Year 2003 is also the second year that a new reporting format, required by the GASB, is being used. The format requires the College to report current year financial activity in a single column, with prior year data for comparison also presented in a single column. The Statement of Net Assets combines current, noncurrent and capital assets in one statement. The Statement of Revenues, Expenses and Changes in Net Assets combines all fund types to illustrate the College's gross and net costs and expenses.

### College-Wide Analysis

**Assets** - The College continues to operate in a fiscally sound financial manner. Total assets of the College increased by \$3,747,875, from \$24,302,125 to \$28,050,000, an increase of 15.42%. Increases are shown in both current and noncurrent categories. Nondepreciable capital assets, e.g. land, CIP, now total \$7,455,564, an increase of \$2,407,146. Depreciable assets, e.g. buildings, infrastructure and equipment, now total \$16,538,702, showing a decrease of \$1,128,804. This decrease in depreciable assets is due to a change in depreciation categories as defined at the North Carolina Community College System Office (aka NCCCS) level.

### Total Assets versus Capital Assets





## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

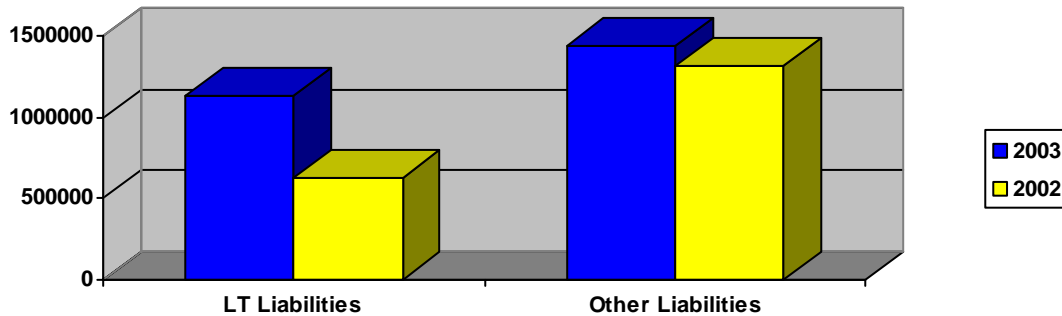
Expenditures for the Reddrick Building are shown as construction in progress (with capital assets, nondepreciable) on this year's financial statements. CIP for the Reddrick Building is \$4,543,631. Other projects included in CIP are:

- Parking Lot Project, \$294,227
- Law Enforcement Training Facility, \$198,542
- Bowen Farm Site Project, \$30,349
- Fulford Addition, \$45,408

Total CIP is \$5,112,157. The Reddrick Building project will move from CIP to buildings during FY 2004.

**Liabilities** - Total liabilities of the College are \$2,580,536. This indicates an increase of 32.49% over total liabilities on June 30, 2002. For Pitt Community College, long-term liabilities consist solely of accrued vacation leave. The balance for long-term liabilities increased nearly 80% from FY 2002 to FY 2003, from \$629,958 to \$1,136,338. All other liabilities remained relatively constant, increasing only 10% from \$1,317,735 to \$1,444,198.

### Long-Term versus Other Liabilities

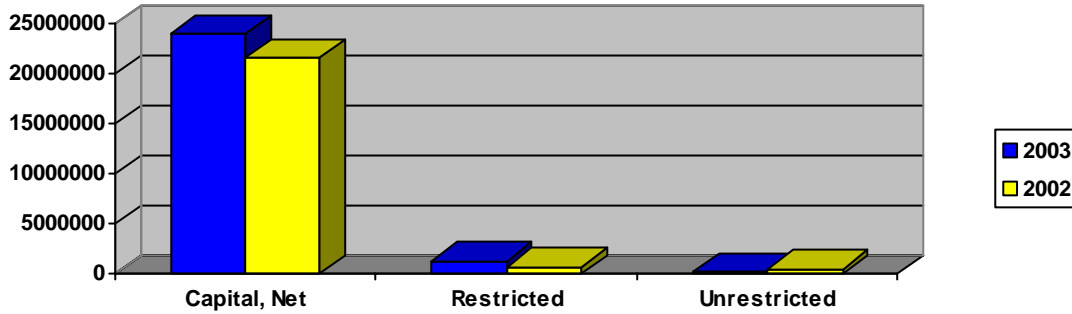


The reason for the significant increase in long-term liabilities is the granting of ten days bonus vacation leave to annually appointed faculty and staff during FY 2003.

**Net Assets** - NCCCS, local and State guidelines require spending unrestricted cash on current operations. Unspent balances in most cases revert to the State. Therefore, unrestricted net assets will have the lowest balance of the three net asset categories. Restricted assets, including State, local and institutional funds spent for equipment and scholarships, will be greater than unrestricted assets because the expenditures for equipment are capital in nature. Capital equipment assets purchased with restricted funds show as restricted net assets in the year of purchase. Investment in Capital Assets, net of related debt, is a cumulative amount of State, local and institutional funds spent on depreciable and nondepreciable assets. This category of assets remains on the College's books until fully depreciated or, in the case of land and CIP, until sold or capitalized. FY 2003 total net assets is made up of: (1) unrestricted at 0.80% (2) restricted at 4.99%, and (3) capital at 94.21%.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### Illustration of Total Net Assets



Invested in capital assets increased by 13.29%, a total of \$2,813,371. This increase is primarily due to the increase in CIP.

Restricted net assets shows a large percentage increase of 184.56%. Most of this variance is due to an increase in the 2000 bond allotments and the resulting increase in due from primary government in the amount of \$838,616.32.

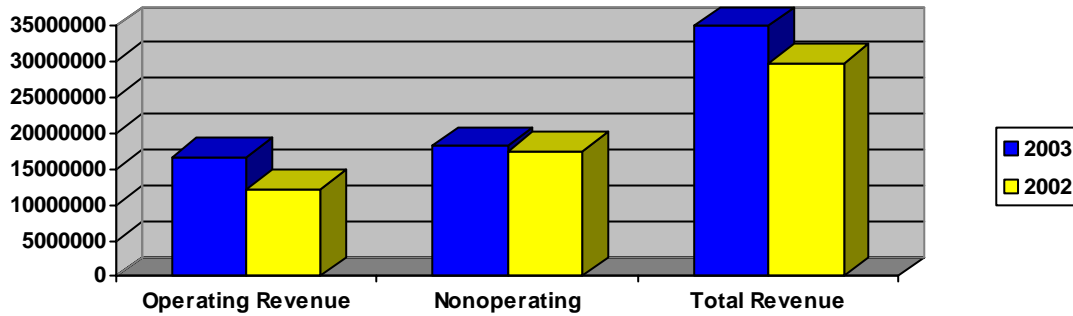
Unrestricted net assets decreased from FY 2002 by \$279,858. A decrease in unrestricted cash balance, combined with an increase in accounts payable, is responsible for this decrease.

### Revenue

**Operating, Nonoperating and Total** - Operating revenues decreased 0.50% from FY 2002 to FY 2003, from \$12,185,744 to \$12,125,280. This was due primarily to \$892 thousand in bond revenue for construction projects being shown as part of operating revenues in FY 2002. For FY 2003 these revenues are shown as State capital aid. Nonoperating revenues from sources such as grants, gifts and investment income remained stagnant during FY 2003. Total revenue increased by 17.47%, the result of the increase in bond revenue for construction projects from FY 2002 to FY 2003, \$892,213 to \$4,547,112.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### Illustration of Revenues



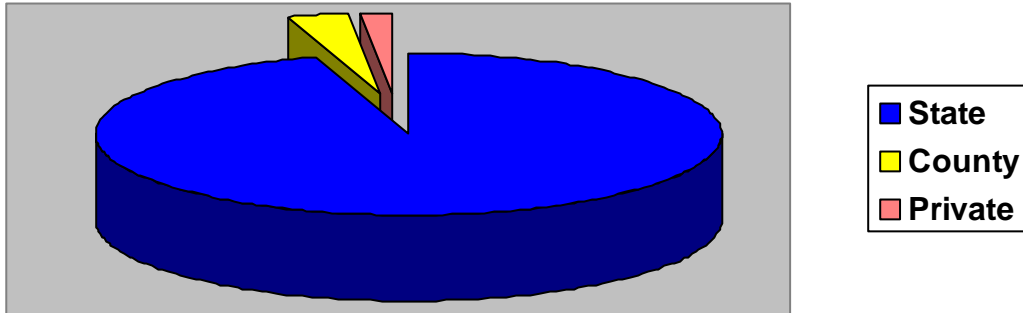
### Expenses

**Operating and Nonoperating** - Operating expenses increased a modest 10.37% over FY 2002. FY 2003 operating expense was \$33,437,366, compared to FY 2002 operating expense of \$30,295,334. The largest variance was for depreciation expense, which increased by 90.78% due to useful life changes made to asset classes as required by the NCCC System Office. FY 2003 depreciation expense was \$1,829,918 compared to FY 2002 depreciation expense of \$959,201. Nonoperating expenses held at zero dollars for FY 2003, down from \$3,473 in FY 2002.

**Capital Contributions** - State and local appropriations contribute most capital dollars to the College's budget. Occasionally, capital grants may be awarded to the College by private sources, adding to the overall capital budget. The increase in capital contributions for FY 2003 versus FY 2002 was 38.69%. FY 2003 capital revenue other than State bond allotments was \$1,639,005 compared to FY 2002 capital revenue of \$1,181,802. This increase is due to a significant expenditure from House Bill 275 funds during FY 2003. Over \$500,000 of this nonrecurring fund source was spent for curriculum instruction equipment needs. State bond allotments in FY 2003 were \$4,547,112 compared to FY 2002 State bond allotments of \$892,213. In FY 2003 State bond allotments are shown as part of State capital aid, and in FY 2002 they were shown as State and local grants and contracts – operating.

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

**FY03 Sources of Capital Contributions**

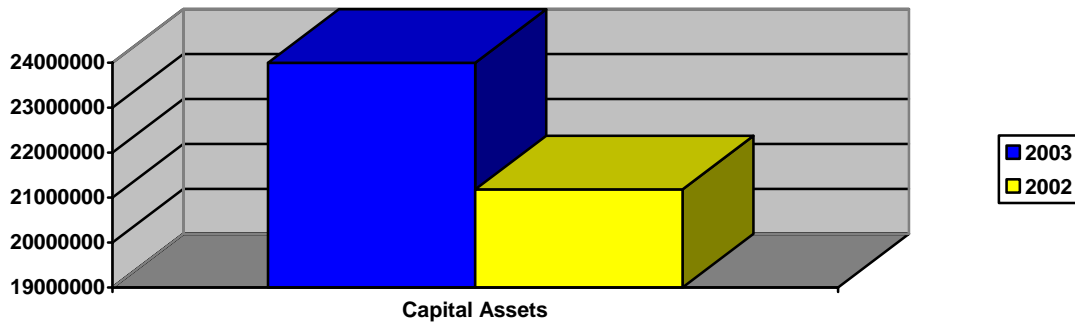


**Special and Extraordinary Items**

There were no special and/or extraordinary items for either FY 2003 or FY 2002.

**Change in Net Assets**

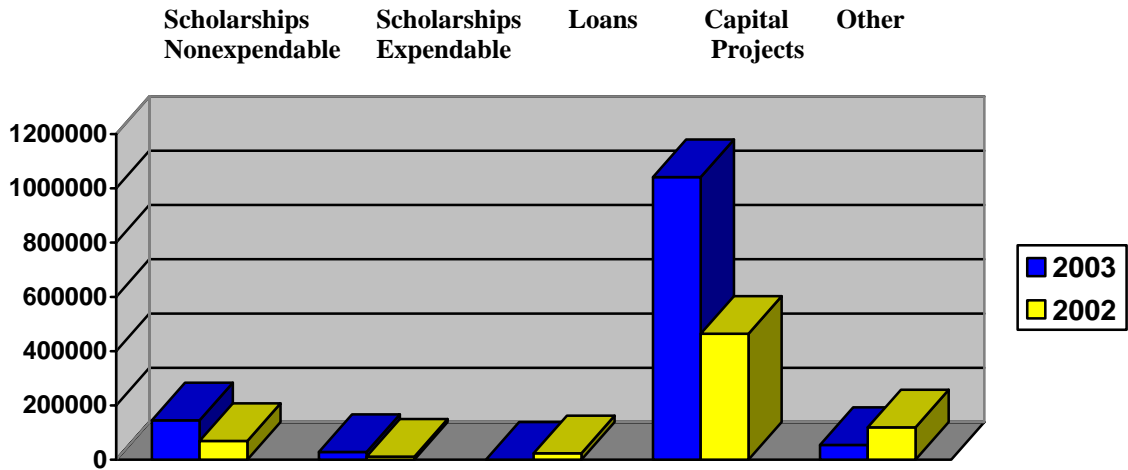
Invested in Capital Assets increased by 13.29%, from \$21,180,894 in FY 2002 to \$23,994,266 in FY 2003 an increase of \$2,813,371. This increase is primarily due to the increase in CIP.



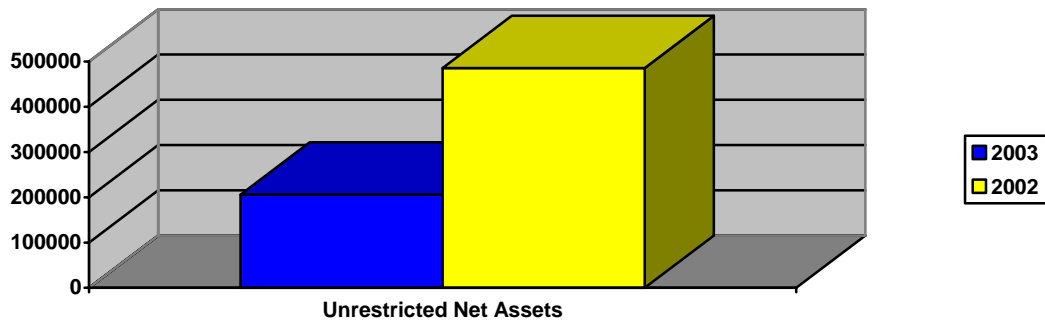
Restricted Net Assets shows a large percentage increase of 184.56%, from \$687,752 in FY 2002 to \$1,269,270 in FY 2003. Most of this variance is due to an increase in unspent bond revenues for construction projects. Assets in excess of liabilities related to construction projects increased by \$577,039.

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

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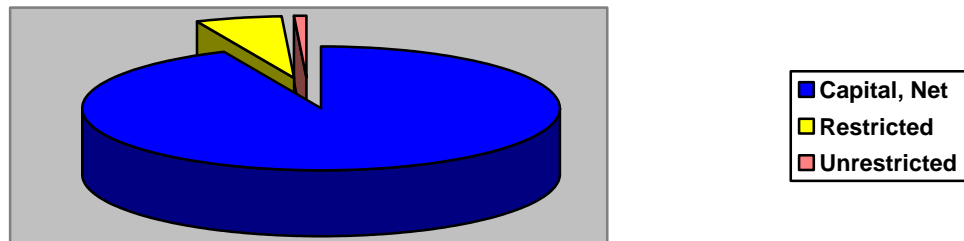


Unrestricted Net Assets decreased from FY 2002 by \$279,858. A decrease in unrestricted cash balance, combined with an increase in accounts payable, is responsible for this decrease.



**Ending Net Assets**

The composition of net assets at June 30, 2003 is illustrated as follows:



## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONCLUDED)

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Significant capital asset activity during the year included expenditures of bond revenue for construction of the Reddrick Building. Additionally, the use of \$500,000 of HB 275 funds for curriculum instruction equipment was a significant capital asset activity. Remaining commitments on capital building and other construction projects include:

General Classroom Building	\$ 178,261.13
Parking Lot	112,286.54
Law Enforcement Training Facility	77,567.50
Bowen Farm Site Project	9,106.21
Fulford Addition	242,250.00

More information may be obtained by reviewing the following financial statements, respectfully submitted by the Business Office staff of Pitt Community College.

**Pitt Community College**  
**Statement of Net Assets**  
**June 30, 2003**

**Exhibit A**

**ASSETS**

Current Assets:

Cash and Cash Equivalents	\$	159,458.45
Restricted Cash and Cash Equivalents		110,477.81
Receivables, Net (Note 4)		911,515.51
Due from State of North Carolina Component Units		32,200.00
Inventories		646,755.99
Notes Receivable, Net (Note 4)		3,412.50

Total Current Assets 1,863,820.26

Noncurrent Assets:

Restricted Cash and Cash Equivalents		911,062.39
Restricted Due from Primary Government		1,280,851.35
Capital Assets - Nondepreciable (Note 5)		7,455,563.92
Capital Assets - Depreciable, Net (Note 5)		16,538,701.61

Total Noncurrent Assets 26,186,179.27

Total Assets 28,049,999.53

**LIABILITIES**

Current Liabilities:

Accounts Payable and Accrued Liabilities (Note 6)		842,217.55
Deferred Revenue		8,459.50
Funds Held for Others		593,521.18
Long-Term Liabilities - Current Portion (Note 7)		55,629.56

Total Current Liabilities 1,499,827.79

Noncurrent Liabilities:

Long-Term Liabilities (Note 7)		1,080,708.53
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Total Noncurrent Liabilities 1,080,708.53

Total Liabilities 2,580,536.32

**NET ASSETS**

Invested in Capital Assets 23,994,265.53

Restricted for:

Nonexpendable:		
Scholarships and Fellowships		145,260.42
Expendable:		
Scholarships and Fellowships		28,437.74
Capital Projects		1,041,117.46
Other		54,454.56

Unrestricted 205,927.50

Total Net Assets \$ 25,469,463.21

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

<b><i>Pitt Community College</i></b>		
<b><i>Statement of Revenues, Expenses, and</i></b>		
<b><i>Changes in Net Assets</i></b>		
<b><i>For the Fiscal Year Ended June 30, 2003</i></b>		<b><i>Exhibit B</i></b>
<b>REVENUES</b>		
Operating Revenues:		
Student Tuition and Fees, Net (Note 8)	\$	3,425,897.61
Federal Grants and Contracts		5,740,041.06
State and Local Grants and Contracts		110,870.74
Sales and Services, Net (Note 8)		2,758,702.95
Other Operating Revenues		89,767.74
Total Operating Revenues		12,125,280.10
<b>EXPENSES</b>		
Operating Expenses:		
Personal Services		20,430,187.76
Supplies and Materials		3,970,043.58
Services		2,657,005.89
Scholarships and Fellowships		4,000,025.39
Utilities		550,185.27
Depreciation		1,829,918.39
Total Operating Expenses		33,437,366.28
Operating Loss		(21,312,086.18)
<b>NONOPERATING REVENUES</b>		
State Aid		14,684,022.04
County Appropriations		2,807,486.24
Noncapital Grants		592,862.88
Noncapital Gifts		138,294.24
Investment Income, Net		16,614.85
Other Nonoperating Revenues		1,717.89
Net Nonoperating Revenues		18,240,998.14
Loss Before Other Revenues, Expenses, Gains, and Losses		(3,071,088.04)
State Capital Aid		5,889,951.92
County Capital Appropriations		198,513.76
Capital Grants		97,653.79
Increase in Net Assets		3,115,031.43
<b>NET ASSETS</b>		
Net Assets, July 1, 2002		22,354,431.78
Net Assets, June 30, 2003	\$	25,469,463.21
The accompanying notes to the financial statements are an integral part of this statement.		



<b>Pitt 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	\$	12,009,716.97
Payments to Employees and Fringe Benefits		(19,848,954.90)
Payments to Vendors and Suppliers		(7,082,007.10)
Payments for Scholarships and Fellowships		(3,960,792.44)
Collection of Loans to Students		20,276.18
Other Receipts		83,685.72
Net Cash Used by Operating Activities		(18,778,075.57)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State Aid Received		14,684,022.04
County Appropriations		2,807,486.24
Noncapital Grants Received		144,301.96
Noncapital Gifts and Endowments Received		138,294.24
Net Cash Provided by Noncapital Financing Activities		17,774,104.48
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
State Capital Aid Received		5,051,335.60
County Capital Appropriations		198,513.76
Capital Grants Received		97,653.79
Acquisition and Construction of Capital Assets		(4,409,732.26)
Net Cash Provided by Capital and Related Financing Activities		937,770.89
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment Income		25,687.10
Net Cash Provided by Investing Activities		25,687.10
Net Decrease in Cash and Cash Equivalents		(40,513.10)
Cash and Cash Equivalents, July 1, 2002		1,221,511.75
Cash and Cash Equivalents, June 30, 2003	\$	1,180,998.65
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>		
Operating Loss	\$	(21,312,086.18)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation Expense		1,829,918.39
Provision for Uncollectible Loans and Write-offs		12,739.24
Miscellaneous Nonoperating Income		1,717.89
Changes in Assets and Liabilities:		
Receivables, Net		(123,909.93)
Inventories		(12,242.16)
Notes Receivable, Net		20,276.18
Accounts Payable and Accrued Liabilities		249,642.32
Due to State of North Carolina component units		(80,058.99)
Deferred Revenue		3,907.50
Funds Held for Others		125,640.08
Compensated Absences		506,380.09
Net Cash Used by Operating Activities	\$	(18,778,075.57)

<b><i>Pitt Community College</i></b>		
<b><i>Statement of Cash Flows</i></b>		<b><i>Exhibit C</i></b>
<b><i>For the Fiscal Year Ended June 30, 2003</i></b>		<b><i>Page 2</i></b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>		
Current Assets:		
Cash and Cash Equivalents	\$	159,458.45
Restricted Cash and Cash Equivalents		110,477.81
Noncurrent Assets:		
Restricted Cash and Cash Equivalents		911,062.39
Total Cash and Cash Equivalents - June 30, 2003	\$	1,180,998.65
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>		
Capital Asset Write-Offs	\$	308,817.79
Increase in Receivables Related to Nonoperating Income		1,415,229.97
The accompanying notes to the financial statements are an integral part of this statement.		

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**PITT 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. Pitt 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, 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 net of estimated uncollectible amounts.
- F. Inventories** – Inventories, consisting of expendable supplies and merchandise for resale, are valued at the lower of cost or market using the first-in, first-out 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 10 to 25 years for general infrastructure, 15 to 40 years for buildings, and 2 to 15 years for equipment.
- 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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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- I. Noncurrent Long-Term Liabilities** – Noncurrent long-term liabilities include 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 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 permanent employees as of September 30, 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** – 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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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- 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. Internal Sales Activities** – Certain institutional auxiliary operations provide goods and services to College departments, as well as to its customers. These institutional auxiliary operations include activities such as the bookstore and copy center. In addition, the College has other miscellaneous sales and service units that operated either on a reimbursement or charge basis. All internal sales activities to College departments from auxiliary operations and sales and service units have been eliminated in the accompanying financial statements. These eliminations are recorded by removing the revenue and expense in the auxiliary operations and sales and service units and, if significant, allocating any residual balances to those departments receiving the goods and services during the year.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**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 as approved by the county commissioners.

**NOTE 2 - 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 \$3,685.00. The carrying amount of cash on deposit was \$1,177,313.65 and the bank balance was \$1,622,222.25. 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:

	Balance	Balance
Cash on Deposit with State Treasurer	\$ 1,167,313.65	\$ 1,511,983.68
Cash on Deposit with Private Financial Institutions	10,000.00	110,238.57
	\$ 1,177,313.65	\$ 1,622,222.25

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 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.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 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, \$104,882.75 of the bank balance was covered by federal depository insurance, and \$5,355.82 was covered by collateral held by an authorized escrow agent in the name of the State Treasurer (pooling method).

### NOTE 3 - DONOR RESTRICTED ENDOWMENTS

Endowment assets are pooled with State agencies and similar institutions in short-term investments with the State Treasurer's Cash and Investment Pool and are reported as restricted cash and cash equivalents – noncurrent on the accompanying financial statements. If a donor has not provided specific instructions, State law permits the Board of Trustees to authorize for expenditure the net appreciation, realized and unrealized, of the assets of the endowment funds. Annual payouts from the College's endowment funds are based on an adopted spending policy, which limits spending to 100% of the interest earnings unless the donor has stipulated otherwise.

### NOTE 4 - RECEIVABLES

Receivables at June 30, 2003 were as follows:

	<u>Gross Receivables</u>	<u>Less Allowance for Doubtful Accounts</u>	<u>Net Receivables</u>
<b>Current Receivables:</b>			
Students	\$ 220,599.15	\$ 0.00	\$ 220,599.15
Accounts	138,968.79		138,968.79
Intergovernmental	556,304.37		556,304.37
Investment Earnings	(4,356.80)		(4,356.80)
	<u>\$ 911,515.51</u>	<u>\$ 0.00</u>	<u>\$ 911,515.51</u>
<b>Notes Receivable - Current:</b>			
Institutional Student Loan Programs	<u>\$ 137,877.28</u>	<u>\$ 134,464.78</u>	<u>\$ 3,412.50</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 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	Increases	Decreases	Balance June 30, 2003
Capital Assets, Nondepreciable:				
Land	\$ 2,343,407.09	\$ 0.00	\$ 0.00	\$ 2,343,407.09
Construction in Progress	1,422,871.26	3,689,285.57		5,112,156.83
<b>Total Capital Assets, Nondepreciable</b>	<u>3,766,278.35</u>	<u>3,689,285.57</u>		<u>7,455,563.92</u>
Capital Assets, Depreciable:				
Buildings	20,758,973.49			20,758,973.49
Machinery and Equipment	3,214,710.30	547,778.57	308,817.79	3,453,671.08
General Infrastructure	1,170,028.70			1,170,028.70
<b>Total Capital Assets, Depreciable</b>	<u>25,143,712.49</u>	<u>547,778.57</u>	<u>308,817.79</u>	<u>25,382,673.27</u>
Less Accumulated Depreciation:				
Buildings	5,259,887.32	518,950.48		5,778,837.80
Machinery and Equipment	1,451,368.39	1,263,749.83	308,817.79	2,406,300.43
General Infrastructure	611,615.35	47,218.08		658,833.43
<b>Total Accumulated Depreciation</b>	<u>7,322,871.06</u>	<u>1,829,918.39</u>	<u>308,817.79</u>	<u>8,843,971.66</u>
<b>Total Capital Assets, Depreciable, Net</b>	<u>17,820,841.43</u>	<u>(1,282,139.82)</u>		<u>16,538,701.61</u>
<b>Capital Assets, Net</b>	<u>\$ 21,587,119.78</u>	<u>\$ 2,407,145.75</u>	<u>\$ 0.00</u>	<u>\$ 23,994,265.53</u>

### NOTE 6 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	Amount
Accounts Payable	\$ 300,228.46
Accrued Payroll	308,431.73
Contract Retainage	233,557.36
<b>Total Accounts Payable and Accrued Liabilities</b>	<u>\$ 842,217.55</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 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	\$ 629,957.95	\$ 1,034,482.00	\$ 528,101.86	\$ 1,136,338.09	\$ 55,629.56

### NOTE 8 - REVENUES

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

	Gross Revenues	Internal Sales Eliminations	Less Scholarship Discounts	Net Revenues
<b>Operating Revenues:</b>				
<b>Student Tuition and Fees</b>	\$ 4,823,845.52	\$ 0.00	\$ 1,397,947.91	\$ 3,425,897.61
<b>Sales and Services:</b>				
Sales and Services of Auxiliary Enterprises:				
Copy Center	\$ 208,040.96	\$ 208,040.96	\$ 0.00	\$ 0.00
College Store	2,273,699.31	54,708.80		2,218,990.51
Health, Physical Education, and Recreation Services	170.00			170.00
Preschool Laboratory	381,494.29			381,494.29
Other	4,694.73			4,694.73
Sales and Services of Educational and Related Activities	153,353.42			153,353.42
<b>Total Sales and Services</b>	\$ 3,021,452.71	\$ 262,749.76	\$ 0.00	\$ 2,758,702.95

### 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	\$ 12,447,156.15	\$ 1,179,076.10	\$ 504,666.12	\$ 0.00	\$ 0.00	\$ 0.00	\$ 14,130,898.37
Public Service		26,953.29	200,398.17				227,351.46
Academic Support	2,195,349.16	155,512.15	166,242.75				2,517,104.06
Student Services	1,654,552.63	56,634.39	14,056.54				1,725,243.56
Institutional Support	2,360,114.72	2,393,959.53	637,796.74				5,391,870.99
Operations and Maintenance of Plant	993,849.26	157,908.12	788,567.12		550,185.27		2,490,509.77
Student Financial Aid	132,079.50		26,349.66	4,000,025.39			4,158,454.55
Auxiliary Enterprises	647,086.34		318,928.79				966,015.13
Depreciation						1,829,918.39	1,829,918.39
<b>Total Operating Expenses</b>	\$ 20,430,187.76	\$ 3,970,043.58	\$ 2,657,005.89	\$ 4,000,025.39	\$ 550,185.27	\$ 1,829,918.39	\$ 33,437,366.28

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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### 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 \$17,459,212.36, of which \$14,312,124.02 was covered under the Teachers' and State Employees' Retirement System. Total employee contributions for pension benefits for the year were \$858,727.44. 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, \$264,082.32, and \$667,282.42, 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*

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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*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 \$66,347.16 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 except for a 5% employer contribution for the College's law enforcement officers, which is mandated under General Statute 143-166.30(e). Total employer contributions on behalf of College law enforcement officers for the year ended June 30, 2003 were \$10,184.72. The voluntary contributions by employees amounted to \$237,785.00 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 \$26,611.00 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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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ended June 30, 2003, the College's total contribution to the Plan was \$336,334.91. 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 \$74,423.04. 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 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, subject to a \$20 million annual aggregate. Reinsurance is purchased by the fund to cover catastrophic events in excess of the \$10 million deductible. There have been no significant reductions in insurance coverage

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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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. Employee dishonesty and computer fraud losses for employees paid from county and institutional funds 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 \$549,471.38 and on other purchases were \$146,549.61 at June 30, 2003.

## NOTES TO THE FINANCIAL STATEMENTS (CONCLUDED)

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**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 \$12,318,253.00 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 - PITT COMMUNITY COLLEGE FOUNDATION, INC.**

The Pitt 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 \$28,676.00 for the year ended June 30, 2003.



**Pitt Community College**  
**Schedule of General Obligation Bond Project Authorizations,**  
**Budgets, and Expenditures**  
**For Project-to-Date as of June 30, 2003** **Schedule 1**

	Projected Start Date	General Obligation Bonds Authorized	Other Sources	Total Project Budget	Amount Expended	Percent Completed	Expected Completion Date
<b>Capital Improvement Projects</b>							
<i>Projects Approved by the State Board</i>							
General Classroom Building - 1111 PH 1	Nov 2000	\$ 4,914,048.00	\$ 0.00	\$ 4,914,048.00	\$ 4,543,630.54	92.46%	Oct 2003
Parking Project - 1112 PH 1	Feb 2002	500,000.00		500,000.00	294,227.00	58.85%	Jul 2003
Bowen Farm Site Project (Planning) - 1110	Mar 2002	150,000.00	1,550,000.00	1,700,000.00	30,348.79	1.79%	Jul 2004
Firing Range and Driving Pad - 1177	Jun 2002	189,702.00	1,110,298.00	1,300,000.00	198,542.50	15.27%	Aug 2003
Fulford Building Additions PH 1 - 1234	Apr 2002	2,500,000.00	1,500,000.00	4,000,000.00	45,408.00	1.14%	Jun 2004
<i>Projects Pending Approval by the State Board</i>							
Construction and Automotive Complex PH II	Aug 2003	1,139,515.00	2,610,485.00	3,750,000.00			
Warren Building Addition PH II	Aug 2003	7,000,000.00		7,000,000.00			
Humber Building Renovation PH II	Nov 2004	500,000.00		500,000.00			
White Building Renovation PH III	Nov 2004	632,443.00		632,443.00			
Whichard Building Renovation PH III	Nov 2004	500,000.00		500,000.00			
<b>Total All Projects</b>		<b>\$ 18,025,708.00</b>	<b>\$ 6,770,783.00</b>	<b>\$ 24,796,491.00</b>	<b>\$ 5,112,156.83</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.

## DISTRIBUTION OF REVIEW REPORT

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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.

### 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. G. Dennis Massey	President, Pitt Community College
Mr. Joseph W. Hunnicutt	Vice President for Administrative Services Pitt Community College
Mr. Raymond Reddick	Chairman, Board of Trustees Pitt Community College

### LEGISLATIVE BRANCH

Appointees to the Joint Legislative Commission on Governmental Operations

President Pro Tempore	Speaker of the House
Senator Marc Basnight, Co-Chair	Representative James B. Black, Co-Chair
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Senator Robert A. Rucho	Representative William C. Owens, Jr.
Senator R. C. Soles, Jr.	Representative Wilma M. Sherrill
Senator Scott Thomas	Representative Thomas E. Wright

### Other Legislative Officials

Mr. James D. Johnson	Director, Fiscal Research Division
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June 23, 2004

## ORDERING INFORMATION

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Copies of this report may be obtained by contacting the:

Office of the State Auditor  
State of North Carolina  
2 South Salisbury Street  
20601 Mail Service Center  
Raleigh, North Carolina 27699-0601

Internet: <http://www.ncauditor.net>

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Facsimile: 919/807-7647